

# EIR

Executive Intelligence Review

August 22, 2008 Vol. 35 No. 33 [www.larouchepub.com](http://www.larouchepub.com) \$10.00

25 Million Tons of Food Aid for Africa Now!  
T. Boone Pickens' Windmills: A Genocidal Plan  
Afghan Opium Pleases Taliban and Soros

**LaRouche: Putin Was Right,  
Acted To Prevent World War**



SUBSCRIBE TO EIR ONLINE

# The Banking System Has Already Collapsed!



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

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

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

—EIR Editorial, Aug. 31, 2007

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

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

**EIR Online's Subscribers Know What Is Really Going On.... Do You?**

**To subscribe:**

**[www.larouchepub.com/eiw](http://www.larouchepub.com/eiw) Call 1-800-278-3135 (toll-free)**

See back cover for subscription rates

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editorial Board: Lyndon H. LaRouche, Jr., Antony  
Papert, Gerald Rose, Dennis Small, Edward  
Spannaus, Nancy Spannaus, Jeffrey Steinberg,  
William Wertz

Editor: Nancy Spannaus

Managing Editor: Susan Welsh

Assistant Managing Editor: Bonnie James

Science Editor: Marjorie Mazel Hecht

Technology Editor: Marsha Freeman

Book Editor: Katherine Notley

Photo Editor: Stuart Lewis

Circulation Manager: Stanley Ezrol

#### INTELLIGENCE DIRECTORS

Counterintelligence: Jeffrey Steinberg, Michele  
Steinberg

Economics: Marcia Merry Baker, Paul Gallagher

History: Anton Chaitkin

Ibero-America: Dennis Small

Law: Edward Spannaus

Russia and Eastern Europe:

Rachel Douglas

United States: Debra Freeman

#### INTERNATIONAL BUREAUS

Bogotá: Javier Almaro

Berlin: Rainer Apel

Copenhagen: Tom Gillesberg

Houston: Harley Schlanger

Lima: Sara Madueño

Melbourne: Robert Barwick

Mexico City: Rubén Cota Meza

New Delhi: Ramtanu Maïtra

Paris: Christine Bierre

United Nations, N.Y.C.: Leni Rubinstein

Washington, D.C.: William Jones

Wiesbaden: Göran Haglund

#### ON THE WEB

e-mail: eirms@larouchepub.com

www.larouchepub.com

www.larouchepub.com/eiw

Webmaster: John Sigerson

Assistant Webmaster: George Hollis

---

EIR (ISSN 0273-6314) is published weekly (50  
issues), by EIR News Service, Inc., 729 15th St. N.W.,  
Washington, D.C. 20005.  
(703) 777-9451

**European Headquarters:** E.I.R. GmbH, Postfach  
1611, D-65006 Wiesbaden, Germany;  
Bahnstrasse 9a, D-65205, Wiesbaden, Germany  
Tel: 49-611-73650

Homepage: <http://www.eirna.com>

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

Director: Georg Neudekker

**Montreal, Canada:** 514-855-1699

**Denmark:** EIR - Danmark, Sankt Knuds Vej 11,  
basement left, DK-1903 Frederiksberg, Denmark.  
Tel.: +45 35 43 60 40, Fax: +45 35 43 87 57. e-mail:  
[eirdk@hotmail.com](mailto:eirdk@hotmail.com).

**Mexico:** EIR, Manual Ma. Contreras #100,  
Despacho 8, Col. San Rafael, CP 06470, Mexico, DF.  
Tel.: 2453-2852, 2453-2853.

Copyright: ©2008 EIR News Service. All rights  
reserved. Reproduction in whole or in part without  
permission strictly prohibited.

Canada Post Publication Sales Agreement #40683579

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

# EIR

## From the Managing Editor

You'd think some of the brains in the U.S. State Department would understand a bit about Russia, after nearly 225 years of relations. The line from Washington now is, "Russia needs to get out of Georgia." (When did this encounter-group word "needs" enter the diplomatic vocabulary? I do not think John Quincy Adams used it.) Is this the sum total of the wisdom that G.W. Bush inherited from "Russia expert" Condoleezza Rice, who inherited it from Madeleine Albright's father?

Since Aug. 4, U.S. pundits have discovered that Alexander Solzhenitsyn was a Russian ("we thought he was one of us, but he supported Putin!"); that Mikhail Gorbachov is a Russian ("Russia had to respond" to the Georgian attack on South Ossetia. "To accuse it of aggression against 'small, defenseless Georgia' is not just hypocritical but shows a lack of humanity"—*Washington Post*, Aug. 12). And of course, that Vladimir Putin and Dmitri Medvedev will not give up the sovereignty of their nation. Russia remembers, if Foggy Bottom doesn't, Napoleon's thrust deep into Russian territory, and Hitler's Operation Barbarossa (20 million deaths in the Soviet Union in World War II—just let that number sink in for a minute). Did Condoleezza Rice really think Moscow would tolerate encirclement by hostile powers on its borders, including ABM systems in Poland and the Czech Republic?

The British, who are supposed to know more about these things, got the point, as Lyndon LaRouche states in the *Editorial* and Helga Zepp-LaRouche documents in our *Feature*. British geopoliticians who thought they could play games using George Soros and Mikheil Saakashvili had their heads handed to them, and some, at least, have enough sense to know it.

Our *Feature* is an intelligence dossier on these events that is unique in world coverage of this turning point in history. We underline the Soros-British role in setting up the conflict in the first place—and the startling connection of the *dramatis personae* to Barack Obama, through George Soros.

For a taste of the LaRouche movement's coming intervention into the Democratic Convention, see Ed Hamler's dossier on Al Gore, reprinted from a new LaRouche PAC pamphlet, "Covered in Gore."



## Cover This Week

*Civilians of South Ossetia take refuge in a shelter during the Georgian bombardment of Tskhinvali, Aug. 8. Inset: Vladimir Putin (left) with a military leader in 2006.*



(Putin) Sergei Guneev

### **4 Lyndon LaRouche: Putin Was Right, He Acted To Prevent World War III**

LaRouche said that the decisive Russian action against the provocation by the Georgian puppet government delivers a message to the entire world. It reverses almost 20 years of history, during which the British empire, through George Soros and other agencies, moved to take advantage of the collapse of the Soviet Union, to consolidate a world empire.

### **5 Britain's Georgia Gambit: So, Hitler Invaded Poland**

A statement by Lyndon H. LaRouche, Jr.

### **7 Europe Has a Choice: Russia as a Wartime Enemy, or as a Partner**

By Helga Zepp-LaRouche.

### **9 Nazi Collaborator Soros, British Lord Behind Phony 'Democracy' Movements**

### **13 Lord Malloch Brown: Soros Man Is British Conduit to Obama**

### **15 Soros's Nazi Roots Are Showing**

### **17 A Chronology: The British Imperial Plot To Destroy Russia**

### **18 The Caucasus Chessboard**

### **23 What Did Lavrov Say?**

## Economics

### **26 Robert Shiller Raises the Bankruptcy Issue**

The Yale economist hit the bankruptcy of the system in a recent *New York Times* commentary. Though he does it in a discrete way, Shiller puts his finger on the point that has long been a keystone of Lyndon LaRouche's emergency recovery plan.

### **28 Mobilize 25 Million Tons of Food Aid for Africa Now!**

Today's food crisis in Africa results from the food control policy of the last three decades of globalization. This problem is now compounded by the speculation-driven soaring prices of food and the drop in world reserves to record low levels.

### **35 Ethiopia Is 'Afflicted by Avoidable Famines'**

An interview with Teodros Kiros, PhD.

### **39 Hyperinflation Spreads to Electricity Sector**

## World News Analysis

### **46 Afghan Opium Pleases Taliban and Soros**

Curbing the explosion of opium production has become a point of concern for some in Washington, but British influences in NATO and George Soros are pushing drug legalization.

### **49 Al Gore: The Compromise(d) Candidate**

From "Covered in Gore," an August 2008 LaRouche PAC pamphlet.

### **56 The Great Rail Projects of Colombia**

### **57 International Intelligence**

## Science & Technology

### **58 Windmills for Suckers: Pickens' Genocidal Plan**

Hedge-fund billionaire T. Boone Pickens is attempting to create the largest "wind farm" in the world, but like everything else the hedge-fund operators do, it is scientifically and economically worthless.

## Interviews

### **35 Teodros Kiros**

Dr. Kiros is an Ethiopian-American scholar who has written extensively on moral economy and philosophy, and other topics, including six books. He is currently a DuBois Fellow at Harvard University, and is active with the African Community Economic Development of New England (ACEDONE).

## Editorial

### **64 LaRouche: Childish Bluff Can Lead to War**

LYNDON LAROUCHE:

## Putin Was Right, He Acted To Prevent World War III

By acting to defend Russian citizens against a terrorist-type attack by the George Soros and British intelligence-owned government of Georgia, Russian Prime Minister Vladimir Putin has delivered a decisive defeat to the British Empire, Lyndon LaRouche declared on Aug. 12. Any capitulation by Russia to the criminal aggression by the Soros puppet government of Mikheil Saakashvili would have been tragic for civilization.

Putin's action was objectively required, LaRouche continued; it was absolutely correct. He and President Medvedev could see that the British Empire, with its U.S. appendages, and its tool George Soros, was heading to consolidate its world empire. The British, and Putin, knew that the only obstacle to their plan at this time is Russia, with its thermonuclear capability. If Russia had submitted to the terms being dictated by the British, we would have been on the road to World War III.

Thus, Putin decided he had to draw the line. He acted decisively, and backed the British and the U.S. down. As a result, the Georgian puppet government has been destroyed, and a message has been delivered to the entire world.

Some British thinkers got that message, LaRouche said, pointing to an article in the London *Daily Telegraph* of Aug. 12, by diplomatic editor David Blair. Blair wrote that "by seizing the opportunity to pound Georgia with air strikes and military incursions, Vladimir Putin, Russia's Prime Minister, is sending an em-

phatic message with global consequences. The curtain has fallen on the era when NATO steadily expanded into Eastern Europe and onwards to embrace the former republics of the Soviet Union—and Russia was able to respond with nothing more than bluster. . . . The balance of power in Europe has fundamentally changed. . . ."

What Russia faced was a Pearl Harbor-like sneak attack by the Soros-backed administration of Georgia, an attack carried out by the tool of the Hitler-like Soros, with the aim of Hitler-like ethnic cleansing, LaRouche said. Putin saw the existential threat to Russia, and where it was leading, and he acted, as FDR did against Pearl Harbor. Putin knew that if he did not, the British Empire—faced with the dissolution of its world financial system—would have pressed on toward world war.

The silly screams from the Bush Administration only testify to the effectiveness of the Putin action, LaRouche said. As for the Presidential candidates, the fact that Barack Obama is a bought-and-paid-for stooge of Soros makes it hopeless that he could come to his senses. In the case of John McCain, LaRouche said that he should stop being silly, and sit down and think, rather than shooting off his mouth.

The Russian action against the Georgian provocation is a crucial turning point, LaRouche concluded. It reverses almost 20 years of history, during which the British Empire, through Soros and other agencies, moved to take advantage of the collapse of the Soviet

Union, to consolidate world empire. Through this entire period, the American people—the only other significant point of resistance—tragically capitulated, negotiating their own destruction, refusing to take the threat to their nation, and the world, seriously. How could Americans be so stupid as to tolerate Bush? How could they let Soros choose the Democratic Party Presidential candidate?

The key to victory over the enemy of mankind, the British Empire, is to refuse to compromise on fundamentals, to overturn the rules of the game, LaRouche said. That is the decision which Prime Minister Putin made, for the benefit of all mankind.

Some people in Britain have gotten the message, LaRouche said. Now, it's time the American people did as well. It's time to destroy everything associated with the British Empire, especially its leading agents, the Hitler-like Soros, and Al Gore. Either this is done between now and the November election, or there won't be a United States. By acting as he did, LaRouche concluded, Russian Prime Minister Putin has created the possibility of that turnabout in America. And he has thrown a major obstacle in the way of Britain's drive for World War III.

---

## Britain's Georgia Gambit

---

# So, Hitler Invaded Poland

by Lyndon H. LaRouche, Jr.

August 13, 2008

Through the bold, and fully correct action of Russia's Prime Minister Vladimir Putin in the matter of the British Foreign Office assets' orchestration of a war crime by George Soros puppet Mikheil Saakashvili against the people of South Ossetia, a proximate threat of nuclear weapons confrontation between Russia and London's accomplices was averted for the present time.

The elementary fact of the matter is that Georgia's Mikheil Saakashvili, a puppet of Britain's George Soros, ordered the armed invasion of South Ossetia on

behalf of an attempted bluff against Russia which was launched under the direction of Soros' superiors in the British Foreign Office of Lord Mark Malloch-Brown. Subsequently, it became clear to relevant British circles that the attempt to bluff both Russian President Dmitri Medvedev and Prime Minister Vladimir Putin into submission had failed. The reactions of President George W. Bush, Jr. and Senator John McCain were utterly stupid; while, naturally, the reaction of George Soros' puppet, Senator Barack Obama, was predictable.

Clearly, there was never any excuse, even that of extenuating circumstances, which could cover over the simple fact of the war-crimes for which Georgia President Saakashvili was guilty in this matter. Nor is there any stubborn denying of the fact that the Saakashvili virtually created by British Foreign Office asset Soros was acting on behalf of an attempted, ultimately nuclear strategic bluff of Russia's government. Nor, is there any competent reason to doubt that Prime Minister Putin's reaction to Saakashvili's war-crime aborted what could have become a missile-crisis-like nuclear showdown involving the forces of both the U.S.A. and British allies in western and central Europe. Leading elements of the British press admit that Putin's actions wrecked Britain's strategic nuclear bluff. Compared to London's voices, the U.S. press and government voices have behaved with absolute stupidity in this matter thus far.

Once the fact of the war-crime, and the fact of the clear intention of Saakashvili, Soros, et al. is duly taken into account, as has already been done, effectively, the legal debate must end, and the makers of history must be permitted to take charge, instead of the lawyers, and make the new ruling body of law which will emerge from a global conflict thus unleashed. The fact of the matter is that the lawyers have failed because of an inherent, systemic incompetence in their inherently tragic, current, essentially Sophist notion of what law should be. The fate of humanity as a whole, will be determined, even during the relevant, immediately short-term period ahead, by the conflict with the Sophist character of what has become the currently dominant, philosophically Liberal practice of international law, as opposed to those common aims of mankind implicit in the creation of our Constitutional United States.

There is no hope for the continuation of civilized life on this planet, for generations yet to come, unless, and until we have uprooted the implicitly imperial,

predatory system of monetarist Liberalism which has now brought the planet as a whole to the brink of a global new dark age which would be comparable to, but far worse than the so-called New Dark Age of Europe's mid-Fourteenth Century.

The principal expression of this life-or-death crisis for civilization as a whole is the proposed new form of global imperialism, a virtual new "Tower of Babel," called Globalism. Either we return to the goal of a global system of respectively sovereign nation-state republics, or there will be nothing resembling civilized human life on this planet for a lapsed time of generations yet to come.

What the British Foreign Office intended by its de-

ployment of its George Soros, in eastern Europe (and other places), was an undermining of a system of sovereign nation-states in favor of a "globalized" world empire of so-called "free trade" run by predator financier interests centered in the Anglo-Dutch Liberal financial-monetary interests centered in the British empire. To bring that evil state of world affairs into being, two targets must be destroyed: the U.S.A. and Russia; without peaceful cooperation centered on a network of nations united around those two keystone powers of the present moment, there is no hope for a civilized life of mankind for generations yet to come.

People who have a different agenda, are effectively idiots, or worse.



*Residents of Tskhinvali, the capital of South Ossetia, take refuge in a shelter during the Georgian bombardment on Aug. 8, 2008, before the Russians responded. Moscow reports that some 2,000 civilians were killed during the Georgian assault.*



# Europe Has a Choice: Russia as A Wartime Enemy, or as a Partner

by Helga Zepp-LaRouche

*This article was translated from German.*

The Russian government's decisive reaction to Georgia's sneak attack against the South Ossetian enclave has fundamentally changed the world strategic situation. Lyndon LaRouche's view that it would have been absolutely tragic for human civilization, had Russia capitulated to the "Soros puppet regime" in Georgia, is shared in many nations, as is LaRouche's characterization of this aggression as an outgrowth of British imperial policy. But Russia has drawn the line, and has made it clear that no longer will it tolerate the continuation of the almost 20-years-long policy of encirclement that has been behind the eastward expansion of NATO and the European Union.

David Blair, the London *Daily Telegraph's* diplomatic correspondent, wrote on Aug. 12 that by seizing this opportunity to intervene militarily into Georgia, Russian Prime Minister Vladimir Putin "is sending an emphatic message with global consequences. The curtain has fallen on the era when NATO steadily expanded into Eastern Europe and onwards to embrace the former republics of the Soviet Union—and Russia was able to respond with nothing more than bluster. . . . The balance of power in Europe has fundamentally changed."

And Michael Binyon, writing in the British *Times Online* on Aug. 14, observed: "Russia has not made one wrong move. Mr Bush's remarks yesterday notwithstanding, in five days it turned an overreaching blunder by a Western-backed opponent into a devastating exposure of Western impotence, dithering and double standards on respecting national sovereignty. . . . There are lessons everywhere. To the former Soviet republics—remember your geography. To NATO—do you still want to incorporate Caucasian vendettas into your alliance? To Tbilisi—do you want to keep a President who brought this on you? To Washington—does

Russia's voice still count for nothing? Like it or not, it counts for a lot."

It is precisely on this point, that Western views diverge: Some have gotten the message, and some not. What former Defense Secretary Donald Rumsfeld once described as "Old Europe"—which now fortunately includes Italy, in contrast to its behavior during the Iraq War—has no interest in a confrontation with Russia. The Bush Administration, on the other hand, has remained unswayed by this new reality just created by the Russian government, and continues to pursue a policy of brinkmanship. In direct reaction to the Russian actions in Georgia, Polish Prime Minister Donald Tusk and John Rood of the U.S. State Department have signed an agreement, after 18 months of postponements, for installing an anti-missile system on Polish territory. Poland made this conditional on its receiving 96 of the latest Patriot missiles at a cut-rate price, and thus is clearly now relying on the United States for its defense.

During his joint press conference with German Chancellor Angela Merkel, Russian President Dmitri Medvedev commented on Poland's action: "This decision clearly demonstrates everything we have said recently, namely, that the deployment of new anti-missile forces in Europe has as its aim the Russian Federation. The moment has been chosen well, and therefore any fairy tales about deterring other states, fairy tales that with the help of this system we will deter some sort of rogue states, no longer work."

As Moscow has repeatedly made clear, most recently in mid-July, it views such an anti-missile system as a direct threat to its territory, and intends to take corresponding countermeasures. Which is not surprising, in light of the fact that these defensive missiles can be quickly turned into offensive ones, capable of reaching Moscow in three minutes. The U.S. argument that the ABM system in Poland, along with the radar system to be installed in the Czech Republic as per a July 8 agree-

ment, are solely for defense against missiles launched from Iran, is credible only to the most gullible man on the street.

Putin, during his visit last July with the Bush family in Kennebunkport, extended a comprehensive offer for a joint global anti-missile defense system, which included a proposal to utilize the existing facilities in Azerbaijan—which would be much more sensible, given its geographic position, if the intention were really to repel the threat of missiles from Iran. Russia complained bitterly afterwards, that the United States had not shown the least sign of readiness for serious negotiations.

Russian Foreign Minister Sergei Lavrov put a point on it, saying that he certainly can understand that it would be painful for the United States, since it had already invested so much in Georgian President Mikheil Saakashvili, but that the United States has to make a fundamental decision on whether it wants to cling to a “virtual project,” or whether it desires a real partnership with Russia, for cooperation on real-world problems. And that’s precisely the question which Mrs. Merkel should answer as well.

In Russia, at any rate, there is little doubt about which other “virtual project” could be the source of the next provocation: namely, Ukraine. Sergei Markov, member of the Russian Duma (parliament) in the United Russia party bloc, thinks it very likely that Viktor Yushchenko will give “the order for the Ukrainian Army to provoke military conflict against the Russian Black Sea fleet.” Kiev has already declared that Ukraine will not permit the docking in Sebastopol of Russian ships returning from the Abkhasian coast, as part of the pacification operations in Georgia.

In a refreshing contrast to the hysterical utterances of other “virtual projects” who have George Soros’s strategy of multicolored revolutions to thank for their careers, Czech President Vaclav Klaus contradicted the historical quibblers who have been comparing the Russian actions with Soviet operations in Prague in 1968. Contrary to what Georgia has done, Klaus said, Czechoslovakia did not attack Ruthenia in the Carpathian Mountains, and Alexander Dubcek cannot be compared to Saakashvili either in word or deed.

### **No Militarization of the EU**

The oligarchical forces which for some time now have been working to transform Europe into an expansionist military empire, are evidently determined to

stick by their extremely high-risk policy. Elmar Brock, for example, a Christian Democratic member of the European Parliament, who is extremely close to the Bertelsmann Foundation, felt obliged to argue in the *Frankfurter Allgemeine Zeitung*, that now is the time to get the Lisbon Treaty signed, sealed, and delivered—as if Ireland had never voted “No” in its referendum.

The militarization of the EU provided for in this treaty, would be a sure step into catastrophe. The unspeakable report by five former military General Staff chiefs, advocating a transformation of NATO, in close cooperation with the EU, that foresees the first use of nuclear weapons, is by no means off the table. And even after the Georgian aggression, one of these five former generals, Klaus Naumann, made remarks to the effect that the inclusion of Georgia and Ukraine in NATO had already been decided upon at the Bucharest summit on April 2-4, 2008.

A report issued in June by the London Centre for European Reform (CER), is even more explicit. It proposes specific “defense perspectives” for the EU, and urges that the EU maintain not only peacekeeping troops, but also combat troops for deployment in conflicts abroad. Coming after the five former generals’ strategy paper, and the proposals by the European Council on Foreign Affairs, which was founded by George Soros and former German Foreign Minister Joschka Fisher, these perspectives clearly show where we are supposed to be headed: straight into a military confrontation with Moscow—one more reason why not only the Lisbon Treaty, but also all EU treaties since Maastricht, should be thrown in the wastebasket.

It is by no means certain whether the EU and the European Monetary Union will even be able to survive the currently detonating financial crisis. And there ought to be an investigation into whether the European Central Bank’s incessant injections of liquidity into foundering Spanish banks—which German taxpayers, too, will ultimately have to foot the bill for—is consistent with the ECB’s own statutes, which assert that it neither desires, nor is permitted to become a “lender of last resort.”

If we Europeans don’t want to toboggan right into a new catastrophe, then we should take up Lavrov’s offer of real partnership with Russia, and we should also implement Lyndon LaRouche’s proposals for a New Bretton Woods system and a global New Deal, hopefully with a U.S. President who is not controlled by Soros—and with Russia.

# Nazi Collaborator Soros, British Lord Behind Phony ‘Democracy’ Movements

by Michele Steinberg

In the days following the Aug. 7 invasion of South Ossetia by Mikhail Saakashvili’s Georgia, which brought the world to the brink of World War III, the silence was deafening from the ruling circles of the British Empire, most notably the newly minted Baron Malloch-Brown, of St. Leonard’s Forest in the County of West Sussex, otherwise known as Mark Malloch Brown, Britain’s State Minister for Africa, Asia, and the United Nations in the Foreign and Commonwealth Office (FCO).

There was good reason for the silence: Saakashvili is a wholly owned test-tube baby of the British Empire, created in 2004 by the duo of billionaire speculator and Nazi collaborator George Soros, and Malloch Brown. And, by tracking the records of the UN Development Programme (UNDP) which Malloch Brown administered, and Soros’s Open Society Institute and its offshoots, the proverbial check stubs that created the phony “Democracy Revolution” will be found.

On Aug. 9, Lyndon LaRouche condemned Soros for the Georgia operation, and warned: “If you want a preview of what the United States would be like under a President Obama, just look at Georgia’s recent actions. Georgian President Saakashvili, like Barack Obama, is owned by the same British godfather—George Soros.” LaRouche asked: “Would Soros’s man Obama be another Dick Cheney if he got into office?”

LaRouche was more than right—Malloch Brown is the liaison between 10 Downing Street and Obama, courtesy of Soros (see following article).

Malloch Brown, a life-long British plant at the United Nations, is not only a “collaborator” of Soros; he was Soros’s *business partner*: vice chairman of the Quantum Fund hedge fund, and vice president of Soros’ global empire, the Open Society Institute, immediately before coming home in mid-2007 to his British mother.

## ‘Moloch’ Brown: The Empire’s Coup Man

Like Soros, Malloch Brown is the enemy of the very concept of the sovereign nation-state; he has been in the business of overthrowing governments since 1986, when he became the head of the international section of an aggressive, and controversial, U.S. political consulting firm, Sawyer Miller, from where he advised the Presidential campaign of Corazon Aquino in the Philippines. He boasts that he helped Aquino unseat President Ferdinand Marcos, who was overthrown in 1986. In 1990, he represented the Presidential campaign of Peruvian fascist, “his old friend,” novelist Mario Varga Llosa, a drug legalization advocate and Soros favorite, who lost the 1990 election after proposing a vicious austerity program to cut the living standards of Peru’s lower classes. Sawyer Miller also helped promote the Dalai Lama against China.

After Sawyer Miller, Malloch Brown spent the next 17 years at the World Bank and the United Nations, forming a deep, but secretive relationship with Soros.

In April 2007, the *Financial Times* reported that “Sir Mark will also serve as vice-chairman of the billionaire philanthropist’s Open Society Institute, which promotes democracy and human rights, particularly in eastern Europe and the former Soviet Union.”

The *Financial Times* added, in a May 1, 2007 article, that, “In a letter to shareholders in his Quantum hedge funds, Mr. Soros said Sir Mark would provide advice on a variety of issues to him and his two sons, who now run the company on a day-to-day basis. With his extensive international contacts, Malloch Brown will help create opportunities for [Soros Fund Management] and the fund around the world. . . .”

Malloch Brown is secretive about his finances—he lists only his government salary of about \$160,000 on financial disclosure forms. For a bit of comparison, note that Soros gained *billions* of dollars heading the



NATO photo

*Georgian President Mikheil Saakashvili, shown here (left) with NATO Secretary General Jaap de Hoop Scheffer in 2007, is a wholly owned property of the British Empire, and is now working with George Soros and Baron Malloch-Brown to destabilize Russia.*

Quantum Fund in recent years. How much Malloch Brown made in partnership with Soros is *not* something he will talk about.

Malloch Brown enhances his meager government salary, however, with a government-subsidized home in London known as the “Admiralty House,” which is valued at about £7.76 million, according to the British government. Both the *Spectator* and the *Times* of London have written exposés on Malloch Brown’s sweetheart deal, where the rent is over \$300,000 per year, and for which he “leapfrogged” over 20 higher-ranking Cabinet members to get the perk. The price Malloch Brown demanded, to leave Soros’s Quantum Fund was a fat portfolio covering the entire world, a peerage (he is now a British Lord), the right to attend Cabinet meetings, and the luxurious home.

