

# EIR

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Big Bank Failure Could Turn Credit Crunch Into Crash  
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The End of the Post-FDR Era**



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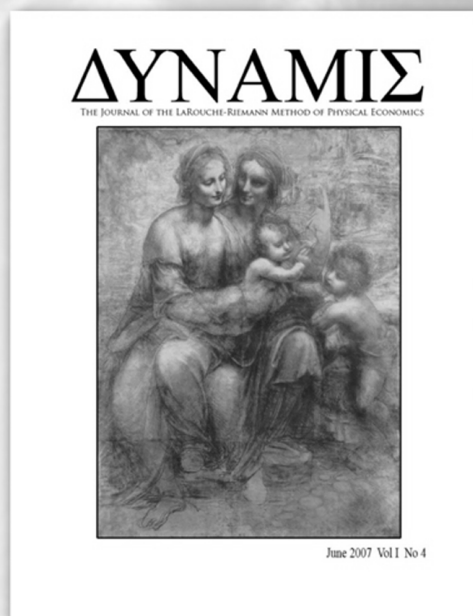
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by LYNDON H. LAROCHE JR.

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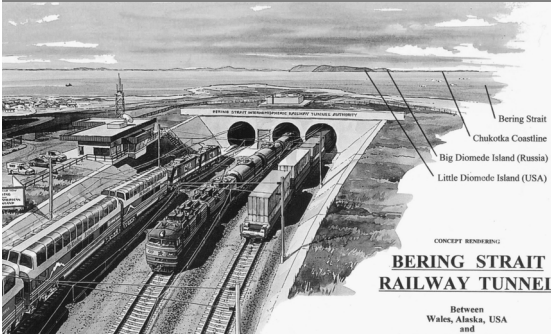
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# EIR

## From the Managing Editor

‘The time has come to make some history, to make a turning point in history, because there is no alternative,’ LaRouche declared in his keynote address to a webcast from Washington, D.C. on July 25 (see *Feature*). With U.S. forces gathering in the Persian Gulf for a war against Iran, as Jeffrey Steinberg reports; and with both the bloated financial-monetary system and the physical economy crumbling before our eyes (see *Economics*), there has never been greater urgency for action. LaRouche enumerates in his speech, that there are three principal tasks to be accomplished with all possible speed: 1) Remove Dick Cheney from office, in whatever way possible; 2) pull back American troops in Iraq from areas of combat; and 3) establish a four-power alliance of the United States, Russia, China, and India to take the first steps toward reorganizing the global financial system, along the outlines of Franklin D. Roosevelt’s Bretton Woods system.

LaRouche further develops a conception of what kind of political combination in the United States, after the 2008 election, would make it possible to save the world from catastrophe. One presumes that a Democrat will be elected President. But that President will need to draw upon the support of both parties, and of eminent figures with the expertise required to repair an economy that is in *worse* shape than the Depression that confronted FDR. He or she will need to pull together a team—starting now—that can govern effectively, while restoring America’s ruptured foreign-policy relations with every other nation on the planet. LaRouche’s own guiding role in this process will be vital.

Our cover photo, of Denmark’s Øresund Bridge, gives a glimpse of the kind of infrastructure projects that will be undertaken, in a post-globalization world. The recent explosion of optimism in Denmark is beginning to waft its way into Germany, as Rainer Apel reports. Our interview with former Alaska State Rep. Jeanette James provides insight into the Bering Strait tunnel project, from someone who has been part of the 40-year effort to achieve such a program.

Finally, I call your attention to LaRouche’s review of the new book by Pope Benedict XVI, *Jesus of Nazareth*. The question of the immortality of the soul, as LaRouche writes, in expressing his agreement with the Pope, is “about all of us.”



## Cover This Week

*The Øresund Bridge, which connects Denmark's capital, Copenhagen, with Sweden: infrastructure for the new century.*



Søren Madsen

### 4 **LaRouche Webcast: The End of the Post-FDR Era**

Lyndon LaRouche, in his keynote speech to a July 25 webcast from Washington, D.C., emphasized that the United States and the world face a profound crisis, because Vice President Cheney intends to launch a war against Iran—possibly as early as August. This comes at a time that the world monetary financial system is disintegrating. The monetary system cannot be fixed, but must be replaced, he said, using the approach of Franklin Roosevelt. The only way out of the catastrophe that would be kicked off by a military attack on Iran, is the removal of Cheney, now. If that happens, the situation can be made manageable. Any elected official who won't do that should resign. Proceedings against Cheney must begin before Congress goes on recess in August. In a wide-ranging discussion with the live audience and those viewing over the Internet, LaRouche fielded questions on war, the economy, and science.

## Economics

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Big international banks will be left holding the bag, with hundreds of billions of dollars of unsellable junk-bond debt, because the collapse of the world credit markets promises to abruptly end the era of “leveraged takeover” scams.

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### 34 **In Alaska: A 40-Year Fight for Bering Link**

An interview with Jeanette James.

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The Russian government is asserting its sovereignty in order to deflect the British intent to embroil the United States and Western Europe in a new conflict with Russia. Russian President Vladimir Putin put it to the British directly when he said that the British “must have forgotten that Britain is no longer a colonial power. . . . Thank God, Russia has never been a British colony.”

### 42 Aoun Offers a Vision of a Unified Lebanon

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## National

### 52 The ‘Dump Cheney’ Countdown Is On

In the immediate aftermath of Lyndon LaRouche’s July 25 webcast from Washington, D.C., momentum has grown for the removal of Vice President Dick Cheney from office—before the Guns of August are fired. The question is now before the Congress: Will they find the guts to act to dump Cheney now, before he starts the next world war?

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Geronimo “Ronnie” Velasco, 1927-2007, a trailblazer for his nation, who built the Philippines’ power system, including Southeast Asia’s first nuclear power plant.

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### 34 Jeanette James

Jeanette James served as a member of the Alaska House of Representatives, and was Republican House Majority leader, 2001-03. She was the lead sponsor for a number of bills advocating the Bering Strait tunnel and rail project, and the associated U.S. railway route.

## Book Reviews

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*Jesus of Nazareth*, by Joseph Ratzinger, Pope Benedict XVI. A review by Lyndon H. LaRouche, Jr.

## Editorial

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**Corrections:** In Lyndon LaRouche’s article, “Retort to the New York Times: Music: Science or Fantasy,” *EIR*, July 27, 2007, the correct spelling of the name of the *Times* reviewer is Edward Rothstein.

In “Alaska-Canada-U.S.A. Rail Link Proposed,” *EIR*, July 20, 2007, p. 31, the conference in question was held in Fairbanks, Alaska, Oct. 10-11, 2001. It was organized by then-Rep. Jeannette James, Majority Leader of the Alaska House of Representatives. Sponsors included the Greater Fairbanks Chamber of Commerce and the Fairbanks Industrial Corporation.

“Something Is Rotten in the U.K.: Great Britain Escalates Crisis With Russia,” by Helga Zepp-LaRouche, *EIR*, July 27, 2007, p. 10, misidentified the Tu-95 planes as being British, due to a translation error. They are Russian long-range bombers, which the British Tornado fighter planes scrambled allegedly in order to intercept.

## LAROUCHE WEBCAST

# The End of the Post-FDR Era

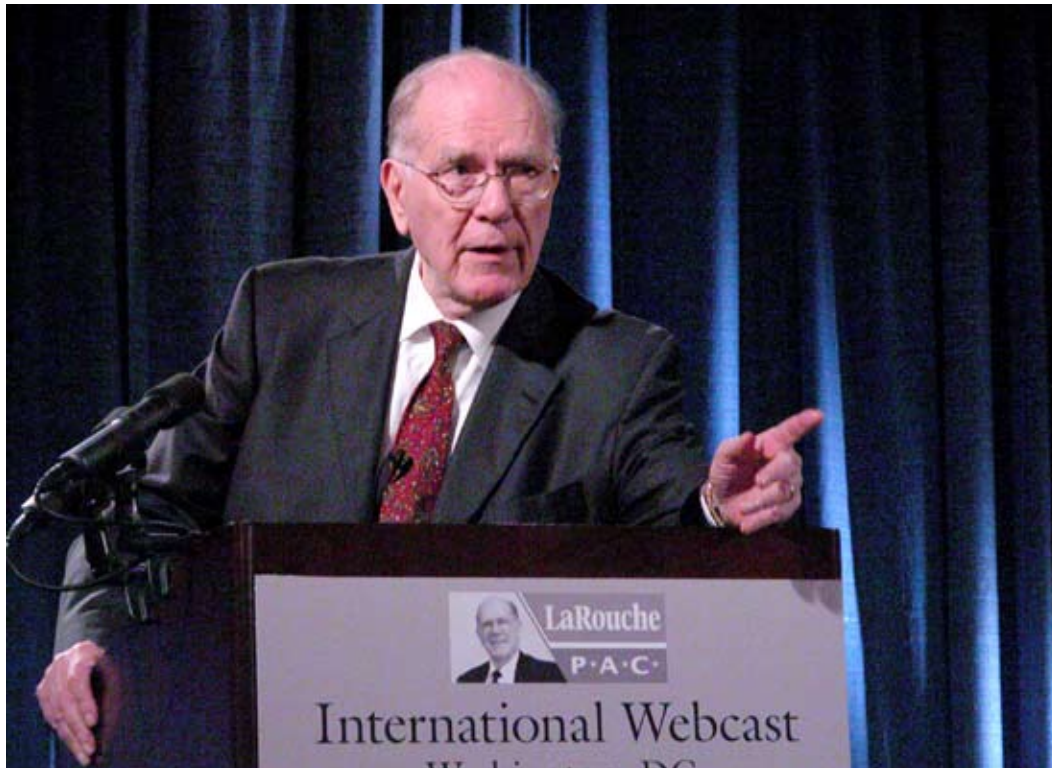
*Lyndon LaRouche addressed an international webcast on July 25, in Washington, D.C., which was attended by about 150 guests, and broadcast in full over the Internet, on [larouchepub.com](http://larouchepub.com) and [larouchepac.com](http://larouchepac.com), where it is archived. LaRouche's opening remarks were followed by two hours of dialogue. Here is an edited transcript.*

**Debra Freeman:** Good afternoon. My name is Debra Freeman, and on behalf of LaRouche PAC, I would like to welcome all of you to today's seminar. Just a short time ago when we met, Mr. LaRouche took up some profound questions, and the effect of those remarks is still reverberating in the halls of power here in Washington. At the same time, we are sitting on what is clearly a powder keg, in terms of the overall mood of the population, which today is, on a certain level, tired of debate, and wants to see action. I can tell you that, as we come into today's event, Congressman Conyers, who stands as the Chairman of the House Judiciary Committee, which is the venue where impeachment proceedings against Vice President Dick Cheney will begin, has taken the position that if three more members of the House sign on to Dennis Kucinich's impeachment resolution, that he will, in fact, begin impeachment proceedings. We just learned today, that that number has now dropped to two, because Congressman Brady of Philadelphia has signed on. [applause]

Up to this point, every time Lyndon LaRouche has done a presentation in Washington, D.C., within 48 hours, we have seen incredible things happen. To my mind, getting two members of Congress to sign on to this resolution—given the mood of the population, and given the fact that Mr. LaRouche is about to speak—is a piece of cake. So, ladies and gentlemen, please join me in welcoming Lyndon LaRouche. [applause]

**Lyndon LaRouche:** Thank you. Well, the time has come to make some history, to make a turning point in history, because there is no alternative. We have a military force, naval and others, stationed off the Indian Ocean region, which, contrary to all nonsense from idiots in the U.S. community, is a preparation for Cheney to unleash war against Iran, in terms of massive air attack. You don't move B-52s into the area, you don't move four task forces into that area, you don't do the other things that are being done unless you're prepared, while Congress is away, to launch war. The con-





EIRNS/Stuart Lewis

*"The time has come to make some history, to make a turning point.... We're in an impossible situation. But I love impossible situations; it's some wonderful challenges," LaRouche stated at the July 25 webcast.*

sequences of launching a war are unbelievable. This would be a different form of World War III; you could not put this back in the bottle. There are too many things that are unstable.

First of all, this occurs at a time when the world monetary-financial system is actually now currently in the process of disintegrating. There's nothing mysterious about this; I've talked about it for some time, it's been in progress, it's not abating. What's listed as stock values and market values in the financial markets internationally is bunk! These are purely fictitious beliefs. There's no truth to it; the fakery is enormous. There *is* no possibility of a non-collapse of the present financial system—none! It's finished, *now*! The present financial system can not continue to exist *under any circumstances, under any Presidency, under any leadership, or any leadership of nations*. Only a fundamental and *sudden change* in the world monetary-financial system will prevent a general, immediate chain-reaction type of collapse. At what speed we don't know, but it will go on, and it will be *unstoppable*! And the longer it goes on before coming to an end, the worse things will get. And there is no one in the present institutions of government who is competent to deal with this. The Congress, the Senate, the House of Representatives is not currently competent to deal with this. And if the Congress goes on recess, *and leaves Cheney free*, then you might be kissing the United States and much more good-bye by September.

This is the month of August; it's the anniversary of August 1914. It's the anniversary of August 1939. The condition now is worse, objectively, than on either of those two occasions.

Either we can make a fundamental change in the policies of the United States' government now, or you may be kissing civilization good-bye for some time to come. That's the reality. Anyone who thinks differently is either just an incompetent, or an idiot, or a raving lunatic: *That's reality*. Are you prepared to act *now*? If you're *not* prepared to act, please leave the House of Representatives. If you're not prepared to act, please leave the Senate; and above all, leave the Federal government, in terms of the key officials, because you'll only make a mess of things. It'll be worse with you there than if you just simply got out, and left it to a minority to solve this problem.

There are two things that must be done. Let's start with the simplest thing, which is on the table now: Remember, impeachment is in the background, but impeachment is not the issue. The issue is *getting Cheney out*. You get Cheney out, now, and the situation can be made manageable. If you do not get Cheney out, you're kissing civilization good-bye. If it survives, it's not to your credit. And any Congressman who says he's not going to get Cheney out now, should leave the premises *now*, as a final act of decency. If Nancy Pelosi and others—if they can't get Cheney out now, if they're not determined to do it *now, this month, before they leave Washington, they should quit now*! Submit their resignations, and let somebody who's more competent come in, because it has to happen. *Cheney has to go!*

The impeachment process is not the process by which we get rid of Cheney. The process by which you get rid of Cheney

is that a number of gentlemen and ladies meet, and tell this jerk that he's gone; voluntarily, would be his best option. Get him out of there. Break the command structure. Isolate the idiot in the White House; he then becomes manageable. As long as Cheney is in there, he is not manageable. He has no brains, he has no intelligence, he has no judgment—he's a fool. But he was put into the Presidency because the people who put him there *knew* he was a fool. They put him in under the supervision of Cheney as his babysitter. Get Cheney out. Cheney is tied to the—I can go more into that. But this is what has to happen.

### **Pull Back the Troops in Southwest Asia**

Now, the first thing we're going to have to do: We're going to make a decision right away, to pull back the U.S. troops in Southwest Asia. You have to pull them back into holding positions. The fundamental thing we have to do, and it won't work by itself: The holding position means you're pulling the United States troops out of the conflict, into holding positions. Therefore, you are changing the positions of the U.S. troops from combatants, and the issue and the target, to a factor, in which a group of nations will make the decision to solve the problem. That, from a military and strategic standpoint, and a diplomatic standpoint, will work: It can be done. The algebra is known; a number of specialists have presented the algebra. *It will work!* As far as its motion is concerned, its mechanics will work, *but*, it won't work by itself. Not because it's not a good idea, not because it's not a workable idea, because *politically*, it's not adequate. You have to come up with something more. You have to come up with a group of nations, a group of powers, who recognize that the instability of this region is a threat to the continuation of civilization. And therefore, a remedy has to be forced through. And the only way, is that a group, a dominant group of nations says, "We agree. We are going to take the concerted power of our nations and insist that this happens. There will be no resistance. It will happen. We're going to have stabilization in this region."

This means what I proposed earlier. It can not be done unless we induce the idiot who's under adult supervision in the White House, without Cheney, to carry forth on what was started at Kennebunkport. Move in that direction, an inclination to move in that direction. Get Cheney out and go back into the Kennebunkport posture. At that point, the President of the United States, or the Office of the President of the United States, has to make an offer to Putin, and Putin will, without question, accept the offer. And that is, to build a coalition immediately, in the context of moving these troops, U.S. troops, away from the area of conflict, where all they are, are targets; they're not accomplishing anything, except being targets. If you want them to be targets, keep them there. The only function they're performing right now is as targets. Get them out of the target range.

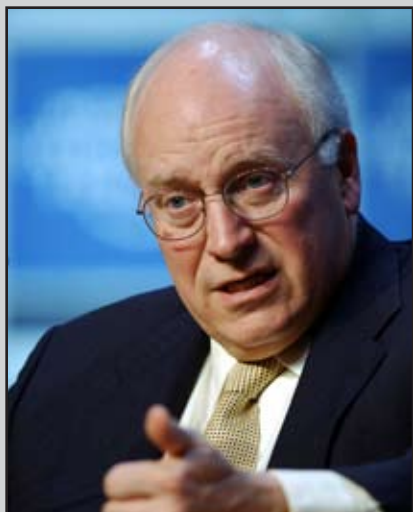
All right, now, if we approach Russia and Putin, Putin will

accept the offer. If the United States government proposes to President Putin that the United States, Russia, China, with the support of India, become a sponsoring committee to build immediately a group among nations who are going to address these global problems which have to be dealt with immediately—because, smaller nations, individual nations can't do it. You have to change the world monetary-financial system immediately, and you can not do that with a couple of small nations. You can only do that from the top. You have to pull together the might of the world, the major powers of the world and those who will support them, and say, "We're going to change immediately the world monetary system. We're going to get rid of the floating-exchange-rate monetary system. We're going back immediately to a fixed-exchange-rate system." Because if we do not go back to a fixed-exchange-rate system, of the Franklin Roosevelt prototype, then there's no possibility of preventing a general collapse and disintegration of the world economy. It can't be done. Therefore, you have to have a power group which says, "We're going to save this planet from Hell."

One of the things which we're going to do, which is a trigger point, is to get something done in Southwest Asia: to get the U.S. troops out of the target range, and pull them into a holding position where they become a *factor* in negotiating the peaceful reconstruction of the region. That will not work by itself unless you have a power group which includes four powerful nations of this planet, and others, who decide that that's going to work. A power group which agrees that we're going back to a fixed-exchange-rate system, by government decree, as made by governments in concert. We're going to stop the floating-exchange-rate system, we're going to take steps to clean up the financial mess.

Most of the financial claims and the financial assets and obligations in the world today, are worthless. You have play money; the stock market is a fraud. The Treasury Department is committing a fraud. Most governments are committing fraud, and the British government is the worst of them all. The British government and the British system is the worst offender that we have to deal with on this planet. They organized this war, they organized most of the evil that is done in the world today. So, they will not be considered as having any veto rights in this matter. But the major powers are going to say: We're going to have to go back to a fixed-exchange-rate system. We're going to do it immediately, by treaty agreement, by signed agreement among countries. We're going to freeze a lot of things, and we're going make sure that things that have to be paid, things that have to go on, go on. That production is not cut; farming proceeds, food is produced, infrastructure is built, and so forth. And we'll have to build our way out of this process with steps which begin with these measures. And the measures are a matter of the will of a powerful group of nations, not just the four, but a powerful group of nations who agree that this has to be done, because Hell on Earth has to be prevented. And that's the only way it is going to happen.

# What Must Be Done in August



swiss-image.ch/Remy Steinegger  
Vice President Dick Cheney

1. Get Cheney out!
2. Pull the troops in Iraq back into holding positions.
3. Approach Russian President Putin with a four-power plan: that the United States, Russia, China, and India take leadership to establish a fixed-exchange-rate monetary system, and negotiate the peaceful reconstruction of Southwest Asia.



U.S. Army/Sgt. Tierney Nowland  
U.S. forces patrol in Baghdad, July 25, 2007.



Presidential Press and Information Office  
Putin and Bush in Kennebunkport, Maine.

And therefore, to do this, we must remove Cheney. Anyone who is not prepared to remove Cheney, should immediately leave any official position in the U.S. government—right now! And they should be told to leave; they should be impeached, hounded out of office, or whatever is necessary. Get 'em out of there. They're an impediment! Because we're going to return this government, in particular, to its people. And you see what has happened with this contempt which the leaders of Congress have shown toward the people, the contempt they've shown toward the majority of elected representatives in the Congress; toward the majority of people who are out there who are their constituents? What right do they have to say they represent the people, when they're against the people? *The people want us out of Southwest Asia*, and anyone who is not prepared to do that is not going to have a hearing

with a great majority of the American people. More than three-quarters of the Democrats insist on this; more than half of the Republicans insist on this. Others will insist and join it *en masse* if they think it has a chance of surviving. That's what they want.

When you say you're going to get us out of that mess in Southwest Asia—that's even what the *New York Times* said today in an editorial column—when the American people hear that we are determined to actually get out of that mess in Southwest Asia, then, and only then, will the American people respond with confidence to their government. If you don't do that, you're worth nothing. You should get out of office; you're an impediment; you're an embarrassment. For the sake of your descendants, get out of office; don't disgrace them any further. They've got enough trouble with the debt you've left





EIRNS/Stuart Lewis

*"Anyone who is not prepared to remove Cheney," LaRouche said, "should immediately leave any official position in the U.S. government—right now! Get 'em out of there.... Because we're going to return this government to its people." Here, the U.S. Capitol.*

them, on top of everything else. So, that's the general outline of the situation.

So, you have to, on the one hand, if you don't take the drastic action—*get out now!*—nobody's going to listen to you. You're a fool. Shut your mouth; no one wants to hear it. Don't bother us with your babble anymore. Secondly, that's not going to work by itself. But it opens the door for something else. It opens the door for the President of the United States, under adult supervision, without Cheney, going to Putin and saying, "We need this." I guarantee you, reading the situation in Russia, Putin will say "Yes." The United States will say to China, and Putin will say to China, "We want you in on it." "Yes." China will say "Yes," because China has a number of problems which I understand very well, and they will say yes, if you speak the right way. In terms of India: India will be somewhat reluctant because it was too long under British influence, and they have to get rid of some of that problem. But nonetheless, India is seeing what is happening with the Pakistan destabilization, and Indian leaders who understand what that means, will say "Yes, we, too, have a problem. We are being used as a cat's paw in respect to Iran." The Pakistan situation is a cat's paw in respect to Iran. It's a cat's paw of those who are determined to destroy India, too. And

Indian patriots don't like the United States, particularly with the current treaty proposals being shoved down their throats. India will go along, in an Indian way; it's not the same thing as China. China is simpler. If China says they're going to do it, they're going to do it.

All right. Now, four powers on this planet agree that we're going to sponsor this type of approach, to getting out of the mess which has been created in the world today, and say, "The British have to be put under adult supervision." Then we can begin to do certain things.

## The Economic-Financial-Monetary Crisis

Now, the big problem we have to deal with, as I mentioned before, is the economic-financial-monetary crisis. The United States is disintegrating. If a depression occurs, the United States will see conditions you won't believe. Nothing in the past century, no depression, is comparable to what will hit the United States if this system collapses now. *We don't have industry; we have destroyed our agriculture; we have destroyed our health-care system. We're destroyed almost everything that we've depended upon.* And if we lose the power of money—which we're about to lose—as long as the U.S. dollar was around, and as long as world affairs were denominated in U.S. dollar exchanges, we had a certain strength in this world. Not because we were worth anything, we weren't worth anything; we threw that away a long time ago. But we were worth something because the U.S. dollar was, in effect, a reserve currency of the world. Why? Because the currency of China depended upon the value of the U.S. dollar. The currency of many countries depended upon the value of U.S. dollar; the debts were denominated in dollars. And as long as we were respectable, people would respect us, and treat us nicely, because they were afraid of the collapse of the U.S. dollar. Once the U.S. dollar is collapsing, we ain't nuttin' no more!

Now, therefore, we have to put the dollar under a fixed-exchange-rate system again. And we have to start to rebuild what we've destroyed. We have to take what was being shut down, the auto industry—put these hedge funds out of business, foreclose them; they're all swindles anyway. Start to rebuild the infrastructure capacity, the hi-tech infrastructure capacity, which existed in Michigan, in Ohio, in Indiana, in other places we've destroyed. Build up our infrastructure, our mass transportation systems. Restore the growth of our agriculture. Go back to a high-tech economy again, not a Baby-Boomer economy, not a synthetic diaper economy. And therefore, if we do not mobilize to go away from what has happened to us since 1968, to get away from the '68er mentality, to get away from zero growth, to get away from post-industrial society, to go back to high-tech, to proliferate nuclear power—we need it.

I mean, the future of humanity is nuclear power. You want fresh water? You need nuclear power. We're just about to unleash a prototype of nuclear plant which is specifically de-





Courtesy of Korea Hydro and Nuclear Power Co. Ltd.

*We need a 50-year perspective to go back to the American System, LaRouche said, to “go back to a high-tech economy, to proliferate nuclear power—we need it. The future of humanity is nuclear power.” Here, the six-unit Yongwang plant in South Korea.*

signed to make not only fresh water for us, but to make fuels, hydrogen-based fuels, made synthetically from water. And the world is going to go to 800-1,000 megawatt power units, which are of a new type, a fourth-generation type, which are efficient for producing fuels from water, hydrogen-based fuels, whose waste product is water. Much better than coal; much better than anything else. And certainly much better than using up our food supply and starving people to death so we can run our automobiles, and still function.

So, therefore, we’re going to go back to the American System. We’re going to go back to an image of the United States as if we had remembered Franklin Roosevelt and what he did in the 1930s. What he did in the United States, saving the world from Hitler. Because without us, without Franklin Roosevelt, Hitler would have won. The British would have joined him. They already had joined him; they created him, after all. So therefore, we have to go back to that image. The world needs it.

Let’s take the case of China. Now, China has a population of 1.4 billion people, and India has 1.1. Now China is—people think China is very wealthy; it’s not true. There are some wealthy people in China, there are some industries in China, which are important, but also, the majority of the population of China is extremely poor. And therefore, without a revolution in technology, affecting the infrastructure and so forth, of the masses of China, the massive area, China has not got a future. Therefore, we have to think about that. We have India; we have probably 70% of the population of India, even though about 30% of the population of India, 1.1 billion people, is in fair shape, the majority is in

worse shape than ever before. They’re short of water, they’re short of everything. They’re short of the conditions of life. They need development. All of Asia needs development. Desert areas need development. So, we have to go into a period of high-tech nuclear-fission-driven growth in basic economic infrastructure.

Well, for example, one case in which we just had some agreement on, in terms of the Bering Strait Tunnel project. If we proceed—and my proposal, of course, is magnetic levitation—to build this tunnel which connects this tip of Siberia with Alaska. Now, if we do that—and preferably if we use magnetic levitation as the mechanism—we build a line which runs throughout Europe, along the route of what Mendeleyev designed as the Trans-Siberian Railroad. We run a line down through Canada, through the United States, through the Isthmus of Panama, down into South America. We run the other line through the so-called Middle East, Southwest Asia, into Africa, and build trunk lines. If we do that, we can build a transportation system which has certain very interesting characteristics.