The subsidized home deal is identical to the arrangement which Malloch Brown enjoyed during his years as head of the UNDP (1999-2005); in 2006, he became Deputy Secretary General of the UN, and lived in New York. There he was a tenant on Soros’s five-acre estate in Katonah, for which the UN paid \$120,000 a year—about 20% below the previous tenant’s rent. When questioned about the deal by a reporter, Malloch Brown stormed out of the interview, exclaiming, “I am doing God’s work!” He also accused reporters of having a secret agenda when they tried to raise other questions about his financial relationship with Soros.

For the first time, *EIR* has pieced together the decades-long operations of the duo. Like H.G. Wells’s

“Open Conspiracy,” the British Empire’s use of these two has been hidden in plain view. But it was not until the flight-forward by their golem, Saakashvili, that the scope of their operations came into focus.

### **Godfathers of the ‘Rose Revolution’**

From early on, provocations against Russia, and destabilization of the Balkans and Central Eurasia have been their joint focus. In 1993, Malloch Brown joined a group organized by Soros that travelled to Serbia and Bosnia, to advise the billionaire on how to best spend a \$50 million grant to “rebuild” the country, after the British-orchestrated war had destroyed it. In the late 1990s, Soros had funded the street thug apparatus Otpor, that boasts of having toppled Serbian President Slobodan Milosevic in 2000. Soros’s network later used the experienced Serbian mob-controllers to create the “democracy shocktroops” for the “Rose Revolution” in Georgia that put Saakashvili into power, and the “Orange Revolution” in Ukraine.

Malloch Brown and Soros held a joint press conference in Monterrey, Mexico in 2002, under the auspices of a conference on globalism, to announce plans on how use UN funds, integrated with private funding from Soros and company, to control the economies and policies of Third World countries. Soros was not there as a philanthropist—his usual cover—he was there as president and chairman of the Soros Management Fund, another notorious hedge fund.

There would be no Saakashvili regime today without George Soros and Malloch Brown. Even in 2001, Saakashvili was a Soros-financed operative. In January 2004, at the annual economic summit in Davos, Switzerland, Soros, Malloch Brown, and Saakashvili gave a press conference where they announced a \$1.5 million gift to Saakashvili—two-thirds from Soros’s Open Society Institute, and one-third from the UNDP. The funds were to be for a “Governance Reform Program” for Georgia, of which the main project was pay-offs—a “Salary Supplement Fund,” for which Malloch Brown arranged millions more.

Malloch Brown’s UNDP bluntly described how he

and Soros would, in effect, not only give money, but would stack the Georgia government with the “skilled professionals” they would pick. The UNDP report says that Georgia “lacked the skilled professionals needed to design and execute sweeping reforms . . . the state lacked the resources to pay salaries” that might lure the kind of globalist operatives that Soros and Malloch Brown wanted there.

So, continued the UNDP report, “Working in close partnership with billionaire philanthropist George Soros, UNDP moved swiftly. . . . Speed was recognized as crucial to success. Even before Mr. Saakashvili was sworn into office, UNDP and Mr. Soros’ Open Society Institute (OSI) had agreed upon the creation of a new initiative to help the new administration secure the staff and expertise it needed.” The payment of supplemental salaries to Saakashvili and top government officials—continued for three years, and Saakashvili himself admitted its importance at a Washington, D.C., press conference in early 2004, when asked about his financial dependence on Soros.

Saakashvili said: “Now regarding George Soros’s contribution, this is primarily UNDP Fund: United Nations Development Program Fund to fund capacity building for Georgian government, and George Soros will not be the only contributor. We said we expect, as we already have pledges from a number of other contributions. We only have at this moment, two million dollars contributed by UNDP and Soros, but we have some other pledges, we need at least eight million dollars already this year and we will need some more for the next year. . . . Soros played a good role in bolstering democratic processes in Georgia. He was very instrumental for many NGOs in their development, and I think there is nothing bad about that, wrong about that.”

Malloch Brown’s UNDP report even boasted that this funding had provoked “Russian President Vladimir Putin . . . to chide Mr. Saakashvili that he was on Mr. Soros’ payroll.” By 2006, the UNDP reports, the salary supplements were over \$1 million per month.

With these funds, Soros and Malloch Brown stacked the Saakashvili regime with British agents. Ongoing research by *EIR* has thus far identified the following British and Soros stooges in the current government of Georgia:

- Prime Minister Vladimer “Lado” Gurgenedze, a British empire banker, citizen of the United Kingdom. Born 1970 in Tbilisi, he began work in 1997 for the

Anglo-Dutch giant bank ABN AMRO, living in London 1998-2003. In 1997-98 he directed the bank’s corporate finance operations in Russia and neighboring countries. Among the ABN AMRO conquests was its “twinning project” ensnaring the Bank of Georgia, which had been privatized in 1994-95. From 1998-2000, Gurgenedze was ABN AMRO’s director and head of mergers and acquisitions in the emerging European markets. After the Soros/UNDP project, he was hired for the Georgia government, bringing in a management team from ABN AMRO and other British-connected banks. He was appointed prime minister and head of the government in November 2007.

- Head of the National Security Council Alexander Lomaia, a longtime top executive of Soros operations in Georgia, now overseeing the country’s military operations. He was executive director of the Open Society Georgia Foundation in 2003-04, where he “directed the foundation’s operational grant-making and administrative activities, and fulfillment of its annual overall budget of more than \$2,500,000.” During the same time he was regional director for the former Soviet Union for the Open Society Institute’s “Democracy Coalition Project.” This operation aims to turn the former countries of the Soviet Union against Russia.

- Chairman of Georgia Parliament’s Committee for Eurointegration, David Darchiashvili, is the former executive director of the Open Society Georgia Foundation. He had worked for the Soros-dominated NGO networks since 1992, primarily in the Caucasus Institute for Peace, Democracy and Development, a “partner institution” to the Soros Open Society Institute. Darchiashvili was executive director of the Open Society Georgia Foundation in the period (approximately) 2006-07, when Saakashvili “won” his second election, amidst accusations of repression and dirty tricks against his opposition.

### **Soros Thugs on the Streets of Tbilisi**

From 1994 to 2004, Soros’s various projects and sub-projects of the Open Society Institute, including the Central Eurasian Project (CEP) and the Open Society Georgia Foundation, spent about \$40 million to topple former Georgia President Eduard Shevardnadze.

But installing the Saakashvili-British government didn’t reach fruition until early in 2003, when Soros began a full operation to activate the “democracy”



EIRNS/Doug Mitchell

*The Harvard-educated Saakashvili was well-trained for his present role—as a tool for the British Empire’s plans to provoke World War III. Here, the LaRouche Youth Movement is organizing in Harvard Square, Aug. 14.*

shock troops. The Canadian daily *Globe and Mail* provided a vivid account in November 2003:

“Dateline Tbilisi—It was back in February that billionaire financier George Soros began laying the brickwork for the toppling of Georgian President Eduard Shevardnadze.

“That month, funds from his Open Society Institute sent a 31-year-old Tbilisi activist named Giga Bokeria to Serbia to meet with members of the Otpor (Resistance) movement and learn how they used street demonstrations to topple dictator Slobodan Milosevic. Then, in the summer, Mr. Soros’s foundation paid for a return trip to Georgia by Otpor activists, who ran three-day courses teaching more than 1,000 students how to stage a peaceful revolution.

“Last weekend, the Liberty Institute that Mr. Bokeria helped found was instrumental in organizing the street protests that eventually forced Mr. Shevardnadze to sign his resignation papers.” Bokeria says it was in Belgrade that he learned his Jacobin trade.

But *EIR* had revealed that Saakashvili was already a Soros agent in 2001. In November 2003, right after Shevardnadze was toppled, *EIR* reported, in an article by Roman Bessonov, entitled, “Georgia: Soros, Stalin, and a Gallon of Wine”:

“On Sept. 18, 2001, Justice Minister Michael Saa-

kashvili arrived at the Parliament of Georgia with a pack of photos, depicting luxurious mansions owned by top police officials. Meanwhile, mass media reported that his flat was visited by ‘unidentified persons,’ who tried to steal some documentation. This added heat to the media scandal, portraying the ambitious minister as a target of organized crime and corruption, and initiating his ascent to the exceptional popularity he enjoys today.

“The engineers of his career had studied the psychology and moods of the Georgians—and not only Georgians. In a similar way, ‘anti-corruption careers’ were made in other transitional or Third World countries, from Mexico to the Philippines. The Georgian brew was cooked to a recipe tested many times before, especially where luxury and misery live side by side, and the physical economy is ruined. . . .

“Saakashvili resigned as Justice Minister, with complaints that the state leadership (to which he owed his party and government career), was impeding implementation of his demagogic National Anti-Corruption Plan. This project had received ample attention from megaspeculator George Soros, who promised assistance in the effort to cleanse the Georgian establishment. Soros appreciated the earlier reform of the law enforcement bodies, whereby the Penitentiary Author-

ity was transferred from the Internal Affairs Ministry to the Ministry of Justice. . . .

“But that was not enough for the megaspeculator: The next step was supposed to be a sound whipping of the Georgian police, replacing its top cadres with ‘decent persons’ selected by him and Saakashvili.”

Soros’s role in the “new” police force, continued Bessonov, “may explain the unexpectedly easy surrender of the police to the crowd under the Crusaders’ banners, on Nov. 21 [2003]. For the whole period from September 2001 till November 2003, Saakashvili was under ardent tutelage from George Soros. The latter’s Open Society Georgia Foundation co-founded the Liberty Institute of Georgia, and launched a ‘youth assistance program.’ Its young disciples were promptly organized into a movement entitled Kmara! (Enough!), which took lessons in organizing protest actions from professionals in former Yugoslavia and Ukraine.

“The broad-shouldered young guys in leather jackets, who mounted the tribune of the Parliament on Saturday, Nov. 22, smashing tables and chairs, belonged to Kmara! As the BBC’s correspondent said, these persons ‘hissed out’ the elected President from the Parliament building. The social-populist phraseology of Saakashvili and the choice of Gori as launch-place for the decisive move into Tbilisi, represent nothing new in this sort of ‘regime change’ operation. Anywhere George Soros appeared in the post-Soviet area, he would mimic the character of the local protest mood. In Lviv, Ukraine, his magazine *Derzhavnist (Statehood)* introduced the idea of “Ukraine as the Fourth Rome,” and published an article saying that the execution of Jews in Babiy Yar, near Kiev, in 1941, was actually an execution of Ukrainian patriots by Jewish commissars. The local Jewish community was shocked . . . but such details have never bothered Soros. . . .

“It was St. George’s day on Sunday, Nov. 23, [2003] when Shevardnadze resigned. George Soros’ day was celebrated with gallons of wine in the central squares of Tbilisi.”

Soros’s shock troops also ran the streets in the Ukraine “Orange Revolution,” and he tried the same scenario, unsuccessfully, throughout the Commonwealth of Independent States. It is high time that *all* Soros operations in these countries were shut down, in the interest of defending sovereignty.

*Anton Chaitkin and other EIR staff members contributed research for this article.*

---

Lord Malloch Brown

---

## Soros Man Is British Conduit to Obama

by Anton Chaitkin

Denouncing British agent George Soros for his hand in London-led efforts to trigger World War III, Lyndon LaRouche said on Aug. 9, “If you want a preview of what the United States would be like under a President Barack Obama, just look at Georgia’s recent actions. Georgian President Saakashvili, like Obama, is owned by the same British godfather—George Soros. Would Soros’s man Obama be another Dick Cheney if he got into office?”

A Feb. 24, 2008 London *Times* interview sheds some light on the matter: Obama’s longtime foreign policy advisor Samantha Power revealed that, “the principal conduit between Britain and the candidate has been Lord [Mark] Malloch Brown, the junior foreign minister, whom Obama came to admire when he [Malloch Brown] was deputy secretary-general of the United Nations. [Obama] was really taken with him. It’s a relationship that has persisted and they have talked a number of times since.’”

Two weeks after this revelation, or boast, Power was forced out of the Obama campaign staff, due to her remark on March 6 that Hillary Clinton “is a monster.”

Since Power’s little-noticed February interview, a new light has been thrown on these relationships:

- Lord Malloch Brown and George Soros together formed and financed the present government of Georgia, and their apparatus ran the recent catastrophic war provocation against Russia; and by the fact that,

- All three, the British official, candidate Obama, and political operative Samantha Power, have each been purchased by billionaire speculator Soros.

### The Triple Payoff

In a 2004 forum, Power commented on her 2003 book, *A Problem from Hell: America and the Age of Genocide*, that no one was interested in it: “My book and my research was utterly unsustainable on the free

market. If I hadn't been able to get a grant from George Soros and the Open Society Institute, there is no way that I could have done the kind of investigative reporting that I needed to do..."

In 2004, Soros put together \$60,000 for Obama's campaign for the U.S. Senate. Then a little-known state senator, Obama was the only candidate in the country with whom Soros met personally, and Soros later brought Obama to his New York home for a fundraising event.

Once Obama was elected to the U.S. Senate, he met with Samantha Power to discuss her Soros-financed book. She joined his Senate staff in 2005, educating him on how to carry out the British empire policy of destroying national sovereignty in Africa.

Soros and Malloch Brown were a political team working the British manipulations in the Balkans conflicts, back in the early 1990s, when Power took up the British line in her assignments reporting those conflicts for the *Economist* of London and other publications. Malloch Brown stayed in a Soros-owned apartment, and eventually became vice president of Soros's Quantum Fund; and there were other perks. In her 2008 book, *Chasing the Flame*, on UN negotiator Sergio Vieira de Mello, who was killed in Iraq in 2003, Power reports that Vieira and his buddy, fellow UN official Malloch Brown, shared the same mistress.

Malloch Brown has increasingly been found at



Ariel Gutierrez

Barack Obama "was really taken with" Baron Mark Malloch-Brown (right), according to the *London Times*. Malloch-Brown is the British agent, who has teamed up with confessed Nazi George Soros (left), who, in turn, owns both Saakashvili and Obama.

Power's side: Since her own 2003 sponsorship by Soros, Malloch Brown has spoken at the Carr Center for Human Rights Policy, founded at Harvard University by Power. And in various venues the two have drummed up regime changes and destabilizations in Africa and Asia—his assigned British imperial task.

On Dec. 4, 2006, Power's putative boss, Senator Obama, met with her financial backer Soros, in Soros's Manhattan office for a one-hour interview. Soros then took Obama into a conference with a dozen ultra-wealthy political donors, key among them UBS (Union Bank of Switzerland/Swiss Bank) U.S. chief Robert Wolf, and hedge fund manager Orin Kramer. A month later, finances assured, Obama publicly announced he was running for President. Soros himself staged two colossal fundraising events for Obama, in April and May, 2007. By that time Robert Wolf had raised \$500,000 for the Obama candidacy, and the Billionaires' Club was solidly on board.

One may thus have full confidence that Samantha Power was in a position to know about the confidential relations between Obama and the Lord Malloch Brown, when she spilled the beans to the *London Times* last February.

## HOTLINE

LaRouche and EIR Staff  
Recorded Briefings  
—24 Hours Daily  
916-233-0630, Box 595



# Soros's Nazi Roots Are Showing

by Hector Rivas,  
LaRouche Youth Movement

*This report is adapted from a LaRouche PAC dossier, "Your Enemy, George Soros," issued in June 2008.*

The pathetic creature known as George Soros made a willful decision early in life to become the character that he is now: a Golem. A teenager during the Nazi occupation of his homeland, Hungary, Soros began his genocidal legacy by working for the killing machines that slaughtered 500,000 Hungarian Jews during the Holocaust. Young Soros was given a job looting the properties of Jews under the regime of SS Lt. Gen. Kurt Becher, head of the Waffen SS section known euphemistically as the Economic Department of the SS Command.

Soros credits his father for his own good fortune in avoiding the gruesome fate of the concentration camps. In an interview broadcast on WNET/13 TV, on April 15, 1993, Soros recalled those experiences that formed his beastly identity: "When the Germans came in, [my father] said, 'This is a lawless occupation. The normal rules don't apply. You have to forget how you behave in a normal society. This is an abnormal situation.' And he arranged for all of us to have false papers, everybody had a different arrangement. I was adopted by an official of the Minister of Agriculture, whose job was to take over Jewish properties, so I actually went with him and we took possession of these large estates. That was my identity. So it's a strange, very strange life. I was 14 years old at the time."

His Father, Tivadar Schwartz (later changed to Soros), professed that, "as pseudo-Christians, we had not quite reached that level of Christianity where we were willing to return bread for stones." The Soros family indeed offered plenty of stones to the many poor Hungarian Jews who were shipped off to Auschwitz to meet their death (Tivador Soros, *Masquerade, Dancing Around Death in Nazi Occupied Hungary*, 2001).

The Soros family was among the "elite" of the Hun-

garian Jews, a status which afforded them the ability to make arrangements to survive under the Nazi occupation. Prince Alexis Scherbatoff, former member of the U.S. Army Counterintelligence Corps before and after World War II, alleged that Soros obtained his first small fortune by selling his share of the loot seized from the Jews. He reported that Soros's first accomplice was another Hungarian Jew, who sold rubies and other Nazi plunder in Belgium after World War II.

Ben Hecht, author of the book *Perfidy*, documents the activities of the Nazi Economic Department in Hungary, and the atrocities committed by the employers of young Soros. The Department was in charge of pillaging Jewish properties and removing the gold fillings from the millions of teeth of the dead Jews; in cutting off the hair of millions of Jewish women before killing them, and shipping bales of hair to Germany's mattress factories; in converting the fat of dead Jews into bath soap, and in figuring out effective methods of torture to induce the Jews awaiting death to reveal where they had hidden their last possessions.

## It's Just Like the Markets

Soros was confronted with images of these Jewish victims, during an interview with Steve Kroft, on CBS's "60 Minutes," on Dec. 20, 1998:

**Kroft:** These are pictures from 1944 of what happened to George Soros's friends and neighbors (vintage footage of women and men with bags over their shoulders walking; crowd by a train). You're a Hungarian Jew...

**Soros:** Mm-hmm.

**Kroft:** ...who escaped the Holocaust... (vintage footage of women walking by train).

**Soros:** (Voiceover) Mm-hmm (vintage footage of people getting on a train).

**Kroft:** ...by posing as a Christian.

**Soros:** Right (vintage footage of women helping each other get on a train; the train door closes with people in boxcar).

**Kroft:** And you watched lots of people get shipped off to the death camps.

**Soros:** Right. I was 14 years old. And I would say that that's when my character was made.

**Kroft:** In what way?

**Soros:** That one should think ahead. One should understand and anticipate events and when one is threatened. It was a tremendous threat of evil. I mean,



*Hungarian Jews on their way to the gas chambers. Auschwitz-Birkenau, Poland, May 1944.*

it was a very personal experience of evil.

**Kroft:** My understanding is that you went out with this protector of yours who swore that you were his adopted godson.

**Soros:** Yes. Yes.

**Kroft:** Went out, in fact, and helped in the confiscation of property from the Jews.

**Soros:** Yes. That's right. Yes.

**Kroft:** I mean, that sounds like an experience that would send lots of people to the psychiatric couch for many, many years. Was it difficult?

**Soros:** Not at all. Not at all. Maybe as a child you don't see the connection. But it created no problem at all.

**Kroft:** No feeling of guilt?

**Soros:** No.

**Kroft:** For example that, 'I'm Jewish and here I am, watching these people go. I could just as easily be there. I should be there.' None of that?

**Soros:** Well, of course I could be on the other side, or I could be the one from whom the thing is being taken away. But there was no sense that I shouldn't be there, because that was—well, actually, in a funny way, it's just like in markets—that if I weren't there—of course, I wasn't doing it, but somebody else would—would—would be taking it away anyhow. And it was the—whether I was there or not, I was only a spectator, the property was being taken away. So the—I had no

role in taking away that property. So I had no sense of guilt."

### 'The Way the Animals Do It'

Tivador Soros taught his son how to follow his Nazi masters very well: "The most rational approach, in my view, was complete separation, followed by a quiet effort to blend in with the general population. That is the way animals do it: when they sense danger, instead of presenting a clear target to their enemies, their natural mode of self-preservation is to blend with the scenery and simply disappear. Naturalists call this phenomenon 'mimicry.'" (Tivador Soros, *Masquerade*.)

Soros was raised to behave like a beast, and so he does. Upon the destruction of the European Rate Mechanism, which set the stage for Maastricht and, inevitably, the Lisbon Treaty, Soros had this to say, in the London *Guardian* Dec. 19, 1992: "I'm sure speculative actions have had some negative consequences. But that does not enter my thinking at all. It cannot. If I abstained from certain actions because of moral doubts, then I would cease to be an effective speculator. I have not even a shadow of remorse for making a profit." He continues, "I did it only to make money."

### Project Death

On Nov. 30, 1994, Soros announced his new foundation, Project on Death in America, to shift the training of hospitals, nurses, and doctors away from expensive life-saving treatment, to the "proper" care of the dying. In pushing euthanasia legislation, Soros sought to make the Nazi useless-eater policy legal in the U.S.

Through Soros's Open Society, the Death in America project and other organizations concerned with end-of-life issues began collaboration on transforming the culture of dying. Soros's website promoted a one-day seminar coordinated by Dr. Balfour Mount of Royal Victoria Hospital in the mid-1990s entitled, "Searching for the Soul of Euthanasia." Soros offered his personal thoughts on the matter: "The use of technology to extend life when life has no meaning, does not make any sense. It may be more negative than positive, because it causes unnecessary pain and suffering, not to mention the expense."

## The British Imperial Plot To Destroy Russia

*With the collapse of the Soviet bloc in 1989-91, the British imperial game masters believed they had an open field for one of their long-term objectives, the destruction of Russia as a superpower. They deployed accordingly, with great damage to Russia and the other nations of the former Soviet area, and the world as a whole. But there was always the threat that the ultimate result of this confrontation with the world's second most powerful thermonuclear power would be world war.*

*Now, however, with the decisive, bold move by Russian Prime Minister Vladimir Putin on Aug. 8, in response to Georgia's attack on South Ossetia, the Russians have thrown over the British chessboard.*

*Idiots in the Western press still reiterate that Russia is "paranoid" about Western (read, British) attempts to surround and destroy them. The following chronology of the last 20 years, compiled from EIR's archives, should put that canard to rest.*

\* \* \*

**1983-90:** Starting at the time of Soviet General Secretary Yuri Andropov's rejection of cooperation with the U.S. Strategic Defense Initiative, a full six years before the fall of the Berlin Wall in 1989, British economists of the Mont Pelerin Society's cult of radical free traders, begin to cultivate a small group of young Soviet economists, who could be trained to step in with radical "neo-liberal" policies, if power were to shift in the Soviet Union, under the crush of its attempted military build-up. Lord Harris of High Cross coordinates the project from the London Institute of Economic Affairs (IEA).

**July-August 1990:** While Germany is trying to establish new, positive economic relations with the Soviet Union, the British government of Margaret Thatcher leads a campaign to vilify Germany for its expanding economic ties. At the same time, the British and their American puppets in the Bush 41 Administration move toward setting up war in the Persian Gulf.



EIRNS/Stuart Lewis

*President George H.W. Bush and Prime Minister Margaret Thatcher at the White House, Aug. 6, 1990. Later in the month, Thatcher pressed Bush not to "go wobbly" on Iraq, but to forge ahead with the confrontation that led to the first Gulf War.*

Thatcher is widely reported to have "stiffened the spine" of Bush, against attempts to get him to negotiate, rather than wage war against Iraq.

**September 1990:** Peregrine Worsthorpe, editor of the *Sunday Telegraph*, puts the British policy in print, in a Sept. 2 editorial entitled "Imperialists for Peace." He says the world needs "a new form of imperialism directed against countries of the Third World." In fact, to achieve such an "imperial peace," the British imperialists would have to subdue the most powerful opposing force, the U.S.S.R.

That month, three Russian economists who are members of Lord Harris's network, and co-authors of the "500 Days Plan" for crash transition of the Soviet Union to a fully deregulated economy, are flown to Washington, at the expense of financier George Soros, to attend the annual conference of the International Monetary Fund.

**January 1991:** The Bush Administration, with its British and other allies, launches war against Iraq—despite the verbal opposition of the Soviet Union, Germany, and France. The Soviet leadership is simultaneously pre-

occupied with a surging independence movement in the Baltic republics, and unrest in the Transcaucasus area of Georgia, Armenia, and Azerbaijan.

**March 1991:** With U.S.-British victory in Iraq, Bush gloats about the emergence of a “unipolar” world, a reference to the eclipse of Iraq’s ally, the Soviet Union.

Soviet Prime Minister Valentin Pavlov, who as finance minister had blocked the 500 Days Plan the year before, accuses the West of carrying out financial warfare to dismantle the Soviet Union.

**Aug. 23, 1991:** At the end of the week that saw Soviet President Mikhail Gorbachov drastically weakened in an abortive coup attempt, and Ukraine declare its independence from the Soviet Union, the *Times* of London writes in its “Diary” column that the “free market gurus and thinktanks that helped redraw the economic map of Britain during the 1980s” (i.e., the Mont Pelerin-Thatcherites) “are planning an ideological invasion of the Soviet Union, in the belief that the failed coup has rendered the empire ripe for a dose of Thatcherism.” Lord Harris’s group is set to move.

**August-December 1991:** As the Soviet Union comes apart, the Mont Pelerin/IEA trainees are maneuvered into the government of Russian President Boris Yeltsin—including Yegor Gaidar, the first prime minister of independent Russia.

**Dec. 28, 1991:** Lyndon LaRouche warns, “If Yeltsin, for example, and his government, were to go with a reform of the type which [Harvard Professor Jeffrey] Sachs and Sachs’s co-thinkers demand—chiefly from the Anglo-American side—then the result in Russia would be chaos.” With the political impact of such a development, LaRouche adds, “then we have a strategic threat.”

**January 1992:** The Gaidar team imposes “shock therapy,” the equivalent of a military bombardment. Within half a decade, Russia’s population, living standards, industry, and agriculture will plunge, in a looting process that economist Sergei Glazyev will document in his 1998 book, *Genocide*.

**February 1992:** British Prime Minister John Major makes a speech at the United Nations, declaring the need to strengthen that institution in its “capacity for preventive diplomacy.” This is seen as a foot-in-the-door for supranational police powers against the spread of nuclear technology.

**February 1992:** The U.S. Defense Department, under British agent Dick Cheney, adopts a policy mem-

## The Caucasus Chessboard

The map shows the nearly dozen “autonomous republics” of the Caucasus region, within Georgia and Russia. Three are in Georgia: Abkhazia and South Ossetia along the mountainous border with Russia, and Adjara bordering Turkey on the Black Sea. The Ossetes, an Indo-European people whose language is closely related to Persian, have lived in the Caucasus for two millennia. Their main religion is Orthodox Christianity, with a minority of Muslims. The status of these “autonomies,” and crises around them, are rooted in centuries of imperial intervention in this East-West and North-South crossroads of Eurasia.

The ancient nation of Georgia formally joined the Russian Empire in 1801, after late-18th-Century attacks by the Ottoman and Persian empires left the capital Tbilisi (Tiflis) in ruins. The acquisition consolidated Russian gains in the Caucasus, including Ossetian lands, which had advanced after the Russian-Ottoman War of 1768-74. In renewed conflicts in the 19th Century, Istanbul ceded its Caucasus holdings, in return for Russia’s withdrawal from Anatolia. Russia continued to battle Caucasus insurgencies up into the 1870s.