First of all, it’s fast—200, 300 miles an hour, or something like that. That’s good enough, isn’t it? It’s a lot cheaper than air flight, a lot more efficient, and it can carry more people, and does the job. And no airport jam-ups. It’s also for freight. If we can have an efficient system of moving people and freight across borders, across continents, the continent of Eurasia, the continent of the Americas, the continent of Africa: If we do that, we will have transformed this planet. If we do this with nuclear power, and go on to developing thermonuclear fusion technologies, including the management of the supply



*We've lived in this world for most of what we know of it under the influence of the oligarchical model, typified by Aeschylus' play Prometheus Bound, in which the Olympian Zeus punishes Prometheus by sentencing him to eternal torture for the crime "of lifting mankind above the level of animals, by allowing human beings to know how to use fire to improve the human condition," LaRouche said. This illustration from a Greek vase, ca. 500 B.C., depicts Prometheus (right) bound to a rock, with an eagle tearing out his liver.*

of our Periodic Table for the needs of humanity, we have then a prospect of a 50-year recovery program, because you're talking about a lot of very long-term investment in very capital-intensive heavy works, among other things. And these are like large river systems, water management systems, power systems, all these types of things, are 25- to 50-years' investment; some are longer. We have to change the character of the planet in terms of fresh water supplies, and things of that sort.

So, we have a 50-year perspective before us if we start it now properly. We have some very good ideas about what to do. We can begin to reverse the post-industrial society, and that's what we have to do. We're suffering from an ideology of post-industrial society.

Now, let's go back one step on this: Why post-industrial society? Why did this disease of post-industrial society come about?

We have a famous play by a great author, Aeschylus; it had three parts, a trilogy, but the middle part is the one we'll focus on: *Prometheus Bound*. You have this evil bastard, the god Zeus, Olympian Zeus, who proclaims to Prometheus, who has been taken captive, that he is going to be tortured—he can't kill him because he is immortal—but he can torture him forever, sort of the Guantanamo effect. And that he is going to be tortured because he committed the crime of lifting mankind above the level of animals, by allowing human be-

ings to know how to use fire to improve the human condition. That's the crime that Zeus condemned Prometheus for.

## The Oligarchical Model

We have lived in this world for most of what we know of it under the influence of what is called an oligarchical model. Sometimes it's called the Persian model, in the times of the Ancient Greeks, but it's generally known as the oligarchical model. The oligarchical model is typified in European history, by the Spartan model in Greece. It's typified by the Roman Empire; it's typified by the Byzantine Empire. It's typified by the Venetian system, with the alliance of Venetian bankers with Norman chivalry, which is a form of empire; and it's typified today by the Anglo-Dutch Liberal system, which has pretty much run most of the world, increasingly, since about February of 1763, when the British defeated the French and some others, and used a war in Europe to make Europe impotent; and the British East India Company—not the British Monarchy, but the British East India Company!—ran India, as a colony, with a private army, as a colony—not the British monarchy, but the *British East India Company*! The British East India Company ran a war against China! And they did all these kinds of things. And today, the British East India Company exists in the form of the BAE, which is being investigated for

its connections to what happened on 9/11. It's the one capability on this planet that could have done 9/11—and probably did.

So, this empire: This is an oligarchical system! And the oligarchy does not like a republican state. It does not like a state in which society's policy is based on raising the productive powers of humanity, through science and technology, and the use of that, to transform the planet, to raise the standard of living, to raise the knowledge, to elevate man; but rather like something out of a nightmare of Quesnay: It's to have peasants who are treated as cows on the estate, on the assumption that the profit of the estate, as Quesnay specified, and Adam Smith admired him for this—the profit of the estate is due to the magical powers of the ownership of the title to nobility! So, you pay your peasants, who work on the farm, on the basis that you support your cows, until you decide to slaughter them. But you don't give them any more—you don't give them any credit for creating wealth. You treat them like cattle.

That's the oligarchical society. Whereas, somehow, the magical powers of ownership bestow upon the owner the riches which are produced by society: the oligarchical model.

So the historical struggle of humanity is centered around the struggle, at least in known history, the struggle for the *republic*, in which the commonwealth, the well-being of mankind in society as a whole, is the standard of



government, the standard of policy. As opposed to government and the masses of people as an object of convenience, for a few wealthy or otherwise powerful landowners, or people-owners.

And that's the struggle. That's the meaning of the Roman Empire. That's the meaning of the Byzantine Empire. That's the meaning of the Venetian chivalry system. That's the meaning of the British Empire. And that's the meaning of every petty, tyrannical regime which has ever cursed this planet.

And therefore, the issue is, the nature of man, the nature of the human individual. Is the human individual an animal, who simply has dog-like characteristics, or cow-like characteristics, certain species-characteristics given by a biological endowment? Or is mankind the human *mind*? Is mankind the creative being that Zeus hated? The individual who can create, discover universal physical principles, and apply the knowledge of these principles to change the condition of life for humanity, and to conquer man's problems as a whole?

Is the individual sacred? Is the individual human being different than a mere animal? Do we have the kind of society which fosters that fact, and bases relations within society on the basis of the knowledge that the human individual is not an animal, but has a power of reason, the power of discovering new universal physical principles, and artistic principles, which no animal can do? And that we desire a society, a form of society, which we call a republic, or a commonwealth, in which the well-being of *all* of the people in society, and their descendants, will have a constantly *improved* condition of life, a constantly *improved realization* of the meaning of their life in the eyes of their grandchildren, and great-grandchildren, and so forth to come. And of other nations too.

And that's what the struggle is about.

## Democratic Desertion

The change came with Roosevelt's death. Roosevelt represented that principle. He was the epitome of that principle, and for that reason, people like Felix Rohatyn *hate him*. There was a meeting in the Spring of 2005. As you'll recall, I had some success in sparking the Democratic Party and others to lead in the defense of Social Security against George W. Bush. And we had a very successful mobilization in that respect. We did save the Social Security system. But unfortunately, beginning in the Spring of 2005, my fellow Democrats deserted one side of the cause. They continued to defend Social Security, but we'd also raised the question that we had to defend the birthright of the nation, as represented by its automobile industry. Not simply for making automobiles, but for making all kinds of things, like rebuilding river systems, and so forth, which that industry, because of its tool-making capacity, had provided us, during World War II, and so forth. And still could.

We had a rotting system in the United States, and we, the



National Archives

*President Franklin Roosevelt built up the U.S. industrial capability in-depth during World War II, under conditions of crisis. Now the Democratic Party, under the thumb of Felix Rohatyn, is allowing it to be crushed. Here workers assemble the pilot's compartment of a plane in 1942.*

members of the Congress, *allowed* this capacity, this idle capacity of the automobile industry, which is the machine-tool sector, the infrastructure-building capacity—we allowed that to be disassembled, and destroyed! Instead of fixing up what had happened in Katrina, in Louisiana, and so forth; instead of fixing our rivers; instead of fixing our transportation system; instead of restoring our health care system; we destroyed a precious part of our capability as a nation, of taking care of our own needs.

Who did it? The leadership of this came from the Democratic Party. There was a meeting, in which the subject was me. The meeting was organized by Felix Rohatyn, who is a fascist. He's a guy who played a key role in putting Pinochet into power in Chile, which tells you what his character is. If you knew what he did in Big MAC in New York, you know what his character is. The guy's a fascist, together with George Shultz, and people of the same type. And his argument was very clear at this meeting. His argument was: We don't want a LaRouche. Why? Because LaRouche is like Franklin Roosevelt, and we don't want another Franklin Roosevelt. We have to *stop* another Franklin Roosevelt.

So the Democratic Party, which Felix Rohatyn consid-

ers himself a controller of, moved to sideline what I was doing. Backed off. And you saw the result.

The Democratic Party participated in condoning a takeover of the Supreme Court, or a near takeover, by a fascist organization called the Federalist Society! That fascist organization is built around the ideas of Carl Schmitt, the man who *designed the Hitler dictatorship!*

Are they Nazis? Of course they're Nazis.

It's just like the Bank for International Settlements is a Nazi institution too—how the thing was organized. So, they're back at it. And Pinochet's a Nazi. Pinochet's also part of the British organization, the BAE. He's dead now, but he's still a part of it. Now his deadness makes him a much more confirmed part of it, and tradition.

Who else? George Shultz created that monster also. Others created it. Pinochet not only was Nazi in his thinking, but his government, with the backing of Shultz, and with the participation of Rohatyn, ran Operation Condor, which was a genocide operation in the Southern Cone of South America, which was run by a third-generation of the Nazis! Who were imported for that reason. This is what we're dealing with.

You say, why is it that Nazis are bad? Well, it's not just that Nazis are bad. Nazis are a product of the belief in oligarchical society. Look back in history. What did the Roman legions do? They ran extermination operations against populations too! That was their method. Exterminations as a method of controlling society. They ran the gladiator system, didn't they? What is that? The same thing.

Now the problem is, you have a mentality which is loose, typified by Felix Rohatyn, and Felix is treated as respectable in the Democratic Party! He may not have a swastika, a *Hakenkreuz* on his sleeve, but he has one in his heart. That's what he does. Look at what he does. Look at Big MAC in New York. It was a swindle. Highway robbery! They looted the city! They wanted to get the human beings out of there, and you had to conceal your membership card in the human race, and just show you were very rich, and you could live in New York City. Unless you came in as slave labor, or something, to maintain things.



*The founders came to America, LaRouche said, "to bring the best of European culture here, to build a nation, to be a cynosure for nations of the world as a model republic, the way that humanity should live." Here, the Statue of Liberty.*

But the problem here is this ideological problem. It permeates this society.

## The Physical Conditions of Life Are Collapsing

We have, for example: Look at the United States, look what's happened to it, since 1970-71. Look at what has happened to the lower 80% of the family-income brackets of our households, as opposed to earlier, under Roosevelt, in that Roosevelt tradition. Look around the world at systems. What do you see?

The objective physical conditions of life, the conditions necessary for *human* qualities of life, of our people, the lower 80%, have been collapsing at an accelerating rate since 1977. Collapsing, consistently: There's been no prosperity in the United States! Not for the lower 80% of family income brackets. Anyone who says so is a fool, or a liar. Everything is worse. Look at health care. Look at the cost of housing. Look at the quality of education. For the lower 80% of the family-income brackets in the United States, everything has become consistently worse. And the means by which we had a higher standard of

living, was destroyed, as part of the program of the Rockefeller Trilateral Commission. This policy destroyed the United States: destroyed our agriculture, destroyed our industry, destroyed our infrastructure.

It was continued under the Reagan Administration. It accelerated under the Bush I Administration. Clinton wasn't on to it yet; he didn't understand it yet. Bill Clinton probably now does understand it, but he didn't understand it when he was President. He made the mistake of thinking that Al Gore was human; that's a big mistake. Remember the coal mine—"16 Tons" and the company store. Al Gore owned that place, that got that song written about it. That's Al Gore. The guy's no good, and he comes from a background of a daddy who was no good either. Something that cross-bred with a possum up in the swamps of Tennessee. You know how they are.

Anyway, the problem is, the *cultural* problem is that our people have come to accept the idea of an oligarchical model in society, even in these United States. We accept the injustice which is heaped upon the lower 80% of our income brackets. We accept the injustice that's done in many other



ways, to our own people. We sit in awe about the upper 3% of family-income brackets in the United States. We kiss the butt of some billionaire who's nothing but a thief. That's what we do. We have destroyed the idea of the commonwealth. We destroyed what we prized when we built our Constitution, in terms of Solon of Athens. We tore apart and disregarded every tradition, noble tradition of humanity, particularly of European civilization. And that's what we've done. And we've come to accept that! We've come to accept politicians who think like that. We've come to accept laws that practice that.

We look at other nations in that way. We don't think, as we should, as we used to as Americans: We used to think of how we came here—like I can say, some of my ancestors came here in the early 17th Century, into Massachusetts and related areas, as colonists. People came here, in the original settlements—they didn't flee from Europe, in the sense of having to escape from someplace—some people did fit that category, but that wasn't the way the colonies were built. The settlements were built by people who represented the best of European culture, but an anti-oligarchical sense of European culture. People came *here* because they were looking for a place in which to take the *best* of European civilization, and move it out of Europe, where Europe was dominated by oligarchical traditions. To build a true republic based on the commonwealth model, which had been repeatedly tried in Europe, particularly beginning in the 15th Century, but had repeatedly failed, because of the return of the old oligarchical forces, who still represent nobility. You know, you bow before nobility, even to this day, in Germany. You bow to nobility, the Black Nobility, in Italy! These are the most degenerate people you can imagine. The same thing goes on in France. There are more policemen than there are people. And this is Europe. Europe is permeated with oligarchical culture. Look, you have these two Polish twin idiots in Poland, and the Polish put up with this crap.

And therefore, we came *here*, the founders came *here*, to bring the best of European culture *here*, to build a nation, to be a cynosure for nations of the world, as a model republic, the way that humanity should live. This is what is built into our Constitution. This is what is built into our Declaration of Independence. These are the ideas of Leibniz, and people like that. This is what Lincoln did. And we've always had a struggle in our country, between the oligarchical tendencies coming in, particularly, chiefly, from Britain, into the United States, as in New York City and so forth, but we had a republic.

## A World Based on Sovereign Republics

And in the case of Franklin Roosevelt: Franklin Roosevelt found us in a low moment. We'd lost 30% of our standard of living, our income, in a short four-year period. And he led in rebuilding our nation, which was shattered. Not only rebuilding our nation, but moving to preserve this, to extend this, to



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*FDR rebuilt our nation, and moved to extend our republican standards to the rest of the world. But after Roosevelt died, LaRouche said, "Truman, who was a little bit of a pig, came in. (He was. I was there. And I saw the curly tail myself—figuratively speaking, of course)." Here, President Truman, announcing the Japanese surrender.*

eliminate colonies and similar kinds of oppression throughout the world. To promote a world based on republics, sovereign republics, which are each dedicated to serving their own people, by republican standards, and promoting republican standards of life among people of other nations, knowing that our security, and our well-being, and our purpose in living, depended upon what we did to promote these kinds of ideas, and these kinds of opportunities, among other peoples. The same rights that we desired for ourselves.

We have turned away from that.

This happened at the end of the war. Roosevelt died. Truman, who was a little bit of a pig, came in. (He was. I was there. And I saw the curly tail myself—figuratively speaking of course.) But we turned away.

The United States joined with Churchill and other Brits, in restoring colonialism! We took the Japanese troops out of the prison camps in Indochina, where they had surrendered to a force organized by the United States. Ho Chi Minh was an asset of the United States, an ally of the United States, in the freeing of Indochina from colonialism, and from the Japanese. The Japanese were put into prison camps. The ever-

loving British came in, armed the Japanese, and told them to get out and take over the country, until the British could get the French in there to replace them.

We *restored* colonialism in Southeast Asia! The Dutch went in to conduct a long war to suppress independence in Indonesia. This happened throughout the world, in that form, and various forms. This was the Anglo-American policy. Which is what Truman represented. This is what Eisenhower understood, when he gave the speech at the end of his term as President. He understood what had taken over the United States. He gave it a name: “military-industrial complex.” But the military-industrial complex was what was unleashed on the day that Franklin Roosevelt died, when Truman took over. And the thugs who had been originally—like the grandfather of present President of the United States, who’d been one of the people who had put Hitler in power in Germany—this crowd took over power in the United States, under Truman. And we haven’t gotten rid of it since.

So we have, in the United States, a tendency, this oligarchical tendency, of preferring an oligarchical society in which, a few of the rich, the beau-ti-ful people—they’re ugly as hell, I mean, actually. You see the way they dress. And the stuff they bare at parties. Oh! Disgusting. Anyway.

So that’s what’s happened to us. So therefore, there’s a factor, a rottenness in our culture, which the Baby Boomer generation was brought into, and that’s another story in itself, which I’ve told a number of times.

So, we’ve come to the point that we have a way of choosing. We can choose to do what I propose, which, from a strategic standpoint, is the only sequence of major developments which will get the world out of what would otherwise be a plunge into a Dark Age, something comparable to the 14th Century in Europe. We could do that. We could return to our character, as Franklin Roosevelt once did earlier, under conditions of crisis. And what I’m proposing could only be done, admittedly, under conditions of crisis. Only when these guys get down on their knees, and people admit that this isn’t working, that this is a danger to human life, and *they have no choice*, no acceptable choice but to do what I say, on this one—then they will choose it. They will be happier. And that’s the only chance for humanity.

Without the United States, it can’t happen. Europe couldn’t do it. Asia couldn’t do it. We must be the sparkplug. That is our destiny; that’s our legacy. Not to rule the world, but to be the sparkplug by which the world comes to rule itself. We have to be the sparkplug. We have to say: We’re going to pull our troops back, unilaterally. We’re offering everybody: We’re getting out. We’ll take the U.S. troops and move part of them out of Baghdad city, into the airport. We’ll move them into other holding positions. We’re not here to shoot, nor to be targets. Now, we’ve created a mess for you, haven’t we? Uh-huh, good. Now *you guys*, get yourselves together, we’re going to bring this fighting to an end. We’re going to bring this to an end.

Then we turn around, knowing that won’t work by itself. We’ll then go to Putin. The President of the United States, whose one redeeming feature is that he seems to like Putin, or something. You never know, or understand exactly why or what goes on in that funny mind, if there is a mind at all. But this is one thing he seems to do—and we encourage that, not because it’s very good, but because it’s the only virtue we can find with the guy.

So, he goes to Putin and says, “We, the United States, need your cooperation. We’ve got to cooperate, and get these Brits under control.” And Putin will say, “That’s a very good idea.” And “We’ve got to have China involved in this.” Putin will say, “Yes, that’s true.” “And India has to be involved.” Putin will say, “That’s good, that’s good. A better balance.” And then four of the most powerful nations on this planet agree that what we’re doing in Iraq, in pulling back, is the right thing to do.

But it’s not sufficient, because we have a world financial crash coming down. It’s fully in progress. Therefore, we have to act also together, in unity, to take certain emergency measures which will stabilize the situation, and enable us to organize our way out of this mess. If we do that, you will find that Germany will probably be the first to desert Britain on this kind of thing. They’d love it, because the Germans are really getting sodomized by the British. And they really, despite appearances, they don’t like it. The Italians will laugh, and say, “Ah!” and they will be happy. The French will say, “Mmm-hmm.”

But what will happen is that you will find, very rapidly, immediately, and if we solve this problem, we take this whole area of Southwest Asia, which is now a terrible crisis area, and we say, “This thing is going to be settled, peace is going to come here now,” it will happen. *It will happen.*

Because, you know, one of the things that feeds the problems in this region, in particular, is the fact that it’s a region of *injustice*. And the Saudi royal family is not an asset. I tell you, it’s not an asset in this area. They have their own agenda, and people like Prince Bandar are really a menace.

But in this area, if we get this kind of agreement, we can bring about peace in the Middle East. It will be tough, but with that combination of power, we can do it. Because we will end the injustice. We will present a plausible, clear alternative to a perpetuation of the injustice.

And by our initiating that, initiating the measures which bring this about, we will give the United States back a position of moral leadership in the world.

## Preparing the Next Presidency

Now this is going to create another problem. We have an onrushing Presidential election. We couldn’t produce a farce, so we had an election campaign. What I saw this week on CNN, was the most disgusting piece of depravity that was ever concocted in the name of politics. This was absolutely obscene! CNN should run around with its tail between its



*The Democratic candidates' debate on CNN was "absolutely obscene," LaRouche said. "Completely irrelevant to anything of importance in the United States.... I think the candidates should all agree not to participate in such a clown-show again."*

legs—not somebody else's legs—but its own, for producing this piece of insanity. Completely irrelevant to *anything* of importance in the United States. Who cares what the price of toadstools is? We've got to get rid of war. Our people are dying for lack of health care. All these problems, and you want to talk about these odds and ends? A diversionary thing. You can have that debate in East Podunk. But we have a world war, a world depression in progress, and an explosion beyond belief. And what is going to be done by the person who is running for President of the United States? What is that person going to *do*, and represent as leadership, about *these problems on which the fate of mankind as a whole depends*? Not somebody's local opinion, or special pleading.

What do you do? You produce a clown-circus, a sideshow, the most disgusting political sideshow, a complete irrelevance, to anything of importance to this nation or the world. You make the United States disgusting in the eyes of the world, by putting on such a sideshow with that CNN set-up, that clown-show. And I think the candidates should all agree not to participate in such a clown-show, again. The candidates should all boycott such a clown-show; to say, we're not going to attend that clown-show. We're not going to disgrace ourselves.

I should send a message to Hillary Clinton, for example: Hillary, get anybody else who's clean and you guys agree, you're not going to participate in a clown-show like that again. You just walk out. You won't be in it. And say why you won't be in it. We're not going to have the moneybags behind CNN, controlling CNN, dictating the politics of the United States.

The politics of the United States belong to the people. The politics of the United States belong properly to those issues upon which the welfare of the nation as a whole depend, particularly when it comes to Presidential elections.

Now, there's another thing to be considered about the Presidential election. We're coming close to that now. This is now Summer. We're going into August; if we survive the perils of August, we are getting deeply into the next Presidential election. Now that has to be prepared. This is not going to be, if successful, a simple partisan election. It's not going to be Democrats or Republicans, up or down, either way. You're going to have a different kind of government. You probably will have to have a Presidential selection as a Democrat, and we have very few people qualified for that position. We're also going to have to include a composition of a significant number of Republicans in the administration. Not as window-dressing. Not as a political package. We're going to have to craft an administration which is practically going to have to run, and be elected that way, of every key position of the Executive branch.

Every key cabinet and related position.

Because you need to have a team, which should begin to be built *now*. A team, to come in with a figure as the President, with a team with that President, who is ready to be deployed, like an army, to attack the several fronts which have to be dealt with, to deal with the problems of the world. You're going to have to pick a State Department, maybe not the Secretary of State, but you're going to have to pick from every top key area of government, a team. The parties are going to have to do something about the selection of the leaders in the legislative branches, as teams, with a mission-orientation and a policy which is clear.

Because we have to reorganize this whole planet. We have to reorganize it mostly from the top down. We can not have the kind of silly politics that you've been seeing in recent years. We're now in the worst crisis in modern history; the most dangerous. And this is no time for amateurs. You've got to give the country back to the people. The people have to have confidence that the government that is coming in is *their* government, not a government *of* them, but a government which is theirs. A government which represents them and their interests; a government of competence; a government of determination.

You're going to have to come in with, not which enemy you're going to fight abroad, or who you're going to hate and who you're going to love. Who you're going to cut a deal with, and who you're not going to cut a deal with. You're going to have to cut a deal with the world as a whole: To organize an international monetary financial system,



which we must do, means you have to get everybody involved in it. You may have a couple of malingerers on the outside, but in the main, most of the countries have to agree. And they have to agree not on tiddlywinks, not on bits and pieces. They have to agree on principle: How is this thing going to work? What's our general plan? What are we going to do with this planet?

And therefore, you have to now think about not only getting through the month of August, but coming out of the month of August, with an idea of what the next government of the United States is going to be. Not based on which candidate is going to win; that will happen, but that's not the point. We need a picture, an image, of what the policy of the United States should be, coming out of August, and what the government of the United States should be coming out of August; what it should be like; what's it going to do. And let's put this nonsense that we saw on CNN to one side. And anybody that runs something like CNN again, any candidate who is good should *refuse*, with other candidates, to participate in such a debate; refuse. We're not going into the outhouse to discuss politics. We'll have a respectable forum, and we're going to discuss what we want to discuss. We're going to discuss what the great issues are that face the future of humanity.

So, anyway, that's the general outline that we face. And we're going to have some discussion on it soon, but that's the issue. We have to see things in a holistic way, not one issue at a time. We have a planet in deadly crisis; in a breakdown crisis. We have to look at things which are very ugly, and deal with it them summary fashion, as I have indicated. The first thing is that decision on Southwest Asia. We're getting the troops pulled back, *now!*—*in the month of August, not September! In the month of August.* That's the beginning. It won't work without getting Russia, China, and India in to support the action. Once you've reached that threshold, and you've got Cheney out, then we can begin to shape up what the world is going to look like for the next 50 years.

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## Dialogue With LaRouche

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**Freeman:** ...We have a number of questions that came in while Mr. LaRouche was speaking, and some that were submitted even before he began.

### Emergency Legislation To Prevent Foreclosures

A number of questions, Lyn, are dealing with the current crisis in housing. The first one that I would like to ask you comes from a senior member of the Democratic staff in the House of Representatives, actually from one of the most powerful committees up there. And what she asks is: "Mr. LaRouche, as you know, several committees on the House and Senate side, including our own, have introduced legislation to rein in the private equity and hedge funds. Regarding the pro-

posals on carried interest and the 15% vs. 35% tax payments, I did see your very cogent comment that 'they should pay their taxes.' Even our limited effort thus far, has caused quite a response from the hedge funds, and from equity fund managers. Beyond what has already been proposed legislatively by the House and Senate committees, what more do you think we should do on this?"

**LaRouche:** You know, battling hedge funds is like proposing to eliminate prostitution in Las Vegas. You're threatening the income of, shall we say, the procurers. But we are beyond that. We are at the point that we need emergency legislation to provide for non-foreclosure.

Look, you've got two problems. First of all, the whole banking system of the United States, the major banks, are all bankrupt in one sense. And you can't have them closing their doors, so therefore, you're going to have to provide these banks with protection. Now, you have to protect them from that which, essentially, controls them—the hedge funds, and similar funds. Therefore, you've got to protect the bank as an institution against the hedge funds, and other financial interests, which are actually larger and more powerful than they are. Because, we *need* the banks; *we don't need the hedge funds*. There's not a single hedge fund or related organization, that we need. As a matter of fact, if they would disappear, it would be much better. I would propose to the hedge funds, "Go! Before we jail you." That's the attitude.

But we have to protect the banking industry. This housing swindle—which is what it is—is run by the Federal Reserve System, because of the appendages which have been tacked to it. Remember that in 1987, we had the equivalent of a 1929 crash. It happened in October 1987. The incoming replacement for the Federal Reserve System chairman said, "Hold everything!" He should have held his mouth. But he said, "Hold everything, because I'm coming in." And you say, "We're locking the door before you get here." But he came in with this business of various methods, and others were accomplices, in flooding the market with phony dollars, with credit systems, with all kinds of things that should never have been allowed; that should have been considered illegal, immoral, and everything else.

So, therefore, what happened is, the system went bankrupt. 1987, October 1987, a 1929-style bankruptcy occurred. I had the privilege of forecasting it, on time. "My baby." They should have shut it down, as I said. We really had to go into emergency measures, Roosevelt-type measures *then*. Roosevelt-type reforms which would have reversed the decisions made under Nixon, and under Carter, and afterward. They should have been reversed. We should have gone back to a fixed-exchange-rate system, actually to conditions from before 1968. Just reverse the whole legal structure. Say, "This is bad, this is an outhouse, this is a house of prostitution, and let's get out of here before we catch a disease." And get out of it, and go back to what had worked, which is the Roosevelt system of the fixed-exchange-rate system of the



Federal Reserve System, with a fixed-exchange-rate system on the dollar.

Then, we should have gone back and repealed all that garbage that went through under Carter, the Trilateral Commission stuff, and gone back to what was there beforehand, which is a protectionist economy, which is the only kind that works. A fair trade economy is the only kind that works, especially one that protects infrastructure. We were destroying our infrastructure, going to cheap shots, *gambling* as opposed to actually producing. We shut down agriculture, we bankrupted the farmers. We shut down the savings and loan associations in a *swindle*! Volcker organized a swindle, and the entire savings and loan associations system, which had been the bulwark of the housing rebuilding in the postwar period, was shut down, with a swindle. We allowed usury. Our banks in the United States had anti-usury laws; we shut them down. We shut down the anti-usury laws; we unleashed usury. We turned the thing over to the loan sharks, and so forth. So, this was the problem; this is still the problem today.

Now we come to the point: What is the law of the United States? What's our law? What is the issue of the Declaration of Independence? The principle of law at the center of the Constitution, is in the Preamble. And the Preamble says the same thing which was the intention stated in the Declaration of Independence, on the Pursuit of Happiness. And what is in the Preamble of the Federal Constitution is the same thing spelled out in different words than Leibniz's argument for the Pursuit of Happiness, as the fundamental law of government. Therefore, we should have gone back to it; and we have to go back to it today.

Under our moral law, which is our Constitution, as interpreted from the standpoint of the Preamble, and the implications of the Declaration of Independence—that's our law, not British law—we are not a monetary system, we are a credit system. We do not allow our government to be controlled by money; we control money. We utter currency under the Constitutional provisions. It is a credit system; our money is credit, backed by the U.S. government, the Federal government. We authorize, through the Congress, the utterance of a currency. The authorization for the utterance of a currency, or similar actions by the Congress, especially the House of Representatives, empowers the Federal government, through the Treasury, to utter credit, to print money and to otherwise utter credit.

Particularly, we put the emphasis, wherever possible, on giving credit to the states, or to the Federal government, for large-scale works in infrastructure or other programs, which are capitalized programs. We engage the private banking system, together with the Federal banking system; we engage them in the creation and management of a massive credit, which is supposed to be steered primarily into improvements, which are of two types. Public improvements at the Federal level, or the state levels, or local levels as a subsidiary consideration, or for large-scale private projects which we provide

credit for, as we did with the War Production Acts during World War II. We provide the credit; we encourage entrepreneurs to proceed with things that are in the national interest, and we give them preferential treatment. And we manage the system so that it is not inflationary. We also allow laws for things that are more valuable to the United States, to be taxed less than things which are wasteful.

For example: a producer, an employer, a corporation. We invest capital in improving the firm. He's going to be taxed less for his profit than if he takes it out and disperses it. If he disperses it as profits to his stockholders and so forth, he gets taxed more. If he retains the earnings to improve his firm, or to assist through his bank in assisting other firms, he is taxed less, with an investment tax credit type of program. That's how we did things; that's how we did war production; that's how we turned the nation from a junk heap into the most powerful machine the world had ever seen during the course of the 1940s, under Roosevelt.

So therefore, our law is that. Our law is the general law of the nation, and welfare of the people, and justice for the people, is our financial law. Somebody comes in and says, like the British system, "Well, I'm sorry, but the money has to be primary." That's a monetary system. Money becomes the law. Under the American System, money is controlled by the law. Under the British system, money controls the law. Under the American System, the law controls the money. And the law is the moral law. The moral law is specified by the Preamble to the Constitution. Any act, any amendment to the Constitution which defies the Preamble to the Constitution, is inherently unconstitutional, and must be nullified.

So, therefore, that's what we have to do. We're in such a situation. You can never collect and foreclose; you never collect on the mortgage obligations which are outstanding in the mortgages which are collapsing now. The collapse of these values by as much as 20%, essentially bankrupts most of the entire mortgage system, because the equity of the mortgagee is now nil: They don't own anything; they're in negative equity! So therefore, do we want them evicted?

Let's take the case of Loudoun County. Loudoun County is an insane county. I know, I live there, and I saw it at close range. In 1983, they were going with what they called "development," by the Mellons, and people like that, other fruitcakes. Anyway, I said, "This is crazy." You have an area which is largely farming; the ground is no good for anything else except really cattle growing and a few things like that. It has no utility for anything else, and it was being used that way, which was sensible. It needed a mass transit system in there. But we built up, as you can see, if you look around this area; you see we have this great agglomeration of housing, all around greater Washington, D.C. It's insane! You have great residential areas, with no agriculture, and no production—that is, no physical production, or very little. You have people coming from West Virginia, and similar locations, driving along the highways every day, to get to



EIRNS/Stuart Lewis

*"We made a terrible mistake in our land-use programs since the 1970s," LaRouche said, using suburban Loudoun County, Virginia, a suburb of Washington, D.C., as an example. We have to defend the economy by reorganizing it, writing down the mortgages instead of foreclosing, and returning to a high-tech industrial base. Here, typical commuter housing, under construction, in Loudoun County.*

work in the area around Washington, D.C. We built up large highway systems to accommodate this, and they're still jammed.

Obviously, they're nuts! These guys don't know how to manage anything, totally incompetent! The way you manage land use, is, you have decentralized land use. You have communities in which you have a distribution of places which generate wealth, as by production, and you have people who live there, generally, who are associated with those functions. You don't have migration over 60 miles. You don't have one-and-a-half-hour to two-hour commuting to work daily each way. What does it take coming from West Virginia at high-traffic hours? And back and forth? Four hours a day, on the highway, or longer on an "off" day. So, this is insane.

Now, you have no tax revenue base in the areas where people live. The only tax revenue base is housing, habitation. Commuting! Now, you have to pay for all this commuting cost, including highway systems, and so forth, which are enlarged to carry all this commuting. But then; now what happens? You go into a speculation, housing speculation like in Loudoun County. It collapses, and this place is ready to collapse by 40% to 50%. Forty to 50% of the housing of Loudoun County is doomed. That's what you have to estimate as your immediate, very near-term exposure.

Now, what happens when the 40% foreclosures occur, or the equivalent? What about the tax revenue base? Ha, ha, ha! Yes, but you've created a county government with its functions, its municipal functions, which now have a tax base *below* the cost of maintaining those functions, because of the collapse. *Idiots! Lunatics!* They call themselves accountants—fire them! They call themselves economists—shoot them! *It's insane!*

We have all this territory in the United States, we are one of the least densely populated areas in the world, in developed areas. We have vast areas of farming, vast areas of industry which we've shut down. Cleveland is dead. We've shut down much of Ohio; we've shut down Michigan; we've shut down all this vast area which used to have in it, in Roosevelt's time, plants in various areas, and you would travel, you would commute 15 minutes to and from work, at most, in these communities. And the flow was nice. Some people could walk to work and back. And the community had its own tax-revenue base, it had a productive base, industries and so forth

in this area, and services all together. You had a decentralized form of utilization of land area, so you didn't have to travel from California to get to your job in New York City, which is the direction we've been going in if something doesn't stop it!

So, therefore, we have to think about going back to fundamentals. There are no "fix-it" things that are going to work. The catastrophe is beyond belief in terms of anybody's usual thinking. You have to say, we're going to have to put this thing through a drastic bankruptcy reorganization. We're going to have to freeze a lot of things. If someone's living in a house, they're living in an area, they're not going to be evicted. We'll convert their obligation to a rent, we'll maintain the thing. We want them to stay there until we can find, in a natural way, a better option for them. We are going to recognize that we made a terrible mistake in our land-use programs since the 1970s, our tax programs, everything has been insane; since Nixon, everything has been nuts. And we're going to have *eat it*, and we're going to have to go back to a high-tech industry.

## A Fifty-Year Perspective

See, the need of the world is typified by Asia and Africa. The need of the world is, you've got areas where people can not feed themselves, like Asia. The population, 70% of the

population of India, is in terrible condition. Most of the population of China is in terrible condition. This is the typical condition of Asia. You should look at what the income is in Africa; you should look at the income levels of a typical person in so-called Southwest Asia. It's *horrible*.

We're going to have to transform the planet, we're going to have the change the character, we're going to have to change water-supply availability. We're going to have to develop power systems. We're going to have to transform this planet into a productive planet. And Africa and Asia generally are the two areas which are the most brutally afflicted. We're going to have to save them; change our policy. We're going to make Europe, we're going to make North America—again, it's going to be the fulcrum of high-technology production; capital good production, high technology. We're going to produce high technology for the world, these nations. We're going to build a rail system in Africa. They can't afford it? We'll give it to them, because they can't develop without it. And we're going to have a 50-year cycle, we'll figure this out on a 50-year basis. We're going to give ourselves 50 years to work it out.

In the meantime, what we're going to have to do, in response to the question as such, in that context, we're going to have look at emergency measures to freeze things to prevent catastrophes from occurring. We're going to *buy time*. We're not going to meet scheduled obligations, financial obligations, because they can't be met. So, in lieu of having a general bankruptcy which would shut down the economy, we're going to defend the economy by reorganizing; that is, going through a kind of a bankruptcy reorganization of these kinds of things. We'll say, "We're going to write down your mortgage here. Your mortgage is too big. You've got a \$500,000 mortgage; we're going to write it down for \$200,000." And so forth, things like that. Write-offs. Because, we've got to think about the future of humanity.

And my estimate—and I'm a pretty good economist, probably the best you can find on this stuff—we need 50 years to put this planet back into shape. We need a 50-year margin of reorganization, until things can come back into some kind of automatic balance. Any other view is insane; it doesn't recognize the reality, that the thing is coming down. So, what we need is the more drastic action. The things referred to in the question that was asked, yeah sure, in normal times that's the way you look at it; but we're not in normal times.

We're in an impossible situation. But I love impossible situations; it's some wonderful challenges.

**Freeman:** ... I'd like to mention before I read this next question, that as is always the case, there are a number of organized gatherings around the world that are auditing or watching this webcast, and I certainly would like to extend our welcome to them. We have three groups at various universities in Bolivia, at the Unifranz in La Paz, Bolivia; at the university in the city of El Alto, at Universidad de San Simon in



*In response to a question from the Zimbabwe LYM, LaRouche said that we have to implement what Franklin Roosevelt intended as postwar political decolonization. We have to repeal British imperialism and the legacy of the imperialist, Cecil Rhodes (depicted here, astride Africa).*

Cochabamba. We also have audiences connected to Lyn's webcast in Ecuador, in Costa Rica, in El Salvador, Venezuela, and Guatemala, and we certainly welcome all of them to today's proceedings. We also have a gathering of the Zimbabwe LYM, currently monitoring this webcast. I want to especially welcome them, and Richmond there has a question for you, Lyn, which I'll read to you. And hopefully, one of these days, Richmond can ask the question himself.

## How Can Zimbabwe Recover?

What Richmond asks is: "Lyn, Zimbabwe has been isolated for the last decade. As a result of the land reform program, illegal sanctions have been imposed, and the country has a huge foreign and domestic debt. The U.S., under Roosevelt, created the best industry, from almost a similar situation. How best can Zimbabwe recover, and in fact, become the bread basket for all of Africa?"

**LaRouche:** Well, in point of fact, as anyone in Zimbabwe knows, it means you have to repeal the British United Kingdom, because Zimbabwe—as some people should know—



was formerly known as southern Rhodesia, and that was not a good name. It was one of the last hold-outs in the humanization of South Africa, but the significance of it was, you had an African farmer development, which was actually Brits, largely, who had these farms, large farms. And the British farms in Rhodesia, now Zimbabwe, were a prime supplier for London of foodstuffs and things of that sort. So now, from the beginning of the liberation of Zimbabwe, of Rhodesia, the issue was, were we going to allow the indigenous African population, who were farmers, to have access to farmlands, and to the development of those farmlands for production? The idea is simply, you would have an African farmer, and there's a European farmer next to him: Would the African farmer have the opportunity to rise to the same conditions of production as the European farmer, the same system, the same advantages? "No," was the point.

So, the issue here with Zimbabwe, was that the British set out, with the complicity of a rotten U.S. government, to oppress Zimbabweans historically, to try to bankrupt the place, in short. And got the other African states to collaborate with the British, because the other African states were frightened, and therefore they collaborated with the British—because the British *kill*! That's what they do best. They don't know how to build, they know how to destroy. So therefore, it's just like what they did with the flooding in southern England, today, as a result of British stupidity—and venality. I don't know which is the greater evil, but that's the point.

So therefore, that's the problem. And we need, really, the implementation of what Franklin Roosevelt intended as post-war decolonization. That, in effect, Zimbabwe, while it has political independence, is not really given the right to exercise its independence, and it's on the issue of the British control over the agricultural production and others things in Zimbabwe. They're out to destroy the government! And destroy the state.

It's a crime against humanity.

But you see an example, in this issue of this British demand that a Russian citizen be delivered to trial in London, when no adequate grounds have been presented for accusing him of a crime. And the British have threatened to make a war, virtually, over this issue. The British have no respect for these things. They still think in these terms, and the Thatcher government was like that, and the Blair government was like that, and the present government is like that. They have no respect for the rights of others: They still think, as Putin said, in colonialist or imperialist terms when dealing with other nations. And Zimbabwe is a victim of British imperialism, and it is a victim of the tradition of Cecil Rhodes, in particular.

## Can We Succeed—in Thirty Days?

**Freeman:** Okay, I'd like to take a question from the audience here. Professor Mezinsky, why don't you come up to the microphone.



The Bush Archive

*There are still institutions, where people who have retired from government, can bring about the necessary changes, LaRouche said. "In politics you come to a point of crisis where wills are broken ... because reality strikes hard." As examples, he pointed to George H.W. Bush and Henry Kissinger ("of all people") getting behind an agreement with Russia. Here, Kissinger and Bush in earlier years.*

**Q:** Mr. LaRouche, you told us that there are certain very important things that need to be done—or at least started—in the month of August: Impeach Cheney; pull the troops back; get Russia, India, China together with the U.S.; begin to change the currency policy throughout the world.

Do you *really* think, that with *this* government, and with *these* candidates that we have for the Presidency, that anything along these lines can be started in the next 30 days?

**LaRouche:** Absolutely! [laughter, applause] It can be done. I know how to do it. And we've got some politicians in the United States, who are capable of understanding that and doing it.

Remember, we have also in the United States, we have a military. We have institutions of the Federal government, and people who are retired from the Federal government who still function. That's our system here, as you are probably quite aware: that many of us are part of the government without actually being a part of it. And we have in these institutions of government, professional people, skilled people, experienced people, who know where the chains and faucets and so forth are, to do these kinds of things.

Right now, for example, in the case of the withdrawal, the pullback in Iraq, this has been vetted. I pushed it—it was vetted also by some people who are professionals in that area of the military, and in other areas, who have passed along their endorsement of what I proposed to certain Congressmen, and



other things like that.

So, under conditions of emergency, under conditions of crisis—as you probably know from your experience, in politics you come to a point of crisis where wills are broken: that is, where the will to act, or the will not to act, is broken, because reality strikes hard! And someone knows that and pushes hard on reality, and causes a sudden change. We are in, as I'm sure you'll appreciate, a time of sudden changes.

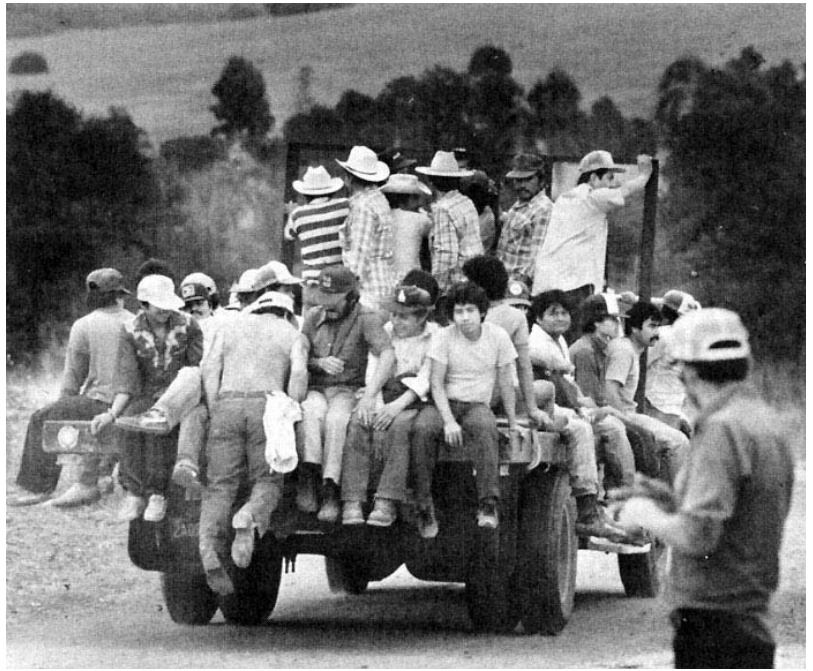
What you need is leaders of the tenor to do that, the insight to do that, and people who are willing to go along and make it work. And we have, on the issue of getting the troops out of Iraq, as such, we have a *very* good pull right now, with about 75% of the Democrats and others in general for it. We have a few cowards and corrupt people who are against it. But we have the clout to do it.

My point is, if you pull the plug—the plug is called Cheney—you can flush a lot of things at that point.

And you have, even with the Bush family—. Look at what you have: You have Henry Kissinger, of all people, in the negotiation I was involved in without being witting to all these things that were going on around me. When I was going to Russia and so forth, and having these discussions, we also had the two former Presidents, George H.W. Bush and Clinton were at a meeting, in the environment of the Yeltsin funeral. Henry Kissinger was also there. And people I know on the Russian side were also negotiating with these guys. So what happened at Kennebunkport, where the President and his idiot son showed up and met Putin: This was something which had actually been brought to maturity, by people, including the former President Bush, and others, who realized that this had to be done! We had reached a point of no return, we had to make a change. And there was no good reason for not trying to come to an agreement with Putin, at least on some key, leading issues. Knowing that, if we got a key, leading issue through with Putin, and so forth, on some steps toward progress, we could go further. And under conditions of desperation, yes, we'd do it.

You know, this is like war. Doing what I do, it's like launching war, isn't it? And if you look at it in those terms, you say, "Well, wars can be launched and won. There's also the risk of failure." So, that's the situation we're in. And I'm in a situation where we have to fight this war, we have to launch it, we have to fight it. We don't have a choice! There is no other choice. The circumstances give us no other choice. And I think it's winnable. The question is, can we find enough good men and women, in key positions, who are willing to do their part to make it work?

I think we can do it.



*The first line of protection for U.S. workers, LaRouche said, is to raise the national minimum wage. Immigration is not the place to start, he said, in response to a question from Iron Workers business agent Mark Thomas. Here, migrant farm workers.*

## The Immigration Crisis

**Freeman:** Lyn, we have a number of questions that have been submitted both from Capitol Hill and also from around the country, on the question of immigration. This question has been submitted by Mark Thomas, who is a business agent for Iron Workers local #3 in Pittsburgh.

And he says: "Lyn, the situation on immigration is getting quite horrible. We have numbers of people sending in applications to be union iron workers, and we are in the midst of negotiating contracts to employ our members. At the same time, there are large numbers of people, who are either here legally, or who are completely undocumented, who are waiting in line to take the jobs being offered, who are obviously not in the union. These people, who are in fact desperate, are willing to work for low wages, and for very few benefits. Many of these folks have no health care. They themselves are living on a shoestring. The whole system is unfair to them, and they are being treated as virtual slaves. But it's equally unfair to skilled union employees, who also need to support their families. Can you describe what would be a sound immigration policy for the nation?"

**LaRouche:** Well, don't start with immigration, because that's not the place to start. Let's start, by talking about a national minimum wage law. Huh? And at the same time, let's talk about talking to Mexico, about building industries in northern Mexico. We've already got the problem, we caused it, because we wanted it! We wanted cheap labor!

Now, the point is, the Mexican is desperate, and he goes to some gangster, who's a drug-runner and a militarily skilled guy who kills. He's desperate, and he has nothing, so he slips across the border. These guys are slipping across the border, because they have no chance in Mexico! Particularly in northern Mexico. No chance at all!

And the jobs are offered here: *They're brought into the United States!* They don't break into the United States, they're brought in! By whom? By gangsters. And the United States doesn't dare touch some of these things, for example, in northern Mexico, right on the Texas border: The United States is fully aware of what's going on there with the drug running—one of the major sources of infiltration in that part of the world. They didn't do anything about it—they never did! They want it! They want cheap labor. And they want to break the unions in the United States.

So therefore, we have two policies: Number one, we're humane. We don't do anything inhumane. The first humane thing is, *raise the minimum wage level!* And enforce it! We need to do that anyway. We have people who can't afford health care—why? because they don't get enough income, things like that. So: Raise the minimum wage.

We don't need multibillion-dollar parachutes for blood-suckers. Why aren't we taxing the hell out of these guys? Why are we giving them exemptions? Why are we giving them these things? We can take that away; they have no right to that, that's not a right!

And the other arm of the thing, is to cut a deal with Mexico! To build the industries *in* Mexico. Promote the industries in Mexico. For example: Mexico needs everything. Mexico does not have a rail line from Mexico City to El Paso. Doesn't have functioning rail line! It doesn't have water processing. Mexico has water; it has areas for growing crops, but it's not allowed to do that. This is something the United States created—and I was there, when it happened, in 1982. When they crushed my friend President López Portillo of Mexico. And that's when this hell started there. They had industries—they shut them down! They looted the place! They stole the place!

So therefore, we have two things: We've got to protect American workers? Protect them. All right, what's the best way to protect them? Minimum wage. That's your first line of protection. Protect their health-care systems, protect the things that are needed. We don't allow people to work cheap in the United States. *We don't allow it.* Then, we do what we can to deal with the problems, to upgrade people into higher-paying jobs, which is not going to hurt anybody who came into this country, to get a higher-paying job.

And we also, at the same time, work with Mexico and other countries below the border, to promote the industries and development in their own countries, particularly in infrastructure, the major area of immediate investment in northern Mexico. Because they have no infrastructure, so therefore, you can't do much there, because you don't have the infra-

structure to do much with. So, build a couple of railroads, build some water management systems. That will keep people employed. You've got whole states in Mexico, where the remittances from people working in the United States pay for the families that live in Mexico, in those entire states. It's insane; it's inhuman.

So, if you take a human approach, it's a challenge, but it's not really a contradiction. Help them to stay in Mexico: which means you may have to give a few lectures to the current Mexican government, which is not a people-friendly government. But we can encourage, however, the government of Mexico to become a people-friendly government. That can be done, with U.S. help. In the meantime, raise the minimum wage here: We have to do it, anyway.

## Real Leadership, Not 'Group Dynamics'

**Freeman:** The next question is from a Congresswoman from a major East Coast city. She says: "Mr. LaRouche, I represent a district, where the only hope many young men have of avoiding a life of crime, of obtaining gainful employment, and of possibly furthering their education, comes by joining the military. One of those young men, who did exactly that, and who served this country with two tours of duty in Iraq, is now facing criminal charges because he hired somebody to shoot him in the legs so he would not have to go back to Iraq. He would rather live his life as a cripple, than to have to serve a third tour.

"You began your remarks discussing a withdrawal plan. Yet, despite massive popular sentiment against the war, despite what we are told is major disquietude among the military brass, and despite the fact that an increasing number of Republicans seem to be coming out in opposition to the war, even a very small step to end the war failed to pass the United States Senate.

"I'd like to know from you, 1) what you think it will actually take? And 2) I am familiar with your Southwest Asia Doctrine and I was wondering if you had amended or altered that plan from the standpoint of an actual withdrawal?"

**LaRouche:** On the Southwest Asia policy, I have not really altered that in principle in any respect. It still applies. We have to engage the nations in the region in a cooperative venture. As I said, that will not work without some other things as well. But the other things won't work without that, too.

In this case here—I have a problem: I'm probably quite a capable leader of our country. But I'm all too capable for the liking of some people in power. Therefore, I'm not in that position—because they don't want me in that position! I've done a few things, as some of you know, in my life, in the 1970s and 1980s in particular, which terrified some people who thought I was all too powerful. And the SDI was one of these ventures, and some other things as well. And so therefore, they try to keep people like me out of government. They like cowards in government, they prefer them. And I'm afraid that you've got a streak of cowardice which is endemic.



Courtesy of Robert Beltran

*"Most tragedies are caused by common opinion, by shared cultures," LaRouche said, pointing to the cowardly figure of Hamlet. "All tragedy is based on the commonality of self-destruction, of corruption, which works as group dynamics." The way you deal with that is "to stir up a revolt against the consensus." Here, actor Robert Beltran as Hamlet, in a 1997 production.*

You know, if a man gets into the Senate or the House of Representatives, you know how he's told what the rules of the game are. And the rules of the game make him impotent.

I've written a great deal about this business. This is an important scientific and political question, as to how people are turned into impotent people, who would not be impotent otherwise. You know, the myth is, that, in society, everyone is measured by their own qualities. That's bunk. Tragedy is never a matter of individuals. The exceptions to tragedy are a matter of individuals. Only exceptional individuals will break free of a tragedy.

Most tragedies are caused by common opinion, by shared cultures. You know, you'll often see people who, as individuals, will act quite rationally. But when the same individual is with a group, he will not act rationally. And he's operating under the influence of group dynamics. And all real Classical tragedy, including those written by Shakespeare, some ancient Greek tragedies, those written by Schiller and so forth: All great tragedies involve group dynamics. There is no tragedy which involves a hero. They're called "heroes"—they're not heroes. But they all submit to group dynamics. And they

say, "Well, I would do that myself, but I can't, because I have to go along with my friends"—or this, or that. "Therefore, I can't consider that."

They come like Hamlet, you know? Hamlet, all Danes of that type—not our visiting great Danes, but the great Danes of that act—were cowards! Intrinsically cowards! Hamlet was a coward! But what kind of a coward? He's afraid of a ghost! He's afraid of the King. He wants to maneuver, with a play. It doesn't work. Then he says, "Well, nothing works! Therefore, I'm just going to go throw my body on the line, and get everybody killed," in the Third Act soliloquy. So therefore, all the figures in *Hamlet*, except Horatio, are traitors; they're all skunks. There's not a good man among them. There's not a good person in *Macbeth*. There's not a good person in *Lear*, not a sane one in *Lear*, they're all nuts. There's not a good figure in *Julius Caesar*, except the one who's mentioned, but not present: Cicero.

All tragedy is based on the commonality of self-destruction, of corruption, which works as group dynamics. The individual is bound as by an electric fence of opinion, and can not act independently. And you find, often in society, you find a real-life situation, in which an individual as an individual, isolated from their cronies, will act as a rational person. But when they're with their group, they're skunks. Hmm? And the problem here is, the "go along to get along" principle in the Congress, is a Skunk Hollow principle. The individuals who are perfectly sane, intelligent people, will not in the Congress in their capacity as members of Congress, act in an intelligent and honest way.

So therefore, you will find the individual general, the this, the that, the so forth, who's outside that particular part of the process. And the way you deal with that is you stir up a *revolt* against the consensus: Break the consensus! Destroy the consensus. That's the only way you get rationality under these kinds of conditions. *Don't accept a consensus*. Someone says, "I have to go along. I have to go along with my friends. I have to go along with this, with that."

"You're corrupt! You're rotten! You're part of the tragedy. You *are* the problem! Because you go along to get along, you *are* the problem."