The British Empire made the Caucasus a theater of its contest with Russia over power in Eurasia—the Great Game, as Rudyard Kipling called it. Col. Claude Stokes, British High Commissioner in Transcaucasia, voiced one of the schemes after World War I: a large Eurasian Muslim buffer state, which “would lean upon Great Britain and provide a buffer between Russia and the British Asiatic possessions.” Stokes’s ally, British Foreign Minister Lord Curzon, advocated revival of a 1830s scheme of British intelligence figure David Urquhart for creation of a Caucasus Mountaineer Republic, which would foment Russian-Turkish conflict, to the advantage of the British Empire.

In the 1920s, the Soviet “nationalities policy,” formulated by Joseph Stalin after the 1923 Baku Conference of Peoples of the East (a hotbed of British and other foreign intelligence agents), led to the often arbitrary delineation of autonomous ethnic republics and regions within the republics of the Soviet Union. Thus, North Ossetia was in the Russian Republic,



while South Ossetia was assigned to Georgia.

When the Soviet Union broke up in 1991, the autonomies went with their respective republics. Under Georgia's first post-Soviet leader, Zviad Gamsakhurdia, a Georgian nationalist, the autonomous status of South Ossetia and Abkhazia was challenged. Civil wars broke out in both areas in the early 1990s. The brutal fighting ended in 1992 and 1994, respectively, with agreements for Russian peacekeeping forces

under the auspices of the Commonwealth of Independent States (CIS) to police the autonomous regions. The Russian presence in Abkhazia came to be endorsed by the UN and supported by on-site UN observers, while in South Ossetia, a joint Russian-Georgian peacekeeping force has been approved and monitored by the Organization for Security and Cooperation in Europe (OSCE). The night of Aug. 7, the Georgian peacekeepers turned their guns on the Russians.



EIRNS

*Russian President Boris Yeltsin ordered the Army to fire on the parliament building on Oct. 4, 1993, effectively ending democracy in Russia, and replacing it with a “free-trade” dictatorship.*



EIRNS/Stuart Lewis

orandum, which is widely publicized in the Russian press, that declares that the reconstitution of the U.S.S.R., or a strong Russia, will not be tolerated: “Our first objective is to prevent the re-emergence of a new rival, either on the territory of the former Soviet Union or elsewhere, that poses a threat on the order of that posed formerly by the Soviet Union. This is a dominant consideration underlying the new regional defense strategy and requires that we endeavor to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power. These regions include Western Europe, East Asia, the territory of the former Soviet Union, and Southwest Asia.”

**May 1992:** Russia and the 14 CIS countries are brought under the IMF, an act which the *Financial Times*, mouthpiece of the City of London, describes as a “new imperialism ... orchestrated by the G-7, IMF and World Bank.”

**Summer 1992:** *EIR* notes that an “arc of instability” has been created all around Russia, including Moldova, Armenia, Azerbaijan, and Georgia, with the IMF in a crucial role.

**August 1992:** British agents at the United Nations, led by Secretary General Boutros Boutros-Ghali, declare plans to adopt an agenda for peace, which amounts to eliminating national sovereignty in the interest of “human rights,” and other considerations.

**1992:** Jokhar Dudayev, the future separatist leader in Chechnya in Russia’s North Caucasus, visits Prime Minister Thatcher during one of his international tours in search of support. Thatcher is “100% on our side, our most important supporter in Britain,” says a Dudayev associate.

**September-October 1993:** Yeltsin abolishes the elected parliament, which refused to endorse the latest privatization agenda, and sends the Army to storm the legislature when the lawmakers refuse to capitulate, effectively ending democracy in Russia in favor of the British-IMF economic dictatorship.

**1994-1995:** Collaboration on Caspian Sea oil projects between long-standing British assets in Azerbaijan and other Caucasus locations, and British oil interests intensifies, side by side with an active presence of British agents in Chechnya—including the future business partner of Thatcher and Lord McAlpine, Chechen separatist moneybags Hoj-Ahmed Nukhayev. A low-intensity insurgency breaks into a three-year full-scale war in November 1994, when Yeltsin sends the Russian Army against the separatists.

**May 10, 1996:** A “New Atlantic Alliance Initiative” is launched in Prague, under the patronage of former British Prime Minister Thatcher, Sir Henry Kissinger, former (West) German Chancellor Helmut Schmidt, former U.S. Secretary of State George Shultz, and former Polish “shock therapy” czar Leszek Bal-

cerowicz. Thatcher “is to spearhead” this “effort . . . to forge a new Atlantic Alliance between the United States and Europe.” The aims will include bringing the former Soviet satellites into NATO and the European Union, and creating an Atlantic free-trade area.

**May 6, 1996:** The Russian Foreign Ministry announces that nine British officials are being expelled for running an espionage operation with military and “strategic” targets. One maverick British strategist tells *EIR* that the expulsions are linked with the activity of British Intelligence in areas of great sensitivity to the Russians, such as the Caucasus. Russian sources tell *EIR* that the action reflects recognition of the British hand behind the predatory economic policies being imposed on Russia.

**July 8, 1997:** The Madrid Summit of NATO invites Hungary, the Czech Republic, and Poland to start accession talks. They fully join in March 1999.

**September-October 1997:** British asset Zbigniew Brzezinski publishes *The Grand Chessboard: Primacy and Its Geostrategic Imperatives*, in which he, in effect, calls for the breakup of Russia. LaRouche emphasizes (“Tweedledum goofs again,” *EIR*, Dec. 5, 2007) that Brzezinski is acting as a British strategist, as he did in his push for the “arc of crisis” under the Carter Administration. Brzezinski’s argument, and his map of a divided Russia, are a press sensation in that nation.

**1998:** Speculative capital, fleeing the Soros- and other hedge fund-precipitated currency turmoil in Asia, floods into Russia, setting the stage for the government bond default and ruble devaluation of Aug. 17, 1998.

**1999:** The Russian Foreign Ministry issues an official *démarche* to Britain, charging that it is permitting the recruitment and training of Osama bin Laden-linked terrorists in London, to be sent to Chechnya to fight the Russian Army, and carry out terrorist actions against civilians. The British government refuses to shut down the operation.

**April 1999:** In the midst of the global financial breakdown crisis which hit in 1998, the British oligarchical faction promotes a new war. NATO moves to utilize Balkan ethnic conflicts to wage war on Serbia, Russia’s historical ally. A political casualty of the bombing of Belgrade is the Russian prime ministership of Yevgeni Primakov, who had begun to rebuild Russia’s real economy in the wake of the August 1998 default.

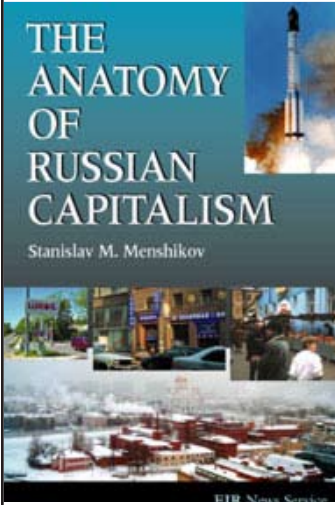
Russia holds “all-ocean” naval maneuvers, including nuclear naval missile launches, for the first time since the breakup of the Soviet Union.

At the NATO 50th anniversary meeting, British spokesmen call for its expansion to include all of the countries once part of the Warsaw Pact.

**August 1999:** Raids against Dagestan in the Russian North Caucasus are launched from bases in Chechnya, by up to 2,000 guerrillas from the Muslim Wahhabite sect, including Chechens, Dagestanis, Arabs, and Afghanis. Leading personalities in this Second Chechen War will later seek and obtain safe haven in Great Britain.

The Russian Armed Forces officially adopt a new strategic doctrine, which would permit the first use of nuclear weapons.

**September 1999:** Martin Palmer, advisor on “religious and cultural affairs” to Britain’s self-avowed genocidalist Prince Philip, confirms to *EIR* that British policy is aimed at the breakup of the nation-state system and provoking war and chaos on a global scale. “We are experiencing tectonic changes,” says Palmer. “We are now seeing the final *dénouement* of the processes unleashed in 1914. It is a process of the breakup of huge empires. Russia is breaking up, and we see the dying gasps of the old tsarist control of Central Asia...”



*This English translation of the work of Russia's authoritative economist, presents a critical analysis of the complex economic processes in Russia during the last 15 years.*

**Available through *EIR***

Order by calling 1-800-278-3135, or at the *EIR* online store, at [www.larouchepub.com](http://www.larouchepub.com).

\$30 plus \$2.50 for shipping and handling

Palmer confirms that it is “absolutely fundamental to British policy” to encourage the process of “breakup of empires.” He concludes, “Perfidious Albion is alive and kicking. The British Foreign Office has a certain agenda, which is continued divide and rule.”

**Jan. 1, 2000:** Yeltsin resigns, making Prime Minister Vladimir Putin acting President of Russia, prior to his election to that post in June. Moves are made to crush the Chechen insurgency.

**August 2000:** The sinking of the Russian submarine *Kursk* brings the world close to World War III. The cause will not be identified with certainty.

**October 2000:** The British government of Tony Blair, with Wellsian U.S. Secretary of State Madeleine Albright in tow, threatens a new bombardment of Serbia. The threat includes deployment of the British fleet in the area.

**September 2001:** During the shock administered by the 9/11 terrorist attacks, President Putin contacts President George W. Bush to say he has ordered Russian strategic forces to stand down, to avoid nuclear war by miscalculation. He then visits Germany, and voices his desire to end geopolitics and collaborate with world leaders in constructing the basis for peace.

**January 2002:** Spokesmen for the British imperial faction, including Paul Wolfowitz and Brzezinski, get more explicit. In the New York Council on Foreign Relations journal *Foreign Affairs*, British writer Sebastian Mallaby promotes the idea of a “New Empire.” Mallaby’s imperial policy, recommended to the United States and Britain, is focussed on *population reduction* in the rest of the world.

**January 2002:** The Bush Administration, under British asset Cheney, issues a new Nuclear Posture review which, for the first time, discusses the possible use of nuclear weapons against Russia, China, Iraq, Iran, North Korea, Libya, and Syria.

**2002:** NATO invites the Baltic nations (Latvia, Lithuania, and Estonia), Slovenia, Slovakia, Bulgaria, and Romania to join. The process is completed in 2004.



Government of Georgia

*The Rose Revolution: A demonstration in Freedom Square in Tbilisi, Georgia, 2003. President Eduard Shevardnadze was ousted, bringing Mikheil Saakashvili to power.*

**Oct. 3, 2002:** *Izvestia* reports on a draft new Russian nuclear strategy doctrine: “Russia is attentively following the process of NATO’s transformation, and counts on the removal of direct and oblique anti-Russian components from both the military planning and the political declarations of NATO members. *If, however, NATO continues to exist as a military alliance with the offensive military doctrine it has today, this will require a fundamental reshaping of Russian military planning, and of the principles of development of the Russian Armed Forces, including a change in Russian nuclear strategy.*”

**2003:** NATO Council agrees with U.S. request to deploy troops to Afghanistan. This is the first true out-of-area deployment.

**November 2003:** President Eduard Shevardnadze of Georgia resigns in the face of Rose Revolution protests that bring Mikheil Saakashvili to power.

**August 2004:** The London *Economist* prints two articles and a lead editorial in its Aug. 21-27 issue, on the potential for crises to explode around Russia’s periphery in the CIS countries. And, it notes, this periphery is now the border zone between Russia and NATO. It points to recent fighting in South Ossetia, together with other “former Soviet war zones,” where “unresolved wars have poisoned the newly independent re-



## What Did Lavrov Say?

On Aug. 15, the Associated Press featured a story in its news round-ups under the headline, “Georgia can ‘forget’ regaining provinces.” Writers David Nowak and Christopher Torchia led the item, “The foreign minister of Russia said Thursday that Georgia could ‘forget about’ getting back its two breakaway provinces, and the former Soviet republic remained on edge as Russia sent tank columns to search out and destroy Georgian military equipment.”

*EIR* correspondents found that even members of the Washington diplomatic corps were chagrined by the brutal-sounding formulation, attributed to Russia’s top diplomat. And it didn’t sound to us quite like Foreign Minister Sergei Lavrov, so we looked it up in the transcript of Lavrov’s Aug. 15 interview with Radio Ekho Moskvyy, and we double-checked by listening to the audio recording.

It turns out that Lavrov was answering a tendentious question from interviewer A. Benediktov, and the exchange went as follows:

**Q:** “Look, there have been three Presidents in

post-Soviet Georgia, completely different people. Zviad Gamsakhurdia, with one biography; Eduard Shevardnadze, with a different one; and Mikheil Saakashvili, with a third. And all three of them ended up attempting a solution of the conflict by force. . . . It would appear that a history of force-based relations with South Ossetia and Abkhazia is something predetermined with Georgian Presidents. Irrespective of their upbringing and education. Maybe it’s kind of a systemic story?”

**Lavrov:** “*If that is the case*, then I think that talk about the territorial integrity of Georgia can be forgotten, because forcing the Ossetians and Abkhazians to agree with that logic, that they can be returned to the Georgian state by force, will be impossible.”

Lavrov went on to elaborate how the events on the ground, with the South Ossetian capital of Tskhinvali in ruins and civilians slaughtered, have created a situation in which “neither the South Ossetians nor the Abkhazians want to live together in one state with a person who sends his troops against [them],” so that, important as the principle of territorial integrity is, the real situation will make it difficult to honor.

publics of the former Soviet south, and [these] could flare anew.”

**September 2004:** Russian Foreign Minister Sergei Lavrov on Sept. 8 protests the behavior of Russia’s “Western partners,” who he says “bear direct responsibility for the tragedy of the Chechen people when they give political asylum to terrorists.” The immediate focus of Lavrov’s statement is the actions of the United States and Great Britain in giving political asylum to Chechen separatist leaders.

**December 2004:** A larger-scale repeat of the Georgian “colored revolution” experiment, the Orange Revolution in Ukraine, culminates in the Victor Yushchenko-Yuliya Tymoshenko team coming to power.

**August 2005:** Vice President Cheney warns of a possible nuclear hit on Iran.

**January 2006:** Russia arrests a British diplomat in Moscow for spying. Putin declines to expel some of those involved, saying, “As soon as we send those agents back, others will come. Maybe smarter ones,

and then we’ll have to bother about finding them.” The Russian government cracks down on NGOs it said had received funding through this particular diplomat. Putin speaks about destabilizations in Eurasia, including recent riots in Uzbekistan. “We know better than you do,” he tells a reporter, “who trained the people who ignited the situation, . . . where they were trained, and how many of them were trained.” Citing the volatility of the ethnically mixed region, Putin adds, “You probably know what the Fergana Valley is and you know how difficult the situation is there, the population’s situation and their level of economic well-being. We do not need a second Afghanistan in Central Asia, and we shall proceed very carefully.”

**August 2006:** Bush signs Iran Freedom Support Act, which not only codifies sanctions against Iran, but mandates secondary sanctions on its partners, emphatically including Russia, which is the major contractor on Iran’s nuclear power station.

**October 2006:** Tensions increase between Russia

and Georgia, as Georgia seizes four Russian officers as “spies.” Lyndon LaRouche comments that the dispute has the earmarks of a deployment for the intended destruction of Russia.

**2006-08:** NATO and the United States begin discussion of emplacing anti-missile systems in Poland and the Czech Republic, ostensibly against threats from Iran. Russian officials repeatedly declare that these systems would threaten Russia’s nuclear deterrent. Even after Putin’s 2007 proposal to Bush at Kennebunkport, Maine, of alternative joint missile defenses, the United States reaches agreement with the East European countries on emplacement, in 2008.

**March 2007:** The *Economist* publishes a special futurology feature on the European Union, which includes a scenario following a confrontation between a President Obama and an expansionist Russia, over the nation of Ukraine. It says, “In the dangerous second decade of the century, when Vladimir Putin returned for a third term as Russian president and stood poised to invade Ukraine, it was the EU that pushed the Obama administration to threaten massive nuclear retaliation. The Ukraine crisis became a triumph for the EU, ... promoting the decision to go for a further big round of enlargement. It was ironic that, less than a decade later, Russia itself lodged its first formal application for membership.”

**May 2007:** London’s Crown Prosecutor’s office on May 22 indicts Russian citizen Andrei Lugovoy for the death of Alexander Litvinenko, a former Russian intelligence (FSB) official, and the bodyguard of Russian fugitive oligarch Boris Berezovsky, and demands his extradition. The *Financial Times* editorializes: “Europe and the U.S. need to adopt a policy of robust engagement with Moscow. . . .”

**July 17, 2007:** The world comes dangerously close to a military incident between Great Britain and Russia. The London *Times* asserts that the Royal Air Force scrambled two Tornado fighter jets to intercept Russian long-range Tu-95 “Bear” bombers, which had allegedly headed for British airspace during a routine patrol on the Norwegian coast. Russian Air Force Commander Gen. Col. Alexander Zelin, calls this claim “rubbish.”



www.yuschenko.com.ua

*The Orange Revolution: A rally in Kiev in support of Ukrainian Presidential candidate Viktor Yushchenko, Nov. 23, 2004.*

**Sept. 5, 2007:** Ivan Krastev, chairman of the Soros-funded Centre for Liberal Strategies in Sofia, Bulgaria, and a frequent guest in U.K. strategic circles, publishes “Russia vs Europe: the sovereignty wars,” which defines the increasing conflict between the EU and Putin as a confrontation between Russia’s “nostalgia for the old-European nation-state,” as against the “post-modern hegemony” of the EU. Krastev is on record that a blow-up around Kosovo independence is “the crisis the EU needs.”

**November 2007:** The British House of Lords holds a debate on confronting Russia, in the context of a discussion of the EU’s upcoming Lisbon Treaty.

**Dec. 12, 2007:** EU planning team for Kosovo is established, headed by British diplomat Roy Reeve.

**January 2008:** James Sherr, of the Defence Academy of the U.K., writes “Russia & the West: A Reassessment,” in *The Shrivenham Papers*, raising an alarm over the revival of Russian power, and identifying weaknesses of Russians that could be exploited.

**Feb. 18, 2008:** Despite stated opposition by UN Security Council members Russia and China, Kosovo unilaterally declares independence from Serbia. It is immediately recognized by Great Britain, the United States, France, Turkey, Afghanistan, Germany, Norway, and others. A well-placed source reports that British advisors were crucial to drawing up the legal papers justifying the declaration.

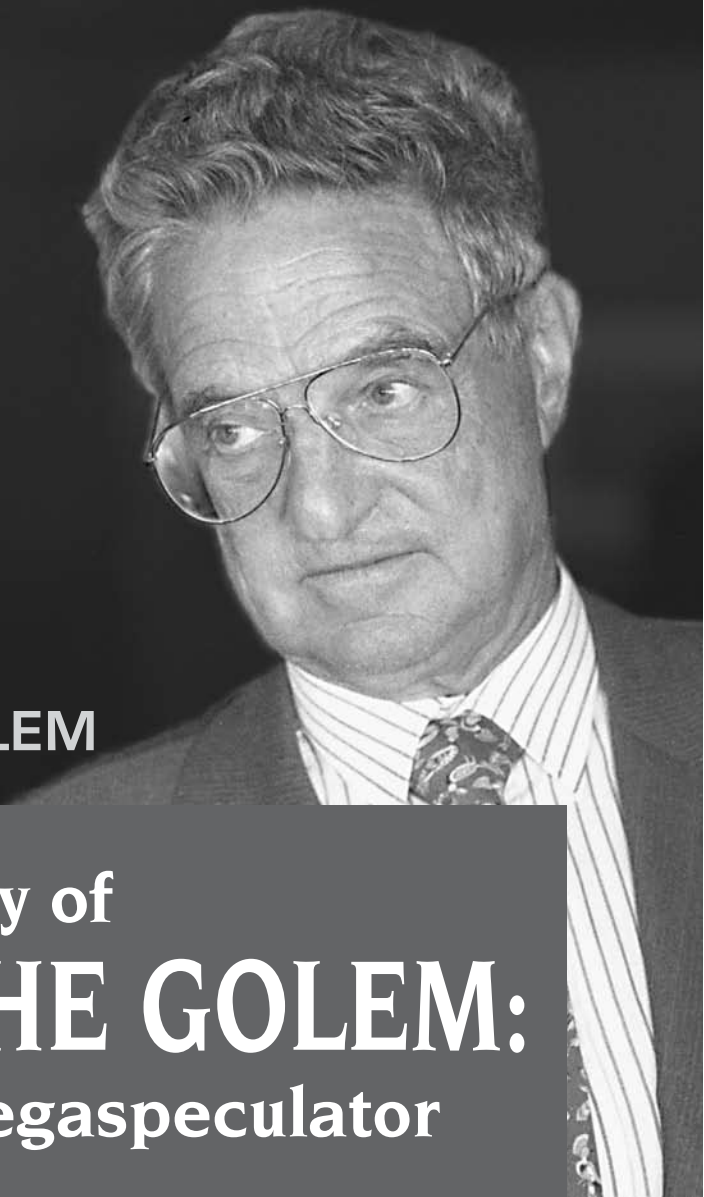
# EXPOSED!

DERIVATIVES  
SPECULATOR

CURRENCY-  
WRECKER

WORLD-CLASS  
LOOTER

## SOROS THE GOLEM



An EIR  
Special  
Report

### 'The True Story of **SOROS THE GOLEM:** A Profile of Megaspeculator George Soros'

**INCLUDES:**

- Soros promotes drug legalization
- Soros, the drug cartels, and narcoterrorism
- The secret of the Quantum Fund
- Union Bancaire Privée and the 'Swiss connection'
- The Rothschild connection
- Marc Rich, Reichmann, and Israeli links
- Savaging Eastern Europe

**\$50**

This 1997 report may be ordered from  
**Executive Intelligence Review** at P.O. Box 17390,  
Washington, D.C. 20041-0390.  
1-800-278-3135 (toll-free)

Order # EIR 97-001

## Robert Shiller Raises The Bankruptcy Issue

by John Hoefle

Most articles on the global economic crisis are little more than financial gossip, soap operas about financial institutions, and personalities, with very little, if any, substance. Rare is the article which addresses the systemic nature of the problems we face, and rarer still are those which dare to point out, implicitly or explicitly, that the global financial system itself is bankrupt. Thus, it is with pleasure that we read the article by Yale economist Robert J. Shiller in the Aug. 10, 2008 *New York Times*.

What Shiller does, most usefully, is to explicitly raise the bankruptcy question, and the issue of what should be saved and what should not, should a financial meltdown occur. Though he does it in a discrete way, Shiller puts his finger on the point that has long been a keystone of Lyndon LaRouche's emergency recovery plan.

### Worst Case

Shiller begins with the observation that the viewpoints of the specialists and the various institutions are too narrow, that they have failed to alert us in advance to the array of potential problems we face, and that, "nobody seems to have a well-tuned plan to handle them. Given the threats posed by the financial crisis, a better framework for dealing with systemic crises is urgently needed. The policies recently instituted by the Treasury and the Federal Reserve to deal with the financial crises seem improvised, rather than part of a consistent, well-articulated policy."

That is a polite way of saying that the various groups of parasites are looking out for themselves, that "me first" is a shortsighted and foolish way to deal with a systemic problem, and that Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke are putting the welfare of the fleas ahead of the welfare of the dog.

"There is still a risk that financial dominoes will begin to fall," Shiller continues, quoting Bernanke that the damage done by the collapse of Bear Stearns "could have been severe and extremely difficult to contain." Bernanke's statement is worth some careful thought, Shiller says, and then he raises the question: "If the Bear Stearns crisis had such a potential for disaster, what will we do if a major hedge fund fails or if several crises happen at once?... What if the next case is worse?"

Shiller obviously suspects, if he doesn't know for sure, that the "next case" will indeed be worse, and says that "no one in government seems to feel a responsibility for warning about such possibilities and formulating a detailed policy for dealing with them." That ought to be a shocking statement, but after four decades of watching the Federal government protect the parasites at the expense of the nation, and seven years of blatant disregard of the public welfare by the Bush-Cheney Administration, it seems almost quaintly naive. But then, Shiller drops the bomb, in discussing how to approach the matter.

## Bankruptcy

“Bankruptcy law is a good place to start,” he says. “After all, the dreaded financial meltdown would amount to a wave of bankruptcies.”

This is where it gets interesting, because the need to put the financial system through bankruptcy proceedings is the crucial issue upon which any resolution of the financial crisis, the larger economic crisis, and the danger facing mankind as a whole, depends. Without the admission that the system is bankrupt, and without the admission that huge volumes of fictitious assets and speculative bets must be written off, no solution is possible.

Shiller does not say this explicitly, but the point is implicit in the way he handles the subject. He quotes Jay Westbrook, a bankruptcy scholar at the University of Texas law school, as noting that bankruptcy law might need to be changed, in Shiller’s words, “so that in times of financial crisis, when more is at stake than the fate of individual companies and their stakeholders, troubled companies could be kept functioning longer. A subsidized system of triage would be needed to identify which companies should be saved, with the main criterion being the possible economic impact of their liquidation.”

Compare this to LaRouche’s policy of putting the financial system through bankruptcy, while making sure that the necessary functions of the economy are protected. Schools and hospitals will have to be kept open, police and fire services continued, the flows of food, gasoline, and other essential goods maintained: These are the sorts of decisions which will have to be made. The guiding principle is that people come first, that jobs, goods, and services which are necessary for the welfare of the population as a whole must be protected, while financial claims will be frozen and evaluated, to see what can be paid and what must be written off. Government credit, issued through the Treasury in accordance with the Constitution, will be used as necessary to finance these necessities, and to provide the funds to rebuild and upgrade our infrastructure and productive sector.

While Shiller never mentions LaRouche, it would seem obvious that he has reached a similar conclusion about where we are headed, and what must be done. By publicly raising the issue of bankruptcy, and the related matter of subsidized triage, he has brought out into the open a debate on LaRouche’s policies that has heretofore remained behind the closed doors of academia and

the institutional world. We welcome the opportunity this presents. As Shiller himself says in the final sentence of his article, “someone needs to do it.”

## Death Spiral

What is bringing the issue to a head is the ongoing collapse of the U.S. and global economies, as the effects of the death of the financial system march relentlessly onward. With each contraction of the economy, there is less economic activity to support the mountain of debt, making the situation worse. Falling home prices, the reduction in the credit available to businesses and households, all increase the default rates, which creates more losses, triggering further defaults, as the economy implodes.

Throwing more money at the problem, as Paulson and Bernanke have done, merely increases the debt while doing nothing to improve the productivity of the economy—it is more of the same poison that is already killing us. Had the government taken the \$1.6 trillion in loans it has made to the commercial banks and investment banks through the Fed’s emergency loan facilities, and used that money to jumpstart the policies advocated by LaRouche, we would already be on the road to recovery—a long, hard road, given the severity of our problems, but at least we would be travelling in the right direction. Instead, we are paving the road to Hell, and calling it progress.