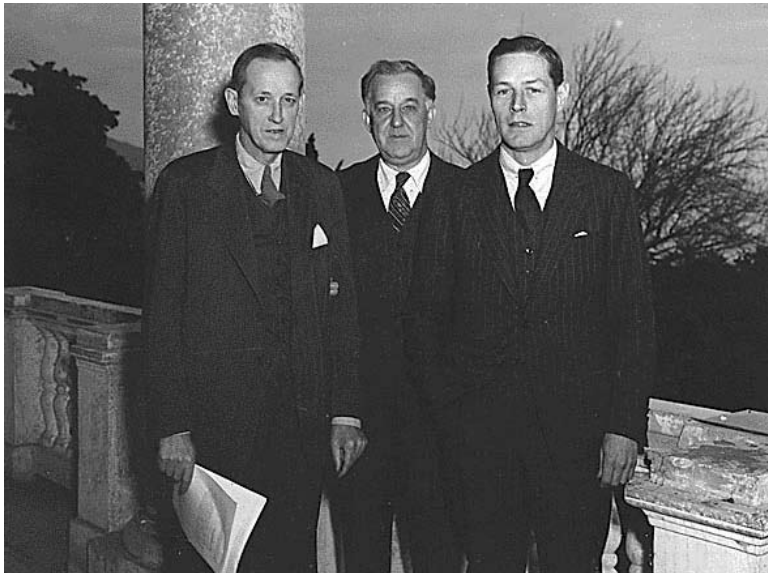
It's *breaking* that, when you know morality requires you to break it, the *guts* to do that. And I have the guts to do that. I also happen to know a few things, which helps me choose when to do that.

But that's exactly it: We're in a situation, where we can win. The ability to win this fight is there. The trouble is to find enough people with the *guts* to do it!

## 'Are We Doomed to Mediocrity?'

**Freeman:** Lyn, the next question is from a state official. He's from the same state as the Congresswoman who just asked you the question. He says: "Lyn, today's *Washington Post* poll on the Presidential candidates indicates that to most respondents, strength and leadership are more important to





FDR Library

*Harry Hopkins (left) played a key role, not only in organizing the public works and mass employment programs in the Roosevelt Administration, but in setting up the U.S. military logistical capability. Here Hopkins poses at Yalta, in 1945, with Roosevelt secretary Steve Early (center) and foreign service officer Chip Bohlen.*

them, than what was identified as ‘new ideas.’ There is no question that I will work to elect the Democratic Presidential nominee, whoever he or she is. But given the nature of the current crisis, particularly as you’ve described it, I can’t honestly say that any of the announced candidates stand out, either because of their new ideas, or because of the strength of their leadership. And as such, I’m not really comfortable picking a President by default.

“Is there a dark horse potential out there? Or are we in fact doomed to mediocrity?”

**LaRouche:** Well, I’ll tell you—let me just say, that when I say that government must do something, I’m taking personal responsibility for getting it done. If I say that we need a President with certain qualities, and I’m prepared to do my part, to ensure that the President has available, the qualities they need for that part. I’m not running for office; but if we get a good selection, a workable selection, I’m going to be there. And I’m going to do my job. And it will happen. And I know some other people around government, who have similar qualities, and I would ensure, or attempt to ensure, that they are represented.

You know, when Roosevelt took over, Franklin Roosevelt, he brought in a guy, Harry Hopkins, who didn’t come from nowhere. Harry Hopkins was a specialist, who did a great deal in building up the mass employment and so forth, the public works programs, but he also was a military programmer. Because, the day, as now, as I described the situation today, now—remember that Roosevelt was actually inau-

gurated as President within a couple of weeks after Hitler had received dictatorial powers from the original author of the Federalist Society in the United States, Carl Schmitt. And therefore, Hitler had become a dictator, through Hermann Göring, who was the Dick Cheney of the moment, who set fire to the Reichstag, in order to create a 9/11 type event, which was used to give Hitler dictatorial powers, which he never relinquished until the day he died.

So, Harry Hopkins came in as Roosevelt’s man, because Harry Hopkins was also a key part of the military organization of the United States. And the day that Franklin Roosevelt became President, he already knew that the United States was going to fight a war against Hitler, and that we had to prepare for it. And the entire organization of the effort, which included people like Dwight Eisenhower; also MacArthur was a key part of this, the industrial policy; other people. That the recovery program of the United States was a dual program: It was building an industrial capability for fighting and winning a war.

Our soldiers were not the most capable soldiers that existed during World War II. The Germans were. Performance all the way around, the German military was far more capable than we were in combat. But we had one thing, which the United States had, and created under Roosevelt, which Harry Hopkins represented: We had logistical capability. Where they had a few hundred pounds, we had *tons* of logistics. And we built a system: We built more airplanes than the world ever believed could have existed, each year! We built more of this and more of that than anybody! And I was there. And I trained some of our soldiers, that was one of my jobs—they were bums! But we won the war! And we won the war with logistics!

And Roosevelt came in, and therefore he picked a team of experts among all the people around him, and that hard-core team knew that we were going to save the U.S. economy, and they knew we were going to have to fight war against Hitler.

And the problem was, we had to get the British, who put Hitler into power, to quit, and join the United States. And we did: As long as Roosevelt was around to bite the heels and the legs of the British, they behaved themselves ... somewhat. And Roosevelt used to refer to them as “that bastard!” “That bastard! That bastard!” He would tell Churchill that his key man, “Hey I know why you brought that bastard here!” And so forth.

So, Roosevelt had no illusions. He was an actual, real leader. And you need a real leader in the United States. But that’s the kind of leader you need—you need the American-style leader, not the dictator, but the American-style leader, who knows what has to be done, who is determined to do it, who has a long view, and who pulls the crew around them to

get the job done. It'll be a mess. It'll be slop, like our war was slop... but we won! And if Roosevelt had lived, we'd have won more. And that's the way you have to approach it.

## A Mission-Oriented Approach To Economics

**Freeman:** The next question will come from the audience: Michelle Rasmussen, one of the leaders of our Danish organization.

**LaRouche:** A Great Dane.

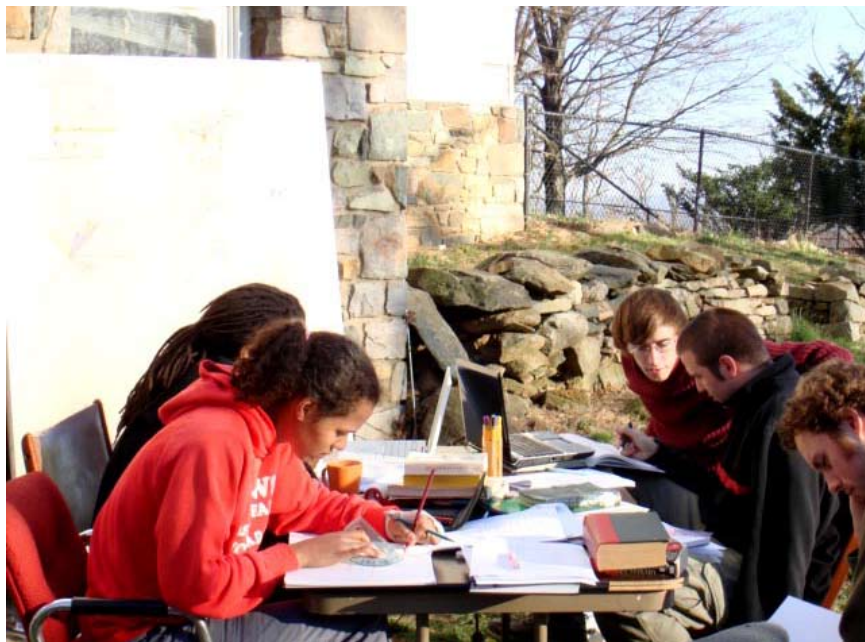
**Q:** Your associates in Europe, in the Schiller Institute, are organizing a conference on Sept. 15th and 16th on the subject of getting a Bering Strait connection built. And we in the Schiller Institute in Denmark have been proposing, that Denmark lead Europe in building the first commercial maglev line. These proposals have really sparked the imagination of the population and of some of the political institutions, some of the press. And the only real significant opposition so far has been people who say, "Well, it costs too much money!"

You addressed some of this in your speech, but I just wanted to ask you, how you respond to those people. And what more can you say about the importance of the Bering Strait Project, to help inspire people to participate in the conference?

**LaRouche:** See, the problem with most economists, especially accountants, is they think like monkeys. And therefore, they don't know how to do these things, because they think like monkeys.

Now, human beings are not monkeys. Some people fool us and pretend to be, quite successfully, but people are not monkeys. Now, the difference is, human beings change the productive powers of mankind, through the assimilation and generation of discoveries of principle, and the discoveries of applications of those principles. That's the difference between a human being and a slave. A slave is not allowed to invent anything. A slave is told to do as they're told. And most people in society today, in the United States, are slaves. They're told not to think—and they do that very well. They don't think.

So therefore, the key thing here is, economics is based on a principle which is unknown to virtually every professional economist in the United States. That principle is the human mind, the creative powers of the human mind. Those of us who are old enough to remember the time that we were actually productive; in all kinds of jobs, you would have factories that would have production suggestion boxes. Now, they were



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*"Human beings aren't monkeys." We have to stimulate the creative power in people. We're doing it in the "Basement," LaRouche said, referring to the LaRouche Youth Movement crew (above), independently developing their mental powers, as they master the work of Kepler and Gauss.*

not junk; a typical suggestion for a company that had some high technology in it, would be something that would have been crafted over a period of probably some months, by one person or a number of persons who were employees in that plant. And they would work out a plan, a detailed plan for a device or a tactic or something; they would work it out in great detail, with essentially the equivalent of scientific precision, or a machine-tool like precision. They'd work it through, and it wasn't—you know, "Give a Kleenex to the something or other," but something really serious of that type which would affect production.

In World War II production, under those kinds of conditions, even in the postwar period, you would have this kind of re-lofting of an aircraft. For example, Grumman at one point, in the immediate postwar period, was making innovations in its aircraft. And they made the mistake of having this pile-up of revisions. At first, they would say, "Well, let's make each revision in order." That is, they would take revision #1, revision #2, revision #3, and the problem was that when they put these series of revisions through, they were cutting holes in all kinds of things, in making these different kinds of attachments and arrangements. So, they realized they had to re-loft the whole thing from the end result, rather than trying to do it step by step. And what we would have, is you would have people who would make these kinds of suggestions in these kinds of industries, who actually would go through that process and say, "This is the mistake we're making. Here's how we have to do it," and

that kind of re-lofting idea would come out of that sort of thing.

So, you had, in the idea of high-technology production, especially coming out of World War II, where we brought a lot of people into war production and similar things, we had a high premium on innovation. This continued in the so-called Cold War period, where innovation was important. But as the effect of the right-wing turn into suppressing the mental agility of people in production, they became less and less creative, and a smaller and smaller number of people were working.

We had a convergence, where the launching of the manned Moon landing, actually on the authority of [President] Kennedy, was the last great step we made in net effect in this direction. By the 1970s, we were already destroying that power of innovation in the population, and people were becoming less and less creative, and what's called "innovation" today, tends toward crap more often than it is something useful.

So, that's the problem. But we have the ability, if we organize properly, to stimulate this creative power in people. Look, we're doing it in the Basement out there, in a sense, in getting people to go through a certain sequence of their own self-development.\* What's important is not getting the result which they produce for somebody else to look at. What's important is the *self*-development of going through this exercise, of working something out more or less independently, and developing their own mental powers. And that's what's important.

So if I say, we take a mission-oriented approach to management, as opposed to what's called a "management approach" today—and you give people a mission-oriented assignment, with some freedom to express this mission orientation, you will find that the human factor among talented young people, will cause you to generate improvements in the process, which will increase constantly, the effective, productive powers of labor. That, what you do in planning the economy, planning programs in the economy, is you play on that factor: of inspiring people to become creative in a true sense, not creative in some kind of "how to make a better paper clip," but really—and you get that creative factor; if you have a high science content in your drive, that sort of thing. You know, the farmers, for example, in the 1950s, the farmers in the United States, were coming out of the World War II experience, and you had young farmers going to agricultural institutions, and they were becoming agricultural scientists, agronomists. And they were making innovations in crop design and in methods of production, faster than the Agriculture Department or anybody else could keep up with them. This was killed in the 1970s, this impetus. This is the same thing, in the history of war production during

World War II and immediately after, the same thing that I referred to before.

So therefore, if you plan development properly, if you plan it from an economic standpoint, to activate the human factor, of human creativity, in this way, in productive efficiency, then this is the source of the gain which is the net physical gain in productive output that you get by an investment. It comes from the human mind. The activation of the creative powers of the individual human mind, those innovations are the margin, by which the increase in the productive powers of labor is generated. And the key thing to successful economy is to organize an economy around that kind of motivation and method. And we know that you can take a 3 to 5% average gain in productive powers of labor in society, by simply approaching things with that kind of understanding. It's automatic.

That's why we insist that the rate of interest on loans for production should be less than 2%. Because at less than 2%, we can create a significant margin of gain in productive powers of labor, so that we can easily afford the 1 to 2% interest rate on the loans, if it's not compounded.

So, that's the way it works. And we know that works, we know how that works (at least some of us do), and therefore, when you plan how the economy should go, that's the way you do it. You look at these kinds of factors, you know how you can get the gain, and you're getting the gain by what the innovation factor is that you're getting from the people who are doing the job. *It is the productive powers of labor*, not the shrewdness of management! It's not money that earns profit: It's people that create it.

### ‘What Can Save the Auto Industry?’

**Freeman:** The next question is from Darrin Gilley, who is a UAW official from St. Louis, Missouri. And he says, "Lyn, would it be possible for the Big Three automakers to actually negotiate a fair labor agreement with the UAW under current market conditions? Is it possible for the auto industry to overcome the unfair trade practices that are currently undermining all American industry? What do you recommend for the UAW and other unions, as we approach these current labor negotiations that are now set to begin, given the current economic crisis as you've developed it?"

**LaRouche:** Well, I would say, the easy way to get that, is to let me do it.

Because you're not going to get it from the union level. That's not the way you're going to get the result. You get the result from the participation of the people in the unions on the program, but you have to have a Roosevelt type of approach. It has to be, the government which is able to organize its tax policy, and other things, simply says, "We have a policy," as Roosevelt did. "We have a policy."

As I said earlier, in response to an earlier question: Raise the minimum wage. Raise it! Enforce it! Enforce the raise in the minimum wage.

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\*LaRouche Youth Movement organizers in Northern Virginia are conducting intensive research on Johannes Kepler, Carl Gauss, and Bernhard Riemann. See [www.wylm.com/~animations](http://www.wylm.com/~animations).



You also do other things the same way. And what you do, is you consult with everybody involved on these things. You consult with the unions and so forth involved, and you negotiate, sitting around a table or discussions—you negotiate, and say, “Would you go along with this? Would you go along with this?” That sort of thing. And you come up with a package.

But the intent, is the commitment of government to make something work. You never will have a private initiative on this kind of policy question, which by itself will solve a problem on a national basis. It has to be the government. The government has to have a political commitment to achieve a result. And call in the people who are affected, like the unions and so forth, and say, “Let’s discuss this. We’re looking in this direction: What do you have to say about it?” And you come up with a package. And with the power of government behind the package, you make sure it works. And if the union understands what it is, if they cooperate, it probably will work! Usually does. If it doesn’t work, you’ll learn a lesson from it, and you go back and take another crack at it and try it again, and you’ll get the result.

But it’s the human initiative, and human will. It’s not systems; it’s not plots and schemes, and so forth. It’s a social process, always focused on one thing: a mission-orientation—where do you want to take society? Where do you want to go? How can we get there? What are the implications? And then the will and cooperation to get the job done. Just like warfare.

But the emphasis always has to be on human creativity. And you will find in general, that the guy who is creative—. See, the worst trade union bureaucrat is the hack. He doesn’t want to think about creativity. He wants to think about “this here deal.” He doesn’t want to think about creativity. But the young, vigorous, or the old guy who likes science, who likes that sort of thing, he wants to do a good job. And he has ideas about how things can work, and he’ll make things work. Whereas you get this bureaucratic mentality, that’s tough to deal with.

But you work around it. You find the creative people in the situation, and you try to give them a little more leverage, and make their weight felt more effectively, and it comes out.

But the way to do it, is simply, we have to lower the profits in the United States, particularly financial profits. We have to increase the profitability of production, have to lower the profitability of speculation to less than zero, hmm? Shrink it down. And we have to emphasize scientific and technological progress, greater capital intensity, much more emphasis on basic economic infrastructure that’s related to production. And being intelligent. That’s all there is to it.

But if we decide that we’re going to change the United States back to what it was, before Kennedy was killed, at least—if we decide we’re going to do that, and we’re going to use those kinds of criteria, it’ll work! It’ll work. Unless they kill us. But it will work.

And that’s how it’s done. It’s done by the human will and intellect, but you have to have a commitment from the top down, or it won’t work. If you have a commitment from the top down to prevent it from working, it’s probably not going to work.

## The ‘Lobster Summit’

**Freeman:** Lyn, the next question is from the chief of staff of a Senate office, which has major responsibility for foreign policy. And she asks: “Mr. LaRouche, at the beginning of this month, coming out of the “Lobster Summit,” it looked as if reason had prevailed and that our planet had been granted something of a reprieve. Now, however, it looks like that reprieve was a very brief one. In your view, have we lost what was accomplished there? If not, how can we actually regain the momentum of the Kennebunkport process, and by doing so, avoid what some have referred to as the ‘Guns of August’?”

**LaRouche:** Well, in a sense, I don’t think we lost anything as such. We lost time; we lost an opportunity, a momentary opportunity. But the problem is, we didn’t get rid of Cheney! That’s the problem.

I mean, when the President got back to Washington, and he got into the hands of that Rove-ing idiot who advises him, and Cheney, hmm? Or, Rove-ing hands, or whatever he is. But, the President took a flop backwards. He’s of fragile mind anyway, and the flower, the bloom wilted rather quickly.

See, the fact is, the President is actually Trilby. He can only sing when his hypnotist has got him under control. If the hypnotist doesn’t hypnotize him, he can’t sing. So, he’s dependent upon Cheney. It’s a horrible spectacle, isn’t it?

But, anyway, he got back and Cheney went to work on him. And he went back into Cheneyism.

And my answer is: You idiots! You’re talking about impeaching Bush. You idiot! You idiot! You idiot! What you have to do is get rid of Cheney. By impeaching him? Well, you don’t have to really impeach him. First of all, you have to decide you want to get rid of him, and you want to get rid of him without shooting him. There are ways to do that. You just have to have the determination.

If you get the right combination of people to realize they’re going to save the nation, and some tough people who won’t give up, Cheney is out! That simple. If Cheney is out, Kennebunkport is back—provided we do what I’ve indicated today has to be done. You have to commit yourself absolutely: We are getting the troops pulled back *in August!* Not September, not November. They’re pulled back in August.

To make that possible, we have to enter into a discussion with Russia—because Western Europe doesn’t mean anything right now; there’s no competence there. China, and India—because India’s now scared, because of what happened with Pakistan. Because anyone in India who understands things, knows that a destruction of Pakistan, of the type that’s in progress now, means that India’s going to be affect-

ed. So therefore, this is essential.

If we do that, then that puts it back on the table. In other words, you had the father of the idiot, who's not the brightest bulb in the world either—but the father of the idiot, and the idiot, decided that they wanted to move in a certain direction. And the father was pushing it, and other people were pushing it. That's good. All right, we've lost that in that form, but if we do *this*, and then get Cheney to get out, and then push this at the same time, *then* go back to Russia. Because the White House knows, whether the President fully understands it or not, that if we want to pull this off in Southwest Asia, we have to have cooperation from Russia. There's no other nation that's crucial for this, otherwise. The others then come in, and you can pull it together.

So therefore, we have not lost the issue. That was a gain that that happened. We've lost the way we thought we were going to get it, by getting a first step, and then going to another step, and then another step in cooperation. We lost that. But what we did, was good, it was important. We can bring it back, this way. And the way to do it, is go at: We know we've got to pull this deal with Southwest Asia; we pull out, get the agreement. But we know that won't work, without the Presidency going to Russia, going to Putin, to get the other nations involved, to create the circumstances in which the thing will work.

So, I don't think we lost anything. We lost time. And get Cheney out: It's all solved. *But get him out!!*

## The Principle of Creativity

**Freeman:** This is a question from the audience, from Alan Egge.

**Q:** It comes from your new paper, "Music: Science or Fantasy," footnote 3, to be specific, where you go through the whole progression from Archimedes' quadrature of the circle, and then Nicholas of Cusa, his refuting of the quadrature of the circle; and then you go through Kepler's discovery of gravitation, to the infinitesimal calculus, to elliptical functions.

Now, my question is general, but I want to understand that progression more, because working on the Kepler work, it's hard to really understand what Kepler's going through without really understanding the whole progression. Like what is the actual historical context that he sits in. So, if you could elaborate.

**LaRouche:** There's a principle involved. And the principle is that Archimedes was wrong! Archimedes was incompetent. He was competent in some things, but on this he was incompetent. Because you can not define the circle, ontologically, by quadrature. You never come to an actual circular motion: It's always in some small—it's rectangular.

Now, this becomes obvious to you—Nicholas of Cusa



*Archimedes was wrong to define the circle ontologically by quadrature, as recognized by Nicholas of Cusa, LaRouche said. "You never come to an actual circular motion: It's rectangular." Here, a 1620 painting by Domenico Fetti of "Archimedes Thoughtful."*

was the one who recognized this. Nicholas had been getting all these papers, which he and others had collected from the archives in Greece, where some of these old things were still there and maintained. He realized that Archimedes was wrong, and he realized that it was a systemic error in the thinking of Archimedes, which in point of fact, was not an error in Archimedes' associate and correspondent, Eratosthenes. Eratosthenes of Egypt made no such error; Archimedes did.

Now, the thing becomes clear, on reflection, when you go to the first stage of Kepler's discovery of gravitation. And the point is, as long as you believe—which is what the error is, of this quadrature—as long as you believe, as most people today who are mis-educated believe, that if you know the mathematical formula, the formula is what determines the pathway of action. But the formula does *not* determine the pathway of action: The formula was an attempt to *describe* the pathway of action, it does not determine, it is not the *motive*, as Gauss dealt with this thing—it is not the motive for the action. What pushes, what causes, what is the motive? Because, not only does the planet follow an elliptical orbit, but it has a certain variation in its rate of motion, of the equal times/equal areas, right? So, where does the motive come for

equal times/equal areas? Because it's the equal time/equal area, the volume, and the volume effect, which determines the rate of change of motion. So, you don't have quadrature, because you have a rate of change of motion! A rate of change of the vector of motion! In the smallest degree: So there is no possibility of quadrature.

This then involves the fundamental principle, which becomes the principle of the Leibniz calculus, which is first defined *as* the principle of the calculus by Kepler, on this basis, and on the basis of harmonics. Which means that, when you get to harmonics, you realize that—as I lay out in the paper here—you have this relationship: You've got on the one hand, two senses that are primary, vision and hearing, harmonics. Now, these are two different senses. Now, you often will find, as you can hear, up here at the podium, at the same time you have vision and hearing, are going on simultaneously. Vision and hearing, which are two distinct senses, are like instrumentation of your experience of the universe.

Vision and hearing, they're different. Hearing is not symmetrical with seeing. Seeing: Idiots believe in something like Cartesian geometry, or Euclidean geometry—but only an idiot really believes in Euclidean geometry. Because Euclidean geometry says, "I believe in what I see. I pay no attention to what I hear." Hmm? Typical idiot. He sits in a classroom, "I see everything," he hears nothing. Like the three monkeys.

So, in any case, the point is, that the mind is not a simple reflection of sense-perception. A description of motion, as described by a faculty of sense-perception, whether it's harmonic or vision, is not reality. Reality is something which is neither, but is that which is common to both. Now, this faculty of the human mind, to define an infinitesimal, as Kepler defines an infinitesimal, is the faculty of science, physical science, which corresponds to human creativity, which is the difference between man and a monkey.

So, that's the issue. So therefore, on the issue as I lay out that series, is, Archimedes made an error. Archimedes was a very creative mind, but he couldn't identify creativity in geometry. Whereas Eratosthenes could, his correspondent.

So therefore, once you define creativity, which is what Kepler did with that discovery, and then he went to harmonics, and he defined the relationship—Kepler's calculation for gravitation involves *harmonics*, not just vision. It's not just equal areas/equal time—it involves harmonics. So therefore, you have the faculty of vision and the faculty of hearing, or harmonics—harmonics is not just hearing—but harmonics, and therefore harmonics determines the organization of the Solar System. It's not quite the way you would think otherwise, but it's that.

So thus, the mind is neither sight nor hearing: These are merely instrumentations, like instrumentation of any experiment. The mind resolves that which does not correspond simply to sense-perception. And it's this understanding, the human mind's ability to discover these things, discover the

ironies of sight and hearing, in respect to a phenomenon, which is the location of the function of creativity in the human being, which distinguishes the human being from an animal.

Now, once you discover this, then you have Leibniz's discovery of the calculus, which is based on Kepler. Then you have Fermat's proof of least action, which is another irony of the same type. So, now, when Leibniz unifies, together with Jean Bernouilli, the question of the relationship of the harmonics and vision in this way, by taking least action as well as this principle of the infinitesimal, then you get the universal physical least action. Which is the basis, which leads into—

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*"Society and social relations should be based on that which distinguishes human beings from animals. That's the issue."*

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once you get rid of Euclid and all of this other nonsense—it leads into Riemann. And once you get to Riemann, you have a picture of the universe as man knows it, today. It's not as we will know it a hundred years from now, but it's as we know it today.

So, the point is, once you get on that track, as I enumerate that track, the point is, that *this is a track* which defines human creativity. Which means, if you just study mathematics and don't learn to sing, like Bach would force you to sing, or should force you sing, you don't know a damned thing! You have to know both. And because you have to find the resolution which makes you something more than an animal, something more than a machine: You're not simply a piece of instrumentation attached to another piece of instrumentation. You are the living mind, which distinguishes you from an animal. And society, and social relations should therefore be based on that which distinguishes human beings from animals. That's the issue.

**Freeman:** Well, when we started today's seminar, we started with the idea that we needed three more members of Congress to sign on to the Kucinich resolution, in order for Chairman Conyers to proceed with impeachment proceedings. Before we actually officially convened, we needed [only] two more.

Lyn, in his first remarks, said that "it was time to make history," and there are few things that he has said that I agree more than that....

You've been a great audience. Please join me in thanking Lyn.



# Big Bank Failure Could Turn Credit Crunch Into Global Crash

by Paul Gallagher

The seizing up of the world credit markets—triggered by the collapse of the household debt bubble in the United States—may turn from a slow-motion collapse into a thorough crash, if one or more major investment banks fails in the near future.

This appears to be threatening in the market turmoil of the week of July 23, in which many big corporate “leveraged takeovers” have been exposed as falling apart, leaving big international banks holding the bag, with potentially hundreds of billions of dollars of junk-bond debt they cannot sell. Bear Stearns, Morgan Stanley, Lehman Brothers, and Goldman Sachs are the banks holding the most bad junk-bond debt, and they are potentially hit hardest with losses, according to an alarmed analysis published by the London *Financial Times* July 27.

Because the constant churning out by those markets of mergers and leveraged takeovers on a huge scale was what drove stock markets up during 2007, those stock markets also started to plunge during the same July 23 week.

In his webcast address from Washington, D.C., on July 25, economist Lyndon LaRouche sharply emphasized: “The world monetary financial system is actually, now, currently in the process of disintegrating. There’s nothing mysterious about this; I’ve talked about it for some time. . . . What’s listed as stock values and market values in the financial markets internationally is bunk! These are purely fictitious beliefs. . . . Only a fundamental and sudden change in the world monetary financial system will prevent a general, immediate chain-reaction type of collapse. At what speed we don’t know, but it will go on, and it will be unstoppable! And the longer it goes on before coming to an end, the worse things will get.”

As of July 27, the end of a week of international capital markets “seizing up,” the world’s major central banks ap-

peared paralyzed to deal with the drying up of credit markets. The Bank of Japan was afraid to raise interest rates for fear of triggering the unwinding of the yen carry trade and collapse of the dollar. The Federal Reserve was afraid of any speculation about lowering rates, for the same reason—despite falling home sales, auto sales, industrial goods orders, industrial employment—and was overseeing the outright faking of GDP and jobs reports to justify its paralysis.

The Bank of England and European Central Bank, which had been raising rates, were forced by the crisis to leak that they would take no more such action. The International Monetary Fund put out an “update to its annual report” on July 25, specifically to deny that a global credit crunch was hitting, while acknowledging “dangerous risks have emerged.”

## ‘Never Before, Except the Great Depression’

That this financial disintegration was triggered by the meltdown of the \$12 trillion U.S. home mortgage bubble, and the subsequent crumbling of mortgage-backed securities (MBS, a \$6 trillion market) and their derivative collateralized debt obligations (CDOs, another \$3 trillion), has become fairly well known. Billion-dollar-plus hedge funds are going bankrupt on a weekly basis, and the funds of the Credit Suisse/Tremont Hedge Index, as a whole, have lost 7.5% for the year to date. The exhaustion of the household debt bubble is dragging down auto sales, jobs, durable goods orders, and other physical economic measures.

That triggering condition continues to worsen rapidly. On July 27, following the announcement of big new falls in both new-home and existing-home sales in the United States in June, Moody’s Economy.com, a division of the ratings agency, issued a dire new analysis of the mortgage

credit market by its chief economist, Mark Zandi. That analysis was that the housing-market plunge will continue for at least another year, at which time, average home prices will be 10% below their level of the beginning of 2006. Such a price collapse has not happened since the early 1930s, during the Great Depression. Moody's forecast U.S. unemployment to jump as a result. Two days earlier, the CEO of Countrywide, the largest American mortgage lender, said the condition of the home market had no precedent except the Great Depression.

In addition, Zandi projected that by Summer 2008, 3.6% of all American mortgages—prime as well as subprime—will be in default, and that 2.5 million more homeowners will default on first mortgages alone in two years. Second mortgages—that is, home equity and other forms of borrowing cash against homes—are defaulting at an even faster rate, 4.8%, as announced July 25 by Countrywide.

The market for the most widely used mortgage-bond derivatives, CDOs, seized up completely in June; JPMorgan Chase bank reported that only \$3.7 billion in CDOs were sold in June, compared to \$42.3 billion in May and much larger figures over the course of 2006.

## Credit Markets 'Shaking Like an 8.0 Earthquake'

Less well known, but more important to this crisis, is the blow-up in July, of the corporate "junk debt" market, the supposedly inexhaustible supply of high-interest lending by which banks and hedge funds were financing corporate takeovers by so-called private equity funds, less politely called "predator funds" or "financial locusts." The junk bond markets have swelled from 10% to nearly 30% of the total corporate bond markets.

There have been more than \$3 trillion "worth" of mergers and acquisitions in just the first half of 2007, a far higher rate than even the all-time record \$4 trillion total for 2006. About \$1.1 trillion of these 2007 acquisitions have been junk debt-laden "leveraged takeovers" mostly by private equity takeover firms.

But the actual financing of \$300 billion or more of this predatory takeover activity, has not been accomplished yet; it is this mound of unsold junk debt for which the international banks, which pushed the takeovers with "cheap, unlimited credit," are now on the hook. European economists told *EIR* that interest rates on junk debt jumped 1.5% or more in one week, as the banks tried and largely failed to sell this debt.

As veteran bond trader William Gross, head of Pacific Investments Management Corp., stated July 25, "the credit market is shaking like an earthquake of 8.0 magnitude." Gross said that a "shock liquidity crisis" could hit those markets in the near future.

Showing the severity of the problem was the forced withdrawal of a \$3.5 billion bond issue by General Motors' financial arm, GMAC, because the lack of bids for the bond sent

the prospective interest rate on it soaring. This was an unprecedented event among the big automakers.

The Cerberus Capital Partners' takeover of Chrysler is the biggest deal now clearly in trouble. Six big international banks gave up trying to sell \$12 billion in junk bond debt, even after the interest rate offered rose over 9%; and they took losses on \$6 billion more, in an attempt to sell it now, according to the London *Financial Times*. This may surprise those who read that the buyout of Chrysler was, in total, a \$7.5 billion deal! But *EIR* discovered at the time of the deal, that it was far, far more leveraged, involving \$30-50 billion in planned junk debt, and that it could blow up the global junk bond markets.

"Banks left with \$22 billion debt as crunch deepens," was the headline of one report, in the *Daily Telegraph*, on July 26. But that was only summing up the biggest and most notorious failing deals.

## The Biggest Crash Threats

The *Financial Times* reported its own analysis July 27 that as much as \$180 billion of this unsold—and now unsellable—\$300 billion or more of takeover debt, is on the books of the four leading investment banks noted above. The paper's analysts estimate that these banks have failed in attempts to sell \$40 billion (not \$22 billion) of the junk in recent weeks.

Because these investment banks are not nearly as large, in core capital or assets, as the commercial banks which dominated the junk-bond lending for takeovers until 2006, their leap into hundreds of billions of junk debt has put them in a highly exposed position.

The second great danger is to the real economies and employment of leading nations. Hedge fund failures threaten wealthy investors, and now, many public pension funds, with big losses. But private equity funds, rather than piling debt—"leverage"—on top of cash assets invested in them, as hedge funds do, pile huge debts on top of little more than their own predatory activity of taking over and looting corporations. And these private equity funds have come to control companies employing 18% of the private workforce of Britain, 20% of the private workforce of the United States, including huge chunks of the auto sector, and so on.

A veteran London financial analyst emphasized to *EIR* on July 22, that, for this reason, the collapse of the private equity debt bubble could cause mass unemployment and hit remaining real economic activity very hard. The real risk to the world financial system, this analyst stressed, is the "risk reverse mentality" which is now striking the world's banking system.

In the face of the looming crash, the U.S. Congress must impose a bankruptcy reorganization of the banks themselves; act to halt the massive wave of home foreclosures; and take emergency measures to inject Federal credit into productivity-raising investments, particularly in new, high-technology infrastructure projects.

# Gordon Brown in Deep Water: Labour Negligence Caused Flood Disaster

by Marcia Merry Baker and Mary Burdman

As the damage toll continues to mount from the Summer flood disaster in Britain, Prime Minister Gordon Brown and Environment Secretary Hilary Benn are in deep water over revelations of the Labour Government's deliberate non-action on warnings made three years ago, and over their excuses.

In Bush-like fashion, the Tony Blair government, with Brown as Chancellor of the Exchequer, had refused to overhaul U.K. flood defenses and drainage systems, even when the infrastructure problems were pointed out by their own agencies. Two separate government reports, one in July 2004 and another a year later, were critical of existing anti-flood plans. But no action was taken. Instead, variations of the now-standard excuses were given: that flood control systems are "too costly," and that they are "bad for the environment." A wild anti-infrastructure plan was pushed, called, "Making Space for Water," which advocated that run-off be allowed to spread freely!

Now, the worst floods in over 60 years have deluged England. Well over 1 million people are affected, dozens of towns remain engulfed, 350,000 persons have had no safe drinking water for two weeks, and so on. The cost will be well over \$5 billion. Brown's sputterings that blame "global warming" are meeting an infuriated population. The "Katrina reaction" has hit. And the Queen might have as well said: "Good Job, Brownie."

## Vast Flood Damage

The weather pattern changed this year as the jetstream shifted to a more southerly position earlier this year, and in June, heavy rains fell in central Britain. In July, torrential rains fell on the Severn and Avon River Basins, and the upper Thames watershed. On July 20, up to eight inches fell in one day in some locations of the West Country. Given the relatively gentle landscape of this region, the huge volume of run-off wrought havoc.

The Severn River became a raging torrent. The Severn, at 222 miles—small by world standards—is the longest of Britain's rivers. Its estuary demarcates the lower boundary between England and Wales. With a flood crest exceeding 20 feet over normal at places, it roared through the major cities along its course in Gloucestershire: Tewkesbury, Gloucester, and nearby Cheltenham. The usually placid Avon tore through Shakespeare's Stratford-upon-Avon, flooding the riverbank theater.

The Thames, rising in the storm area, raged eastward, flooding Oxford, Reading, Henley, and the towns along its way downstream. Much of London itself would have been under water, except that the tide was out when the Thames peak hit the



U.S. Army/Sgt. Michael J. Carden

*As was the U.S. Army in New Orleans during Hurricane Katrina (above), the British Army has been deployed to assist victims of the current floods in England, whose devastation has been made all the worse by the government's treacherous decisions to not maintain water management infrastructure.*

city, so the floodwaters did not crash into a wall of seawater.

Hundreds of lakes were created out of the floodwaters in the river basins. At least 4,500 houses were flooded within three days, and thousands of cars submerged. The national tally of flooded homes is expected to hit 10,000.

Lacking throughout were flood-basin-wide systems of modern infrastructure—storm drains, dredged river channels to carry off the heavy flow, water defense walls at correct sites, and so on. In Gloucester, for example, dredging of the Severn channel had been *suspended* in recent years!

There are now vast pools of flood run-off mixed with sewage. Many localities do not have modern water management systems which keep stormwater separate from wastewater flows. This year's epic flooding may, in any case, have overwhelmed such systems, but without them, floodwater contamination is guaranteed, even with a lesser flood. Safe water is lacking for 350,000 people in Gloucestershire for perhaps up to two weeks, as water treatment plants in Gloucester and elsewhere were inundated and shut down. The Army mobilized to distribute 5 million liters of bottled water. Eighty tank trucks are trying to keep 926 bowzers—public-access water tanks—filled throughout the county.



In contrast, where flood defenses were in place, they proved their worth. The flood wall structures held in Oxfordshire at Kidderminster, Bewdley, Shrewsbury and Kidlington, in the Thames Basin. Otherwise, parts of Oxford are under 3-4 feet of water and many families were taken to shelter at the Oxford United's Kassam football stadium.

Without needed infrastructure, the order of the day was heroic intervention. On July 23, in Gloucestershire, the Waltham electricity substation was saved from going down after 20 million liters of water were frantically pumped out by firefighters and the Royal Marines. Electricity service was maintained for 500,000 people.

## 2004 Warnings Ignored

In 2004, the government said coordination among water companies, local councils, and the Environment Agency, under DEFRA (the Department for Environment, Food and Rural Affairs) had to improve. In 2005, the government committed to "work towards giving" the Environment Agency "an overarching strategic overview across all flooding and coastal

erosion risks." But it never happened.

Moreover, DEFRA made cuts in flood management. Eight out of 12 regional engineers for flood control were axed. Three regional offices for flood response were eliminated—in Lincoln, Taunton, and Tunbridge Wells. On July 24, the Public and Commercial Services Union issued a warning that DEFRA planned to cut another 550 more jobs by March 2008. The Union's General-Secretary Serwotka said, "There is a real fear that cuts will hamper the ability of DEFRA to co-ordinate future responses to floods and extreme weather conditions..."

The government is on the hotseat. At Gordon Brown's first regular monthly press conference on July 23, he and Hilary Benn had to announce that there will be an independent review into the crisis.

Whom can the government blame? "Global warming." At the July 23 press briefing, Benn recited the usual litany, "The scientific consensus is clear that the climate is changing, that human activity is having an effect, and that is why acting against global warming is everyone's responsibility."

Brown said: "I think that every advanced industrial country

## Global Warming To Blame? This Is All Wet!

The charge has been flying in British media, as well as from Prime Minister Gordon Brown and Environmental Secretary Hilary Benn, that global warming is to blame for the flooding disaster in Britain. This is all wet.

The most common Al Gore assertion is that, the rains are just part of the "extremes" now experienced in Earth's weather patterns—including hurricanes, droughts, floods, and such—attributable to the baseless claim that the planet is heating up because of greenhouse gas emissions. That has been refuted, including by *EIR*, so often, it is only noted here in passing.

One specific charge made by the London *Independent* newspaper, is that a research paper published July 24 in the journal *Nature*, shows that there is a link between the British Summer flooding and man-caused climate change.

The cited *Nature* article shows no such thing. One of the authors, Nathan Gillett, of the University of East Anglia, told the London *Daily Mail* and the *Guardian* explicitly that the *Nature* article looked only at the average annual rain and snowfall over the last century, and does not make the case that the current flooding in the United Kingdom is being caused by man-made global warming.

Let us now look more closely at the article in *Nature*. Entitled "Detection of Human Influence on Twentieth Cen-

tury Precipitation Trends," it was authored by Xuebin Zhang and Francis W. Zwiers of Environment Canada; Gabriele C. Hegerl of Duke University; F. Hugo Lambert of the University of California at Berkeley; Nathan P. Gillett of the University of East Anglia; Susan Solomon of the U.S. National Oceanic and Atmospheric Administration Earth Sciences Research Laboratory; Peter Stott of Hadley Center Meteorology Office, U.K.; and Toru Nozawa, of the National Institute for Environmental Studies Japan.

The article is based on the output of 14 different climate models, the same ones that were used in the preparation of the Intergovernmental Panel on Climate Change Fourth Assessment Report. The computer models were run with three different model inputs: One group of models was run with only natural causes (solar radiation, volcanos); another group of models was run with only greenhouse gases produced by human beings; and the last group of models was run with a combination of the other two.

Then the research team did what is known as "ensemble modelling." In this, the models are run 50 or more times, and then the average of all of the model output is taken. After averaging the model results, the research team claims to have found the human fingerprint on global warming and the increase in precipitation trends over the last century, because its model output with greenhouse gases had a slightly larger percentage change.

The *Nature* article is a study in statistical voodoo, and with that kind of trickery the only fingerprint that could have been found was the fingerprint on the money used to fund the research. — **Greg Murphy**

is learning we will have to adapt to new ways of doing things including improving our infrastructure and the siting of our infrastructure in the future, and to make sure we can respond to all emergencies as they arise. We are coming to terms with some of the issues surrounding climate change. It is pretty clear that some of the 19th-Century infrastructure and where it is sited is something we will have to review.” (See box).

Cueing off this, a diversionary, contrived debate is ensuing over whether to cease allowing homes to be built in flood plains. Never mind that this would disallow the Prime Minister’s headquarters at No. 10 Downing Street, which is in the Thames Basin!

But as one irate blogger from London wrote in the midst of the Thames overflow: “Any hint that this is to be blamed on Climate Change is an insult to the people whose homes have been destroyed....”

The real issue is infrastructure.

### Holistic Hokum—‘Making Space for Water’!

In 2004, the Environment Agency, under DEFRA, adopted an anti-infrastructure flood strategy called, “Making Space for Water,” terming it a “holistic” approach to water and land management. This is a rationalization for not building water-control walls, dredging channels, and other drainage control measures, which are considered to be too costly, and instead allowing water to find its own “space” on the land.

Elaborate justifications included how it would be good for agriculture, riparian wildlife, and the like. The arguments were the same as those advanced after the epic 1993 Mississippi River flooding. At that time, *The New York Times* publicized the “Let the Rivers Run Free” policy, to oppose the rehabilitation of levee systems.

The DEFRA do-nothing ruse created deep public upset over the prospect of floods. To counter this, DEFRA launched a campaign to overcome “cultural barriers” to its policy. One DEFRA paper said, “The Environment Agency is considering how to adopt a more rigorous approach to abandonment of sea walls where costs exceed benefit.”

Now the “Katrina effect” may be forcing DEFRA to back off. DEFRA itself has had to admit, according to the July 24 *Guardian*, that there is a lack of central responsibility and information for those hit by the flooding, that there was insufficient risk assessment, that development planning was made without assessing the risks of urban flooding, and that wider drainage problems were ignored in making investment decisions.

“UK Floods Lead to Strategy Rethink,” is how the *Builder & Engineer* website puts it. It reports: “Indeed, a scoping report by the engineers Babbie in 2003 looked at the dangers of the Severn flooding around Gloucester and concluded that such holistic measures were unlikely to be effective in such areas. At the same time the report noted that there was considerable local unease that dredging—reasonably effective but environmentally costly to wildlife—had been stopped.”

Now Gloucester is under water.

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## Interview: Jeanette James

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# In Alaska: A 40-Year Fight for Bering Link

*From 1993 to 2003, Jeanette James served as a member of the Alaska House of Representatives. James, a Republican, served as Alaska House Majority Leader, 2001-03. She adopted the Bering Strait tunnel and rail project, and the associated U.S. railway route, as her personal abiding mission, for which she was the lead sponsor of numerous bills.*



*Mrs. James was interviewed by Richard Freeman on July 13.*

**EIR:** For a decade and a half, you have been a point person for the Bering Strait rail-tunnel project, and for the segment of it that runs from Alaska through the Yukon Territory to northern British Columbia and into the North American rail grid.

**James:** Yes, since 1993, the year I entered the Alaska State legislature. I’m called the “Alaska Rail Lady.”

**EIR:** How did you take the rail project under your wing?

**James:** I have always loved railroads, and I grew up by one, which went through my town, Woodburn, Oregon. Right down the main street were six lines of railroad track.

Then in 1993, Red Swanson, who had been a Senator in Alaska—he was then 80 years old—came to the legislature with two pieces of legislation that he wanted to get the Alaska legislature to pass. He had gone to the Senate, and hadn’t been able to find any supporter, and he was getting pretty discouraged. (In the late 1970s, there was an authorization for a rail route from Fairbanks to the Canadian border, and Swanson had worked on that.) He came to my office and said, “I’ve got a couple of railroad bills here that I would like to have somebody sponsor; would you be interested?”

I took them both, and got them passed in 1994. One was simply to authorize \$10,000 for the Department of Transportation to determine how much private property lay within the routes, from Fairbanks to the Canadian border, that had been selected. The other bill was to authorize the identification and construction of a transportation and utility corridor from Fairbanks to the Seward Peninsula, which is where the Bering

Strait tunnel would be. This was to be a transportation-utility corridor, 500 feet wide, and that was called “session legislation,” which means they go into our list of all of the rules and regulations. It has to stay on the books for 50 years, so it is still there; that authorization still remains.

**EIR:** The legislation called for conducting a survey. Was the survey ever made?

**James:** No. Nobody authorized any funds for it. There are a lot of people in Alaska who are supportive of this proposal. But generally, they become *not* supportive because it costs money, and they’d rather have that spent in their backyard.

**EIR:** How would you characterize the area west of Fairbanks, going from Fairbanks to Seward Peninsula? Is it populated very much?

**James:** No. It is a very small population. There are creek beds, and whatever, that make a natural trail for rail.

**EIR:** I’m looking at a 2001 book entitled, *Report of the Office of Representative Jeanette James on the Railroad, Transportation, Utility Corridor to Connect Alaska with the Rest of North America*. You have here the history of legislation on the Bering Strait project and/or on building a rail line to the North American rail grid. One thing that I found stunning is that the first piece of legislation you listed in the book is a Senate Joint Resolution #66, in the Alaska legislature, which asserts that “whereas the narrow Bering Straits are the only obstacle to prevent the tying together of the American and Eurasian continents by road, . . . be it resolved that the United States government contact the government of [at that time] the U.S.S.R. to explore interest in constructing a tunnel” across the Strait. This was introduced on March 25, 1965! So there’s been a discussion about building this project, for at least 40 years.

**James:** That’s true.

**EIR:** And, then?

**James:** In the late 1970s, Alaska and others actually did select a rail route from Canada to Fairbanks, but it did not go on to the Bering Strait. That was when Alaska was working with British Columbia and they were bringing the railroad up from Prince George [British Columbia], through the Cassiar area. There is a highway there now, the Cassiar Highway, that is a shortcut down to Prince Rupert, from Whitehorse [Yukon Territory]. That was the way that that railroad went. The problem we ran into in British Columbia, however, is that they have not totally settled all of their tribal [Native American] claims. But there has been some activity and the tribes have selected some of the areas where the route would go through. There are claims yet to be satisfied.

**EIR:** Starting in 1965, through the late 1970s legislation, and the two pieces of legislation that you introduced in the 1990s,

there has been a pro-development group including you, who have made repeated efforts to construct the rail line.

**James:** Yes. In 2000, the Federal Congress passed the “Rails to Resources Act.”

**EIR:** That was signed by President Clinton, in December 2000.

**James:** We had assistance from then-Sen. Frank Murkowski [R-Alaska, 1981-2002]. He was a big supporter of the rail connection as well. So there was some Federal authorization. . . . It was actually \$6 million all the way, to choose a route to connect the Canadian rail to Fairbanks. During Murkowski’s governorship [2002-06], we had a group of Canadians and Americans that put together a Railroad Working Group, . . . and so a new route has been chosen. I think it is still in the final processes.

**EIR:** The Alaska-Canada Rail Link.

**James:** Yes.

**EIR:** During this time, you introduced House Bill 421 into the Alaska legislature, to undertake that.

**James:** And I was working as “Railroad Advisor to the Governor,” for four years. In that capacity, I talked to the general public, and I was getting information, and passing it on to the Governor, and attending all the meetings. We would have weekly teleconferences.

It was moving, it was moving. If the Governor had gotten re-elected [in 2006], it wouldn’t have stagnated. But it’s still moving through the University [of Alaska, at Fairbanks].

**EIR:** What else were you doing as part of this project?

**James:** We were seeking to build a rail connection from the Yukon to Point McKenzie [near Anchorage], where we would expand a port. We had some meetings with the Chinese as well [in 2006], and they’re very interested in having a better port to bring their products in, that they sell to Canada and the United States. And Point McKenzie is 30 hours closer than the port of Vancouver or Dillingham. Thirty hours closer, coming by ocean, and putting it on a train to various different places, was interesting to them.

**EIR:** You also wanted to build a petrochemical industry.

**James:** We wanted to build it in Fairbanks, to take off the liquids—we have a lot of liquids on our natural gas line. But the idea has been very controversial, because the oil companies really want to sell it somewhere else. They don’t want to sell it to us in Alaska, so that’s not been very successful.

But the idea is, we would process the natural gas liquids, and ship them probably to China and other places, processing them into a petrochemical moveable product. [The refined product and petrochemicals] would be another thing that would make lots of traffic for the trains that we want to build. On top of that, for Alaska, if we had those products being



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*It's not only the railroad bringing jobs, but the other activities that are encouraged because the railroad is there. It opens up an opportunity for other things. I don't know what the number of employees would be, but I'm sure it would be huge.*

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made here, we could also go into manufacturing if we wanted to.

**EIR:** This would mean that Alaska would start to develop some basic industry.

**James:** That is the point. If we have this gas line and everything just goes sailing through Alaska to somewhere else, what's our benefit? We want to get some activities and jobs here in our state.

Here's another thing we found out. The Yukon folks made trips over to China several times, because Yukon has a huge iron prospect just on the border between Yukon and the Northwest Territories. . . . So the Chinese, of course, have a desire to be the biggest steel producers in the world. But they can't produce the steel if they don't have the iron ore. They would be wanting to take out the iron ore and take it to China to make it into steel.

**EIR:** Now this is in the Yukon Territory?

**James:** Yes, in the Yukon. But what they do benefits Alaska, because to get to tidewater, they have to come in our direction, over the Alaska railroad.

**EIR:** There's a huge amount of raw materials in Alaska: zinc, lead, copper, gold and silver, and also molybdenum, platinum, and huge resource deposits of nickel.

**James:** And something else they call rare earth.

**EIR:** If the railroad were built, this would start to open up some of these immense resources?

**James:** Sure. As well, we would anticipate that they would have to bring in [mining] equipment, and the best way to bring it in, is on the train. Then they'd have things to ship out, and the best way to do that is on a train.

**EIR:** You have said that "Alaska has tremendous mineral resources but they are stranded in the ground."

**James:** It is true; there is the Pebble Mine, . . . in the southwest of Alaska [in Bristol Bay region]. . . .

**EIR:** Is this the Pebble Mine that is being blocked by Bob Gillam, a speculative investor, who runs McKinley Capital Management? Reportedly, Gillam is financing the Renewable Resources Coalition, to stop the Pebble Mine from opening.

**James:** Yes, he is a very rich fellow who has a nice little hide-away for people to go fishing and hunting, a lodge out there.

He is using every bit of his effort to try to stop it. This guy wants to have people come to his lodge and enjoy, and he doesn't want them to look out and see any kind of activities going on there.

**EIR:** Are several environmental challenges, simply ways of blocking development?

**James:** I agree that is the case. There may be some places that the environmental damage would be too much, but not generally. Generally, we have been able to modify the ways of doing business so that we don't damage the environment. And rail is the most environmentally friendly way to move people and freight.

**EIR:** Have groups like the Sierra Club been active in the state?

**James:** Certainly, they've been here a lot, and Greenpeace.

**EIR:** Do you know how many jobs the building of the railroad, and associated productive activities, would create?

**James:** It's not only the railroad bringing jobs, but the other activities that are encouraged because the railroad is there. It opens up an opportunity for other things. I don't know what the number of employees would be, but I'm sure it would be huge.

**EIR:** In the Bering Strait project, how do you see the question of developing Alaska through opening up, say, goods coming from Russia, and from Asia, and from Europe?

**James:** When you tell people that, they kind of roll their eyes, and say, "What? What?" It is easy for us to go to the Bering Strait and across the Bering Strait, but you are running into some really deep, deep costs to get any place where you could connect to a railroad in Russia. But the Russians are willing to do it. they're very anxious to, in fact; they even came and wanted to put a pipeline across, and run their gas down this way.

**EIR:** Lyndon LaRouche has called for constructing a world land-bridge, with high-speed rail development corridors, linking up the entire world by rail, and generating development.

**James:** Well, I don't know how we get over to the other continents. I think we can go by rail from the tip of North America to the tip of South America, and across the Bering Strait, and then down a long way. But there's no other place to connect the continents, except the Bering Strait.

**EIR:** At the Suez Canal, you could build a rail bridge or a tunnel.

**James:** Yes, I suppose that is another place.

**EIR:** What is your political background?

**James:** When I was young, I was a Democrat. My father was a Democrat: He said he voted for Hoover, and almost starved to death, so he'd never vote for a Republican again. So, I grew up with him as very active in politics, and a Democrat, so I was as well. I was very active, starting about 15 or 16, when we were making things to send to the people in war, and then I continued to be. We moved to Washington state, after I was married. I always voted and I always managed to get my name on the list to be a precinct worker wherever I lived, and so I was really active. But I was so fed up with the Democratic Party, by 1974, that I just quit; I guess I'll be non-partisan for a while, and I was until 1980, when I changed to be a Republican when Reagan was running.

So, I'm still a Republican, but I'm not happy with anything. I'm very disappointed in politics right now, because people are not making sense; what they're trying to do is say what they think the public wants to hear...