The only way to break this deadly spiral is to admit the truth, that the financial system is dead and will not come back, and that the trillions-to-quadrillions of debts piled atop our rapidly atrophying productive base, can simply never be paid. It may be painful to admit, but the alternative is guaranteed to be far more painful.

We can no longer tolerate economic policies designed to increase the wealth of the top percentiles of the population at the expense of the vast majority of our citizens, and the vast majority of the world’s population. People are dying, lives are being destroyed, our civilization itself crumbling. The news is all bad, and getting worse.

We have reached the point where the continued existence of large sections of the human race depend upon our coming to our senses, abandoning the policies which are killing us, and returning to the American System. We are already bankrupt, more so with each passing day. We should be afraid not of admitting it, but of the consequences of not doing so.

# Mobilize 25 Million Tons of Food Aid for Africa Now!

by Mary Jane Freeman and David Cherry

Nearly 25 million metric tons (mmt) of grain or grain equivalent is urgently needed as food relief, to feed more than 850 million people in 41 out of 53 nations of Africa, *right now*. This need is over and above the 40 mmt of grain imports that these nations customarily have bought annually in recent years, but cannot now afford; and over and above the small tonnage of food relief being doled out at present by the World Food Program-related efforts, on a triage basis of reduced rations.

Continuing this scale of food deprivation constitutes genocide. The crisis is intensified by the fact that global food supplies don't now exist to relieve it. There must be a mobilization for both agricultural production and emergency aid, and in the meantime, an immediate end to the use of food for biofuels.

The 25 million metric tons figure was calculated by quantifying the "food gap" that exists for each of 41 low-income nations, relative to what is needed to meet the minimal daily level of 2,100 calories per person throughout the country, which, as of 2007, was not being met by domestic production, commercial imports, and food aid levels at that time.

**Table 1** gives these figures for each country, based on a data series for 70 low-income nations worldwide, kept by the U.S. Department of Agriculture/Economic Research Service, whose latest annual report, released in July 2008, is *Food Security Assessment, 2007*. The USDA set the 2,100 calories per day criterion, and the *EIR* worked up the figures of projected needs for Africa, as of early 2008. **Figure 1** maps 28 of the most food-short African nations, ranging from unmet needs of 5 to 10% (for the 79 million people in Ethiopia) up to 20 to 55% (for the 59 million people in the Democratic Republic of Congo).

This quantification of unmet need throws into sharp focus the fact that, just to meet barely minimal levels of food requirements in Africa, agricultural output must be expanded throughout the world, as rapidly as possi-

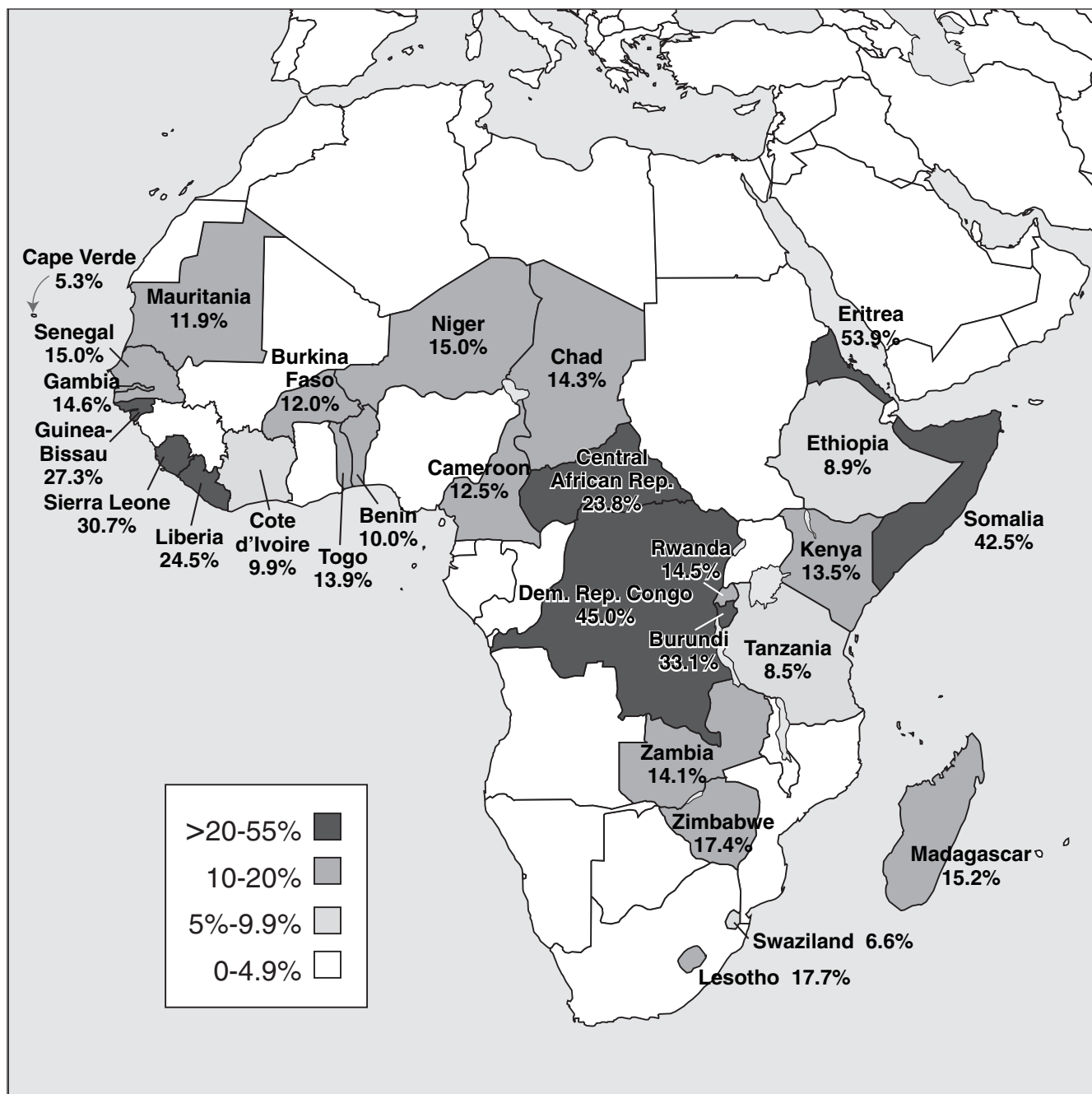
ble to provide the tonnages for the required relief effort. At the same time, a mobilization to rapidly increase production levels in Africa must be an international priority.

A few comparisons underscore the point: The 25 mmt for Africa *far exceeds the 18 mmt the World Food Program gave as cereals food aid worldwide in 1993—the highest aid year on record!* Second, the 25 mmt amounts to fully one-eighth of the total volume of world grains traded annually in recent years—a mere 200 million tons a year—out of the 2 billion tons a year of annual world production of grains (of all kinds). Most grains and oil crops are consumed in the country in which they are produced, with a few notable exceptions of the export-source nations, such as the United States, Canada, Australia, Argentina, the EU-27, and now Russia. In five of the last 10 years, world grain consumption overall exceeded production! Stocks of staples—wheat, rice, and corn—have been drawn down to record low ratios of reserves to consumption. Countries are taking action to protect their own food supplies, by withholding the sending of their food to the world market.

So where is food relief for Africa to come from? Only from a break with the practices and thinking that caused the crisis in the first place, and a mobilization for expanding production and aid. An international petition is now circulating, calling for the UN General Assembly to take up the food crisis and act, when it convenes Sept. 26 in New York City. On July 29, Helga Zepp-LaRouche, chairwoman of the Schiller Institute, released a resolution, titled, "Make the Dream of the American Revolution Come True!" (<http://www.larouchepac.com>). It calls for doubling world food production, ending the World Trade Organization, and the thinking and practices behind it, banning biofuels, and setting up a new world credit system for infrastructure and development.

FIGURE 1

Food Deficit in 28 African Nations, from 5 to 45 Percent of Need, 2008



Sources: USDA Economic Research Service, "Food Security Assessment, 2007" (July, 2008); UNEP population data, 2005; EIR.

### Institutional Sabotage

This demand for UN action is a follow-up to the effort Zepp-LaRouche initiated in May, to have emergency action taken up at the June conference in Rome on food security, held by the UN Food and Agriculture

Organization (FAO). Despite worldwide endorsements and support for her initiative, action on it was thwarted by institutional officialdom—FAO, World Bank, IMF, UNCTAD, et al. There have been more instances of conspicuous non-action since then.

TABLE 1

**Unmet Food Need in 41 African Nations as of January 2008—24 Million Tons**

Region/Country	Population 2005 (Millions)	Unmet Food Need (Tons, Grain Equivalent)	Weekly, Pounds Per Capita			Percent Unmet to Total Need (Per Capita)
			Aggregate Food Available <sup>1</sup>	Unmet Food Need <sup>2</sup>	Total Food Need <sup>3</sup>	
<b>Central</b>		8,200				
Dem. Rep. Congo	58.7	7,195.1	6.3	5.2	11.5	45.0%
Cent'l African Rep.	4.2	284.6	9.2	2.9	12.1	23.8
Cameroon	17.8	719.8	12.0	1.7	13.7	12.5
<b>East</b>		7,495				
Eritrea	4.5	657.9	5.3	6.1	11.4	53.9
Somalia	8.2	925.6	6.5	4.8	11.2	42.5
Burundi	7.9	718.9	7.8	3.9	11.7	33.1
Rwanda	9.2	357.4	9.6	1.6	11.3	14.5
Kenya	35.6	1,321.9	10.1	1.6	11.7	13.5
Ethiopia	79.0	1,872.7	10.3	1.0	11.3	8.9
Tanzania	38.5	875.5	10.4	1.0	11.3	8.5
Sudan	36.9	453.1	12.7	0.5	13.2	3.9
Uganda	29.0	312.1	12.2	0.5	12.6	3.6
<b>South</b>		2,261				
Lesotho	2.0	97.5	9.7	2.1	11.8	17.7
Zimbabwe	13.1	600.1	9.2	1.9	11.1	17.4
Madagascar	18.6	883.1	11.2	2.0	13.2	15.2
Zambia	11.5	402.4	9.0	1.5	10.5	14.1
Swaziland	1.1	21.3	11.4	0.8	12.2	6.6
Mozambique	20.5	158.9	12.0	0.3	12.3	2.7
Malawi	13.2	50.3	12.8	0.2	13.0	1.2
Angola	16.1	47.3	13.9	0.1	14.0	0.9
<b>West</b>		5,892				
Sierra Leone	5.6	582.8	10.0	4.4	14.4	30.7
Guinea-Bissau	1.6	127.2	9.0	3.4	12.3	27.3
Liberia	3.4	246.4	9.3	3.0	12.3	24.5
Senegal	11.8	510.0	10.4	1.8	12.2	15.0
Niger	13.3	670.5	12.2	2.1	14.3	15.0
Gambia	1.6	68.0	10.4	1.8	12.2	14.6
Chad	10.1	460.6	11.5	1.9	13.4	14.3
Togo	6.2	240.7	10.1	1.6	11.7	13.9
Burkina Faso	14.0	588.6	13.1	1.8	14.9	12.0
Mauritania	3.0	107.0	11.3	1.5	12.9	11.9
Benin	8.5	250.6	11.3	1.2	12.5	10.0
Côte d'Ivoire	18.6	570.3	11.8	1.3	13.1	9.9
Cape Verde	0.5	8.4	12.5	0.7	13.2	5.3
Guinea	9.0	130.1	13.1	0.6	13.7	4.5



Region/Country	Population 2005 (Millions)	Unmet Food Need (Tons, Grain Equivalent)	Weekly, Pounds Per Capita			Percent Unmet to Total Need (Per Capita)
			Aggregate Food Available <sup>1</sup>	Unmet Food Need <sup>2</sup>	Total Food Need <sup>3</sup>	
Mali	11.6	143.9	15.0	0.5	15.5	3.4
Ghana	22.5	175.4	13.6	0.3	14.0	2.4
Nigeria	141.4	1012.3	14.8	0.3	15.2	2.0
<b>North</b>		12.5				
Morocco	30.5	12.5	14.3	0.0	14.4	0.1
Tunisia	10.1	0.0	13.9	0.0	13.9	0.0
Egypt	72.9	0.0	15.1	0.0	15.1	0.0
Algeria	32.9	0.0	15.8	0.0	15.8	0.0
<b>Total</b>	<b>854.6</b>	<b>23,860.5</b>				

Sources: USDA Economic Research Service, "Food Security Assessment, 2007" (July 2008); UNEP population data, 2005; *EIR*.

Notes

1. Aggregate Available is the amount, in grain equivalent, of food available for consumption. The category includes domestically grown grains and roots, (projected) commercial imports and food aid, totaled together, minus non-food use, such as feed and waste.
2. Unmet Need is the amount of food lacking, relative to what volume should be present to ensure that each income quintile of a population is fed a minimum of 2,100 calories per day.
3. Total Need is the aggregate available food plus the "unmet need," or that which would be required to feed each income quintile of a population.

On July 30 in Washington, D.C., an establishment action plan was released by a team nominally chaired by Sens. Robert E. Casey (D-Pa.) and Richard C. Lugar (R-Ind.), sponsored by the CSIS (Center for Strategic and International Studies). The 14-page report, "A Call for a Strategic U.S. Approach to the Global Food Crisis," was produced with participation of project directors from Oxfam America, CARE USA, Bread for the World, and the German Marshall Fund. Josette Sheeran, director of the World Food Program, was on hand for the report's release. Despite the obviously worsening crisis, this group still called for such policies as "wise use" of biofuels, support of more free trade through the WTO Doha Round (which collapsed the same day), and "study" of how to "modernize" food aid.

No more studies are necessary. The scope of the crisis is detailed continuously by many sources, but it is being blacked out of the headlines: the UN World Food Program, the Famine Early Warning Systems (<http://www.fews.net>), funded by the U.S. Agency for International Development (USAID), the FAO Global Information and Early Warning System ([FAO.org/gIEWS/english](http://FAO.org/gIEWS/english)), and governments and embassies of the nations themselves. "Information for decision-makers," is how the USAID office of the U.S. State Department de-

scribes the purpose of its Famine Early Warning Systems website, which even gives a detailed map of worldwide food riots this year. The question is, who will act?

### Starvation in Africa

The USDA report stated that overall, in the 70 low-income nations studied worldwide for 2007, nearly 1 billion people lacked enough food to meet a minimal diet of 2,100 calories a day. To meet this need would require 44 mmt of food aid. Far less was given to them. Of the 1 billion people, fully 85% are in Africa. As of 2007, the USDA report found that more than 22 mmt of aid was required, presupposing that the 41 low-income African nations could obtain 42 mmt of commercial food imports. But this is no longer happening, given the dry-up of supplies on world markets and hyperinflation. As of May, for example, only 20 mmt out of 38.5 mmt of food imports (commercial and aid) projected to be required in 2008, had been lined up for 44 African nations monitored by the FAO ("Crop Prospects and Food Situation" series), called low-income food-deficit countries or LIFDC.

Food prices are going wild. For example, the price of white maize grew by nearly 200% between June 2007 and June 2008 in Ethiopia, as reported by

USAID's Aug. 1, 2008 bulletin, "Horn of Africa—Complex Emergency." Fuel prices, the bulletin states, have gone up 77% in parts of Somalia, just since January 2008.

The USDA report gives country-by-country data for Africa of the following kind. An aggregate of food available to a country is given for grains and root staples, such as cassava, including food produced domestically, total commercial imports, and food aid received. All were converted to grain equivalents. Then, assuming a daily intake of 2,100 calories, the USDA's Economic Research Service determined a desired level of food for that nation, and determined what the shortfall would be. This, it called a "distribution gap," making reference to the fact that enough food has to be provided, to be distributed to all sections of society.

*EIR* took these data and made a *linear* projection from it for what would be needed for 2008. This gives the total of 23.861 million tons for 2008, shown in Table 1.

There are built-in understatements all the way through in these figures. First, the Economic Research Service utilized "preliminary," that is, not *actual* "2007 food-production data," to project food production in 2007 within a country. Second, the projections made for the two external components of its data—commercial imports and aid—were based on "constant country food-aid data at the 2004-06 level." Right there, using so-called trend data to project future need, in this case, 2007, erased the dynamics of reality, and necessarily, understated the need, because the breakout of hyperinflation and world market food shortages hit in 2007.

Finally, the Economic Research Service assumes a diet of only 2,100 calories per day—a puny two-thirds of the 3,500 minimum daily calories requirement set in advanced sector countries, inclusive of a portion of animal protein. Considering these understatements, it can only be assumed that those countries found to be in great need in 2007, must be in greater trouble today.

The dire situations are clear at a glance in Table 1. The case of Democratic Republic of Congo, with 59 million people, makes the point about the emergency condition of the whole continent. Barely one pound of food a day per person is available on *average* across this huge, resource-rich nation. This is death.

### **Henry Kissinger's NSSM 200**

Today's emergency in Africa is not a failure, but a "success" of the food control policy of the last three

decades of globalization. This is most easily understood by referring to the December 1974 classified policy document called NSSM 200—National Security Memorandum 200, by then-Secretary of State Henry Kissinger, a self-described agent of influence for the British Foreign Service. NSSM 200 (declassified in 1989) declared that, in the interests of Anglo-American policy, population growth and economic development were to be suppressed in 13 designated nations around the world, including Nigeria, Ethiopia, and Egypt, so that their own and neighboring countries' scarce resources would be "preserved" for international Anglo-American use. Under Kissinger, and thereafter, food-as-a-weapon policies were used, including the dumping of U.S. commodities, and the withholding of food aid.

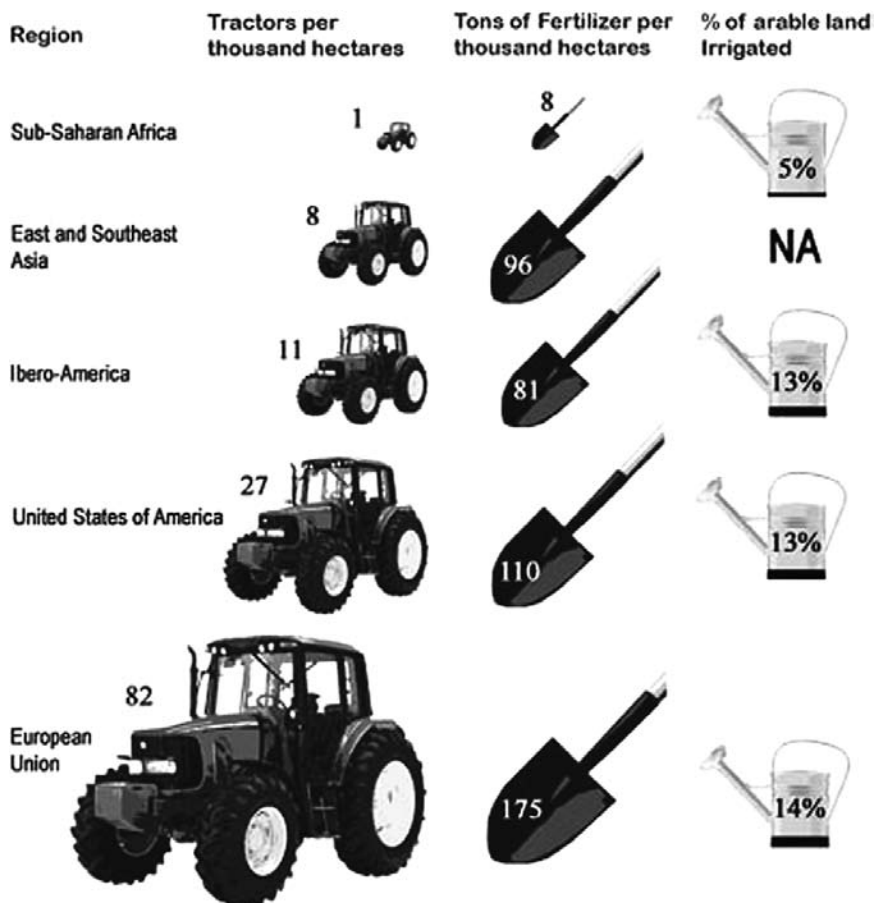
Over the decades, a phalanx of public agencies—the IMF, World Bank, UNDP, the FAO, and others, together imposed technological backwardness through the denial of development of water, power, and transportation infrastructure; denial of access to high-yield seed stocks and farm inputs, and so on. The euphemism of "appropriate technology" was promoted to justify this policy. Looting was conducted through rigged, unfavorable terms of trade, public/private partnership rip-offs, cash-cropping, and other schemes.

A special role was played by the green genocidal movement, including frontman Al Gore, as well as such "specialists" as former U.S. Assistant Secretary of State for African Affairs Susan Rice, now a top advisor to Barack Obama. The no-growth environmentalist arguments asserted that nuclear power, rail systems, and high-powered tractors are wrong for Africa, because we must go "back to nature." We dare not "pollute Africa" with bad development, the greens stated. In line with this, the USDA food security assessment report even advocates that Africa should turn to low-tech biofuels! Concerning sub-Saharan Africa, the report states, "[its] agricultural sector is faced with limited access to essential inputs such as fertilizer and high-yielding seed varieties. Water is scarce..." So, the USDA Economic Research Service argues, "there are low-input feedstocks that could be grown in this region for biofuels ... [which] can enhance farm income..." Pure and simple: relegate Africans to low-tech, non-food cash crops.

After waves of this kind of technological apartheid over the past 35 years, the absolute tonnage of food production per capita has accordingly fallen.

FIGURE 2

## The Face of Technological Apartheid



Sources: LaRouche Political Action Committee graphic; EIR; FAO statistics.

Along with severe food shortages, Africa now has the worst ratios in the world for tractors, fertilizer use, irrigation, and other key factors of production per unit area, as shown in **Figure 2**, from the LaRouche Political Action Committee website.

In May, LPAC issued a white paper, “Kill the WTO: Double Food Production” ([http://www.larouhepac.com/files/pdfs/080530\\_food\\_policy.pdf](http://www.larouhepac.com/files/pdfs/080530_food_policy.pdf)). The white paper’s section on Africa describes how, in 1978, Lyndon LaRouche commissioned a study to determine “the basic requirements for industrializing” Africa, to feed its growing populations and provide for a prosperous future. A crucial feature of that study was the building of a transcontinental rail system—something African governments at the time had planned and hoped to build. Now, putting this on the agenda as a priority, is one of the do-or-die measures for dealing with the world food crisis.

## The Dire Case of East Africa

Four of the East African countries—Ethiopia, Eritrea, Somalia, and Kenya, with a total of more than 130 million people—together provide an example of what Africa’s hardest-hit areas are facing. Governments in the region know that Africa is not producing enough food, and that *the speculators are jacking up the prices* of imported food, fossil fuels, and products such as nitrogen fertilizers. Eritrean Foreign Minister Osman Saleh, one of several speakers at the Ministerial Conference of the Non-Aligned Movement in Tehran July 31-Aug. 1, said, “The artificial hikes in energy and food prices, driven mainly by speculation, and the weakening of the value of the U.S. dollar have compounded the problems facing our countries.”

Across East Africa, the prices of staples have shot up, especially since January. In Eritrea, in May, the price of sorghum was 2.2 times that of May 2007, the price of maize increased 2.5 times, and the price of wheat flour increased 2.1 times. In Addis Abeba, Ethiopia, the price of maize in April was 2.0 times that of April 2007.

Elsewhere in Ethiopia, the price of wheat has doubled in the past six months. In Nairobi, Kenya, the price of maize in May was 1.7 times what it had been in May 2007. These increases have made staple food supplies unaffordable for many people.

The sharp rise of fertilizer and fuel prices in the region is seen in the example of Kenyan maize farmers, who use two nitrogen fertilizers in combination. The cost of using diammonium phosphate went from \$40 per acre in August 2007, to \$100 at the end of April 2008. Calcium ammonium nitrate went from \$22 per acre to \$37, in the same period. Fuel costs also rose, such that the cost of plowing and harrowing increased from \$60 to \$100 per acre for two passes. The combined cost of these inputs alone (there are others), has gone from \$122 to \$237, nearly doubling in less than nine months.

A brief survey of the current situation in three of

these four countries—Kenya, Somalia, and Ethiopia—exemplifies the worsening food availability since the USDA Economic Research Service data were collected.

**Kenya:** Today, in Kenya, between 2 and 6 million people are at risk of hunger, and will require emergency food aid by September, the World Food Program’s July 15 “Hunger’s Global Hotspots” report states.

A Kenyan farmer in the Mount Elgon District, who could not afford to use fertilizer, is expecting to harvest 360 kilograms of maize per acre, instead of 1,800, a loss of 80%, the IRIN news service reported July 24. Kenya produced 3 million metric tons of maize in 2007, but some experts predict only 2 million for this year. The Kenyan Ministry of Agriculture estimates that maize production in the “long rains” season this year will be 20% lower than in 2007, an FAO July 15 Global Information and Early Warning System update (GIEWS) reported.

**Somalia:** In Somalia, 2.6 to 3.5 million people—35 to 50% of the population—require food aid. Acute malnutrition of children has risen to between 18% and 24% in some areas, well above the 15% that is deemed an emergency, as reported by food relief organizations in late July. Such desperation has led to the murder of five food aid workers in recent months, as militias maraud for food supplies. An Aug. 1, 2008 USAID Fact Sheet, “Horn of Africa—Complex Emergency,” stated that 180,000 children in Somalia “are acutely malnourished,” which is an 11% increase just since January.

The GIEWS July 15 update noted above reported, “The humanitarian situation is rapidly deteriorating” in Somalia, because of “increasing food prices” and the devaluation of the currency. Sorghum prices have already gone up more than 60% since January 2008. “Disaster similar to the 1992-93 famine, when hundreds of thousands of people perished,” could engulf parts of the country within months, Peter Goossens of the World Food Program told a news conference on July 23.

**Ethiopia:** More than 10 million people, 12% of Ethiopia’s population, need food aid—a doubling since January. Of these, 4.6 million people require emergency food aid, while another 5.7 million, who are in safety-net programs, need additional food to survive until the November harvest. Among the 10 million, are 75,000 children with acute malnutrition. The 4.6 million people in need of emergency food aid is nearly double the 2.6 million in the government’s April esti-

mate, the July 15 GIEWS update pointed out. The country has already used up its emergency cereal reserves to feed its urban poor.

In the famines of the 1980s, 1 million Ethiopians died. Today, “Ethiopians are waiting for rain—or death,” a BBC correspondent said in mid-July.

### **The Backdrop of Drought and Violence**

The famine is occurring against a backdrop of drought and political violence that amplifies its effects. In Eritrea, rainfall has been below average in the North Red Sea region, but normal in the central highlands. In Ethiopia there has been extreme drought over much of the country. In Kenya, rainfall has been very poor in the Northern Rift Valley and Northwestern provinces.

The civil war in Somalia, sustained by the Ethiopian invasion in December 2006—with backing from Britain’s Tony Blair and U.S. Vice President Dick Cheney—has harmed Ethiopia, but has led to an existential crisis for Somalia. Thousands of Somalis have been killed in the fighting; nearly a million have fled the capital, and thousands more are still leaving. There is scarcely a government worthy of the name.