**EIR:** How do you think one should go about developing Alaska? It has 650,000 people, roughly.

**James:** Yes, and 365 million acres. Certainly, we have an opportunity here, to do lots and lots of things that we're not doing currently. It's a good place to live.

We do have the capability of manufacturing. The problem is we can't get it to the market, because we don't have the transportation systems that work. We need the trains.

And most of the airports [nationally] are overcrowded, so sending things by air is not necessarily a good way. The waterways are also overwhelmed, the ports are running out of space. We have space here to do lots of things; we can connect the continents and we can connect the world. We can go over the top and get there faster.

**EIR:** Asia is sending a lot of their goods to the Port of Los Angeles-Long Beach; it's estimated that 25 to 40% of all goods coming into the United States from anywhere in the world, come into the Port of Los Angeles-Long Beach.

**James:** I understand it's very, very crowded. There's no place to expand.

**EIR:** Do you think that such an operation on the Bering Strait tunnel and rail project, if it were to be built, would have strategic significance with the United States towards Russia? Do you think it would increase the possibility of collaboration for war avoidance, rather building toward a global showdown?

**James:** It's very difficult to know how you get into the hearts and minds of men... And the governments of Russia over the years, keep popping back up again. It's hard for me to un-

derstand, even though Russians are very, very smart, dedicated, and wonderful people. We have a whole community of them in Delta Junction [Alaska]... When I was living in Woodburn [Oregon], we had a whole community of them there... But there is a problem when the leaders of people want to be in charge of everybody, and nobody else can do it but them.

**EIR:** But do you think that this project might be a step towards changing things?

**James:** Oh, I think so, I think that Russia is very interested in doing this. We should participate with them if we could.

**EIR:** What principles would you like to guide a world that your grandchildren would grow up in?

**James:** If we're going to do anything, we have to start with children, and have them understand that you must work and do something productive.

**EIR:** There's rail as a way of development breaking out all over the world. There's discussion right now of constructing rail lines from South and North Korea to Russia and China. There's also a discussion of a 1,345 kilometer—that's about 900 miles—development corridor from New Delhi to Mumbai. Then there's discussion of a 700-mile line across the Persian Gulf.

**James:** And they just put a lot more new railroads in Australia as well.

**EIR:** LaRouche has said, if you can get China, Russia, India, and the United States to work together in the tradition of Franklin Roosevelt, you could start to reconstruct the world.

**James:** Oh, absolutely.

**EIR:** If you look at Alaska, much of its development and population is concentrated in the southeast and south central parts of the state. Could you foresee, as the rail project is realized, bigger cities developing all across the state?

**James:** Oh, I surely think so. Absolutely. I'm an optimist. I think you can do anything you want to. It takes planning and cooperation: it takes these two things.

# HOTLINE

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## Dow 14,000!

*The ability of the Dow Jones Industrial Average to soar to record heights while the economy collapses, is impressive indeed.*

**Y**ou've got to admire the Dow Jones Industrial Average (DJIA), which, despite the accelerating collapse of the American economy, managed to break the 14,000 point mark, the third week of July, less than three months after it broke 13,000. This is especially impressive, given that, under our globalized, post-industrial economy, U.S. manufacturing employment per capita has fallen back to the levels of the 1860s, our domestic auto industry is being eaten by the hedge fund maggots, and we are increasingly dependent upon imports of goods we used to, but can no longer make. Under such circumstances one might expect that any kind of "industrial average" would fall faster than a skydiver without a parachute, but not our Dow. No, sirree! It just keeps rising, with what one might call a positively Bushian disregard for reality.

However, the Dow, like Mr. Bush, looks best through the rose-colored glasses of virtual reality, in that space where one clings to what one wants to believe, and tunes out the mountain of evidence to the contrary. Without the glasses, things look pretty grim.

Oldsmobile, before its demise, had a slogan asserting that its new cars weren't "your father's Oldsmobile." Well, this isn't your father's Dow, either. When the Dow Jones Industrial Average was started back in the late 1880s, it consisted mostly of railroad stocks, and by the turn of the century, was composed of basic manufacturing stocks, of steel, copper, smelting and refining, and similar companies. The

DJIA became a 30-stock index in 1928, and included such companies as American Smelting, Bethlehem Steel, Chrysler, General Electric, General Motors, International Harvester, Mack Truck, Standard Oil, the Texas Company, U.S. Steel, and Wright Aeronautical.

Over the years, first due to mainly to mergers and technological changes, and later, to the deindustrialization and cartelization of the economy, the composition of the Dow Industrials was repeatedly adjusted. IBM became the first computer company on the list in 1979; American Express became the first financial services company in the Dow in 1982; and McDonald's joined in 1985. The de-industrialization of the Dow continued with the appearance of J.P. Morgan and Walt Disney in 1991, and Travelers Group, Hewlett-Packard, Johnson & Johnson, and Wal-Mart in 1997. By that time the Dow was clearly no longer an industrial average.

Since then, the situation has gotten even worse, and the 30 stocks of the so-called Dow Jones Industrial Average include two of the world's biggest and most bankrupt banks, Citigroup and J.P. Morgan Chase; credit-card giant American Express; insurer AIG; soft-drink maker Coca-Cola; consumer products companies Procter & Gamble and Johnson & Johnson; computer companies Microsoft, IBM, Intel, and HP; telephone companies AT&T and Verizon; pharmaceutical giants Merck and Pfizer; movie and television company Walt Disney; and retail chain Home Depot; and, perhaps most embarrassing of all, McDonald's and Wal-Mart. There are some indus-

trial companies on the list, such as GE, GM, DuPont, Caterpillar, Boeing, and 3M, but even these companies make much of their money from financial services.

Reading the list of Dow "Industrials" over the years, looking at which companies were added and which were dropped, is not a bad way to spend some time, as it provides the opportunity to reflect on the shift in the American economy from the "smokestack" era of basic heavy industry, on through the technological advances to the cusp of the nuclear era, and then back down into the world of consumerism and services—the rise, the squandered potential, and then, the fall of the greatest industrial economy in world history.

The Dow Jones Industrial Average is a joke, being propped up for propaganda purposes by institutional funds, hedge funds, and the Plunge Protection Team. Thanks to the derivatives market, you don't even have to buy stocks to bet on them. It's not investing, it's gambling.

Even more important, the idea that one can measure the health of economy by the stock prices of corporations is a fraud. An economy is physical in nature, and measured in the production and distribution of goods and essential services such as health care and education, and ultimately in the ability of a society to improve the standard of living for all its citizens from generation to generation. By that standard, we are failing miserably. That's an economic indicator that actually means something.

The constant focus on the Dow is designed to brainwash the population into believing that their welfare depends upon making corporations more profitable, so that the population will accept job and pay cuts, deregulation, tax breaks for "business" and such, and thereby docilely participate in their own destruction.



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# Business Briefs

## *Hedge Funds*

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### Japan Convicts Locusts, In Drive vs. Speculators

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Japanese courts have jailed the two leading Japanese advocates of “shareholder activism,” the hedge fund practice of buying shares of a company, and using money and influence to steal the company blind. Yoshiaki Murakami was convicted and sentenced to two years in prison (harsh by Japanese standards), and fined. Murakami’s MAC Asset Management was convicted of conniving with the other famous Japanese locust, Takafumi Horie’s Livedor (Horie was sentenced to two-and-a-half years earlier this year), in an illegal effort to take over Nippon Broadcasting.

The harsh sentences “reflect a crack-down in Japan on the more free-wheeling, Western style of capitalism pioneered by brash financiers such as Murakami,” notes AFP. *Japan Times* reports that these cases are also aimed at the foreign hedge funds that have invaded Japan, such as Warren Lichtenstein’s Steel Partners, which has been facing a revolt by traditional Japanese business leaders trying to stop the extraction of value from their companies, and to stop further takeovers. When Steel Partners brought suit, demanding it be allowed to loot at will on the “free market,” the courts defended the measures used by Japanese businesses to defend themselves and to stop the locusts.

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## *BAE Scandal*

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### Destroying the Evidence: Brit PM Shuts Down DESO

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British Prime Minister Gordon Brown has been caught in the BAE “Scandal of the Century” cover-up, ordering the closure of the Defense Export Services Organization (DESO), trying to bury the evidence concerning the government agency’s involvement in the 20-year, multi-billion dollar “Al-Yamamah” arms deal. The decision came after three MPs on the House of Commons’

Public Accounts Committee had written to the National Audit Office to investigate the role of DESO, and after the Serious Fraud Office investigation of BAE was shut down by outgoing PM Tony Blair, as an earlier part of the same cover-up operation!

A Public Accounts Committee representative told *EIR* that Liberal Democrat John Pugh, a member of the same committee, recently wrote to the National Audit Office, requesting that it investigate the DESO. The head of the office, Sir John Bourn, a Ministry of Defense official in the 1980s when the BAE-al-Yamamah deal was negotiated, refused to allow Ministry of Defense police and the Serious Fraud Office to review a report the audit office wrote more than 14 years ago on the al-Yamamah deal.

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## *Nuclear*

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### Joint Venture To Build First New U.S. Plants?

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A joint venture has been announced between Constellation Energy Group of Maryland, the largest power marketer in the United States, and Électricité de France SA, the world’s largest nuclear reactor operator, for pursuing nuclear power plant construction in the United States and Canada. Any new nuclear plant in the United States will be the first in more than 30 years. In the new venture, each firm will own half of a holding company called UniStar Nuclear Energy LLC. In a statement by the companies released July 20, EDF said it may buy up to 9.9% of Baltimore-based Constellation, to have a toe-hold in North America.

EDF operates 58 reactors in France, and plans to build nuclear reactors in Britain. Baltimore-based Constellation has three sites for nuclear reactors at its existing plants in New York and Maryland. UniStar’s new plants would be built by France’s Areva SA, the world’s largest maker of nuclear power stations. The design is the U.S. Evolutionary Power Reactor, a 1,600-MW pressurized water reactor design developed by Areva, in conjunction with Constellation.

So far, there is no final decision to build any reactors. In the statement, Mayo Shat-

tuck, CEO of Constellation said, “Many milestones lie ahead, since we’ve yet to make a commitment to build.” The regulatory morass is the most-cited obstacle.

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## *FAO Report*

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### Soaring Biofuel Demand Drives Up Food Prices

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Reports by the Food and Agriculture Organization of the United Nations (FAO) and the Organization for Economic Co-operation and Development (OECD) corroborate what other evidence has already shown: An increased demand for biofuels is causing fundamental changes to agricultural markets, and raising world prices for many farm products.

The report, “OECD-FAO Agricultural Outlook 2007-2016,” includes explicit assumptions about biofuel production for the first time. Why now? The actual world prices for cereals, dairy products, and oilseeds rose much faster than expected in 2006. The main driver was the rapidly increasing biofuel industry, along with reduced global stocks and production of agricultural products.

The report emphasizes, that the growing use of cereals, sugars, oilseeds, and vegetable oils to produce fossil fuel substitutes, such as ethanol and biodiesel, is bolstering the crop prices, leading to higher animal feed costs, which in turn are causing higher prices for livestock products and dairy products.

Although some of the higher prices for agricultural products in the world market are due to factors of a temporary nature, such as drought or other “natural” causes, the report estimates, that due to structural changes such as increased feedstock demand for biofuel production, combined with the reduction of surpluses of farm products as a result of political decisions, that prices for agricultural products will remain high for the next decade.

Although couched in “official” language in the report, it states clearly, that the biofuel insanity is leading to food shortages and starvation for the poor.

# Putin Defies Britain, Pursues U.S. Ties

by EIR Staff

While official London fanned a crisis atmosphere around relations with Moscow, with diplomatic expulsions and allegations about near-violations of British air space by the Russian Air Force, and George W. Bush flipped into Dick Cheney's preferred confrontationist posture vis-à-vis Southwest Asia, senior Russian figures during July pushed ahead initiatives to stabilize Russian-American relations.

In order to keep focus, the Russians first have to deflect the assault initiated by the British government, which is intent on embroiling the United States and Western Europe into a new conflict with Russia. After a series of statements by other government officials, it was President Vladimir Putin himself who put the matter in its historical perspective.

President Putin denounced Britain for "colonial thinking"—in its demand that Russia extradite its citizen Andrei Lugovoy to stand trial in London for the murder of former KGB agent Alexander Litvinenko. "They are making proposals to change our Constitution, which are insulting for our nation and our people," Putin said July 24, alluding to the British Ambassador's latest interview. "It's their brains, not our Constitution, that need to be changed. What they are offering is a clear vestige of colonial thinking.... They must have forgotten that Britain is no longer a colonial power. There are no colonies left and, thank God, Russia has never been a British colony."

Putin's assertion of national sovereignty, and identification of the British imperial mentality, represents a degree of clarity about the current strategic situation generally unmatched by any other actors on the world stage, with the exception of U.S. statesman Lyndon LaRouche. Putin's understanding of the historical British role is obviously the standpoint from which Russia is continuing to pursue its common interests with the United States, despite the apparent Anglo-American alliance.

## **The Russia-U.S.A. Group**

On July 13, Putin received the members of the new public dialogue group, "Russia-U.S.A.: Looking at the Future," chaired by former Secretary of State Henry Kissinger and former Prime Minister and Foreign Minister Yevgeni Primakov. The group, which had just held its inaugural meeting, was announced on April 26, just after Putin met with U.S. ex-Presidents George H.W. Bush and Bill Clinton in Moscow.

Members of the group are senior figures from the two countries, among them, Americans Thomas Graham (strategic arms negotiator in the Clinton Administration); former Democratic Sen. Sam Nunn; former Treasury Secretary Robert Rubin; senior oligarchical figure George Shultz; Chevron CEO David O'Reilly; and Martin Feldstein, who headed the Council of Economic Advisors under President Ronald Reagan. The Russian participants include former strategic arms negotiator and Ambassador to the United States Yuli Vorontsov; deputy chairman of the electric power company UES, Leonid Drachevsky; Academician Yuri Izrael; deputy head of the U.S.A.-Canada Institute, Victor Kremenyuk; deputy chairman of Russian Aluminum, Alexander Livshits; and Gen. Mikhail Moiseyev, former Chief of the Armed Forces General Staff. Foreign Minister Sergei Lavrov also took part in the meeting with Putin at Novo Ogaryovo outside Moscow.

Congratulating the group on having formed itself so promptly, Putin noted that their discussions had covered "a geopolitical review focusing on relations between Russia and the United States, the world economy, non-proliferation, the energy sector, the future outlook, and common interests between Russia and the U.S.A." He said that these were the topic-areas of his own talks with President Bush, including at Kennebunkport on July 1-2, and that he hoped "that the proposals that emerge from your discussions will



Presidential Press and Information Office

*Asserting Russian national sovereignty in the face of the British government's intention to foster a new conflict between the West and Russia, Putin said on July 24, that the British "must have forgotten that Britain is no longer a colonial power... Thank God, Russia has never been a British colony." Here, Putin (right), with then-British Finance Minister (now, Prime Minister) Gordon Brown, in Moscow in 2006.*

... be viewed as material that can be used for developing practical policy."

### Primakov: Cooperate on Hot Spots

Speaking to the press after the meeting, Primakov announced that the group's next conference would be in mid-December. He declined to reveal the content of the first discussion—saying "let us do our work"—but in the July 12 *Moscow News*, Primakov published an appeal to the United States, to formulate strategic policies in the U.S.A.'s own best interests, including cooperation with Russia, as well as China and India, aimed at resolving conflicts in Iraq, Afghanistan, Pakistan, and Iran.

Primakov urged the U.S.A. to reconsider its international priorities. Currently, he said, the main issues dividing the United States and Russia are the U.S. plan to deploy an ABM system in Eastern Europe, and Washington's backing for *de jure* independence for Kosovo from Serbia. "None of these problems is vital for the United States," wrote Primakov, adding that, for Russia, they are. Yet, conflict over these issues has intensified, "at a time when, it would seem, Washington

has an objective interest in close cooperation with Moscow to resolve an array of conflicts, which are far more important for the United States and the international community as a whole." These are Iraq, Afghanistan, Pakistan, and Iran, as well as Palestinian-Israeli relations.

On crisis after crisis, Primakov sought to highlight every glimmer of a U.S. policy-turn away from global showdown. Primakov, who is famous as a specialist on Southwest Asia, described how the Bush Administration's "surge" policy has come to grief in Iraq. He cited Iraqi President Jalal Talabani, and also the Iraq Study Group ("Baker-Hamilton") report, prepared in the United States itself, at the end of last year, for having called for including Iran and Syria in attempts to resolve the Iraq crisis. "Iran and Syria are showing interest in contacts with the United States," Primakov said, "Russia, which has close ties with Syria and Iran, could be not entirely useless in overcoming the Iraqi crisis."

The publication of Primakov's view of such possible Russian-American cooperation on ending the war in Iraq, made a sharp contrast to the heavy coverage throughout the Russian media, of a London *Guardian* report about Cheney's renewed pressure on Bush to attack Iran.

Primakov suggested that Russia could play a role in Afghanistan, where the NATO operation "is evidently going nowhere." He also brought in the possibility of U.S. cooperation with all three members of the Eurasian Strategic Triangle (as he once named the combination of Russia, China, and India), concerning the "increasingly destabilizing situation" in nuclear-armed Pakistan. Washington's preoccupation with installing ABM systems in Europe, Primakov warned, could cause it to "miss the boat" in Pakistan. The prospect of internal conflict there, "eclipses the concern that Iran could, within a few years, acquire nuclear weapons in 'embryonic' form." Indeed, he added, recent "overtures toward cooperation," on the part of Iran, can be attributed to "a change in the U.S. position: At first, the United States threatened to use force against Iran, but then it made a U-turn and went along with Russia, which believes that the problem may only be resolved by political means. Is it not time for the U.S.A. to start consultations with Russia, India, and China on Pakistan?"

### Lavrov Defends Sovereignty

Foreign Minister Lavrov also addressed U.S.-Russian relations, in a comprehensive article prepared for publication in the New York Council on Foreign Relations journal *Foreign Affairs*, but he withdrew it in view of unacceptable proposed cuts, and the addition of a subhead that would mention "a new Cold War." "They expected Lavrov to put his signature under the American vision of foreign strategies, which is rejected by Russia," the Foreign Ministry said in a statement. "In Moscow, we assume that no new Cold War is possible."

Indeed, writing in rebuttal to a *Foreign Affairs* article by Ukrainian politician Yulia Tymoshenko on "Containing Russia," Lavrov wrote, "The Cold War represented a step away



from the Westphalian standard of state sovereignty, which placed values beyond the scope of intergovernmental relations. A return to Cold War theories such as containment will only lead to confrontation.”

Lavrov posed President Putin’s Kennebunkport offer of broad Russian-American collaboration on missile defense, as “a brilliant opportunity to find a way out of the present situation, with the dignity of all parties intact.... U.S.-Russian relations still enjoy the stabilizing benefits of a close and honest working relationship between President Putin and President Bush. Both countries and both peoples share the memory of their joint victory over fascism, and their joint exit from the Cold War.... Both sides should demonstrate a broad-minded and unbiased vision, one that represents Russia and the United States as two branches of European civilization.... Russia and the United States have nothing to divide them; along with other partners, they share responsibility for the future of the world.”

Academician Sergei Rogov, director of the U.S.A.-Canada Institute of the Russian Academy of Sciences, likewise called for “strategic partnership,” not a “new Cold War,” in a commentary for RIA Novosti on July 23. This is more true than before, “after the two Presidents met in Kennebunkport,” said Rogov.

Among the areas for immediate cooperation, Rogov listed follow-up to the START agreement on nuclear arms limitation, finalization of the long-awaited agreement on Russian-American peaceful nuclear cooperation, and a gradual convergence of the two countries’ position on the issue of Iran. Rogov hinted at the possibility of creating a regional forum on Iran’s nuclear program, similar to the Six-Party Talks on North Korea.

Before the end of July, there will be a series of meetings between Russian and American technical experts on missile defense, to prepare for the “2+2” meeting of each country’s defense and foreign ministers, in September. These will be the venues for follow-up, or lack of it, to the talks held in Kennebunkport. While the nuclear cooperation agreement is moving forward, the jury is still out on whether or not the U.S. is prepared to change its plans for interceptor missiles in Poland, which Rogov called a real “deal-breaker.”

Also in July, the Foreign Affairs Committee Chairman Mikhail Margelov of Russia’s Federation Council (upper house of the Federal Assembly), toured the United States under the auspices of the U.S.-Russia Business Council. He visited several cities in the Midwest, to promote bilateral economic ties. At the final stop, an appearance before the Foreign Affairs Council in San Francisco, Margelov responded enthusiastically to a written question from a member of the LaRouche Youth Movement, about the prospects for a Bering Strait tunnel crossing between Russia and Alaska. “I am very glad that you bring this up,” Margelov replied, “The ocean can unite, rather than divide us—being only about 55 miles wide.”

## Aoun Offers a Vision Of a Unified Lebanon

by Christine Bierre and  
Muriel Mirak-Weissbach

It is not at all certain that Presidential elections will take place in Lebanon on Sept. 15, as scheduled. They have been placed in question since the government of Fouad Siniora was thrown into crisis in November 2006. But more broadly, in addition to the internal politics of Lebanon, the entire region will go up in flames, as American statesman Lyndon LaRouche has warned, should the Anglo-American interests behind U.S. Vice President Dick Cheney pull the trigger on an Iran war.

Well-placed Israeli and U.S. intelligence sources have warned *EIR* that in order to “neutralize” any asymmetric warfare response by Hezbollah in Lebanon, in reaction to an attack on Iran, there will be an Israeli strike against Hezbollah positions in Lebanon. If Cheney is not stopped, the entire region will be engulfed in war, and, with the Anglo-American pressures on Lebanon, driven by hypocritical United Nations resolutions, Lebanon’s future will once again be dominated by war.

Nonetheless, recent efforts by the different ethnic and religious factions in Lebanon to fight for a unified nation, in the face of the destabilizations driven by the Cheneyacs, is a major development. (In the Lebanese system, the President must be a Christian, the Prime Minister, a Sunni, and the Parliament Speaker, a Shi’ite.) On July 25, speaking in Berlin, Gen. Michel Aoun, head of the Free Patriotic Movement, and a candidate for the Presidency of Lebanon, laid out a vision that could be the solution to the sectarian crisis.

### Stage Set for Crisis

In November 2006, six Cabinet ministers in the Siniora government, all Shi’ites, quit in protest against the government’s plan to accept the establishment of an international tribunal, through the United Nations, to investigate and prosecute defendants in the case of the 2005 murder of former Prime Minister Rafiq Hariri, and later assassinations. Since that time, the government has been virtually paralyzed, and the political process radically polarized between the majority around the March 14 group led by the slain Hariri’s son, Saad, and the Siniora government, on the one side, and the opposition, led by the alliance of Hezbollah and the Free Patriotic Movement (FPM) of Gen. Michel Aoun.

Among the many efforts launched by outside forces, including the Arab League, and a joint Saudi-Iranian initiative, to bring the opposing camps together, a French-brokered

meeting took place in Celle Saint Cloud, outside Paris, in mid-July, and yielded some results. Representatives of all 14 political factions came together and, although no concrete agreements were sealed, an atmosphere of open discussion prevailed. One of the issues raised during the two-day closed talks, was the elections.

Among the leading candidates to replace Emile Lahoud, whose Presidency began during the period of Syrian occupation, is Aoun, a former chief of staff and member of Parliament, who left Lebanon during Lebanon's war with Syria in the late 1980s, and lived in exile in France from 1991 to 2005. In May 2005, after having returned with guarantees from the Siniora government, Aoun was elected to Parliament and his party, the FPM, netted 22 seats.

On Feb 6, 2006, General Aoun, a Christian, sealed a crucial political alliance with Shi'ite Hezbollah. A memorandum of understanding was signed by the two political movements, calling for the reestablishment of diplomatic relations with Syria, on the same level as with other states; the withdrawal of Israeli troops from the occupied Shebaa Farms; the liberation of Lebanese prisoners held in Israeli jails; the development of a civil society in face of religious sensitivities; and the replacement of Hezbollah's military force with a national army, in the process of being built. This established the opposition as a principled political force with a clear agenda for Lebanon.

## Creating a Nation-State

The candidacy of General Aoun, who has been touring Europe, is an historic development, in that he has taken on the fundamental problem which lies at the root of every conflict that has broken out in Lebanon in recent years: the sectarian or confessional structure of political life which makes up the Lebanese system. In his recent book, *Une certaine vision du Liban (A Certain Vision of Lebanon)*, Aoun stated unequivocally:

"It is time to have society evolve, to sensitize it, that is, to educate it to respect difference. It is not a matter of a 'dialogue of cultures' or 'of civilizations,' but of the necessary invention of a new model of society based principally on the respect of the difference of the other. It is in this that Lebanon is the messenger-country."

Further on, he writes:

"The confessional system has had very perverse effects, transforming political questions into splits among different communities.... In Lebanon, political thought coincides often with one's belonging to a certain religious community, and every political division is utilized to create a confrontation between the various communities.... This is the reason why I wish to make the Lebanese state a secular state, transforming political confessionalism into the sense of citizenship."

Aoun explains his alliance with Hezbollah, which had provoked cries of protest from certain Christian forces, from

the standpoint of the need for a national identity.

"We did not try to win. We established a political framework which allows us to overcome certain important contentious issues among the Lebanese. One of the points of reproach I had vis-à-vis Hezbollah, was its military commitments outside of Lebanon. Now, we have achieved substantial progress on this question. Hezbollah has committed itself to participate in the building of a strong and democratic State, and to limit its use of arms to the occupied territories and the liberation of prisoners held in Israel...."

Furthermore, he identifies the common social bases of the two movements, which come primarily from the middle class; both seek a sovereign democratic government.

Aoun presents a sensuous picture of how such an understanding between the two movements and their social bases can change the subjective state of mind of citizens from the different communities.

"Why is it that I now can walk alone down the street, among the Hezbollah people? Because they now longer fear competition with me, they know that I would always be on their side. The wall of fear has fallen...."

Further, commenting on a speech delivered by Hezbollah leader Sheikh Hassan Nasrullah in September 2006, Aoun writes:

"I was particularly satisfied with the part of his speech which made reference to the construction of the State and which conforms to paragraph 4 of our memorandum of understanding.... It is a revolution in the literal sense of the term which we are witnessing. Christians are leaving their fears behind, they are reaching out to the Shi'ites, while the Shi'ites are moving beyond their traditional references. To accept, minimally, reflecting on the construction of a modern and secular state of law, by encouraging the institutions of civil society, is a considerable advance for the Shi'ites of Hezbollah, whose main demand has been the establishment of an Islamic republic. They go well beyond the reflection on this point; they accept the principle. What more does the world want after a couple of months of dialogue, in terms of rapprochement and the establishment of reciprocal trust?"

Such an approach challenges the entire method of political and social control that has been exerted over Lebanon (and indeed, large parts of the Arab and Islamic world) by imperial and colonial powers throughout history. Even long before the British and French divvied up the region in their 1916 Sykes-Picot Treaty, foreign powers wielded influence in the region, through their control over religious communities. As one Lebanese government representative told *EIR* some time back, the problem of Lebanon's confessional system is not only to be understood in terms of the dynamic of internal conflict that it fosters, but also from the standpoint of outside manipulation. This diplomat reminded us of the fact that under the Ottoman Empire, before Lebanon was carved out as a state, each religious community in the region had its foreign protector: Russia protected the Orthodox Christians;

France, the Maronites; England and Germany, the Protestants of different stripes, and so on.