The alignment of Eritrea with the Somali Islamists—against Ethiopia’s armed support for the nominal government—means that Ethiopian-Eritrean tensions are aggravated, with economic consequences: Ethiopia is landlocked and would benefit from access to the Red Sea via Eritrean ports, but the hope of such access is made the more distant by the Somali war.

Political and ethnic violence in Kenya, in the wake of the December 2007 election, led to the displacement of possibly as many as 600,000 people; 300,000 of them were living in camps, and the rest with family and friends, according to a UN estimate. Since then, the numbers of displaced persons have declined slowly.

### **West Africa: The Next Famine?**

In the 17 countries of Africa’s western region, the unmet food need ranges from 30.7% in Sierra Leone to 2% in Nigeria (see Table 1), but the actual food need today is, of course, greater than the projection.

Prospects for local food production are worse than a snapshot taken today—or over the next six months—would suggest. Nigeria, which is not high on the list of African food-deficit countries, provides an example. The rapid decay of Nigeria’s infrastructure raises the prospect that a country which feeds its population

today—albeit most are very poor—is headed for hunger. Since the return of “democracy” in 1999, under President Olusegun Obasanjo, and now under his successor, Umaru Yar’Adua, the IMF and World Bank have reigned supreme, through their conditionalities. The economy is far worse now than ever.

Of Nigeria’s 140 million people, 85%, almost 120 million, live in poverty, most on \$1 to 2 per day. For the vast majority, there is no way to earn an income. Electricity production for the national grid, officially reported at the very low figure of 2,169 megawatts, has been reported to *EIR* as actually being only 1,000 megawatts. No business or household has electricity for more than a few hours a day. Yet Nigeria is the eighth-largest crude oil producer in the world!

Guerrilla warfare in Nigeria’s oil and gas production region, supported by a criminal syndicate, has reduced oil sales by between 25% and 50% (500,000 to 1 million barrels per day) through disruption and theft of the oil, according to estimates.

In the current food crisis, Nigeria has drawn on its ten strategic grain reserve centers (their combined capacity is 250,000 metric tons of grain). But as infrastructure decays, rural populations become increasingly difficult to reach and, correspondingly, replenishment of the reserves becomes increasing difficult and expensive. When will the breaking point be reached?

### **Southern Africa: The Case of Zimbabwe**

In calling for more aid for Zimbabwe on Aug. 5, the International Red Cross/Crescent estimated that 5.1 million Zimbabweans are likely to face hunger by January 2009—that is 45% of the country’s population. This is British genocide, now as before. Today the Brits destabilize the country; before, in the 1990s, Zimbabwe followed the dictates of the WTO, GATT, and IMF, which caused the once self-sufficient regional breadbasket to be dismantled. When President Robert Mugabe finally reacted to this sabotage, by seizing and distributing to black Africans the farms held by whites (most of them loyal to Britain), the British launched economic and financial warfare against Zimbabwe.

This deliberate British genocide has been concealed in the press as supposedly resulting from Mugabe’s “mismanagement of the economy,” providing propaganda for the British push to put their puppet, Morgan Tsvangirai, in power. Now, 80% of the population lives at or below the poverty level, the Red Cross states.

*Lawrence Freeman contributed to this article.*

---

Interview: Teodros Kiros, Ph.D.

---

## Ethiopia Is ‘Afflicted by Avoidable Famines’

*Teodros Kiros, Ph.D., an Ethiopian-American scholar now based in Boston, discussed the current food crisis in East Africa with Alex Getachew of the La-Rouche Youth Movement in Boston, and EIR’s Marcia Merry Baker, on Aug. 6. Edited excerpts from the discussion are given below.*



*Dr. Kiros has written extensively on moral economy and philosophy, and other topics, including six books, over 100 articles, as well as many short stories. His monograph Moral Philosophy and Development—The Human Condition in Africa was published in 1992 (Ohio University Press, African Series, No. 61). He is currently a DuBois Fellow at Harvard University; his past teaching positions include visiting scholar at Brown University, and lecturer at Suffolk University. He is active with the Boston-based African Community Economic Development of New England (ACEDONE).*

**Baker:** In the context of decades of globalization, where we now have economic activity plunging and the financial system blowing apart, one of the worst hit places in the world for acute food shortages is East Africa: the Horn of Africa, and Ethiopia in particular. What would you say of this dire situation?

**Kiros:** As you know, famine is not foreign to the Ethiopian experience. Of course, Ethiopia need not necessarily be equated with famine, because it is the center of world civilization! Human history as we know it was begun in what is now being called Ethiopia, about 4.5 million years ago. Further, for example, our earliest human ancestor, Lucy, whom Ethiopians refer to as Dinkinish (which we translate into English as “Miraculous”), originated there.

So, we are speaking about the part of the world that, on the one hand, is the origin of the oldest, the best, and

the most productive and the most positive dimensions of human history; on the other hand, there are famines. The reasons for this are very apparent to first-rate economists—and Amartya Sen is one of them, the Nobel laureate, who has been covering the history of famines, both in India and in Ireland. He did not study Ethiopia; I did, in my first book, which I wrote when I was 28 years old, which I called, *Moral Philosophy and Development—the Human Condition in Africa*.

Ethiopia, in its recent history, has been afflicted by “avoidable famines.” Why do I say they are avoidable? Of course, there are biological, environmental reasons that cause famines, whenever and wherever they occur. But there is also what Amartya Sen identifies, and following him, I refer to, as the political dimension of famine. By this Amartya Sen essentially means the policy decisions that people in power make, that either produce famines, or that they then become stuck with, in an effort to overcome them.

And sometimes, in fact, as shocking as this may sound, when famines occur—as they do quite regularly in Ethiopia, beginning from the 1980s (in fact, you can even stretch it back to the 17th Century)—there are those who take political advantage of the disaster. In the 17th Century, Ethiopian soils and lands were being savagely afflicted by locusts. The locusts spread over the land and ate the crops.

Political decisions are made by people in power: How should food be produced? How should it be circulated? To whom should it be given? And when necessary, as much as anyone could say, policymakers decide to turn a blind eye to famines, because they would like to, for example, starve to death dissidents—people who would like to topple them, people who would like to see regime changes.

This is essentially what Amartya Sen means, when he says famine, to a greater degree, is a by-product of wrong policies.

### ‘Concerted Political Action’

**Baker:** What about those imposing globalization? In the world leadership regime imposed over recent decades of globalization, a kind of neo-British East India Company of a select few multinationals has come to control critical means of existence, from pharmaceuticals and chemicals to metals and minerals, even to seedstocks for crops. Companies like Monsanto, Cargill, AstraZeneca, Syngenta, DuPont, and others. They have used what the World Trade Organization calls “in-

FIGURE 1  
Northeast Africa



EIRNS/John Sigerson

tellectual property rights,” to extend their control over medications, high-yield seeds, and even the technology to make them! We’ve reached the end of the line. It’s not mere monopoly. It’s control over the means to life.

**Kiros:** We have to penetrate all these institutions,



UN WFP/Thierry Geenen

*The famines in East Africa are a result of policy decisions, and can be reversed by concerted political action. Here, a starving mother and child in Ethiopia, January 2008.*

and demand that they provide what they have to the victims for free. We have to fight for this. They are not going to do this, only because they are asked to do so. We will have to develop powerful social movements, as Jürgen Habermas would say, in which we appeal to the conscience, the intelligence and moral texture of human beings, to be responsible for the fate of others. It's a matter of how we present the argument; it's a matter of how we stage the social movement; it's about elegance; it's about passion; it's about responsibility.

Otherwise, citizens all over the world, if they are approached as human beings, with consciences, with moral intelligence, and with responsibility to care for the poor, I assure you, they will surprise you with the kinds of contributions that they will make. This is a matter of concerted political action.

**Baker:** I think you would verify that the immediate

need in Ethiopia is that 10 million people need tons of food before September. As well as millions of tons needed in neighboring countries. This need should be met, is what you are saying?

**Kiros:** Precisely. And in addition to doing this, I want us to develop leaders who are going to make a contract, a promise to the population not to turn a blind eye to famine ever again. Ever again.

**Getachew:** We have to look at the reality of *the intention* behind these destructive, globalized policies toward Africa.

If you take a look at National Security Study Memorandum 200, done under the auspices of Henry Kissinger in 1974, *this was an explicit policy*. Ethiopia was on the list of those 13 countries targetted in the then-classified memorandum, whose stated policy was that these countries have resources that we [Western countries] will have to have. Therefore, we have to make sure that their population growth stops, and that we reduce the number of people in this region, which you can't just do by giving out condoms—you have to increase the death rates.

This was not originally a U.S. policy. This is actually a policy that comes from the British: It comes from Julian Huxley, the first head of UNESCO, who said that Africans are not qualified to control their own resources.

The point is that there has been a deliberate policy of genocide, against Africa and the developing world generally. The eugenics movement was explicit; but the environmental movement—much of which was created as kind of the metastasized form of the same eugenics movement, is explicitly the same policy. They are calling Africa “overpopulated”! One of the least densely populated areas in the world, maybe with the exception of Australia—most of which has no one in it. While in the most advanced, highly densely populated areas of the world, you have the most development, and the highest standards of living.

This brings us to the issue of the International Monetary Fund conditionalities. The record shows that the IMF conditionalities were imposed, not with the intention of giving loans to help Africa, but to enslave these countries with debt, and to impose harmful conditionalities. For example, that policy was imposed by the IMF in Sudan, where you have one of the largest land areas, and greatest agricultural potentials in all Africa.

**Kiros:** The intention of the World Bank and the IMF



*T'ef grass, an ancient grain indigenous to Ethiopia, is a very nutritious food source, but is priced out of range of most people in the country.*

seems to me, to spread what Antonio Gramsci called, “hegemonic privileges” for their population, at the expense, if necessary, of starving and killing people outside of the Western world.

There is a sense in which this thesis might seem too blatant, too cruel, too truthful; but there is also a sense in which the empirical facts about conditionalities, as you put it, Alex, seem to head in that direction.

### East African Resources

**Baker:** Picking up on your idea that “famine is avoidable,” what would you say about the physical resource base and the geography of this wonderful area of homeland of ancient civilization, as you stressed? For example, water resources. The Ethiopian highlands are considered the “water tower” of all of East Africa. If the right policy decisions were made, there would be no constraint physically, to producing plentiful food, for a growing population.

You said that “Malthus’s argument is a lie,” in a paper you wrote this May, referring to the assertion that a population will inevitably exceed its resources [“Famine, Hunger, and Public Action: Consolidated View”].

**Kiros:** Precisely. The Ethiopian case is clearly not a case in which famines are occurring there because there are no natural resources. Remember, for example, the Nile; the Blue Nile originates in Ethiopia. And there has been a classic battle going on between Egypt and Ethiopia, precisely over the sources of the Nile. There is no water shortage; there is no crop shortage; there is no labor shortage; there is no problem of laziness, sluggish-

ness, lack of resoluteness, lack of courage, and lack of intelligence, among this highly resilient, productive, and historic population.

**Baker:** Speaking of your natural resource base, there are some famous ancient crops associated with this area: the classification called *t’ef*, and other botanicals. If such things are fully developed, they are a unique legacy, and benefit. Instead, *t’ef* is being promoted in the U.S. now, as part of a multi-grain novelty mix, called “Ancient Grains,” for the titillation of the food/health trade; as well as feed for race horses.

**Kiros:** *T’ef*—correct me if I am wrong—originates and is amply available only in that part of the world. I am told that it is very full of protein, and is very nutritious for the population. Even so, in the Ethiopian case now, a quintal [100 kilograms] of it is being sold for prices that only the rich and the powerful can afford. Which means that the Ethiopians, a) who are permanently unemployed, b) are employed but insufficiently, c) are sporadically employed, and d) are never employed at all, are fated to die, precisely because they don’t have the ordinary purchasing power with which to make *t’ef* available to them.

Clearly you have a situation in which there is no shortage of natural resources; and one particular crop, *t’ef*, which is protein-rich, is available in ample amounts, and yet it is being used as a tool for extracting surplus profits at the expense of the population. The people who need it the most—about 99%—are poor and are fated to die because they have no purchasing power.

### Economics and ‘Principles of Justice’

**Baker:** In 2000, you addressed a conference of the African Union, and spoke about how economic policies must “flow from principles of justice.”

**Kiros:** Absolutely. I called them “two principles of justice.” And they apply most particularly to the alleviation of famines, hunger, and other matters in the materially underprivileged world.

The first principle simply said, all human beings, without exception, need to be entitled to food, shelter, clothing, and when appropriate, health care.

The second principle of justice, I called—following and condensing the famous tenets of the American Constitution—I simply called, “human beings are also entitled to fundamental freedoms. The freedom of speech,



freedom of thought, the freedom of assembly,” and so forth and so on.

But I do make a fundamental point there, namely this: that there will have to be a “lexical” ordering between the first principle and the second principle of justice. That is to say, that before we attend to the imperatives of the first principle of justice, [should there be a condition of famine, or position where famines occur] then the morally conscientious state, or the state that is guided by some kind of moral economy, will have to immediately attend to the removal of the causes of famine and hunger, which is another way of saying that these human beings who suffer from famine, are entitled to food, shelter, clothing, and health.

Before we satisfy that condition, I argue, in a lexicological way, we cannot move to the second principle of justice, but it is a sort of a privileged articulation of what human beings should be entitled to. Namely, freedom of speech, freedom of thought, freedom of assembly. We have to feed them, clothe them, shelter them, and give them biologically functional bodies, and then, at the same time, invoke the second principle of justice, so that we can also allow them to speak, to think, to grow, and to flourish as human beings.

**Getachew:** Look at the crisis of AIDS. One writer for *EIR* documented that it is estimated that AIDS won't reach its peak for another 40 years, unless there is something done to address it, and stop it.

Now, in your view, what is the economic dimension? South African President Thabo Mbeki was criticized for addressing the link between the spread of AIDS and economic conditions. That criticism is absurd. I think he is right on this.

**Kiros:** Absolutely.

**Getachew:** Do you have anything to say on this in terms of the dynamics in East Africa?

**Kiros:** If you notice, for example, the first principle of justice says that all human beings are entitled to food, shelter, clothing, and health—I added health, as a matter of fact, after AIDS fully sprouted in that part of the world.

The first principle of justice, if operational, will have to treat AIDS very much like it will have to treat food, shelter, and clothing. We will have to come up with money—God knows by what means and how—and make it an imperative for the victims of AIDS to be taken care of. Period.

## Hyperinflation Spreads to Electricity Sector

by Marsha Freeman

The electricity sector of the U.S. economy, upon which citizens depend for their very existence, is joining gasoline, fuel, and food, in a hyperinflationary spiral which has already put electric power out of reach of millions of Americans.

Thousands of households are falling behind in bills; cut-offs are increasing. At the same time, electricity is becoming less and less reliable, as the system's capacity for power generation, transmission, and maintenance declines.

An immediate factor in the rising retail electric rates, is the pass-along of the out-of-control costs of the energy, from which electricity is made—coal (more than 50%) and natural gas (20%), in particular. The rest of the electricity in the United States is produced by nuclear (20%) and hydroelectric power.

But the special dynamic in electricity hyperinflation, is the last ten years of deregulation of the sector, in which the U.S. power system was taken over by financial speculators for the purpose of looting. The same financial interests that fostered waves of speculative bubbles, now blowing out, bought into the formerly regulated U.S. power sector to make a killing off the captive customer base. Beginning in 1996, with California and Pennsylvania, 21 states passed dereg laws, under which an orgy of mergers, acquisitions, and de-structuring took place, under Federal government approval. The Enron chapter in this story (from 1985 until its bankruptcy in December 2001), is legendary for the blatant gaming of power supplies, and rip-offs of California and other states, and millions of customers.

Nevertheless, in 2005, Congress repealed the 1935 Public Utility Holding Company Act, which had protected the public's right to plentiful and affordable electricity. Now the situation is in crisis. On the supply side, the ratio of generating capacity per household and unit area is declining; power is more and more unreliable. Last year, wind power was the largest type of new

TABLE 1  
Households in Arrears to Utilities

	March 2008	March 2007	Increase	
Arrearages*	\$4,958	\$4,318	\$640	14%
Households**	15.6	14.260	\$1.348	9.5%
% Total Households	14.8%	13.5%		1.3%

\* \$ Millions

\*\* Millions of Households

Source: National Energy Assistance Directors' Association.

*More than 50 million Americans are behind in their payments to utilities for electricity and natural gas service, and face shut-offs in the near term.*

generating mode that came on line in the U.S.! A bipartisan roadshow of Al Gore and T. Boone Pickens is getting top billing for more of this lunacy. Meantime, Duke Power and others are campaigning for carbon swaps and other insanity (see *Science & Technology*, p. 58).

Many on the user side—from households, to hospitals, to farms and factories—cannot pay their utility bills. In many parts of the country, the temporary caps put on retail prices years ago, are now coming off. Sudden, double-digit rate increases are hitting the economy, at the same time as hyperinflated costs for food, gasoline, health care—everything.

Several states are skirmishing to deal with the situation in whatever rearguard ways they can, given the inaction by Congress. But even nationally, no “reforms” or quick fixes for this breakdown situation will work. What is required is twofold: First, emergency restoration of Federal and state regulation, with measures to keep the system functioning. Second, a large-scale infrastructure improvement program for new, high-tech generating capacity, transmission grids, and modernization of the grid throughout. This will involve re-tooling, and re-creating industrial capacity in the U.S., along with thousands of highly skilled jobs.

This is embodied in Lyndon LaRouche’s emergency program, the Homeowners and Bank Protection Act, now in wide circulation by the LaRouche Political Action Committee.

### ‘People Will Die...’

The National Energy Assistance Directors’ Association (NEADA) reports that electricity and natural gas service cut-offs to customers have increased at least

TABLE 2  
Second Quarter 2008 Oil Company Profits

	Profits (\$ Billions)	% Increase over 2007
ExxonMobil*	\$11.6+	14%
Royal Dutch Shell	11.6	33
British Petroleum	9.4	28
Total	7.3	38
Chevron	5.8	11
Schlumberger	1.4	13

*While the speculative increase in petroleum prices, reflected in oil company profits, has been felt most at the gas pump, and will be felt in home heating oil prices, oil is not used to generate electricity. But since the deregulation of natural gas in 1978, that price has been artificially tied to the rises in the price of oil. About 20% of U.S. electricity is fueled by natural gas.*

15% in many states, as households cannot pay their inflating bills. In economically devastated regions, such as Detroit, Mich., this figure is a 56% increase from last year. More than one in five Detroit Edison customers were behind in their electric bills in May.

NEADA reports that this year 15.6 million households—more than 50 million Americans—are almost \$5 billion in arrears to utility providers, making them vulnerable to service cut-offs (**Table 1**). These households are not only those on fixed incomes, or the unemployed. NEADA’s figures show that 8% of those earning incomes between \$33,500 and \$55,500 are “in arrears.” “It’s hitting people in the suburbs with two cars and two kids,” NEADA’s head, Mark Wolfe, stated. “It’s moved from a problem for the poor, to the middle class.”

Recognizing that the cut-off of electricity is a threat to life, states have enacted laws to try to protect their most vulnerable citizens from losing their heat in the Winter. On Aug. 1, Illinois Gov. Rod Blagojevich signed into law a bill passed unanimously by both houses of the General Assembly, to prevent utility shut-offs also during extreme Summer heat. It covers both gas and electricity, when either is the sole source of power for air conditioning.

Undoubtedly, Illinois lawmakers recall that in July 1995, more than 580 people in the city of Chicago died in a heat wave. Investigators from the city and the Centers for Disease Control concluded that air conditioning could have saved these lives, but nearly all of the heat-death victims were too poor to afford it. Those who had air conditioning had not turned it on, for fear of not

being able to pay the electricity bill.

The Low Income Home Energy Assistance Program (LIHEAP) provides Federal help for those threatened with shut-offs. The number of households receiving Federal help to pay their back bills is now at a 16-year high, at 5.8 million. While the Bush Administration cut funding for this program by 22% for this fiscal year, Senate bill S. 3186, which has not been acted on yet, is an attempt to restore some of that funding. At the same time, cash-strapped states, reeling from the elimination of millions of jobs, are running out of energy assistance funds, scrapping aid.

While LIHEAP monies can help prevent the life-threatening cut-off of electricity, at best, this is an ameliorative measure. Beyond facing gas pump hyperinflation, households need aid for multiple energy and fuel bills.

“This is the first time that I have felt in years that people will die this Winter because they can’t stay warm,” said Joe Kennedy, from Citizens Energy Corp., at the end of June. “We’ve gotten to the point where a year ago, a family could sacrifice to pay their bills,” said Wolfe. “Now, [oil heat alone is] more than their monthly income.”

In upstate New York, county managers are considering setting up shelters this Winter for elderly citizens who cannot afford heat. Emergency services director for Essex County, Raymond Thatcher, said he is expecting more house fires because more people are going to burn wood. “Some people last year did without prescription medicines to buy fuel. . . . It’s only going to be worse this Winter.”

### ‘Increase in Rate Increases’

This situation is clearly intolerable, yet more electricity rate hikes are in the works cross country. The Energy Information Administration (EIA), reports that in May and June, 20-30 electric utilities started requesting rate increases. There is an “increase in rate increases,” as reported in a headline by the *EnergyBiz* magazine (July/August 2008). These come on top of a sequence of rising cases of rate increases, year by year under, dereg. “The total number of cases in 2007 was the largest since 1993.”

Examples include:

- **Mississippi.** The President of Entergy told the *Commercial Appeal* newspaper on July 28 that the utility would be requesting a 28% rate increase for its nearly half-million customers in Mississippi. “Sixty-

five percent of our operating cost is the fuel for the generating plants,” he stated. About 60% of Entergy’s capacity is generated from natural gas, and the spot market price has doubled over the last 12 months. The utility is regulated under state law, so the increase will be a dollar-for-dollar pass-through for fuel cost increases only.

Twenty percent of Entergy’s capacity in the state is coal-burning, which has doubled in price. Only the 20% of its generation which is nuclear has remained stable in price.

- **Virginia.** In July, Dominion Virginia Power implemented an 18% rate increase. The utility reports that since July 2007, it has paid \$697 million for inflated fuel costs that remains uncollected from rate-payers. Between 2004-07, that figure of uncollected fuel costs was \$1.5 billion. The rate increase is allowed under state law to recoup increased fuel costs, which it passes through to customers with no markup for profit.

Terrified of the disaster that was sure to befall consumers when caps on prices were scheduled to be lifted, the General Assembly dumped deregulation, and reinstated regulatory oversight by the Virginia State Corporation Commission in 2007.

- **West Virginia.** American Electric Power has filed for a 12% fuel adjustment increase, plus an additional 17% increase in rates in the state, because the pollution control equipment they are required by law to install has skyrocketed in cost, along with other capital goods. “Power poles are up 39% since 2003,” an AEP spokesman explained, and “copper wire has more than doubled.”

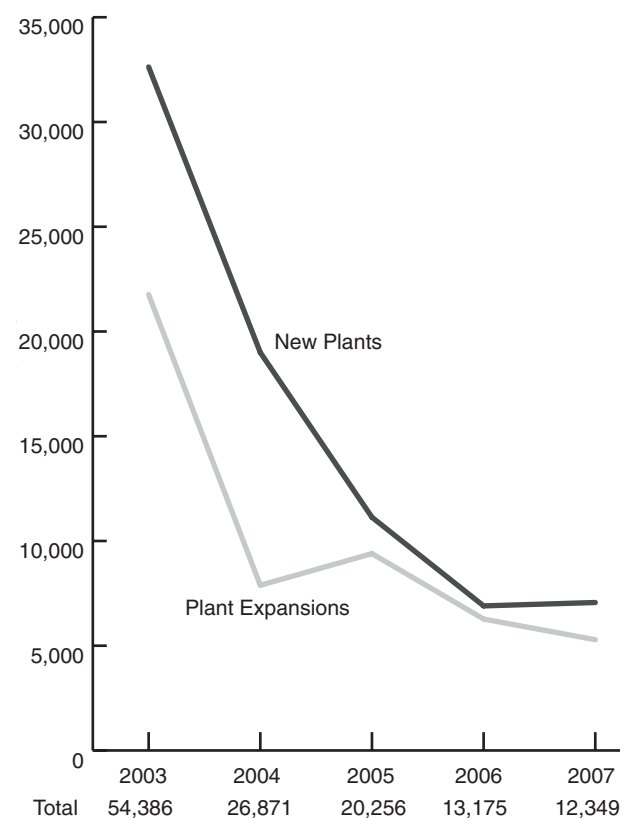
### Capacity Additions Drop

Thus the hyperinflationary spiral is whizzing to the point that the ‘lights go out.’ Not an accident, this “blackout” policy is inherent in deregulation, in which looting, not serving the public good, is the governing principle. Look at the plunge in new additions of power capacity to the grid over the past five years. In 2003, there were 32,626 megawatts (mw) of new capacity added, and 21,759 mw added to expand capacity in existing plants. By 2007, these figures had drastically fallen, to 7,063 mw of new capacity, and 5,286 from expansions.

**Figure 1** shows this period of 2003-07. This data was charted by *EnergyBiz* (July/August 2008).

The North American Electric Reliability Council

**FIGURE 1**  
**Electric Capacity Additions Approaching Zero**  
 Added Capacity (Megawatts)



Source: Edison Electric Institute.

*Deregulation removed the legal mandate that utilities must provide affordable, universally available, reliable electricity. Since a deregulated company can make more money creating shortages than increasing capacity, deregulation, plus the real physical economic collapse, have brought new capacity additions nearly to a halt.*

(NERC) estimates that by 2015, an additional 140,000mw of generating capacity will need to be added to meet an expected 19% increase in usage. So far, only 57,000mw are even on the drawing boards.

“It can’t be done,” is the plaint of the spokesmen for the existing, expiring, deregulated system, pointing to the spiral of costs involved. In its own terms, their defensive argument is logical, but that just means that the public policy, and economics of energy generation, must be changed back to an FDR-style American System.

The Federal Energy Regulatory Commission (FERC) reports that projected capital costs for building new generating capacity have risen from an index of 100 in the year 2000, to 182 this year. For capital-inten-

sive nuclear power plants, estimates for costs of construction from the same 100 index have more than doubled. In 2004, the estimated cost of building a new nuclear plant was in the range of \$2,000 per kilowatt of installed generating capacity. This year, the estimate is \$5-8,000.

The cost of construction-grade steel is now more than double what it was four years ago. Cement has risen at about half that rate. Of the four key metals required for new plants, transformers, and other equipment—copper, zinc, nickel, and aluminum—all have increased in price. The price of copper is up more than *five times* the price of four years ago. Copper is now so valuable, there are reports that thieves have been cutting *live* electric cables to steal it.

What this dismal arithmetic shows is that the global financial system is finished. In making a break to a new credit system, electricity will rank high in infrastructure priorities for rebuilding national economies, and the apparently “insoluble” can be overcome, as it was in the FDR projects of the 1930s.

### The Intent of Deregulation

The problem with talking about the electric utility industry in its own terms today, is that deregulation has transformed the industry into something very different from what it was before. Though Enron failed as a business, its model succeeded in taking over the industry. The old power station-to-consumer model has been broken up, with power generation divorced from marketing, and from transmission. The pirates have moved in to buy up choice pieces, with the old “Morgan utilities” reconsolidating, to the point where fixing the system as a whole, must involve the re-passage of PУHCA (Public Utility Holding Company Act), and the restoration of the FDR-era utility structure. The market-based approach has to go, and the production-based, public service approach has to return. A 1920s cartoon from FDR’s New York State governor’s campaign shows the principle involved.

The electric utilities, as they exist in the present-day environment, cannot be profitable, because they have no control over their fuel costs, and the economy cannot afford the rates which would be required to make a profit. The issue which has to be addressed is not the profit of the utilities, but the production and distribution of electricity, in sufficient quantities to meet the demands of the economy, at the cheapest rate

possible consistent with the proper functioning of a properly regulated industry. The goal should be the “too cheap to meter” philosophy of the early nuclear planners.

Enron may have crashed, but the bankers behind it won, in that PUHCA is gone, the electric-utility model has been smashed, and the industry taken over by the fast-buck crowd. *The energy sector has merged into the financial sector.* The current speculation/hyperinflation occurs on top of this financialization of electricity.

Since 1999, mergers and acquisitions of U.S. electric and natural gas companies have totaled more than \$160 billion. The largest deal so far, is the 2007 \$44 billion buy-out of TXU in Texas, by a private equity consortium led by Kohlberg Kravis Roberts, and Goldman Sachs Capital Partners. Emblematic of the predators is Macquarie Infrastructure, the Australia-based old-line British imperial firm, associated with Cintra de Concesiones de Infraestructuras in Spain. In 2007, it bought up the retail-billing operations of Pittsburgh-based Duquesne Light Holdings; and it is in the process of acquiring Washington State-based Puget Energy.

The role of rapacious financiers in the electricity industry has always been problematic, from the days when the Morgans started funding power plants as a way of locking up business, to the days of the Morgan and Insull cartels. FDR smashed that and restored some order; public regulation and oversight kept the companies more or less in line . . . until deregulation.

### Only a LaRouche/FDR Approach Will Work

It’s long past time to eliminate the idea that electric utilities are profit centers, and return to the concept of public service—adequate profit and not a penny more. In return, we must provide them with a stable environment in which they can operate.

Legislation enacted during FDR’s Administration recognized that reliable, affordable access to electricity, for every citizen, is an economic “right,” not a luxury. Laws were enacted to make sure that the sector of the industry that is in private hands is heavily regulated. Companies were required to provide

FIGURE 2  
**Status of Electricity Deregulation**  
 (April 2007)



Source: Energy Information Administration.

*By mid-2007, eight states that had passed legislation to deregulate their utility industry had either suspended or reversed this failed policy. These were Montana, Oregon, California, Nevada, Arizona, New Mexico, Arkansas, and Virginia. Although 15 states are shown here as deregulated, one year later, many of them are considering reversing their deregulation “experiment.”*

universally available, affordable power. In return, they were guaranteed a fair rate of return, allowing utilities to obtain the credit to build the generating and transmission capacity that was needed to meet their responsibilities.

Deregulation turned electricity into a “commodity” that could be traded, hedged, speculated upon, bought and sold on spot markets, and priced as high as the “market” would bear. As a result, we have a tens of billions of dollars deficit in replacing aging infrastructure, little new capacity is being built to meet demand, and millions of citizens can no longer afford electricity in their homes.

State lawmakers now grappling with the situation are hopeless without Federal action. Five states have suspended or withdrawn from deregulation programs, and five states failed to implement laws that were under consideration (Figure 2). Debates are underway in the remaining deregulated states to try to “put the genie back into the bottle.”

One point is clear: Price caps are a morass—whether to postpone, stop, or impose them. They solve nothing: Either you blow out the customer or you blow out the utility, in which case, nobody wins.

For the record, a Michigan State University economist (emeritus), Harry Trebing, tracked the comparative price rises of electricity over a five-year period in states with deregulation or where still regulated. (*Journal of Economic Issues*, June 2008). Overall, Professor Trebing estimates that, between 2002 and 2007, the price of electricity in regulated states increased 19.4%, approved by state officials, in order to cover increased costs and needed capital investments. In eight deregulated states, the caps on rates expired over the five-year period that had been put into place by legislatures to protect consumers until low prices would materialize under “competition”—the dereg sophism. The average rate increase in these eight states was 39.7%, or double the increase in regulated states.

### State Debates

The following are updates of the current battles in three state capitals.

- **Texas.** In the Lonestar State, where that economic genius, then-Gov. George W. Bush, signed the deregulation bill into law in 1999, promising consumers would benefit, Texas is the only one in the nation with no maximum price for energy. And, similar to a number of other states’ rules, in the Texas wholesale market, the last power plant which comes on line—typically one of the older, costlier plants—determines the price of power for the whole market. Last year, legislators tried, but failed, to restructure this insane system.

In May of this year, an emergency meeting of Texas regulators was called when an “unexpected spike” in wholesale prices hit. While typically wholesale prices are around \$100/mw (already three times what they were before deregulation), prices hit the \$2,250 mark in late May. In early June, \$3,000 was reached—shades of California. One consultant remarked: “You’d have to be burning Louis XIV furniture in your power plant to justify the prices.”

As for the “competition” which Enron et al. promised would lower rates—it never materialized. Smaller companies found that they could not compete with incumbent providers, which had mushroomed into huge, unregulated monopolies. By June, four electric retailers had failed, one having collected payments from customers, without ever delivering any electricity.

As deregulation in Texas got underway in the late 1990s, what had been the Texas Utility Company, began to purchase assets overseas, and became TXU. Under a holding company structure, it separated its energy de-

livery and its “competetive” energy businesses. It began losing money hand over fist. By 2002, TXU found it necessary to “strengthen its balance sheet,” and discontinued its European operations. Two years later, it had divested itself from all non-electric business. Yet, with the fabulous increase in unregulated electric rates providing a rising income stream, TXU recorded a \$1 billion profit in 2006.

Finally last year, ripe for the pickings, TXU was bought out by a Wall Street consortium, putting the electricity supply of millions of Texans directly in the hands of financiers, without any middlemen—a deregulation success story.

Last October, state Rep. Sylvester Turner, a Houston Democrat, insisted, “Yes, you can put the genie back in the bottle. If you can deregulate, you can regulate.” He is proposing a return to price controls for residential and small business customers.

- **Pennsylvania.** The alarm has been sounded in Pennsylvania. After the state’s deregulation law was passed at the end of 1996, rates were frozen at the 1997 level. When the electricity rate caps expire in Jan. 1, 2011, 85% of that state’s citizens face price hikes. The deregulation law also criminally allowed utilities to terminate Winter service due to arrears in payment, which the legislature is now trying to overturn.

Describing the coming expiration of the electricity rate caps as “the biggest tax increase in the history of the Commonwealth since Ben Franklin,” State Sen. Vincent Fumo (D-Phila.) is proposing that rate caps be extended for another ten years. In northeastern Pennsylvania, utility bills shot up 75% when caps expired in 2006. When Duquesne Light Company had its caps lifted in 2005, rates jumped between 35% and 60%. Soon after, Macquarie bought up Duquesne Light’s billing base.

State Sen. Lisa Boscola (D-Northampton) warned the CEOs of the state’s energy companies that “this legislature enacted deregulation. And it’s up to this legislature to fix it—because it’s not working.”

On Aug. 1, Boscola fired off a letter to the Public Utility Commission. She referred to commissioner Robert Powelson as “a liar and a fraud,” following testimony before the Commission, where he had stated that “we need to understand and trust the marketplace.” She said that he should be impeached for perjury, since he had earlier stated that the Commission would have “effective oversight over the utility industry.”

The Pennsylvania state legislature plans to consider

In Toronto and other cities of Ontario, Can., the following ELECTRIC household necessities can be operated by the average family for \$3.40 per month.

	Electric Lights 35 KWH.	Electric Range 160 KWH.	Electric Refrigerator 45 KWH.	Electric Flat Iron 10 KWH.	Electric Toaster 3 KWH.	Electric Ironer 10 KWH.	Electric Vacuum 3 KWH.	Electric Radio 7 KWH.	Electric Washing Machine 2 KWH.	Electric Fan 10 KWH.	Electric Waffle Iron 10 KWH.	Electric Curling Iron 10 KWH.	Electric Chafing Dish 10 KWH.	Electric Warm-ing Pad 10 KWH.
TORONTO 285 KWH.														
<b>In New York State, \$3.40 a month will operate the following household articles only:</b>														
NEW YORK CITY 47 KWH.														
NEW ROCHELLE 35 KWH.														
ALBANY 68 KWH.														
SYRACUSE 83 KWH.														
ROCHESTER 52 KWH.														
BINGHAMTON 48 KWH.														
SCHENECTADY 70 KWH.														
UTICA 53 KWH.														
GENEVA 33 KWH.														
TROY 70 KWH.														

UNDER GOV. ROOSEVELT'S PLAN MOST OF THESE EMPTY SPACES WILL BE FILLED

To operate all the above articles which cost only \$3.40 per month in Canada, will cost in the following cities of New York State:

New York City	\$19.75	Amsterdam	\$ 9.70	Binghamton	\$11.15	New Rochelle	\$25.63
Troy	9.90	Oswego	11.80	Coboes	11.05	Schenectady	9.90
Mount Vernon	25.63	Yonkers	21.45	Poughkeepsie	12.53	Kingston	11.00
Rochester	13.40	Utica	11.30	Rome	12.60	Geneva	13.40
Auburn	13.40	Albany	9.90	Middletown	17.15		

**WHY?**

In Ontario, Canada, the Government develops electricity from water power and sells it at cost. In New York State, the householder is at the mercy of privately owned utility companies who operate only for their own profit. Governor Roosevelt's attempts to regulate these companies were blocked by a Republican Legislature.

Governor Roosevelt wants New York State to develop its own electricity for its citizens at the lowest possible rates.

FOR CHEAPER ELECTRICITY IN YOUR HOME RE-ELECT  
GOVERNOR

**FRANKLIN D. ROOSEVELT**

and LIEUTENANT-GOVERNOR

**HERBERT H. LEHMAN**

This poster from Franklin D. Roosevelt's 1930 campaign for re-election as governor of New York is a harbinger of his New Deal programs as President to provide electricity for the nation. He demonstrates here how New York State lagged behind Ontario, Canada.

options to prevent the hyperinflationary rise in electricity rates when caps are due to expire, when they return to session in the Fall.

- **Maryland.** In 1999, Maryland passed legislation deregulating its utility industry. Utility companies joined 12 other states and the District of Columbia in the PJM (Pennsylvania, New Jersey, Maryland) consortium system, which operates the buying, selling, and delivery of wholesale power throughout a region that stretches from North Carolina to Illinois. PJM coordinates the supply of electricity and its

transmission throughout a region encompassing 51 million people, and is "similar to a stock exchange" establishing a "market price" for electricity, by its own description.

When caps came off electricity rates four years ago in Maryland, rates started to climb. In June of this year, the Public Service Commission (PSC), started to consider a partial re-regulation of the industry. It noted that residential rates are 85% higher in the state now than they were before deregulation.

On May 30, the PSC, joined by and state utility regulators, large power buyers, and consumer advocates in New Jersey, Pennsylvania, Delaware, the District of Columbia, and Ohio, along with the U.S. Department of Defense, filed a complaint with FERC against PJM, alleging that its policies led to overcharges of up to 10% to consumers.

Since without regulation, utilities have no legal mandate to provide power, when PJM determined in 2005 that the region faced an energy shortfall, a way had to be found to make it "profitable" to entice companies to build new capacity. Claiming that prices were too low to attract private investment, PJM got the pro-dereg FERC to allow utilities to jack up revenues, collecting "capacity payments," or customer surcharges, supposedly to encourage investment. Since no

new plants were built, consumers were essentially ripped off to the tune of about \$12 billion, over the past three years, which went straight into utility coffers.

In his report, Trebing gives a comparable figure, stating that, "about \$4.2 billion per year more in profits than would be earned by [previously] regulated companies," will be garnered by the companies in the PJM system.

Maryland is debating changes to its deregulation framework.

## Afghan Opium Pleases Taliban and Soros

by Ramtanu Maitra

Some in Washington have now begun to speak out against the explosion of opium production in Afghanistan, following the U.S. invasion in the Winter of 2001. These individuals have begun to demand the eradication of opium, in order to weaken the enemy and stabilize Afghanistan.

Campaigning against this view are two familiar voices—NATO, with Britain in the forefront, and the drug-liberalization lobby led by George Soros. Among the many Soros-funded drug-liberalization groups that operate in various parts of the world where drugs are produced, or trafficked in, the most omnipresent one in Afghanistan is the Senlis Council.

Although it has branches in London, Brussels, Paris, Rio de Janeiro, Ottawa, and Kabul, the Senlis Council is often viewed as a French outfit, which it is not. It is entirely British, and the name is probably derived from Simon de Senlis, the First Earl of Northampton and a Holy Crusader of the 17th Century. Like a number of other U.K.-based drug-legalization outfits, such as the Beckley Foundation, Release, and DrugScope, among others, Senlis is funded by Soros's Open Society Institute.

In 2005, Senlis proposed the creation of a licensing system in Afghanistan which would "allow cultivation of opium for the production of essential medicines such as morphine and codeine." In putting forward its pro-opium argument, Senlis cites what it calls the "facts": "Since the early 1970s, despite four U.S. "wars on

drugs" and billions of dollars spent on the issue, narcotics production and consumption have been on the rise. Narcotics production has risen in Southeast Asia, Central Asia and Central America, and consumption has followed. Between 1972 and 2002, in the United States alone, the number of heroin users increased over ten-fold. While a similar phenomenon has been observed in Western Europe, drug consumption is no longer exclusively a Western problem. New markets are now emerging in places such as India, China, and the former Soviet bloc. The consumption of opium and its derivatives (morphine, heroin) is today one of the most intractable global problems."

The prime objective of the Senlis Council, and its benefactor George Soros, is to legalize opium production. It is obvious that the legalization of this vast 8,000 tons of opium, annually, would not only prevent any possibility of Afghanistan becoming an agro-industrial nation in the future, but would turn it into a full-fledged narco-state, as the "leaked" opium would be of large-enough quantity to generate vast sums of money, which could then be used to corrupt individuals in power.

### The Georgian Experience

What is described above is not an abstract scenario. Take, for instance, the role of the Soros-led drug-legalization groups in the troubled nation of Georgia. The Beckley Foundation, mentioned above as one of



many Soros-funded pro-drug outfits, is based just outside of Oxford, England, and, a report, "Drug Control in Georgia: Drug testing and the reduction of drug use?" it issued in May, said the former Georgian President Eduard Shevardnadze was an old-fashioned tough enforcer against drug production and drug trafficking. It said: "The former First Secretary of the Central Committee of the Communist Party of Georgia, Eduard Shevardnadze, initiated harsh legal measures and public campaigns against drug users in the 1970s." The report quoted another Soros-funded outfit, Human Rights Watch, based in New York. The Beckley Foundation in its report said there were promising changes under President Mikheil Sakaashvili, who has "announced the possibility of shifting the focus of drug policy away from the predominantly law enforcement orientation." In other words, the beneficiary of the "Rose Revolution," Sakaashvili, in essence, promised Soros an eventual legalization of drugs in Georgia.

It is not difficult to understand what such legalization would accomplish. Since Soros, who, along with his love for drug proliferation, misses no opportunity to use human rights and the Jacobin form of democracy to undermine sovereign nation-states. The purpose of his drive to place Saakashvili in power, a man who would legalize drugs in Georgia, is to undermine Russia by pushing drugs into that country.

Observers point out the phony premises on which the Senlis Council has built its arguments. To begin with, there is no market in developing countries, where the Soros-backed drug-legalization lobby claims the need for morphine-based painkillers is greatest. In 2005, the visiting scholar of the Carnegie Endowment for Peace, Frederic Grare, in his article, "Anatomy of a Fallacy: Senlis Council and Narcotics in Afghanistan," said: "In the present situation, the Senlis proposals would, on the contrary, speed up the transformation of Afghanistan into a narco-economy (which it already is to some extent) by legitimizing the position of the current drug lords who have succeeded the warlords in holding power in the country. The Senlis proposals would, moreover, fail to address the issue of trafficking..."

## Soros Money Talks

Grare is right, but his understanding of how Soros's drug legalization groups operate is less than adequate: They seize upon concerns about the disastrous effect of drugs, then claim that eradication is impossible be-

cause drugs can generate so much cash, that no farmer would opt for an alternative. This argument is perhaps the most dangerous weapon; an outright lie, it is propagated by corrupt officials of international institutions, bankrolled by George Soros.

Take, for instance, the opposition by Joanna Nathan of the International Crisis Group, a Soros-funded outfit, to aerial eradication of poppies in Afghanistan. She lies straight through in a report claiming aerial eradication can be too indiscriminate and would enrage a large sector of the population, possibly driving them into the arms of the insurgents.

Another well-known case is that of Mike Trace, former deputy drug czar of Britain, and the co-director of the Beckley Foundation. Under Soros's influence, in January 2003, Trace was made head of Demand Reduction at the UN Office for Drug Control and Crime in Vienna. He was forced to resign from his post within eight weeks, following the release of information from documents obtained by the Hassela Nordic Network, a Swedish-based group opposed to liberalization of drug laws. The documents showed that Trace was involved in an operation, funded by Soros, to undermine the international conventions on drug-trafficking, which were to be reviewed at a UN meeting in Vienna in April 2003.

The Hassela Nordic Network pointed out that, in a September 2002 letter to Aryah Neier, president of the Soros-funded Open Society Institute (OSI), Trace described his role as follows: "In terms of my involvement, I think it would be of most use in the early stages, providing advice and consultancy from behind the scenes, in light of my continuing role as Chair of the European Monitoring group, my association with the UK Government and some work.

"I am being asked to put together [a proposal] by the UNDCP [United Nations Drug Control Program] in Vienna. This 'fifth column' role would allow me to oversee the setting up of the agency (I already have good quality individuals in mind with whom I could work in confidence on this) while promoting its aims subtly in the formal governmental settings."

The "agency" Trace was referring to here was Release, a London-based group, which was fronting for Trace and OSI in running an initiative, privately referred to as Project X, or the London initiative, but officially called "Forward Thinking on Drugs," aimed at promoting alternatives to the UN drug conventions prior to the Vienna meeting.

Recently, Trace, who is now a full-fledged promoter of drugs, was reported to have told the *Sunday*

*Herald* newsweekly that Scotland, a part of Britain heavily affected by Afghan heroin, needs to be more “brave and creative,” and introduce controversial drug consumption rooms (DCRs) as part of its drug strategy. Trace is now chief executive of the International Drug Policy Consortium, an offshoot of the Beckley Foundation.

## Let Them Eat Opium

One of the chief causes of the opium crisis in Afghanistan, is that the failure of the U.S. opium-eradication policy opened the door for the emergence of pro-drug legalization lobbies backed by Soros. Only recently, however, a few in Washington have begun to wake up and recognize the problem. It could be that a large number of American and NATO troops are being killed by the drug-funded insurgents there.

After years of dilly-dallying, the U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, on Feb. 20, 2007, said there are no shortcuts to fighting opium production in Afghanistan. “Based on the experiences of other nations in this fight, the international community and the governments of Afghanistan, the United Kingdom, and the United States support a mix of deterrence, prevention, and economic development assistance to suppress existing illicit opium cultivation, production, and trafficking in Afghanistan.”

In a recent article in the *New Yorker* magazine, a former senior U.S. official, Thomas Schweich, has come out strongly in support of aerial spraying to eradicate poppies, to cut off this source of cash for the Taliban, and to save the lives of U.S. and NATO troops.

And, in a July 30 memo to the Social Sciences department at West Point, former U.S. drug policy czar Gen. Barry McCaffrey (USA, ret.) reported on the disaster in Afghanistan, following his July 21-26 trip to that country and to NATO headquarters in Belgium. McCaffrey wrote: “Afghanistan is in misery.” Sixty-eight percent of the population has never known peace, life expectancy is only 44, and Afghanistan has the highest maternal death rate in the world, he reports. The security situation, the economy (including agriculture, which is “broken”), governance, and the opium problems, are “all likely to get worse in the coming 24 months.”

There is no military solution, McCaffrey writes, arguing that, in addition to building up the Afghan security

forces, economic measures are also required. He calls for “a five year road building effort employing Afghan contractors and training and mentoring Afghan engineers,” adding that, “The war will be won when we fix the Afghan agricultural system which employs 82% of the population.” McCaffrey pointed to the tremendous growth in the poppy crop since the U.S. invasion in 2001 and warned that, “Unless we deal head-on with this enormous cancer, we should have little expectation that our efforts in Afghanistan will not eventually come to ruin.”

## Alliance with the Oligarchy

Beside the tacit support of Kabul, the Senlis Council works hand-in-glove with the drug-using and drug-promoting powerful European oligarchy. Among them is a Swiss industrialist named Stephan Schmidheiny. Others include the Network of European Foundations, a group of charitable funds, and the King Baudouin Foundation (named after the former Belgian king), the Michigan-based Joseph Rowntree Charitable Trust, the Open Society Institute, and the Gabriel Foundation. The Network of European Foundations founded the Senlis Council in May 2002 with its Drug Policy Fund, which itself was founded only two years earlier.

In 2002, a group of former European politicians, ambassadors, academics, civil society leaders, and judges, including a former Portuguese President, a former German president of the Bundestag, and a former British ambassador to Colombia, met in Arrabida, Portugal as the Network of European Foundations’ Comité des Sages (Committee of Wisemen). The group issued a statement on Sept. 20, 2002, that called for a radical change in international drug policies to bring them into line with the Senlis Council.

Meanwhile, the Afghan-based anti-eradication lobby, which has the strong support of Afghan President Hamid Karzai, depends on the Senlis Council to prevent aerial spraying of poppy fields. In 2005, there were news items which suggested that Senlis was banned from operating in Afghanistan, but the Council is still very much there. At the time, the Pajhwok Afghan News reported on a Kabul press conference with Afghan Deputy Interior Minister Lt. Gen. Daud Daud. “In an order, the Interior Minister banned the activities of the Senlis Council,” Pajhwok quoted Daud Daud as saying. “Activities of the Senlis Council are not useful for our country; its work has created complex problems for us.” Senlis activities were “encouraging” farmers to grow more opium, he complained.

# The Compromise(d) Candidate

by Ed Hamler, LaRouche Youth Movement

*This article is reprinted from an August 2008 LaRouche PAC pamphlet titled, "Covered in Gore."*

Al Gore's July 17, 2008 speech in Washington, D.C., calling for U.S. energy to become 100% renewable within ten years, is a clear statement of the fascist political option in the current U.S. Presidential elections. The British are now positioning the former President of Vice Al Gore to become the next President of the United States, as a compromise candidate, with the knowledge that there is now a huge, but orchestrated split within the Democratic Party.

The danger in this situation lies in the fact that, since 1968, the people of our nation have become more and more susceptible to fascist ideas, fascist ideology, and fascist personalities such as Al Gore. In fact today, Gore is actually the champion of a British created fascist movement in the United States, known as the Baby Boomers. Lyndon LaRouche explains:

*The Baby Boomers are not a generation; they are a fraction of a biological generation, chiefly from among those born during the immediate post-war interval 1945-1958, who, like their representative, and former Vice-President Al*



World Economic Forum

*After his post-2000 election debacle, Al Gore reinvented himself as the top mouthpiece for the Global Warming fraud; now, he hopes to become the fallback option, should the Democrats not nominate either of the two leading candidates. He is shown here addressing the Davos World Economic Forum in January 2008.*

*student strike should have warned any close observer who was thinking seriously.*

*On August 15-16, 1971, President Richard M. Nixon acted as I had repeatedly warned as a likely development for about that time. He repudiated the Bretton Woods fixed-exchange-rate monetary system, which had been launched under the ini-*

*Gore, express their breeding in neo-Malthusian forms of hostility to physical scientific progress in industry, agriculture, basic economic infrastructure, and Classical artistic culture generally. In the extreme, they were the "turn on, tune in, drop out" generation. They did not become this "naturally," "spontaneously." They were the products of a design, often recognized as "existentialism," based on such included elements as "information theory" and fads akin in spirit to those of the "Lost Generation" of post-World War I, 1920s and 1930s Europe.*

*From Spring 1968 onward, what was emerging as the clearly defined majority of the so-called "New Left," in both the U.S.A. and elsewhere, was essentially the rise of a fascist movement, as close examination of the second 1968 Columbia University stu-*

tative of President Franklin Roosevelt, an action by President Roosevelt which had saved the world, for the time being, in 1944-1945.

Over the course of the 1970s, this proto-fascist current of the so-called “New Left,” played an increasing role in shaping political change in Washington, D.C. They were the “anti-blue-collar” support for the breakup of the Bretton Woods (e.g., pro-industrial) system, and for the campaigns conducted by the Trilateral Commission, and for the “cultural-paradigm down-shift” in general.

As I warned orally, and in a widely circulated, featured pamphlet, published on August 31, 1971, this action by President Nixon opened the door for steps toward bringing a fascist world order down the road, unless the change in policy were reversed.

Today, their most notable figure is the Prince of Wales’ accomplice, former Vice-President Al Gore of “Global Warming” hoax notoriety. Without the specific kind of intellectual “degeneration” fostered in the ranks of the special social-class of the 1945-1958 “Baby Boomers” such as Al Gore, the presently onrushing threat of a fascist regime in the U.S.A. today would not have been possible.

—Lyndon H. LaRouche, Jr.

“The 68ers Reviewed: Under Their Skins”  
(www.larouchepac.com)

Gore, as the leader of that movement, has done everything in his power, in and out of government, to make the aims of that generation and its creators, the order of global affairs.

### **Gore and the Futurist Freaks**

In the early days of Gore’s political career, he adopted the New Age philosophy of weirdo Alvin Toffler. Toffler’s futurist philosophy, a direct evolution from the ideas of the British Fabian Society’s H.G. Wells, was integrated into the U.S. government, beginning in the 1970s, around the build-up of information-gathering organizations to read “trends,” so that lawmakers could deduce the future impact of today’s policy decisions.

H.G. Wells was the face of post-1890s British imperialism. His policy method was to forecast “crises” in the future, based on the rate that technological advances were occurring in society, along with other developments caused by man’s creative activity. He called for

an intellectual elite to set up institutions outside of government, to “manage” those crises. These technological developments were only crises in the sense that they represented a threat to the empire—as real human creativity naturally does—so that management of such crises consisted of wiping out those developments that threatened the existence of the empire, through orchestrating world wars, denying technological progress to the vast majority of the population, with a similar policy of mass genocide toward those peoples.<sup>1</sup>

By 1974, even before Gore entered the U.S. House of Representatives, an amendment to the House Rules demanded that no legislation introduced in Congress could be put forward unless it were accompanied by the data gathered through a futures study, which described how any given policy would impact the future. The argument for this change was later adopted by Gore in his program to “Reinvent Government.” The “reformers” claimed that legislators were elected to make legislation, and didn’t have the time or resources to look into the future effects of today’s policies. So lawmakers were offered a computerized data management system which presumed (*a priori*) certain crisis trends, and then factored in how proposed policies, particularly “overpopulation” or the “depletion of natural resources,” would contribute to, or detract from, the progress of crises.