Aoun's approach, therefore, paves the way not only for national reconciliation, but in so doing, pulls the rug out from under those foreign powers, in the United States and Great Britain, for example, who have used their hold on religious factions to manipulate political developments. General Aoun is fully aware of the fact that his approach is revolutionary:

"The Christian is a rebel, a revolutionary. Christ was punished and crucified because he had rebelled against the established order, whether political or religious, and also against fixed laws, which did not take Man into consideration."

The established order in Lebanon, he identifies as made up of three forces: "political feudalism, represented by the traditional notables, the sectarian warlords reconverted to politicians, and the financially corrupt political class." Sectarianism constitutes the source of political power of these three forces, and the means by which they maintain and reproduce their power. The contemporary history of Lebanon is in large part the history of the permanent conflict among the different components. . . . They have transformed the Lebanese political system into a system of low-intensity civil war. Lebanon has become the hostage of these elites, who are veritable forces of inertia, and who are ossifying their political system. These forces are grouped today in the camp known as the government majority. This camp, in reality, is the symbiosis of king money, sectarianism, and the militias."

## The Political Challenge

How does Aoun intend to translate his ideas into reality? *EIR* raised this issue in a July 25 exchange with the general, in Berlin, who, following meetings with German government officials, also met with some representatives of the Arabic press. Quoting from his book regarding the perverse effects of the confessional system, Muriel Mirak-Weissbach of *EIR* asked him: "How do you intend to pursue this transformation to a secular state? And how do you envision the implementation of the memo of understanding with Hezbollah?"

Aoun answered: "About this precisely, and encouraging the political party of Hezbollah, this is a prelude, you know, to implement the transfer of a confessional society to a secular one. But we have to respect some steps. Right now, instead of having a confessional conflict in Lebanon, we consider the conflict from being confessional to being a political one. This time, it divided Lebanese society into two parties, where Muslims and Christians opted for a national policy. And the second step, for reforms, how many years it will take, I don't care. What I care about is that the process has started in Lebanon, and maybe it will take some years, but then it will benefit everybody. But we have to continue to encourage Lebanese people to think nationally and not confessionally."

Aoun stressed that, if elected President, he would indeed

stick to the memorandum of understanding with Hezbollah, which, he said, was not only for Hezbollah, but for all political parties in Lebanon. The memorandum, he said, should be used as an instrument to unify all the Lebanese people. Regarding Syria, he said that diplomatic relations would be important, to protect both countries, and emphasized, regarding the accusations of Syrian involvement in the Hariri and other murders, that no proof has been provided yet.

*EIR* also asked General Aoun about outside interference: "Many Lebanese sources, including political people, have told me," said Mirak-Weissbach, "that they believe that all the Lebanese factions could come to agreement and solve all problems, if they were left alone. But the problem that arises is that, whenever a solution is on the horizon, there is interference from certain circles in the U.S.A. This interference aims not only to sabotage a national unity government, but also, according to our reports, these circles are supporting covertly groups like the Fatah al Islami and others. I wonder how you evaluate this, given that these same circles, identified with Vice President Cheney, are also talking about a new war, this time against Iran."

Aoun started off, saying, "There is some point about this question. We are following the international press and the American press, and we are waiting to know the conclusions." But, he added: "What you have said is so important and so grave, that we cannot comment on it directly. So we have to wait, because, as I said, it is very dangerous to give a comment before knowing all the details. We have heard it, we have read [investigative reporter] Seymour Hersh, we read some American sources who went into the camp [at Nahr al Bayed]. We have heard of some interference also from some Arabs. So we have to have all the details, and then certainly you will have our opinion at that time."

Aoun has defined a daunting task for himself, whose historic implications are clear. As he wrote in his book: "I have reached an age where one does not seek fortune or prestige; as far as power is concerned, I want to stress, I have occupied the highest functions of the State and in very tormented times. The realization of what I have set out to accomplish, if it succeeds, will be the most beautiful gift that I could leave my compatriots, my family, my children, and my friends. If I leave behind me the capacity rendered to this beautiful Lebanon, to unite, and to perpetuate its vocation as a messenger-country, I believe that my life, even in its last hours, will not have been useless."

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# LaRouche's Allies Drive Philippines Nuclear Renaissance

by Mike Billington

The Philippines was the first Southeast Asian nation to build a nuclear power plant, which was completed and ready to turn on in 1986. It was precisely at that point that the godfather of today's "neo-conservative" imperial faction, then-Secretary of State George Shultz, working with his Assistant Secretary Paul Wolfowitz, orchestrated the overthrow of Philippines President Ferdinand Marcos, and with him, the nuclear plant and the 11 great industrial projects which would have been fired by the nuclear capacity. The nation descended into a downward economic spiral which is now spinning out of control.

Yet, over the past months, a group of Philippine business leaders and scholars has launched a campaign for the nation to regain its lost leadership in the region, starting with a fight to return to nuclear power. On July 6, the Philippines Chamber of Congress Foundation sponsored a forum titled "Nuclear Energy—The Answer to Global Competitiveness for the Philippines." Among the featured speakers were: Energy Secretary Raphael Lotilla; former energy czar under President Marcos, Geronimo "Ronnie" Velasco, who built the original nuclear facility in Bataan; and Antonio "Butch" Valdes, the head of the Philippines LaRouche Society (PLS), which is affiliated with the worldwide movement led by U.S. economist and statesman Lyndon LaRouche. In fact, the revival of nuclear power in the Philippines can only be understood as part of the global renaissance of nuclear energy, which has been sparked by LaRouche and his collaborators.

The events which led the Chamber of Commerce Foundation to hold such a nuclear forum in the first place reveals a great deal about politics in the Philippines—and in Washington, where policies in the Philippines are usually formulated, especially since 1986. The Philippine Nuclear Research Association's director, Dr. Alumanda Dela Rosa, organized a seminar-workshop on nuclear power on June 20,



*Longtime leader of the Philippines LaRouche Society, Antonio "Butch" Valdes (standing, far left), and Ramon Pedrosa, director of the Philippines Chamber of Commerce (sitting, third from left), are leading a renaissance of nuclear power in that nation.*

EIRNS

inviting nuclear experts from the Philippines and Japan. PLS leader Valdes contacted Dr. Dela Rosa, and, after explaining what he could contribute regarding the international nuclear renaissance, was invited to attend the conference. The Chamber of Commerce Foundation director Ramon Pedrosa, a proponent of a crash nuclear program, was also invited.

However, a few days later, both Valdes and Pedrosa were dis-invited. The fact that the infamous asset of the American neo-cons, former President Fidel Ramos (also the local controller of the 1986 coup against Marcos), has declared that nuclear energy shall not be considered again in the Philippines until after 2020 at the earliest, could well be a clue to who had intervened to pull the invitations of the most outspoken pro-nuclear forces.

The effort backfired on the saboteurs. Five members of the Philippines LaRouche Youth Movement, joined by three older supporters, attended the event despite the dis-invita-

tion. Although identified and prevented from entering—the organizers are well known in Manila due to their interventions to expose the global warming hoax at numerous brainwashing sessions sponsored by Al Gore and his minions—the youth distributed *EIR* material outside the conference, rebutting the anti-nuclear myths, and presenting the optimism that a nuclear renaissance would provide for the Philippines and the world.

Midway through the conference, the youth met Energy Secretary Lotilla and his Undersecretary Mar Salazar, and presented them with the packets of *EIR* material. After a lively discussion and a review of the literature, Salazar asked why the LYM organizers were not inside. When hearing the story, he promptly marched the entire group to the registration table, announcing, “These fellows are my guests!” The afternoon workshops thus became highly charged discussions of the real crisis in the world today, and of the need for leadership in launching a nuclear-based transformation of the world economy.

As a follow-up, the Chamber of Commerce Foundation decided to call its own conference, and use it as a forum to prepare a nuclear energy development proposal to the government, as the center of a national reconstruction policy—the conference on July 6 referenced above.

### **The Kennebunkport Agreement**

Butch Valdes began his presentation to the Chamber’s conference by quoting LaRouche, that nuclear energy is today’s equivalent of the “fire of Prometheus”—the Greek god who was nailed to a rock by Zeus for the crime of providing mankind with the knowledge of fire (i.e., science). “In light of what is generally perceived as an ongoing global financial system collapse,” said Valdes, “and the escalating threats of another global war, resulting from Zeus’ policies, it is heartening to note that there are still leaders around the world possessing ‘Promethian’ virtues of compassion and courage, determined to do what is right, initiating programs for the good of all, and the vision of a better world for the coming generations. It is in this context that we propose to reintroduce you to nuclear power, the way towards peace and prosperity.” He emphasized the leadership role demanded by history of those present, to take this opportunity to turn the world away from a new dark age and towards a new Renaissance.

After the event, Valdes noted the importance for their mission of the historic agreement reached just days earlier by Presidents Putin and Bush, at their meeting at the Bush family home in Kennebunkport, Maine, to make nuclear technology available to developing countries. If this pledge is realized, Valdes said, then, “for the first time in four decades of continuous deterioration, the world’s developing countries are presented with a ray of hope. It is every citizen’s duty to acknowledge and endorse the full implementation of the

Joint Declaration if we are to avoid political and economic disintegration.”

Another historic aspect of this forum was the presence of Ronnie Velasco, who was responsible for the dramatic transformation of the energy capacities of the Philippines during his tenure as Energy Secretary during the Marcos years, from 1972-86. His speech marked both a return of the Marcos vision to today’s Philippines, and a recognition by those present, many of whom had been leading participants in the “people’s power” revolt against Marcos—a revolt inspired and manipulated by the enemies of the Philippines in Washington—that it was time to acknowledge the horrible disaster imposed on their nation by the events of 1986.

Sadly, Ronnie Velasco died of a heart attack just a few days after this event (see “In Memoriam,” following this article). Pedrosa has subsequently announced that the Chamber of Commerce Foundation’s nuclear proposal will be prepared in Velasco’s honor.

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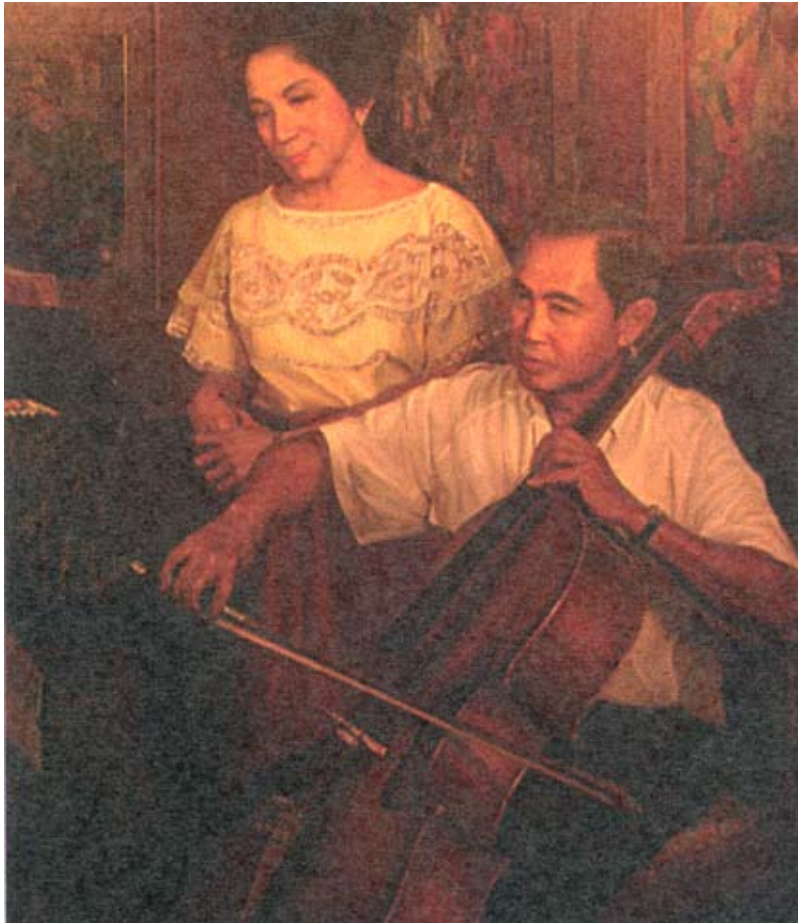
## **In Memoriam**

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### **Ronnie Velasco 1927-2007**

Geronimo “Ronnie” Velasco, who built the Philippines’ power system, including Southeast Asia’s first nuclear power plant, while serving as the Minister of Energy and CEO of the Philippines National Oil Company during the rule of President Ferdinand Marcos from 1972 to 1986, died on July 17 at the age of 80, in San Francisco, of a heart attack. Velasco, a close friend of *EIR* and the international LaRouche movement, was not only a trailblazer for his nation, and for the developing sector generally, in the development of nuclear energy, but he also had re-emerged as a critical player in the current fight to revive nuclear energy in the Philippines. He will be missed by his nation and by his many friends around the world.

Velasco was unceremoniously dumped from his position as Philippines “Energy Czar” in 1986, when George Shultz and Paul Wolfowitz orchestrated a “regime change” military coup against the Marcos government. The immediate consequence of that imperial act was the mothballing of the completed nuclear power plant, thus destroying in one shot the potential for the Philippines to emerge as a modern industrial nation, as envisioned by the Marcos plan for 11 major indus-



Courtesy of Geronimo Velasco

Geronimo "Ronnie" Velasco, shown here with his wife Erlinda, was a trailblazer in the Philippines' quest for economic development and nuclear energy.

trial projects. Twenty years later, in 2006, Velasco released a book, *Trailblazing: The Quest for Energy Self-Reliance* (see Mike Billington's interview in *EIR*, May 12, 2006, at: [www.larouchepub.com/eiw/public/2006/2006\\_10-19/2006\\_10-19/2006-19/pdf/45-48\\_619\\_book.pdf](http://www.larouchepub.com/eiw/public/2006/2006_10-19/2006_10-19/2006-19/pdf/45-48_619_book.pdf)), which revealed both the dynamic development policies of those years, and the lies and foreign manipulation which led to the 1986 destruction of the Philippines' potential.

In a series of discussions and an interview with *EIR* in 2006 (for on-line version, see [www.larouchepub.com/eiw/public/2006/2006\\_30-39/2006\\_30-39/2006-31/pdf/65-71\\_631\\_ecovelas.pdf](http://www.larouchepub.com/eiw/public/2006/2006_30-39/2006_30-39/2006-31/pdf/65-71_631_ecovelas.pdf)), Velasco explained why it took 20 years: "We did not have the political space until now. Anything we said during or after that time, we were just dismissed as 'Marcos' boys.' It took us all of these years in order to get the space for the public to even listen, to hear."

Velasco told me that he'd read the George Shultz autobiography, *Turmoil and Triumph*, and that "it was very obvious that he was the one that orchestrated the Marcos debacle. Ob-

viously, based on this book, [President Ronald] Reagan didn't want to do it." He also pointed to the fact that the head of the Anglo-Dutch Shell Oil operations in the Philippines, Cesar Buenaventura, joined Shultz in demanding that the nuclear plant be shuttered—much to the advantage of Royal Dutch Shell.

Velasco understood the necessary role of state industries (which goes to the heart of why he and Marcos were dumped by the rising neo-conservatives in Washington). In his book, Velasco wrote: "Unlike in a private firm, where the CEO's principal responsibility is to keep the shareholders happy, in a government corporation our job was ultimately to promote the national interest."

He had a deep regard for the American System and the U.S.A., where he developed his business skills as a young man, and was saddened to see the destruction of the machine-tool capacity now taking place in the United States. He told me that "the strength of America was its capability to manufacture. Nobody else could manufacture with the strength of market you have, with the strength of the quality that you could do, and in the capability that your people had. But this seems to be disappearing now."

At the time of our discussions in 2006, Ronnie Velasco was full of humor and goodwill, but also saw little hope that his nation could get through the disastrous economic crisis now afflicting the Philippines. However, just a few weeks ago, he was an invited speaker, along

with Butch Valdes, head of the LaRouche Society of the Philippines, at an historic conference in Manila, sponsored by the Philippines Chamber of Commerce Foundation, dedicated to reviving nuclear power in the Philippines, and to the broader economic development that such a revival could facilitate. Velasco explained that the Bata'an Nuclear Plant had been shut down not for technical reasons, but from political pressure, from forces outside the nation, and called for the people present to take responsibility for exposing the myths and lies which had allowed the population to accept such an attack on their own future. Since his death, the chairman of the Chamber of Commerce Foundation, Ramon Pedrosa, has informed us that the nuclear program they intend to present to the government be dedicated in his honor.

We in the LaRouche movement saw Ronnie Velasco as a valuable force for the good, from the older generation, in the current global crisis. We will continue working to ensure that his mission is fulfilled.

—Mike Billington



# Danes Tell Germans: Build Great Projects!

by Rainer Apel

The Danish-German project of a bridge across the Fehmarn Belt, finally signed on June 29, after years of stonewalling from the German side, has sparked a broader public debate about revitalizing frozen infrastructure development in northern Germany, in the regions directly bordering on Denmark. It has not yet reached the intensity of the Danish debate, which was initiated by the LaRouche-affiliated Schiller Institute's proposal to build a maglev train grid in Denmark; but particularly in northern Germany, considerable interest in realizing long-overdue projects of highway, railway, port, and canal construction has already been voiced.

The German Federal government, which reluctantly agreed to shoulder 15% of the bridge construction costs, and welcomed Denmark's shouldering 85%, tried to play down the importance of the project. The government of the northern-most state of Schleswig-Holstein, however, wholeheartedly welcomed the agreement as a door-opener for infrastructure and industry development. In an address before the state parliament July 9, state governor Harry Peter Carstensen gave full support to the Fehmarn Belt Bridge project, saying it is crucial for establishing a modern road-rail transport corridor from continental Europe to Scandinavia. He said that if the flanking infrastructure is built, Schleswig-Holstein would, by about the year 2020, be located at the crossroads of two grand continental transport routes through Europe's northern regions, North-South and West-East.

Carstensen called on German firms to get engaged beyond the building of the road-rail link from Germany to the bridge, as agreed in the German-Danish government treaty, and to make sure that the project is not limited to the state of Schleswig-Holstein. What is needed is more investments in production along the route, to also have the benefit of creating new jobs, Carstensen said, adding that he has received a promise also from EU Commission president José Manuel Barroso for EU co-funding of the bridge project with 30% of the total expenses.

On July 2, the three chambers of industry and commerce in Schleswig-Holstein had endorsed the Fehmarn Belt Bridge as an "important European infrastructure project." In a joint statement, the chambers of Kiel, Lübeck, and Flensburg said that "a bridge across the Fehmarn Belt, with four lanes and two rail tracks, will have positive effects for all of Northern Europe. The bridge is a project of European

importance and it is certain to generate a positive impact on the entire area of the southern Baltic and beyond. The positive impact will radiate deeply into the Central European space." It is indispensable, the statement said, to add infrastructure development on the German side to utilize the bridge's full potential: That includes the extension westward of the A-20 highway, as well as the extension of the A-7 highway, and the electrification of the rail route Hamburg-Lübeck. These projects have to be put in the larger perspective of the "axis of growth Hamburg-Lübeck-Copenhagen-Malmö," the chambers said.

The organization of all 14 chambers of industry in northern Germany, IHK Nord, followed with an endorsement of the project on July 17, in the context of a call for the realization of long-overdue infrastructure development as urgent to secure almost a million industrial jobs in Germany's northern regions. Presenting the statement, which listed about 20 delayed highway, railway, port, and canal projects, Hans Peter Kolzen of the State Chamber of Industry and Commerce said: "All too often, politicians nourish visions of a post-industrial, service sector society.... In reality, industry in northern Germany is one of the pillars of Germany's role as a base of production and exports.... Industry is the backbone of the economy."

In a discussion with this author July 18, a spokesman for the chamber in Hamburg responded positively to the Schiller Institute proposal to use maglev trains rather than conventional rail for the planned bridge. The spokesman said that the concept of a maglev link from Copenhagen to Hamburg would "re-open discussion about a route from Hamburg to Hanover, and, naturally, from Hamburg to Berlin," the latter route was buried by the German government in early 1999. He said that a maglev system would be even easier to realize for the Fehmarn and other bridges, implying that the costs of these projects could be kept lower than if traditional railway systems were used.

On July 20, the industry chamber in Lübeck published yet another statement pointing to the enormous increase in commodity transport between Sweden and Germany, which the Fehmarn Belt Bridge can be expected to yield. Therefore, a two-track rail link built into that bridge, rather than the one-track version that politicians presently speak about (to keep construction costs lower) is a must, the statement said. It is also a must because the bridge will considerably increase passenger travel on high-speed trains in both directions between Hamburg, Copenhagen, and Stockholm. The Lübeck chamber added that this perspective makes it even more urgent to go for the long-overdue electrification of some of the railroads in Schleswig-Holstein, which borders on Denmark, to increase their capacity.

All of which proves the essence of an old saying that, "It takes a Dane to show the German the way." In this particular case, it was the Danes at the Copenhagen Schiller Institute.

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## Book Review

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# It's About All of Us

by Lyndon H. LaRouche, Jr.

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### Jesus of Nazareth

Joseph Ratzinger, Pope Benedict XVI,  
Adrian J. Walker, trans.  
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The reality which confronts mankind, today, is Apocalyptic.

A friend, an influential priest of about my own age, blurted out the news that, in his nation, there was not a single person currently in training for the priesthood. I was shocked for a moment, but only a sobering moment. In the U.S.A., for example, the percentile of avowed “believers in God” among voters has, allegedly, increased during the most recent decades; nonetheless I shudder when I ask myself, what, for example, do many among those believers actually believe?

What, really, is gripping mankind’s will in these presently ominous times?

Contrary to a considerable amount of strongly expressed opinion, the decline within the Catholic clergy was *not* a product of the process known as Vatican II; Vatican II was a response to the seemingly unhindered wrongness of the direction which the post-World War II world had already taken, almost from the very hour in which President Franklin Roosevelt had died. The chief source of the worsening moral crisis of trans-Atlantic society today has been most prominently expressed in the new forms of decadence introduced into the factor of will in certain, chiefly “middle class” communities throughout the Americas and western and central Europe. For the witting, there was a sense that the world which emerged triumphant over the fascist menace, had betrayed the purpose for which that war had been fought. This sense of a world gripped by a new, careening decadence, drew the attention of the most thoughtful to the effect of the conditioning of a layer of chiefly white-collar, middle-class children born, notably, in post-war Europe and the Americas, between 1945 and

1957-58. This was a so-called “white-collar” generation, whose decadences would later erupt, violently, in the form of the explosion by “the 68ers” on both sides of the Atlantic.

The key to understanding this specific change, is to recognize that the pro-existentialist, post-Franklin Roosevelt change in quality of beliefs in both the Americas and western and central Europe, corresponds, specifically, to the entry into adolescence of a large social, so-called “white-collar” stratum from within the generation which had been born to those nations in the aftermath of Franklin Roosevelt’s death. Typical of this were the children born to the family households of what was known during the 1950s as “The Organization Man.” President Dwight Eisenhower referred to the expression of that “white-collar” constituency as a “military-industrial complex.”

The most significant factor in bringing about a related change of the Catholic, and relevant other institutions of Europe and the Americas, has been the forced-feeding of the populations with the wild-eyed, existentialist dogmas of the Frankfurt School, dogmas associated with the assigned role of the Congress of Cultural Freedom (CCF) in post-1945 Europe. Notable influences have included such as the former Nazi philosopher Martin Heidegger, his understudy Jean-Paul Sartre of France, and that Frankfurt School’s Horkheimer, Adorno, Arendt, et al. The same trend was echoed by the dismal image of Bertolt Brecht in Soviet-occupied East Germany. These radical empiricists, these existentialists, as combined in effect with the work of the London Tavistock Clinic and Bertrand Russell’s circles, are typical of the leading edge of the post-1945 campaign to destroy the traditions of both physical science and Classical culture in Europe, and beyond.

This development within, and beyond the trans-Atlantic community must be compared with the morally fatal factor of decadence whose influence was expressed as the collapse of a deeply corrupted Athens into the follies of the Peloponnesian War.

Inside the U.S.A. itself, this existentialist corruption was spread from the ideological overlap of the Josiah Macy, Jr. Foundation, with the brainwashing campaign conducted by Adorno, Arendt, et al. under the rubric of “The Authoritarian Personality.” One of the notable products of those conspirators’ brainwashing campaign against its U.S. and other victims, has been, thus, the dupes’ now familiar, Orwellian babbling of the cult-phrase “I don’t believe in conspiracy theories.”

The result is, that, for the victim of the corrupting ideological influences of the “Frankfurt School” and kindred modern Sophistries, the essential thing which is lost as a fruit of that plunge into decadence, is the notion of the existence of that immortal soul which distinguishes the human personality absolutely, and uniquely, from the beasts. The implications of the form of moral corruption which existentialism expresses, are immediate, both inside and outside the churches; however, the fuller consequences of the disease became more and

more clearly manifest over the course of time. Implicitly, thus, the idea of God has been supplanted by cults of the genre shared with the childish dupes of the “Star Wars” and “Harry Potter” cults. All of those values which had been associated with civilized forms of life within, and among nations and peoples, were thus placed in jeopardy.

So, came the Autumn harvest called “the 68ers.” It came in the Spring of that year, when the vanguard of the Baby-Boomer generation had touched, first, adolescence, and then entered adult maturity. So, now, it has come about, that a new dark age menaces the planet. The time had come, thus, in which a new Pope would see cause to examine the true meaning of immortality of the soul which inhabits the living human flesh.

That is the immediate setting for the reading of Pope Benedict XVI’s *Jesus of Nazareth*.

### *I Corinthians 13*

For example. On the appropriate occasion in 2004, I delivered a relevant address in Talladega, Alabama, commemorating the immortal memory of the Reverend Martin Luther King, as a hero in the exemplary tradition of Joan of Arc.\* That same specific quality of immortality to which I referred on that occasion, is my point of reference here. So, my emphasis here, is my own persuasion, as in reading his book, that Benedict XVI’s emphasis upon the importance of knowing a real-life image of Jesus of Nazareth which would be as accurate as possible, is a key for today’s better understanding of the Christian’s mission.

Contrary to widespread opinion in the U.S.A., and Europe, today, man is no ape of the sort implicit in the doctrines of the former Nazi Martin Heidegger and his Frankfurt School intimates. We must suspect that not even a mere ape could be thrown into a state of affairs as bestial as Heidegger’s man. The belief in the God identified by Christians, as by Jews in the footsteps of the three great Moses—of Sinai, Maimonides, and Mendelssohn—has a scientifically objective basis, as Mendelssohn’s *Phaedon* emphasizes this fact. Nonetheless, the nature of the God of the Christians and Moses, is also, essentially, a very personal, subjective issue.

In the teaching of science, for example, there is usually a gulf separating the definition of “truth” as what the modern Sophist would consider as “what I have been taught to believe, if I wished to earn my credentials.” So, most students were brainwashed into dupes of a zombie-like mere “consensus,” as in considering Euclidean or Cartesian definitions, axioms, and postulates as “self-evident”: thus shunning actual experience of efficient knowledge of a universal physical principle, as Bernhard Riemann, for example, defines true knowledge.

A man who wishes to feel himself important, says: “I believe in God.” So, in the case of the legendary Bible of a de-

ceased revivalist, we might read the deceased parson’s Bible, where he had written, with flourishes otherwise suited to an impassioned Flagellant: “Text unclear. Shout like Hell!”

An honest man asks him: “When and how did you come to know God?”

The challenged parson, almost choked with rage, replies, stiffly: “I believe!”

Therefore, the relevant question is, simply, are we—you and you—made in the likeness of the Creator of this universe? How could we know this? Are we beasts, or are we cast in the likeness of man and woman in *Genesis* 1: 26-30? So, for the Christian in the time of great spiritual crisis for mankind, as for Benedict XVI on the present occasion, the meaning of the *divinity* of Jesus of Nazareth, is a most crucial and practical, existential question for all concerned.

Benedict XVI has replied: *What is the evidence we know from the life of Jesus of Nazareth? What do we actually know, and how are we capable of knowing it?*

If I were challenged so, my reply would be, essentially, *I Corinthians* 13. Faith and Hope depend essentially on the principle of the Apostle John’s Gospel: the Socratic concept of *agapē*. It is a conception which is not captured by merely contemporary use of the English *charity*, nor the term *love*.

Nor could we represent the meaning of *agapē* by mere *passion*. It is a quality which may be referenced by the term *passion*, but it is a meaning of *passion* which has no commonplace expression in contemporary writing or speech. I usually associate the meaning of the term *agapē* with the passion of creativity, as creativity is used in the more rigorous sense of the act of discovering an efficient form of universal physical principle, as typified by such actions as Johannes Kepler’s discovery of the universal physical principle of *gravitation*.

The most significant, relevant misuse of the purported synonyms for the *agapē* of Plato and the Apostles John and Paul, for example, is a product of attempted dictionary-nominalist accommodations to the modern philosophical Liberalism in the viciously irrationalist form of Sophist, and implicitly Satanic tradition of the modern magician Sophist Paolo Sarpi: the tradition of his empiricist and Romantic followers such as his lackey Galileo Galilei, the Anglo-Dutch Liberal empiricists Locke, Mandeville, the Physiocrats Quesnay and Turgot, the British plagiarist Adam Smith, and the radical utilitarianism of the British Foreign Office’s Jeremy Bentham and his devotees. This is also the mechanistic tradition of René Descartes, and so on, to the present time.

Precise working definitions of the underlying meaning of *agapē* are available. From ancient Classical Greece, the Pythagorean Archytas’ solution for the construction of the doubling of the cube, or Plato’s exercise in the *Theaetetus* dialogue, are examples. In modern science and theology, the most significant discovery is Nicholas of Cusa’s discovery of the systemic incompetence of Archimedes’ attempt at quadrature of the circle, and the consequent application of Cusa’s approach to this in Kepler’s uniquely original discovery of the

\*Lyndon H. LaRouche, Jr., *The Immortality of Martin Luther King*, DVD: EIRDV-2004-001-STD. Available from EIRNS, \$25.



principle of universal gravitation. Fermat's discovery of the principle of least action, as the catenary principle was discovered, uniquely, by the collaboration of Gottfried Leibniz and Jean Bernoulli, is an example, as is the outcome of Bernhard Riemann's 1854 habilitation dissertation.

This matter was summarized, late in his life, by Albert Einstein's grasp of the unity of the process defined by the benchmarks of Kepler and Riemann: the principle of a finite but unbounded universe. Or, the related definitions of the qualitative distinctions of the universal phase-spaces of the abiotic, the Biosphere, and the Noösphere, by Academician V.I. Vernadsky. In each and all of these cases from the domain of physical science, a finite but unbounded universe is reflected in the quality of the *infinitesimal* as that is defined by Leibniz and the work of Riemann, as the reflection of the quasi-infinity of a finite, but unbounded universality as a whole.

This infinitesimal expresses the power which moves the universe. The trajectory of motion, as might be described by finite mathematics, is the shadow of the principle, but not the ontological actuality of that principle.

It is the creative powers which man and woman express as in the likeness of the Creator, the power of the process of the continuing creation of the universe, power expressing the intention of both Creator and created, which reflects the concept of *agapē*. It is the creative love shared with the Creator, and expressed in the human personality's devotion to the realization of this mission, which is crucial. It is the love expressed by contributions to the development of the universe we inhabit; it is a quality of love which expresses such *creative power*.

It is the love which expresses man and woman as acting in service to, and likeness of the Creator.

## Jesus of Nazareth

Let me therefore state the case from the ecumenical standpoint of the same Platonic tradition which I share with Moses Mendelssohn's *Phaedon*. This is history, but is much more than a mere account of past history; nothing less than that history is required to express the essence of the ongoing process which grips the planet as a whole, still today.

With the close of the Second Punic War, a new quality of an old evil came upon the civilization centered in the maritime system of the Mediterranean: the insurgency of the emerging Roman Empire. It was already an old evil, what was known, generically, as the old oligarchical model, assuming a new form. During the greater part of the following two centuries, there was a great struggle over control of the new empire-in-the-making.

So, the time came, when the putative heir of the deceased Julius Caesar, Octavian, while resident on the Isle of Capri, negotiated an alliance with the cult of Mithra against Octavian's political rivals, Antony and Cleopatra. Octavian crowned himself the Caesar Augustus of the time when Jesus of Nazareth was born. It was while the Emperor Tiberius was resident

on the same Isle of Capri, that the Emperor's representative, Pontius Pilate, ordered the death of Jesus of Nazareth by crucifixion.

The Roman Empire, sometimes called "The Whore of Babylon," has passed, but it was succeeded by Byzantium. Byzantium died, too; but, it was superseded by its heir, a new descendant of Rome, the empire over which the Venetian financier-oligarchy reigned through its arrangement with the Norman chivalry. Then, from February 1763 on, came a new successor on the imperial throne, Paolo Sarpi's neo-Venetian, Anglo-Dutch Liberal empire of the British East India Company and its successors, the reign of the imperial usury which dominates the world still today.

So, the evil which Jesus of Nazareth was born to face, the imperial evil which perpetrated the judicial murder of Christ, persists still today. For us, therefore, who live within that continuing span, the mission for the unshackling of man and woman in the likeness of the Creator, thus, remains still to be fulfilled.

## Who, Then, Are We?

Who, therefore, are the man and woman, made in the likeness of the Creator, of whom *Genesis* 1 speaks? If we are immortal, then where were we—where *are we in the simultaneity of eternity*—when Jesus of Nazareth was born? By what agency do we participate in the sweep of the history of the events? Better said: How should we experience that simultaneity of eternity? How are the personalities of the deceased to be justified?

Benedict XVI has written a book which takes the reader through the known aspects of the experience of Jesus of Nazareth. The attempt is made, and it is a persuasive one, to place the reader inside the experience of that Jesus of Nazareth. By means of that attempt, the reader is presented with the opportunity to immerse his, or her sense of being within the mission which that account expresses as the future. That mission must become our passion.

What, therefore, is man's mission? To what outcome of our mortal lives, even far beyond our mortal death, do we, should we yearn? Not what we do for ourselves, but what we do for all mankind. When our flesh ceases, what remains of us which is not a mere beast? Where does that poor soul go to pray? What is our interest in the outcome of the simultaneity of eternity? As immortal beings, what should our passions be?

The passing of the successive reigns of that imperial, oligarchical model of society which Augustus' and Tiberius' reigns reflect is not the goal of our existence, but only an unshackling of mankind for the missions beyond. In the meantime, our duty is not to wait, as if hat in hand, for the evil to be marvelously taken away. The change to be made, is one in which we must participate. It is we, from our place in the simultaneity of eternity, who must participate in all the suitable missions for mankind, acting in our role as creatures in the likeness of our Creator.

# The ‘Dump Cheney’ Countdown Is On

by Jeffrey Steinberg

In the immediate aftermath of Lyndon LaRouche’s July 25 webcast from Washington, D.C. (see *Feature*), momentum has grown for the removal of Vice President Dick Cheney from office—before the Guns of August are fired. In his remarks, LaRouche directly addressed members of the U.S. Congress:

“This is the month of August; it’s the anniversary of August 1914. It’s the anniversary of August 1939. The condition now is worse, objectively, than either of those two occasions. Either we can make a fundamental change in the policies of the United States government now, or you may be kissing civilization good-bye for some time to come. That’s the reality. Anyone who thinks differently is either just an incompetent, or an idiot, or a raving lunatic: *That’s reality*. Are you prepared to act now? If you’re not prepared to act, please leave the House of Representatives. If you’re not prepared to act, please leave the Senate; and above all, leave the Federal government, in terms of the key officials, because you’ll only make a mess of things. It’ll be worse with you there, than if you simply got out, and left it to a minority to solve the problem.”

LaRouche then got to the heart of the issue: “There are two things that must be done. Let’s start with the simplest thing, which is on the table now: Remember, impeachment is in the background, but impeachment is not the issue. The issue is *getting Cheney out*. You get Cheney out, now, and the situation can be manageable. If you do not get Cheney out, you’re kissing civilization good-bye. If it survives, it’s not to your credit. And any Congressman who says he’s not going to get Cheney out now, should leave the premises now, as a final act of decency. If Nancy Pelosi and others—if they can’t get Cheney out now, if they’re not determined to do it now, *this month, before they leave Washington, they should quit now!* Submit their resignations, and let some-

body who’s more competent come in, because it has to happen. *Cheney has to go.*”

## Cheney’s War

Extremely well-placed U.S. military and intelligence sources have re-emphasized to *EIR* that all of the preconditions for a U.S. preventive attack on Iran have been met. Over half of the U.S. Navy’s combat force is now in the immediate vicinity of Iran, with two U.S. aircraft carrier groups in the Persian Gulf, and two more in the Indian Ocean, ostensibly as part of five-nation maneuvers scheduled for September in the Bay of Bengal. U.S. and Arab military sources report on a massive buildup of U.S. Air Force bombers in Iraq and Afghanistan. The buildup of naval and air power, contrary to some news accounts, is not directed at the Afghanistan-Pakistan border area, where Taliban and al-Qaeda forces have established a serious base once again. Pentagon sources confirm that the target of these awesome military assets is Iran.

The reason for the buildup in Iraq and Afghanistan is that no Arab state is willing to allow U.S. basing or overflight rights, for an attack on Iran, thus rendering U.S. air bases and naval ports in such countries as Bahrain, Oman, and Qatar useless. Turkey, likewise, is not about to allow the U.S. to launch attacks on Iranian targets from air bases in Turkey. In fact, Turkey and Iran are working together, behind the scenes, against the PKK, the Kurdish insurgent group promoting an independent “Kurdistan” to be carved out of the territories of Turkey, Iran, Iraq, and Syria.

As one retired flag officer reported, no such costly buildup of military force is undertaken unless there is a clear plan to go to war—soon. And Cheney’s unmistakable target is Iran.

Since the June 2007 deployment of Gen. Kevin Bergner to Baghdad, as the designated Cheney/Elliott Abrams “stove-

pipe” for a steady stream of anti-Iran propaganda into the White House and the press, the Administration has shifted its focus away from the scare stories about Iran being “months away” from having a nuclear bomb, to inflated allegations that Iran is behind the insurgency in Iraq that is killing American soldiers, and preventing the “surge” from succeeding. The Joint Chiefs of Staff and other top military brass are reportedly seething over the Bergner-Abrams-Cheney agitprop efforts.

And it now appears that there are even counter-moves coming out of the Executive branch. According to U.S. intelligence community sources, White House officials have recently leaked a series of news stories, revealing that the biggest “foreign” factor in the Iraqi insurgency is not Iran, or Syria, but Saudi Arabia, which accounts for 40% of the foreign fighters now in jail in Iraq, and an even higher percentage of the suicide bombers. In comparison, according to several recent news accounts, originated at the White House, only 1% of the insurgents captured in Iraq are Iranians, and under 10% are Syrians. These stories certainly angered the Vice President and Abrams, the National Security Council Middle East chief and a rabid neo-con.

On July 26, Helene Cooper penned a story for the *New York Times* and the *International Herald Tribune*, that reported on “U.S. frustration with Saudis over Iraq.” “Bush administration officials,” Cooper wrote, “are voicing increasing anger at what they say has been Saudi Arabia’s counterproductive role in the Iraq war.” The unnamed officials charged that the Saudis are providing arms and money to Sunni insurgents, many of whom are Salafi fundamentalists, to wage war against the al-Maliki government in Baghdad, which the Saudis view as an Iranian puppet regime. Edward W. Gnehm, a former U.S. ambassador to Kuwait and Jordan, reported to Cooper that the Saudis have been soliciting funds from other members of the Gulf Cooperation Council, to arm Sunni rebels in Iraq’s Anbar province, and other Sunni-controlled areas of the country.

What the *Times* story neglected to report is that the “Sunni versus Shi’ite” scheme which the Saudis have been pursuing with great passion, was promoted by top Bush Administration officials—beginning with Cheney—since late 2006, undoubtedly under the advice of British Arab Bureau spook, and top Cheney advisor Dr. Bernard Lewis. In October 2006, White House counterterrorism and homeland security advisor Frances Townsend traveled to Riyadh to meet with King Abdullah and his Cabinet, to discuss the growing threat from Iran. A month later, Cheney made his now infamous trip to Saudi Arabia, to promote the idea of a Sunni security alliance to combat Iran. According to U.S. intelligence sources, the Cheney trip unleashed a process that has now veered out of Washington’s control, and is causing significant ruptures between the U.S.A. and the Saudis over the future of Iraq.

As the result of the Saudi promotion of the Salafi tribal insurgency inside parts of Iraq, there is growing concern among

some senior U.S. military and Administration officials that a major eruption of Sunni versus Shi’ite violence in Iraq could spill over into a larger regional confrontation. It is here where the consequences of allowing Dick Cheney to stay on the job take on catastrophic proportions.

### **Does Congress Have the Guts To Impeach?**

At a recent speaking engagement in California, Rep. John Conyers (D-Mich.), the chairman of the House Judiciary Committee, announced that if three more members of Congress signed on to Rep. Dennis Kucinich’s (D-Ohio) H.R. 333 bill to impeach Cheney, he would begin committee proceedings—despite opposition from Speaker of the House Nancy Pelosi (D-Calif.). On July 25, Rep. Robert Brady (D-Pa.) added his name to H.R. 333, bringing the number down to two.

At the close of the LaRouche webcast that day, LaRouche spokesperson Debra Freeman vowed that the remaining two signators would be added before the Congressional recess—through a non-stop mobilization of the LaRouche Youth Movement, and other LaRouche activists. At least six other members of Congress indicated that they were about to sign on to the Kucinich bill in the days following the webcast.

As LaRouche emphasized on July 25, impeachment is but one means of forcing Cheney’s immediate ouster—which is the only serious war-avoidance option. Other Congressional actions, already underway, could also accelerate Cheney’s departure, according to well-placed Washington sources. One crucial initiative was announced on July 26 by four Democratic Senators, who wrote to U.S. Solicitor General Paul Clement, demanding the appointment of an independent counsel to probe whether Attorney General Alberto Gonzales lied to Congress about the firing of U.S. Attorneys and the government’s warrantless domestic spying programs.

The sources emphasize that Gonzales is the last remaining “firewall” between the President, the Vice President, and impeachment. The letter to the Solicitor General was sent by Democratic Senators Charles Schumer (N.Y.), Dianne Feinstein (Calif.), Russell Feingold (Wisc.) and Sheldon Whitehouse (R.I.). Were Gonzales to go, the sources insisted, Bush might be far more inclined to throw Cheney overboard, rather than face his own then-imminent impeachment.

In the aftermath of the July 25 webcast, LaRouche emphasized that, given the current countdown for war, Congress cannot leave town for the month of August—without running the risk that Cheney will prevail on Bush to order a preventive attack on Iran. At minimum, a group of key House and Senate leaders must remain on the job, and should maintain close liaison with the top military brass, who could call on Congress, at any moment, to step in under the Constitution and the War Powers Act, to prevent an out-of-control White House from launching another preventive war in the Persian Gulf—one that historians would write about in decades to come as the opening shots of the next world war.



# Impeachment: The Power To Protect the Nation

by Edward Spannaus

During the debates leading into the ill-advised impeachment of President Bill Clinton by the House of Representatives in late 1998, many Democrats and Constitutional scholars expressed the fear that to impeach Clinton for lying about sex—a private matter—would drastically “lower the bar” for impeachment, and make it far too easy to impeach a future President.

But, ironically, the fiasco of the Clinton impeachment by the House, and the failure of the Senate to convict him, has *raised* the bar, so to speak, seemingly making it *more* difficult to impeach a President, or in the case facing us today, a Vice President who wields more power than the President himself, and who has grossly abused that usurped power.

The argument oft-heard today in the halls of Congress, is that the nation cannot afford to go through another impeachment, after the Clinton debacle, that it would be divisive, that it would prevent Congress from carrying out its vital work, and so on and so forth.

(As to the latter contention, we simply note that Congress has two major powers: oversight and legislation. Impeachment proceedings would constitute the highest form of oversight, and, as regards legislation, President Bush, at Dick Cheney’s direction, simply ignores any legislation he doesn’t like, often explicitly justifying this by means of unconstitutional “signing statements” coming out of Cheney’s office.)

Given the gravity of the crisis facing our nation, and given that the *only* means of resolving that crisis is to remove Dick Cheney from office so he can do no more harm, it is high time to restore impeachment to its rightful place in our Constitutional plan of government.

## What the Constitution Says

Impeachment is not a criminal trial. Its purpose is not punishment; rather, it is intended to protect the nation and its citizens, by removing an official from office who violates his trust and abuses his power, and who threatens the liberties and the well-being of society itself.

As Prof. Lawrence Tribe of Harvard University told a House Judiciary subcommittee in November 1998, the central purpose of impeachment “is not to punish, but to protect the functioning of our Constitutional system from injury at the hands of Federal officials who turn against the nation, or corrupt its processes.”

In *Federalist* No. 65, Alexander Hamilton wrote, regarding impeachment: “The subjects of its jurisdiction are those



White House Photo

Vice President Dick Cheney

offenses which proceed from the misconduct of public men, or, in other words, from the abuse or violation of some public trust. They are of a nature which may with peculiar propriety be denominated **POLITICAL**, as they relate chiefly to injuries done immediately to the society itself” (capitalization in original).

Article I, Section 2 of the Constitution vests the sole power of impeachment

in the House of Representatives. Section 3 of Article I vests the sole power to *try* impeachments in the Senate. (In other words, the House performs the function of a grand jury, bringing the equivalent of an indictment; the Senate functions as the jury, which can convict or acquit.)

Section 3 further provides that in the case of the President, the Chief Justice shall preside (there is no requirement as to who shall preside in the case of the Vice President or other officials), and it specifies that “no Person shall be convicted without the concurrence of two thirds of the Members present.”

And making it clear that the purpose of impeachment is the protection of the nation; and that it is not a criminal trial imposing punishment, Article I, Section 3 concludes: “Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States: but the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law.”

Article II, Section 4 specifies who may be subject to impeachment:

“The President, Vice President and all civil Officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors.”

## The Case of Richard Nixon

Since each House of Congress “may determine the Rules of its Proceedings,” under Article I, Section 5, both the House and the Senate can determine how to proceed with an impeachment. In current practice, a resolution or other means of initiating an impeachment (such as a memorial from a state legislature) is referred to the House Judiciary Committee, which takes evidence and decides whether or not to approve Articles of Impeachment; if it does, the Articles are then presented to the entire House for a vote.

In the impeachment proceedings against President Rich-

ard Nixon in 1974, the House Judiciary Committee approved three Articles of Impeachment, charging Nixon with actions damaging to the nation, its laws, and its Constitution; these were:

1. Obstruction of justice in connection with the coverup of the Watergate burglary, including offers of pardons; making false and misleading statements to investigators and counseling others to give false and misleading testimony; inducing others to commit perjury; and withholding material evidence.

2. Abuse of the powers of his office, by utilizing the Federal Bureau of Investigation (FBI), Internal Revenue Service (IRS), and Central Intelligence Agency (CIA) to harass citizens and violate their Constitutional rights, and interfering with operations of agencies of the Executive branch including the Department of Justice and the FBI.

3. Violating the Separation of Powers provision of the Constitution, by refusing to comply with Congressional subpoenas for documents and evidence, thus interfering with the Constitutional functions of the House.

Each of the three Articles was followed by the following statement:

“In all of this, Richard M. Nixon has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

“Wherefore, Richard M. Nixon, by such conduct, warrants impeachment and trial, and removal from office.”

In Nixon’s case, he resigned from office upon being advised by a delegation of fellow Republicans that the House would overwhelmingly vote for impeachment, and that the Senate would almost certainly, and overwhelmingly, vote to convict.

Republicans today, would do well to heed the words of Rep. Robert McClory (R-Ill.), who said in 1974: “Preserving our Republican Party does not, to my mind, imply that we must preserve and justify a man in office who would deliberately and arbitrarily defy the legal processes of the Congress, nor can our party be enhanced, if we as Republican members of the United States House of Representatives tolerate the flouting of our laws by a President who is Constitutionally charged with seeing that the laws are faithfully executed, as provided in Article II.

“We will enhance our Republican Party and assure a viable two-party system only if we are courageous enough and wise enough to reject such conduct, even if attributed to a Republican President. The essential question which we must answer is not what is best for our party, but what is best for our nation.”

## **Trial in the Senate**

If, unlike Nixon, the charged official does not resign at that point, then the House as a whole votes on whether to ap-

prove Articles of Impeachment, which are then delivered to the Senate. The House appoints “managers,” who function as prosecutors, and present the case for impeachment in the Senate.

Although the Senate, as a whole, tried the impeachment of President Clinton, the entire body need not do so. In the 1989 impeachment trial of Federal judge Alcee Hastings, the evidence against him was heard by a designated committee of 12 Senators, a vote was then taken by the entire Senate; he was convicted on the first article by an 86-29 vote, and removed from office. (The Senate did not bar Hastings from holding office, and he was elected a U.S. Representative from Florida, in 1992.)

In a Senate Judiciary Committee hearing on July 24, 2007, when discussing possible contempt proceedings against White House officials, Sen. Arlen Specter (R-Pa.), the ranking member, cited the Hastings case to illustrate how a trial could be conducted by a designated committee, without tying up the entire Senate for such a proceeding.

## **When Impeachment Should Be Used**

As was pointed out during the impeachment proceedings against Bill Clinton in the House of Representatives, impeachment has been an instrument rarely used, and, as Democrats and their allies argued, it is one that should not be trivialized, but reserved for the most serious abuses of office, or offenses against the state—which, today, certainly fits the bill for the impeachment of Dick Cheney. Up to that point, in 1998, the House had impeached only one President (Andrew Johnson, 1868), one Senator (William Blount of Tennessee, 1799), one Secretary of War (William Belknap, 1876), and 12 judges.

Cheney’s offenses—using lies to drag the country into an unjustified war against Iraq, and plotting to do the same against Iran; promoting illegal wiretapping and surveillance of U.S. citizens; advocating and promoting torture in violation of U.S. laws and treaties; corruptly enriching himself and his cronies through war contract profiteering, etc.—far exceed any offenses for which U.S. officials have previously been impeached. More important than specific past offenses, is that his contempt for the U.S. Constitution and its Separation of Powers, and for the Constitutionally mandated role of Congress and the Courts, demand his removal from office for the protection of the country in the immediate future.

Cheney and his puppet George W. Bush justify their offenses against the Constitution in the name of “national security.” Yet, we should listen to Alexander Hamilton on the question of the sources of our national security:

“If it be asked, What is the most sacred duty and the greatest source of our security in a Republic? The answer would be, An inviolable respect for the Constitution and Laws—the first growing out of the last. . . . A sacred respect for the constitutional law is the vital principle, the sustaining energy of a free government.”

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## Editorial

### *Get Cheney Out Now!*

In his July 25 webcast, Lyndon LaRouche issued clear marching orders: British thug Dick Cheney must be removed in August, and any Congressman who refuses to help, should get out of the way. Cheney's removal is the *precondition* for beginning to solve the problems of the nation. *Cheney has to go!*

It was September of 2002, nearly five years ago, when Lyndon LaRouche first called for the removal of Cheney from the White House. At that time, as the White House was escalating its drumbeat of lies toward war against Iraq, LaRouche and *EIR* identified the Vice President as the key operative in pushing for a disastrous "Clash of Civilizations" war, potentially leading to a new nuclear confrontation and World War III. We were right.

It was April 2003, when LaRouche escalated, with the first of the "Children of Satan" pamphlet series, which exposed Cheney's record and apparatus. By the conclusion of the series, which included the publication of the famous *Children of Satan* book, millions of copies had circulated around the United States, and in Western Europe.

In June 2003, LaRouche issued his first demand for Cheney's impeachment. Even at that time, the evidence to show that Cheney had committed a fraud against the U.S. Constitution, and the President, was a matter of public record. Since that time, the evidence of Cheney's willful disregard of the laws of the United States—from the highest laws on down—has piled up to enormous proportions, including through testimony to the U.S. Congress itself.

In fact, not only has Cheney not been removed, but he and Bush were re-elected by the American population in 2004! Clearly there was fraud, but the election was close enough to permit that fraud to go through.

Thus, the major question on the table is: What is responsible for the shameful fact that Cheney has not yet been removed?

The answer has been more than fully elaborated by Lyndon LaRouche, not only in this webcast, but in numerous others: The political leadership of the United States, dominated by the Baby-Boomer generation, has *failed* in virtually every respect. It has *failed* to follow its Constitutional oath to defend the Constitution against Cheney's attacks. It has *failed* to represent the interests

of the American people, who have been demanding with ever increasing stridency, relief from the crimes of Cheney-Bush. It has *failed* to face the reality of the current crisis of depression and war, and the Hell which this crisis will create for future generations, if it is not stopped by the correct decisions to reverse policies in the immediate weeks ahead.

However, as the famous saying goes, "failure is not an option." Despite the sordid history of this Congress, and the Democratic leadership, which is operating as though it were in the hip-pocket of fascist Felix Rohatyn, these very political leaders have to take the necessary action to oust Cheney, now!

We have seen how the process works to create the necessary momentum. Exemplary was the case of Rep. Jim McDermott of Washington State, a senior Democrat, who, like most members of Congress, lives in a district where his constituency is white-hot for the impeachment of Cheney. Yet, when confronted at town meetings about the necessity of signing on to Rep. Dennis Kucinich's bill for Cheney's impeachment, McDermott clung to his sophistical defeatism: It can't be done, he said; we don't have the votes. It would tie up the Congress. I just won't do it.

Yet, the concerted onslaught of his constituents, prominently including the LaRouche Youth Movement, succeeded in turning McDermott around! Within days of his public refusal to go for impeachment, he signed on to Kucinich's bill.

It's time for the "McDermott effect" to be repeated all around the country. *Every* Congressman is up for re-election in 2008; they all can be effectively threatened with defeat if they do not do their duty. With the proper pressure from their constituencies, dozens of additional Congressmen can be convinced to add their names to the 15 who have now supported Kucinich's cogent bill of impeachment.

Impeachment probably won't be the process by which we get rid of Cheney, as LaRouche has said. More likely, he'll be taken aside and "convinced" to resign. But a powerful mass movement for ousting him through impeachment proceedings is the absolute precondition for what needs to be done.

Get Cheney out now!