In 1975, the Tofflers organized a conference, “at the request of Congressional Democrats,” on futurism, and “anticipatory democracy,” which was attended Newt Gingrich, who would later become the Speaker of the House. The conference led to the creation of the Congressional Clearinghouse on the Future, which was launched as a new wave in integrating Toffler’s kooky futurism into the government. As soon as Al Gore was elected to Congress, in 1976, he became co-chairman of the Congressional futurist cult, to encourage Congress to take “a peek into its crystal balls.” Later, when Gingrich entered Congress, in 1979, he sat on the executive committee of the Clearinghouse, which devoted itself to “futures research and forecasting,” and pushed legislation to mandate Congressional and Executive reports which predicted doom unless the science-driven industrial base of the national economy were collapsed. These dismal, anti-scientific fore-

1. See H.G. Wells, *Anticipations: Of the Reaction of Mechanical and Scientific Progress upon Human life and Thought* (1906), and *The Open Conspiracy* (1931).

casts encouraged the spread of environmentalism (post-industrial society) and “zero population growth” policies, through restricting the use and development of cutting-edge technology, particularly nuclear power. In his 1972 psychedelic documentary film, “Future Shock,” based on his novel of the same title, Toffler echoes Wells, saying:

*I think we must begin to say no to certain kinds of technology and begin to control technological change, because we have now reached a point where the technology is so powerful, and is so rapid, that it could destroy us unless we control it. But what is most important is that we simply do not accept everything; that we begin to make critical decisions about what type of world we want and what technology we want.*

This policy was followed by a cascade of pro-Malthusian policy papers, such as NSSM-200, and the Global 2000 report, clamoring that limited resources and the growth of the world’s population, particularly in developing countries, presented a threat to U.S. national security and economic growth. Typical of the function of these reports was the Global Resources, Environment, and Population Act of 1983, which encouraged “population stabilization” and was vigorously opposed by LULAC (League of United Latin American Citizens) for its targeting of U.S. minorities for depopulation:

*The major purposes of this proposed legislation are to: 1. establish in the Federal Government a global foresight capability with respect to natural resources, the environment, and population; 2. establish a national population policy; and 3. establish an interagency council on global resources, environment, and population.*

Later, in his capacity as a U.S. Senator, Gore introduced the Critical Trends Assessment Act into the Senate in 1985, calling for the implementation of a fascist advisory committee which the President of the United States would have to defer to on futures planning. Gore’s own commentary on this was published in the March 1, 1990 issue of *The Futurist* magazine:

*In 1985, I introduced a bill in the U.S. Senate that would get the federal government to do*

*something it rarely does in depth—consider the future. The idea behind that bill—the Critical Trends Assessment Act—was to gather the vast array of complex information about trends in our society and throughout the world economy and environment and put it to work in public policy decision making. This Act would have required the executive branch to provide a report on “critical trends and alternative futures” covering the next twenty years. It must describe the relationships of such trends to economic, technological, political, environmental, demographic, and social causes and consequences. The role of the office was to infiltrate the office of the president and manipulate the perception of how policy affects the future.*

Fortunately, all of Gore’s insane Clearing House legislation was shot down by Congress, and Gore would have to take his obsession with rabid population reduction, and deindustrialization somewhere else. Unfortunately, he took it to the White House.

### **Al Gore: President of Vice**

In 1992, before Gore became Vice President, Democratic National Committee (DNC) staffer Jonathan Sallet was assigned by the Clinton-Gore campaign to write an opposition memo to Al Gore’s environmentalist manifesto, *Earth in the Balance* (1992), as a warning to people like Bill Clinton himself. Much of it was published in the pages of the Aug. 13, 1992 *Wall Street Journal*:

*Al is not qualified to be Vice President. . . .*

*He has no principles. He admits he has voted for programs in which he does not believe. . . .*

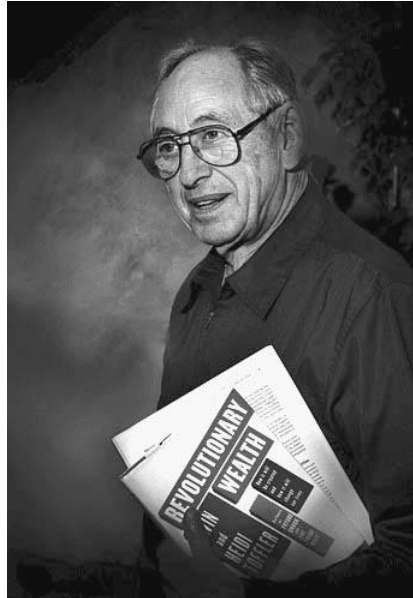
*He’s apparently guilt-ridden about the role of men in society and, perhaps, as a result of his own weakness, believes America as a whole is psychologically dysfunctional. . . .*

*He’s a bad scientist who doesn’t care enough to get his facts straight. The fact is we can’t be certain that global warming or the level of CO<sub>2</sub> or even the changes in the ozone layer pose a threat as burdensome as the cost of Al Gore’s proposals. Al is a radical environmentalist who wants to change the very fabric of America.*

*He criticized America for being America—a place where people enjoy the benefits of an ad-*



Library of Congress



Early on, Gore adopted the New Age philosophy of weirdo Alvin Toffler (right). Toffler's futurist philosophy was a direct evolution from the ideas of the British Fabian Society's H.G. Wells, which became the core philosophy of Gore-Gingrich Congressional Clearinghouse for the Future.

*vanced standard of living. He has no sense of proportion: He equates the failure to recycle aluminum cans with the Holocaust—an equation that parodies the former and dishonors the latter.*

*He is a Luddite who holds the naïve view that technology is evil and wants to abolish automobiles. . . .*

*If Al Gore has his way, we would give up America's jobs and destroy the economy.*

That's exactly what Gore set out to do. Gore's mission in this period was to use the occasion of various scandals launched against Clinton to act as a de facto President to implement his British masters' imperial policy. In 1993, the National Partnership for Reinventing Government was set up by the Vice President in the Clinton Administration.<sup>2</sup> Gore's premise for this was the claim that, "nations have realized that they cannot make the most of the Information Age with the creaking governmental machinery of the Industrial Age." Since we are now in an information or free-market economy, "governments must be lean, nimble, and cre-

2. See Alli Perebikovsky, "Al Gore Doesn't Like Your Government," in the LaRouche PAC pamphlet, "Covered in Gore," August 2008.

ative, or they will surely be left behind." Gore was essentially calling for the abolition of the nation-state, in favor of a fascist society controlled by those who create, and regulate "information." Nations were seen as mere instruments to enforce the rule of oligarchy, not as institutions fundamentally committed to the General Welfare of their respective populations. Therefore, Gore's foreign policy was diametrically opposed to the "good neighbor"-style policy of Bill Clinton. This conflict played out through the entirety of the Clinton Administration.

Later, in 1994, he collaborated with his longtime futurist colleague, American Revolution revisionist and self-proclaimed Jacobin, Newt Gingrich. When Gingrich became the Speaker of the House, he unveiled his "Contract With America" as the spearpoint to his so-called Conservative Revolution in Congress. President Clinton, who sought to be loyal to the traditional Democratic base, was under enormous pressure due to the shift to Republican control in both Houses of Congress, but it took "inside man" Gore to get him to go along.

Gore utilized the 1994 election campaign to get Clinton to approve Gore's "reinventing government" scheme—essentially a plan to slash the wages and workforce of the Federal government. The program ultimately eliminated at least 351,000 Federal jobs. The follow-up came through Gore's collaboration with former Presidential advisor (now, neocon commentator) Dick Morris. As documented by Morris in a 1997 book, *Behind the Oval Office: Getting Reelected Against All Odds*, Gore and Morris literally conspired to manipulate, and batter, President Clinton in strategy meetings in the Spring of 1995, so that Clinton would agree to sign the "welfare-to-workfare" bill that was at the center of then House Speaker Newt Gingrich's Contract with America.

Following the near disintegration of the world financial system on the heels of the LTCM hedge fund crisis in 1998, the Asian market crisis, and the Russian

GKO bond collapse, President Clinton echoed the call of Lyndon LaRouche to introduce a “new global financial architecture.” In the midst of his close dealings with the economically devastated nations in Eurasia, and Russia especially, Clinton was hit hard, but not unexpectedly, from within his own administration.

Even before that, the Clinton Administration was already engulfed in the Whitewater scandal. This and similar operations proved to be very convenient for Gore, as they jammed up the President’s ability to shape policy, leaving Gore to manipulate things behind the scenes. For example, Gore had been given strong power in Russian policy-making decisions as part of a bilateral structure called the “Gore-Chernomyrdin Commission.” During this period Gore was personally committed to Viktor Chernomyrdin, who was the former head of Gazprom, and who was later fired as prime minister by President Boris Yeltsin for his plotting—with Gore—to overthrow Yeltsin and take the premiership. Chernomyrdin was allegedly guilty of corruption, according to the CIA and other sources, for his involvement in the looting of the former Soviet Union, through diamond smuggling in the black market, set up by a San Francisco-based company called Golden ADA. When *Reader’s Digest* wrote, in 1998, that the Golden ADA scandal could become “Russia’s Watergate,” it suggested that Gore could have been influential in the decision to shut down the Davidson-Zhirov probe into that case.

That same year, Russia decided to place a 90-day freeze on some of its foreign debt obligations and suspend other payments. This exploded into a full-fledged crisis globally. Yeltsin immediately fired his Prime Minister Sergei Kiriyenko before he could enact emergency measures. Behind the back of the President, Gore made a series of phone calls to Chernomyrdin for the purpose of creating a scheme by which Yeltsin would nominate Chernomyrdin as prime minister. President Clinton was furious that he was not informed of this. Chernomyrdin was Gore’s choice because he vowed to bail out the financial system. This was opposite the Clinton policy of collaboration on economic development without IMF conditionalities. It was during this period that Clinton echoed LaRouche, calling for a new economic architecture.

Gore also weighed in on the exploded financial economy that had been racked by the 1998 LTCM crisis. Gore and his representatives had a breakfast consultation with major financial players that had been



White House website

*Keep your friends close, and your enemies closer: Vice President Al Gore and fellow futurist kook, Speaker of the House Newt Gingrich plotted to destroy the Presidency of Bill Clinton.*

smashed when the Russians defaulted. The head of D.E. Shaw hedge fund attended, which fund was nearly wiped out, and by none other than George Soros. Shaw had been the biggest donor to Gore’s political action committee during his Presidential run in 2000, and made substantial contributions before that, so the Vice President had a very large financial stake in the survival of Shaw’s fund. Some of us may call it bribery.

In 1998, President Clinton came under immense pressure to launch an aerial bombardment of Iraq. He was filtered information through Gore’s Principals Committee, a Presidential advisory group on foreign policy, that is a replica of what he couldn’t get pushed through earlier in the Critical Trends Assessment Act. The Committee claimed that Saddam Hussein was not complying with UN weapons inspectors and was likely building weapons of mass destruction. This push for an Iraq war is not surprising, considering Gore’s comments in his 1992 book, *Earth in the Balance*:

“It is a tragedy that the people of Iraq will have to suffer . . . economic stagnation,” but they have to get the “message” that Saddam Hussein is the “cause of their misery.” Gore continued:

In general, the world does not need the contributions of Iraqi space science or of Iraqi work in nuclear physics—practical or applied. The U.S. should work to completely block future Iraqi activity of any kind in these areas. There is no way to think about certain branches of science and engineering in Iraq except as tap roots for programs aimed at programs of mass destruction.

Under the threat of an explosion of productive, cutting-edge technological breakthroughs (which would, inevitably, raise the standard of living of the population, and its total numbers), Gore orchestrated the 1998 Operation Desert Fox. This was intended to jam up collaboration with larger nations like Russia and China, and isolate the U.S., to ensure that the Roosevelt-style “new global financial architecture” were not put in place.

The President did what he could to avoid war. He sought cooperation with Russia’s new Prime Minister Yevgeny Primakov and UN Secretary General Kofi Annan, which held the whispering Iagos at the Principals Committee at bay, and managed to secure an agreement with Saddam Hussein to allow the UN Special Commission (UNSCOM) weapons inspections to resume. However, as soon as Clinton flew off to Tokyo for a diplomatic event, British Fabian Prime Minister Tony Blair sent his Defense Minister George Robertson to Washington to meet with the Principals Committee, in order to get the Iraq bombings started as fast as possible.

In December of 1998, Clinton left for the Middle East for peace talks with Israeli Prime Minister Benjamin Netanyahu. Again, behind Clinton’s back, Gore, his foreign policy advisor Leon Fuerth, and others in the Principals Committee, put massive pressure on the President to resume the bombing raids on Iraq. The chairman of UNSCOM issued a false report on the status of the inspections, saying that Iraq had violated the inspections agreement. Gore took this phony report and told the President, who was in Israel, that the Principals Committee had reached a “unanimous agreement” to bomb Iraq. A few days later it happened.

### **Gore’s New Mission**

Following his attempted Wellsian overthrow of the Clinton Administration, and his defeat by George W. Bush in the 2000 elections, Gore seemed to disappear into political obscurity. When he resurfaced in 2006

with “An Inconvenient Truth,” he returned twice as big, and even more committed to his genocidal depopulation policies. During those intervening years Gore was doing what any good and obedient British agent would do: prepare for the next deployment.

Gore’s current assignment, as presented in the LPAC feature video “1932,” is to position himself as a “compromise” or “unity” candidate for the U.S. Presidency—a compromise between the two leading Democratic candidates, providing that there will be a fight at the August 2008 Democratic Convention. The political environment is definitely ripe for such a fight, and if the Gore option is not completely destroyed, you might as well consider the United States as just another landmass in a utopian British empire very soon. Ironically, that empire itself will not survive under those conditions: It will destroy itself and civilization, reducing the population from the current level of 6.5 billion to about 2 billion. This would be no accident of “economic” trends. This is precisely what Gore called for in his *Earth in the Balance*. This is what a Gore Presidency would look like, and this is what must be prevented today.

In 2001, Gore did not fall off the face of the Earth as much as he fell deeper into Wells’ and Toffler’s “information society.” Gore’s commitment to the Information Age remained firm, and he put full emphasis on indulging and expanding the Information Age non-productive, get-rich-quick ventures. This included advising Internet companies and holding large shares of stock in them, starting an “independent” cable TV company, and even starting up a few hedge funds. Gore made a killing on all of these ventures, and has now become a multi-millionaire.

He became an advisor to Google, and bought a large number of shares, originally estimated at \$85/share, which, in a matter of a few years, rose to \$400/share. By 2007, his shares were worth \$30 million. Also, when he became a director of Apple, Inc., in 2003, he received about 60,000 stock options originally valued at \$7.48/share; in 2007 they were valued at \$124/share, worth \$6 million.<sup>3</sup>

In 2005, Gore poured a ton of money into the promotion of YouTube-like movies, getting airtime on his TV network, Current TV. Around this period, young

3. Ellen McGirt, “Al Gore’s \$100 Million Makeover,” *FastCompany* magazine, July 2007 ([www.fastcompany.com/magazine/117/features-gore.html](http://www.fastcompany.com/magazine/117/features-gore.html)).



adults, aged 18-25, became more susceptible to flights from reality at the prompting of an increasingly insane Bush Administration and a collapsing world economy. The reelection of George Bush had a devastating effect, and many demoralized youth felt that cyberspace was a place to put their tattered souls to rest (quite literally!); but Al Gore saw it as a business venture.

Current TV allows viewers to post videos of random and often pointless news items on any topic, ranging from the war in Iraq, to hyper-color T-shirts, to edible antifreeze. Users can vote up the videos that the online community thinks are the best, and the chosen one will end up on the air, even if it is the one about Britney Spears doing squats at the gym. News reports are trivialized and diluted in the saucy “hipness” of Baby-Boomer existentialism, and presented as mindless entertainment. Current TV is geared toward the 18-25 year-old generation, and is shown in 51 million households in the U.S., U.K., and Ireland. Gore reportedly received \$1 million in salary and bonuses last year, and owned 3.7 million shares of company stock, and as of 2007, was raking in \$63.7 million annual revenue. Current TV is currently filing for a \$100 million initial public offering (IPO) to up the ante.

The year following the creation of Current TV, when Gore released his “Inconvenient Truth,” not many people knew that he had been a big player in the financial world, especially in hedge funds and venture capital, five years before, in 2001. That year, Gore became vice chairman of the Metropolitan West Management hedge fund, whose chairman was junk-bond swindler Michael Milken, who had been jailed for insider trading. The fund’s strategy was typical of the post-LTCM financial frenzy. This particular fund specialized in securitizing debt, and then lending it to other funds that would then hedge against it. This debt could be anything from securitized mortgage contracts (mortgage backed-securities) to pension funds. So when a firm like Met West lends “securities,” it’s like giving a child an empty box for Christmas—only the child is ecstatic, because he actually believes there’s something there. But it’s worse!

So, in this market there are endless claims being made on debt that no one can actually honor. If everyone who had “claims” on this debt actually called them in, the whole banking system would blow at that point, for people would scramble to take their money out of the banks as they realized that the money didn’t actually exist, only the debt. It was precisely this kind of

insanity that fueled the recent so-called “subprime” crisis, and the current hyperinflationary blowout. Gore was a key player in all this.

Also, ventures such as David Blood & Gore’s British London-based offshore hedge fund, General Investment Management, established by them in 2004, are the same thing, but more made to appear attractive, in our currently programmed eco-friendly society. They claim to curb the effects of climate change on society by investing in companies that reflect “sustainable” markets, and selling carbon offsets.<sup>4</sup> Among the list of companies are Whole Foods, General Electric, and Staples. But the real scheme is to force nations and their economies to accept to the inevitability of the non-existent climate crisis. Agreements like the Kyoto Protocol and others called for a cap on CO<sub>2</sub> emissions to bring those levels back to where they were in the 1990s, over the period of 2008-15, a purported 5% drop.

Gore’s hedge fund specializes in the market that trades carbon credits on the basis that underdeveloped nations merely “sustain” current levels of technology (which is little to none), and not develop into modern industrial economies, to, nominally, prevent man-made climate change. Developed nations can buy a “right to emit” certificate from an underdeveloped country, called a carbon credit, that allows developed countries to freely “pollute,” as long as they pay poor countries not to. On top of that, who knows what kind of financial speculation occurs in this kind of market!

More recent developments include Gore’s occupation as an official advisor to the British Crown on climate change, and he has discredited many prized institutions by being honored with awards from them. From 2000-08, Gore carried out more of his Wellsian fantasies outside of government than were allowed when he was inside. Thus, the social groundwork has already been laid for Gore’s current mission.

Today, the fascist people’s candidate is preparing to reenter our vastly demoralized government as a Nietzschean version of Captain Planet, who has supposedly “recovered” from the corruption of politics, and is committed to bring “unity” to the party he helped to destroy.

Never compromise with the Devil; he may become your next President.

---

4. See Stephanie Nelson, “Al Gore: Too Big for His British Genes,” LaRouche PAC pamphlet, “Covered in Gore.”

# The Great Rail Projects of Colombia

Due to a printer's error, an incorrect version of the accompanying map was published in last week's *EIR*, in Maximiliano Londoño's article "Reaping the Food Potential of the Colombia-Venezuela Plains." The article presented a detailed proposal for the construction of high-speed, maglev rail corridors in Colombia, including a set of three tunnels, which would cut through the Andes Mountains, in order to fully integrate the nation's rail system with the World Land-Bridge, connecting it through the Darien Gap, which separates Colombia and Panama and today has *no* rail or even highway links through it.

Londoño also presented the concept of intermodal connections between the proposed rail network, and the navigable rivers which flow east from Colombia into both the Orinoco and Amazon River systems. The Meta River, for example, is navigable nearly all the way to Villavencio; while the Putumayo is navigable all along the border of Colombia and Peru and part of Ecuador, where an intermodal connection can then be built to the national rail system.

These combined rail-river great projects are particularly important for opening up the entire Eastern Plains region of Colombia for a major increase in agricultural production. Along with the contiguous plains area of Venezuela, this area can produce as much as 60 million tons of grain per year—more than a third of the total Ibero-American production today!

Similar great infrastructure projects are very much on the agenda of nearly all the Presidents of the nations of Ibero-America. For example, on Aug. 12, the President of Ecuador, Rafael Correa, travelled to Argentina, and reported in a press conference afterward that his trip had included an overflight of the extensive Paraná-Paraguay waterway, the large in-

frastructure project which joins Argentina, Uruguay, Paraguay, Brazil, and Bolivia, spanning 700,000 square kilometers.

One of the reasons for meeting with Argentine President Cristina Fernández, Correa said, was to seek Argentina's technical assistance and advice in building a similar structure on Ecuador's Napo River, which would be part of a multi-modal, bioceanic corridor that would connect Ecuador's Pacific port of Manta with the Amazon River/Atlantic port of Manaus, in Brazil.

That project would span the Brazilian, Colombian, and Peruvian Amazon regions as well, Correa said. Ecuador's transportation minister, who joined Correa, told the media, "We know how important the [Paraná-Paraguay] waterway is for Argentina, and we hope that in some way, you can advise us, using your great experience and success."



---

# International Intelligence

---

## ***Lee: Korea To Be Gateway To Eurasia, Pacific***

Aug. 15 was Liberation Day for Korea, marking the end of the Pacific war 63 years ago. South Korea's President Lee Myung-Bak led his country's celebration with a stirring speech giving a 50-year perspective for the nation.

"A unified Korea will surely emerge as a gateway to both Eurasia and the Pacific Rim, including the U.S.," he said. "A cargo train departing from Busan can reach Central Asia and West Europe via transcontinental railways." Lee also endorsed the Bering Strait project, and called for the resumption of across-the-board dialogue with North Korea.

Unfortunately, Lee continued his speech in a "politically correct" manner, endorsing "low carbon, green growth." However, South Korea has had almost weekly announcements of expansion of its nuclear program, and continues to push strongly for export contracts in the rest of Asia.

---

## ***First Time Ever: LaRouche Webcast Out in Russian***

The LaRouche Political Action Committee has made available for the first time a Russian-language voiceover of a webcast given by Lyndon H. LaRouche, Jr. It is the presentation he made in Washington on July 22, 2008, titled "One Year Later: But Still Not Too Late For You" (published in *EIR*, Aug. 1). The Russian version can be accessed, along with voiceovers in four other languages, at [www.larouchepac.com](http://www.larouchepac.com).

The webcast's title refers to LaRouche's July 25, 2007 speech, in which he declared that the collapse of the global financial system was not "about to occur," but was, in fact, ongoing. Now, a year later, he told the webcast audience that we are not facing a depression, but a general breakdown crisis.

LaRouche called for three specific remedies, without which "there's no future for the United States and no future for the world." The third of those points is that, "The United States must propose to the governments of Russia, China, and India, that these four major countries will agree to sponsor a committee, an alliance of powers, including other powers, to establish a fixed-exchange-rate financial-credit system internationally, of the type that Roosevelt intended in 1944, not what Truman did in 1945!"

LaRouche's forecasts and policy solutions command a high degree of interest and support in Russia and other nations in the former Soviet area where Russian is spoken.

Also, EIR News Service on Aug. 11 released the first section of a Russian translation of LaRouche's article, "Free Trade vs. National Interests: The Economics Debate About Russia," which appeared in *EIR* of July 4, 2008. In this opening section, LaRouche lays out starkly that, because the U.S. American System of political economy is indispensable to prevent the world from plunging into a Dark Age, only cooperation among the U.S.A., Russia, China, and India can succeed. Any attempt to "reform" the world economic system without the United States will fail.

Within the first 12 hours of circulation, the Russian translation had appeared on the website of Strategium, a Ukraine-based political expert community, and on the Sarov-Top Secret site, based in the home city of Russia's Federal Nuclear Center.

---

## ***Soros Strikes Again: Pushes Dope in the Americas***

George Soros has added to his holdings in Brazil in recent months, purchasing major stock positions in the oil and mineral giants Petrobras and Vale ... and one ex-President.

Former Brazilian President Fernando Henrique Cardoso (1995-2003), backed by Soros's money and key players in So-

ros's international drug-legalization apparatus, has organized a "Latin American Drug and Democracy Commission" to campaign for drug legalization. The 18-member commission, founded last April 30 in Rio de Janeiro, argues that controlling production of drugs has failed; combating drugs is too expensive; so society should opt for "harm reduction" measures and "decriminalization."

Leading funders of the new commission are Soros's Open Society Institute, the Fernando Henrique Cardoso Institute, and the Soros-funded Viva Rio NGO.

---

## ***Czech President Klaus On the Georgia Crisis***

The President of the Czech Republic takes exception to those who try to compare the Georgia crisis to the Soviet invasion of Czechoslovakia in 1968. In an interview with Czech Radio, President Vaclav Klaus said: "Once again people are closing their eyes to the reality—and creating myths. ... I refuse to accept this widespread, simplified interpretation which paints the Georgians as the victims and the Russians as the villains. That is a gross oversimplification of the situation. ..."

Unlike the Georgians, who attacked South Ossetia, Klaus said, in 1968 Czechoslovakia did not attack Subcarpathian Ruthenia. Nor would he have compared the pro-reform Czechoslovak leader Alexander Dubcek of 1968 to Georgia's President Mikheil Saakashvili.

Klaus noted that he had advised caution over acknowledging Kosovo's independence, and said that the situation in Georgia had been crucially influenced by the separation of Kosovo from Serbia in February. He added that the separation of Kosovo gave Russia a strong justification for its action.

He said he disagreed with Poland, Ukraine, and the Baltic states' stance that Georgia should be given entry to NATO to prevent further attacks from Russia, saying this would only aggravate an already-complicated situation.

---

## Windmills for Suckers: Pickens' Genocidal Plan

---

*Billionaire T. Boone Pickens' boondoggle to create the world's largest wind farm in the Texas Panhandle, is scientifically and economically worthless, as Gregory Murphy reports.*

---

The old saying that everything is bigger in Texas sure fits the Texas-sized boondoggle of hedge-fund billionaire T. Boone Pickens, in his attempt to foist windmills on the state. On July 9, Pickens announced a \$58 million campaign of TV commercials, media interviews, a *Wall Street Journal* op-ed, and a website to promote his plan to substitute wind power for the natural gas currently used to produce about 22% of America's electricity. Pickens also proposes to substitute natural gas (in which he is heavily invested) for the gasoline currently used in transportation, and claims that his plan can be accomplished within ten years.

Unless you want to kill people by energy starvation, wind is useless for an industrial society. It is intermittent, unreliable, subsidy dependent, with high costs and low energy density, and, for these reasons, wind requires a full-time back-up power source.

When it comes to wind, it sounds like Pickens and Al Gore have been drinking the same Kool-Aid, but Gore must have had a stronger dose, because Gore's plan is to convert *all* of the U.S. energy grid to "renewables" in the next decade. The most sickening part of the promotion of these genocidal plans is that both Pickens and Gore (and recently, Sen. Barack Obama, too) wrap their presentation of this nonsense in the spirit of the U.S. Apollo Program that landed a man on

the Moon. The U.S. population has been so intentionally dumbed down about science, that they cheer at these comparisons. The Apollo Program was about gaining further scientific discoveries, not rolling energy technology back to the 12th Century.

If, as a country, we were to follow either Gore's or Pickens' plan, people would die because of the energy deficit produced by the replacement of reliable base-load sources with unreliable "renewables" like wind power, as well as the alarmingly high costs associated with renewable energy sources. The United States' role is as a high-technology producer and exporter of machine tools, nuclear plants, and other advanced equipment needed for world development. Windmills end that—which is why Prince Philip and his fat minion Al Gore are pushing it.

### The Non-Science of Wind

Let's look at the basic scientific problem with wind energy, and then return to the attempt to put in place a Texas-style wind boondoggle. Wind, as with most renewables, needs lots of land area to produce its energy. For comparison, let's take a nuclear reactor in Texas; I have chosen the Comanche Peak Plant, south of Dallas, which has two units with a combined a capacity of 2,500 megawatts (MW). Comanche Peak is sitting on



Sandia National Laboratory

*An offshore wind farm in Denmark, the country that has the most wind turbines per capita. But even with its large number of turbines, Denmark has never been able to shut down one of its coal-fired plants.*

4,000 acres, which includes a man-made cooling lake, which also serves as a recreation spot.

How many 1.5-MW General Electric wind turbines (the kind Pickens has chosen) would it take to produce the same amount of energy that the Comanche Peak reactors produce? First, we divide the amount of energy that the reactor produces—2,500 MW—by the nameplate rating of the wind turbine, which is 1.5 MW. That gives us the number of turbines that would be needed to produce that same amount of energy as the nuclear reactor: 1,667 wind turbines.

But not so fast: It is not that easy, because the average wind turbine has a capacity factor of between 20 and 35%. That 35% is a very charitable estimate at best, although it is the capacity factor that the American Wind Energy Association uses in its studies and promotional materials, hyping the value of wind energy.

Since we are looking at the energy density of wind energy, we need to know how that capacity factor is figured. The capacity factor represents the amount of energy actually produced by the wind turbine, divided by the amount of energy at which the turbine is rated. The average wind turbine has a capacity factor of 25%, which means that it will take four turbines to equal the nameplate-rated output of one turbine. Given that fact,

we must now multiply our 1,667 wind turbines by 4, which gives us 6,668 turbines, rated at 1.5 MW each.

This means that it will take 6,668 1.5-MW wind turbines to equal the energy produced by the Comanche Peak nuclear plant. It should be noted that this number of wind turbines is more than three times the number that Pickens says he will install on his massive wind farm.

Now, let us look at the amount of land area that would be needed for these 6,668 wind turbines. General Electric, the producer of the 1.5-MW turbines used in this example, recommends spacing the turbines at three times the diameter of the turbine rotors, so that the wind trailing off the rotor doesn't affect neighboring turbines. GE also recommends that the spacing between rows of turbines be five times the diameter of the rotor, so that the next row of turbines can make

use of the available wind.

The GE 1.5-MW wind turbine has a rotor diameter of 77 meters (262.6 feet). To get an idea of the size of the turbine, the area that the rotor sweeps out is big enough to place a 747 jumbo jet inside. Keep that in mind as we continue.

To figure the spacing of the wind turbines, multiply the rotor diameter of 77 m by 3, which gives 231 m as the spacing between the turbines. Now let's figure the distance between the rows of turbines by multiplying the rotor diameter of 77 m by 5, which gives 385 meters between the rows.

If we multiply 231 by 385, it will give us the total area required to site one of our 1.5-MW wind turbines. This comes out to 88,935 square meters, or 22 acres of land for one 1.5-MW turbine. If we now multiply the 22 acres by the 6,668 wind turbines, we get 146,696 acres, which is 229.21 square miles (about three times the size of the metropolitan Washington, D.C. area). So it appears that it will take 146,696 acres of land covered with wind turbines, compared to the 4,000 acres of land for the nuclear power plant (which includes a cooling lake used to provide water to the cooling towers).

But remember that this land can't be just anywhere. It must be in an area where the wind blows steadily,

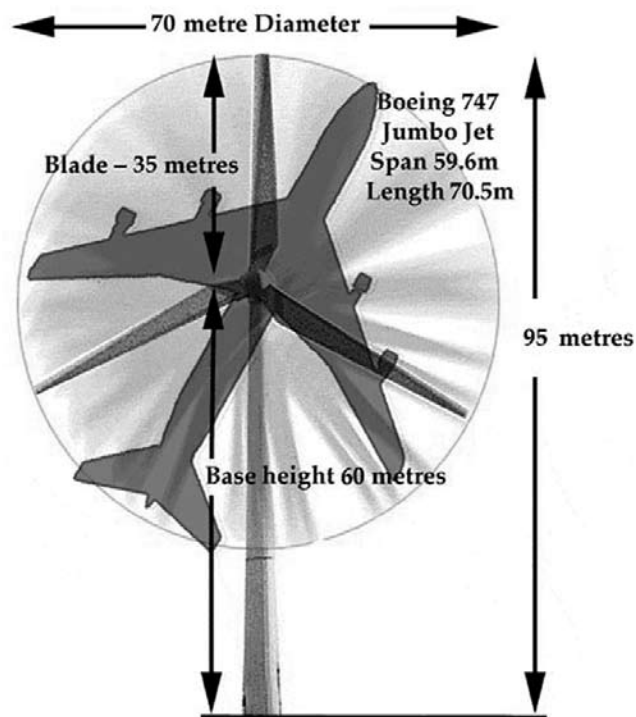
and the turbines may not be located one behind the other on a flat plain, thus further increasing the land area required to equal one nuclear power plant.

### ‘Availability’

The promoters of wind energy like to play games with what is known as the availability factor, which is the percentage of time that the wind turbine or any other power source is available. Wind energy advocates purposely confuse the availability factor and the capacity factor in their promotional materials, and this is how they show that a certain number of wind turbines can produce the same energy as a nuclear power plant. In truth, although the availability factor of the wind turbine is 100%, because it is available to produce power at any time, wind turbines actually produce power less than 25% of the time, and that is only when the wind blows.

Compare this to the nuclear power plant, in which the availability factor and the capacity factor are the same—about 95%. The only time the nuclear reactor is not producing power is during maintenance periods. But wind turbines also have maintenance downtime—and a lot more of it.

Wind turbines have another limit. For reasons of the physical constraints of the turbine blade, wind turbines are not able to make use of the large amounts of energy available in the wind. The amount of available energy in wind is a cube of the wind speed. So when wind speed increases, say from 8 mph to 12 mph, there is a large increase in the amount of energy available. But the limiting factor in the ability to use this available energy is that the wind turbine has to be engineered so that the “tip speed”<sup>1</sup> doesn’t exceed a certain limit. This speed limit is determined by two things: the materials out of which the rotor is constructed, and the length of the rotor. Simply put, as the rotor of the wind turbine becomes larger in an attempt to squeeze out



Naturstrom-Euphorie

*This shows the immensity of a 1.5-megawatt wind turbine, the model T. Boone Pickens has ordered from General Electric for his project to build the world’s largest windfarm, in the Texas panhandle. As you can see, the area that the rotor sweeps out is large enough in which to place a 747 jumbo jet.*

more energy contained in the wind, the slower the rated tip speed will become.

If the blade tip speed were allowed to increase over its defined speed limit, the stress on the turbine would cause great damage to the turbine generator which produces the electricity. In that situation, the turbine’s rotor could throw its blades, which could cause damage, or even death to the workers at the wind farm.

This combination of factors makes engineering a wind turbine a very difficult process. It is why the turbine is constructed so that it can make use of low wind, such as the low cut-in speed of 7.8 mph for the GE 1.5-MW turbine. As the wind speed increases, the turbine begins to produce its rated capacity of 1.5MW at 27mph. But as wind speed increases to more than 27mph, the turbine still produces only the rated capacity, and will continue to do so until it reaches the cut-out speed of 55 miles an hour. At that point, the turbine generator trips, and the turbine is no longer producing power of any kind.

So, no matter what Al Gore or T. Boone Pickens

1. The maximum tip speed is the most limiting factor in designing a wind turbine for electricity production. Maximum rotor tip speed is a linear function of the radius of the rotor blade. That is, if you look at the rotor of a wind turbine, you will notice that the hub turns at a certain speed, but as you increase the length of the rotor, the speed increases until you reach the tip where the speed is the fastest. So, as wind turbines are designed to make the most of the available energy contained in the wind, the rotors are made larger, forcing the engineers to limit the rotor tip speed. This tip speed limit is necessary to keep from damaging the turbine, since its equipment is very sensitive to overspeed.

The rated maximum tip speed for Pickens’ GE 1.5-MW wind turbines is 184 mph.

say, a wind turbine can never make use of the large amount of energy available in wind.

Promoters of wind energy don't tell you these basic physical facts. They also use fraudulent figures in their ads and promotional materials to hype the great benefits of wind energy. The biggest fraud is in their comparisons of the levelized cost.

Levelized cost is figured by taking the nameplate-rating capacity and multiplying it by, say, 30 years. Then subtract the cost of maintenance and other such costs, to produce a so-called levelized cost of wind or other sources of power generation. In the case of wind, there is a major element of fraud: It is assumed that the wind is going to blow 27-35 mph every hour of every day for 30 years! In truth, there is no place on the planet where the wind blows at those speeds every day for 30 years.

Further, there is a similarly silly estimate of maintenance costs for the turbines.

### The Boone-doggle

Let's take a hard look at what T. Boone Pickens would have us believe is a serious plan, but in reality is one that is awash in subsidies. Pickens' plan is based on a Department of Energy report that was released in May of this year, entitled "20% Wind by 2030: Increasing Wind Energy Contribution to U.S. Electric Supply." (Right now, wind produces about 1% of the U.S. power grid.) The report was co-authored by the National Renewable Energy Lab and the American Wind Energy Association.

After the report was released, a DOE official informed the attendees at a June 9 wind industry meeting that reaching the goal of 20% wind by 2030 would entail replicating, every year, the entire existing U.S. wind system (about 17,000 MW of capacity constructed over the past decade), starting in 2018. This is a pure greenie wet dream, because the United States doesn't have the capacity to build that number of wind turbines each year, and if policy-makers in this country tried to ramp up production of this number of wind turbines, it would add to the present collapse of the economy. To underscore the point, General Electric, one of the largest producers of wind turbines, announced in April, that it has \$12 billion in back orders for wind turbines that it could not fill. So if Pickens wants to substitute wind energy for any other baseload source, he will have to wait in line.

Pickens states on his website and in his television



Photo by Dirk Ingo Franke

*A huge wind turbine in Brunsbüttel, Germany, advertised as the largest in the world. It's 183 meters tall—600.39 feet. (For comparison, the Empire State Building is 1,472 feet high.) It's big, but it still needs a back-up power source for reliability.*

commercials that his plan, "would be accomplished solely through private investment with no new customer or corporate taxes or government regulation." Don't believe it. Pickens contradicts his own claim, in a July 9 *Wall Street Journal* op-ed, in which he calls on Congress to "mandate" wind power and its subsidies.

In fact, the Pickens plan is totally dependent on subsidies, like the Production Tax Credit, which is a 1.8 cents tax credit per kilowatt hour (1 MW = 1,000 kW) for the first ten years of the wind turbine's life. The Production Tax Credit is due to expire in December of this year, and so far Congress has failed to extend it. The American Wind Energy Association has

an ongoing lobbying campaign, claiming layoffs and job losses if Congress fails to extend the Production Tax Credit. If the tax credit is not extended, the AWEA has said, all of the gains in wind energy over the recent years would simply blow away. Backing this up, the *Atlanta Journal-Constitution* pointed out on July 9, that, “In 1999, 2001, and 2003, when Congress temporarily killed the credits, the number of new turbines dropped dramatically.”

This Production Tax Credit was sure to have been a topic that Pickens brought up in his private discussions with Senators and Congressman during his recent tour of Washington, D.C., to pimp for his new plan to “save America.” Pickens had announced in June that his Mesa Power company in Texas was going to build the world’s largest wind farm, in the Texas Panhandle area. According to Pickens, this will produce 4 gigawatts (4,000 MW) of electricity from 2,000 wind turbines on more than 200,000 acres. With an extension of the Production Tax Credit, Pickens stands to make a tidy annual taxpayer gift on his anticipated capacity.

And Pickens is picking the pocket of the American public with the aid of other subsidies, such as the ability to accelerate depreciation for wind power generating equipment. The state of Texas also entices wind developers with franchise tax exemption to manufacturers, sellers, or installers of wind devices, along with a corporate deduction from the state’s franchise tax for renewable energy sources. Best picking of all, there is a 100% property tax exemption on property and equipment associated with wind power production.

Taking all of these subsidies into account should prove to the average citizen that T. Boone Pickens is not their friend, but is out to rob them blind with the aid of the Federal and state treasuries.

There’s more.

Part of Pickens’ plan is for the construction of new transmission power lines to be added to the present electrical grid, so that he will be able to transmit electricity—if any is produced—from his massive wind farm. To this end, Pickens’ influence swayed the Electric Reliability Council of Texas in April to approve \$4.93 billion for the development of the wind farm transmission lines. True to form, Pickens denies that the money is earmarked for him. But who else is building a massive wind farm in the Texas Panhandle?

This recent push by Pickens for wind energy is has a double purpose: one, to make a killing on the subsi-

dies and the elevated energy cost to the public; and two, to get the environmentalists off his back about his water profiteering.

Pickens has a plan to exert his water rights to 200,000 acres of groundwater in Roberts County, located over the rapidly depleting Ogallala Aquifer, and sell the water to the city of Dallas. To be able to sell this water, Pickens needs to develop pipelines. So Pickens would have to purchase “rights of way,” for the pipes, which is often expensive and time-consuming. Some landowners won’t sell the right of way, and, as a private citizen, Pickens cannot legally compel them to sell. Only a government entity can exert “eminent domain,” but for Pickens: not a problem.

At Pickens’ behest, the Texas Legislature changed state law to allow the two residents of an eight-acre parcel of land in Roberts County to vote to establish themselves a “municipal water district,” a government agency with eminent domain powers. And who are those two residents? They are Pickens’ wife and the manager of Pickens’ nearby ranch.

What does this have to do with Pickens’ plan for wind power? You see, Pickens needs pipelines to sell his water, and transmission lines to sell his wind-generated electricity. He will have the same right-of-way problem with his transmission lines as he does with his water pipelines. But never fear; the Texas Legislature has given him another gift. This time, they passed a law that allows renewable projects to piggyback on a water district’s eminent domain power. Pickens can use his municipal water district to compel sales of the right of way for his electricity transmission lines.

As for dealing with the environmentalists: Pickens’ water plan was attacked by Carl Pope, executive director of the Sierra Club, which has assailed all forms of water profiteering and has lobbied to shut down development projects because of water shortages. Just two years ago, in fact, Pope referred (quite accurately) to Pickens as a “con man and a junk bond dealer.” But now, after Pickens’ wind energy announcement, Pope has proclaimed that “T. Boone Pickens is going to save America,” and is flying on Pickens’ private plane to join him in media interviews. And, in tandem, since July 9, when Pickens announced his wind energy plan, the attacks on Pickens’ water profiteering have been dramatically cut back. The question arises: Is the genocidal wind plan just a cover story so that a \$1 billion water cash cow could move forward?





REpower Systems, [http://www.ocean.udel.edu/WindPower/docs/5m\\_uk.pdf](http://www.ocean.udel.edu/WindPower/docs/5m_uk.pdf)

*These photos from a REpower brochure show one of five sections of the tower of the 5-MW prototype wind turbine at Brunsbüttel in 2004, as it was transported to the site. The rotor sweeps out an area of 12,469 square meters (134,216.32 square feet)—or 3.081 acres.*

## Lots of Hot Air

To review: The case against wind energy ever becoming a mainstay power source is inherently strong: Great tracts of land are needed to simply produce the same amount of power as a nuclear power plant. You

cannot forecast the wind patterns, and even if the wind blows strongly in an area, the wind turbines have physical design requirements that limit the effectiveness of the turbine, so that you cannot make the most use out of the available energy contained in the wind. And, as stated above, there always has to be a back-up power source running, just in case the wind stops.

Before plans like that of Pickens and Gore are adopted, we should look long and hard at the demonstrated unreliability of wind power. The residents of Texas saw how this works on Feb. 26 of this year, when they narrowly escaped a total blackout of the energy grid. The reason for this was that the wind in West Texas suddenly stopped blowing. This near-blackout, which garnered national press coverage, was set in motion by the heavy push in Texas for large tax incentives to build wind farms instead of nuclear power plants.

The near-blackout was averted by the quick response of the Electric Reliability Council of Texas (ERCOT), which quickly brought online several back-up sources to meet the energy grid's needs. Kent Saathoff, vice president for systems operations at the Council, told the *Dallas Star-Telegram* on Feb. 27: "Tuesday's event illustrates the inherent challenges associated with using wind energy. Because the wind sometimes stops blowing without a moment's notice, engineers at ERCOT must remain nimble enough to respond to resulting instability on the grid."

This time, there was back-up ready to come online, but if Pickens' or Gore's plans are enacted, and the sole provider of power is wind, then there will be no power unless the wind blows.

Pickens and Gore say that if we install all the windmills needed to replace coal and natural gas production of electricity, we are going to be able to turn off those power plants. This is a genocidal pipedream. Take Denmark as an example. Denmark has more wind turbines per capita than any country in the world, and still, it has not been able to turn off even one coal-fired plant.

The future should be about increasing scientific knowledge and making discoveries. The human race has been given the power of reason to make discoveries that have saved us from having our lives dictated to by the whims of nature. Let's have the courage to see the sheer fraud and anti-science folly of the Al Gore and T. Boone Pickens wind plans, and give them the response they so richly deserves: to be laughed at and ridiculed.

---

## Editorial

# *LaRouche: Childish Bluff Can Lead to War*

Lyndon LaRouche responded forcefully last week to Western government and media outbursts at recent statements by Russian officials, warning that the deployment of American missile defense systems in Poland and the Czech Republic could force Russia to retarget its nuclear weapons against those sites. “What do they expect?” LaRouche demanded. “This is nothing new. Top Russian officials, including Prime Minister and former President Putin have been saying precisely this for more than a year now. Don’t they listen? Don’t they realize that bluffing of this type gets you in serious trouble?”

Today’s British media, led by the Fabian Society-linked *Guardian*, all reacted with shock to statements made by Col. Gen. Anatoly Nogovitsyn, the Deputy Chief of Staff of the Russian Air Force, who responded to the announcement that the United States and Poland had signed an agreement to station American anti-missile batteries on Polish soil, by declaring, “By deploying, Poland is exposing itself to a strike, 100 percent.”

LaRouche expressed shock at the stupidity of some leading NATO and U.S. officials, who fail to realize the consequences of such provocative actions. “Now, if the ABM systems are actually deployed to Poland,” LaRouche explained, “the country becomes a legitimate target, and under some circumstances, they will be hit.” LaRouche demanded that the authors of this deployment scheme “stop bluffing like children. This can get people killed. War is not a game. Didn’t the past week’s events in South Ossetia teach them anything? Don’t they see that bluffing is dangerous?”

LaRouche noted that the British have issued apologies for their miscalculation and provoca-

tions against the Russians, through their puppet Georgian regime of Mikhael Saakashvili. “The British misjudged the Russians, and they said, ‘Oops,’ and backed off. You saw it in the *Daily Telegraph* commentaries by their top diplomatic correspondent, David Blair. But so far,” LaRouche noted, “nobody in the U.S. government has had the sense to acknowledge the mistake.”

Indeed, the threats to retarget Russian nuclear weapons at Poland and the Czech Republic is nothing new. On June 4, 2007, then-Russian President Putin told the Canadian daily, the *Globe and Mail*, the same thing. As reported by Doug Sanders, “Asked what he might do to retaliate [for the ABM deployment in Central Europe], he said he would return to the Cold War practice of having Russian ballistic missiles programmed to strike targets in Europe, in this case, he said, the Czech and Polish anti-missile sites as well as new U.S. bases in Bulgaria and Romania.” Putin was directly quoted: “It is obvious that if part of the strategic nuclear potential of the United States is located in Europe, and according to our military experts will be threatening us, we will have to respond. What kind of steps are we going to take in response? Of course, we are going to get new targets in Europe.”

Less than a month after that interview, the Putin met with U.S. President George W. Bush in Kennebunkport, Maine, and offered Russian-American collaboration on missile defense, and proposed that existing Russian radar installations in Azerbaijan could be used, as an alternative to the unilateral American missile defense deployments in Poland and the Czech Republic. The Bush Administration refused to abandon the planned Eastern European deployments, despite the Russian proposal.

# See LaRouche on Cable TV

## INTERNET

- BCAT.TV/BCAT Click BCAT-2 Mon: 10 am
- LAROUCHEPUB.COM Click *LaRouche's Writings*. (Avail. 24/7)
- MNN.ORG Click *Watch Ch.57* Fri: 2:30 a.m.
- RAVITELEVISION.COM Click *Live Stream*. Mon & Thu 11 am; Wed & Fri 10:30 pm
- SCAN-TV.ORG Click *Scan on the Web*. Sat 2 pm Pac
- WUWF.ORG Click *Watch WUWF-TV*. Last Mon 4:30-5 pm (Eastern)

## ALABAMA

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

## ALASKA

- ANCHORAGE GCI Ch.9: Thu 10 pm

## CALIFORNIA

- BEVERLY HILLS TW Ch.43: Wed 4 pm
- CLAYTON/CONCORD CO Ch.26: 2<sup>nd</sup> Tue 7 pm; AS Ch.31: Tue 7:30 pm
- CONTRA COSTA CC Ch.26: 2<sup>nd</sup> Wed 7 pm
- COSTA MESA TW Ch.35: Thu 5:30 pm
- HOLLYWOOD TW Ch.24: Thu 4:30-5 pm
- LANCASTER/PALMDALE TW Ch.36: Sun 1 pm
- LONG BEACH CH Analog Ch.65/69 & Digital Ch.95: 4<sup>th</sup> Tue 1-1:30 pm
- LOS ANGELES TW Ch.98: Wed 3-3:30 pm
- LOS ANGELES (East) TW Ch.98: Mon 2 pm
- MARINA DEL REY TW Ch.98: Wed 3 pm; Thu/Fri 4 pm
- MIDWILSHIRE TW Ch.24: Tue 4:30-5 pm
- ORANGE COUNTY (N) TW Ch.95/97/98: Fri 4 pm
- SAN FDO. VALLEY (East) TW Ch.25: Sun 5:30 pm
- SAN FDO. VALLEY (NE) CC Ch.20: Wed 4 pm
- SAN FDO. VALLEY (West) TW Ch.34: Wed 5:30 pm
- SANTA MONICA TW Ch.77: Wed 3-3:30 pm
- WALNUT CREEK CO Ch.6: 2<sup>nd</sup> Tue 7 pm; AS Ch.31: Tue 7:30 pm
- VAN NUYS TW Ch.25: Sun 5:30 pm

## COLORADO

- DENVER CC Ch.56 Sun 10 am

## CONNECTICUT

- GROTON CC Ch.12: Mon 5 pm
- NEW HAVEN CC Ch.23: Sat 6 pm
- NEWTOWN CH Ch.21: Mon 12:30 pm; Fri 7 pm
- SEYMOUR CC Ch.10: Tue 10 pm

## DISTRICT OF COLUMBIA

- WASHINGTON CC Ch.95 & RCN Ch.10: Irregular

## FLORIDA

- ESCAMBIA COUNTY CX Ch.4: Last Sat 4:30 pm

## ILLINOIS

- CHICAGO CC./RCN/WOW Ch.21: Irregular
- PEORIA COUNTY IN Ch.22: Sun 7:30 pm
- QUAD CITIES MC Ch.19: Thu 11 pm
- ROCKFORD CC Ch.17 Wed 9 pm

## IOWA

- QUAD CITIES MC Ch.19: Thu 11 pm

## KENTUCKY

- BOONE/KENTON COUNTIES IN Ch.21: Sun 1 am; Fri Midnight
- JEFFERSON COUNTY IN Ch.98: Fri 2-2:30 pm

## LOUISIANA

- ORLEANS PARISH CX Ch.78: Tue 4 am & 4 pm

## MAINE

- PORTLAND TW Ch.2: Mon 1 & 11 am; 5 pm

## MARYLAND

- ANN ARUNDEL Annapolis Ch.76 & Milleneum Ch.99: Sat/Sun 12:30 am; Tue 6:30 pm
- P.G. COUNTY CC Ch.76 & FIOS Ch.38: Tue/Thu 11:30 am
- MONTGOMERY COUNTY CC Ch.21: Tue 2 pm & Fri 11 pm

## MASSACHUSETTS

- BRAINTREE CC Ch.31 & BD Ch.16: Tue 8 pm
- BROOKLINE CV & RCN Ch.3: Mon 3:30 pm; Tue 3:30 am; Wed 9 am & 9 pm;
- CAMBRIDGE CC Ch.10: Tue 2:30 pm; Fri 10:30 am
- FRANKLIN COUNTY (NE) CC Ch.17: Sun 8 pm; Wed 9 pm; Sat 4 pm
- QUINCY CC Ch.8: Pop-ins.
- WALPOLE CC Ch.8: Tue 1 pm

## MICHIGAN

- BYRON CENTER CC Ch.25: Mon 2 & 7 pm
- DETROIT CC Ch.68: Irregular
- GRAND RAPIDS CC Ch.25: Irreg.
- KALAMAZOO CH Ch.20: Tue 11 pm; Sat 10 am
- KENT COUNTY (North) CH Ch.22: Wed 3:30 & 11 pm
- KENT COUNTY (South) CC Ch.25: Wed 9:30 am
- LAKE ORION CC Ch.10: Mon/Tue 2 & 9 pm
- LANSING CC Ch.16: Fri Noon.
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 5:30 pm; Wed 7 am
- PORTAGE CH Ch.20 Tue/Wed 8:30 am; Thu 1:30 pm
- SHELBY TOWNSHIP CC Ch.20 & WOW Ch.18: Mon/Wed 6:30 pm
- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

## MINNESOTA

- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Wed 8 pm
- DULUTH CH Ch.20: Mon 9 pm; Wed 12 pm, Fri 1 pm
- MARSHALL Prairie Wave & CH Ch.35/8: Sat. 9 am

- MINNEAPOLIS TW Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 3 & 9 pm
- NEW ULM TW Ch. 14: Fri 5 pm
- PROCTOR MC Ch. 12: Tue 5 pm to 1 am
- ST. CLOUD CH Ch.12: Mon 9:30 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun Midnite, 8 am, 4 pm
- ST. PAUL CC Ch.15: Mon 10 pm
- ST. PAUL (S&W Burbs) CC Ch.15: Wed 10:30 am; Fri 7:30 pm
- SAULK CENTRE SCTV Ch.19: Sat 5 pm
- WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

## NEVADA

- WASHOE COUNTY CH Ch.16: Thu 2 pm

## NEW HAMPSHIRE

- MANCHESTER CC Ch.23: Thu 4:30 pm

## NEW JERSEY

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- MERCER COUNTY CC Trenton Ch.26: 3<sup>rd</sup> & 4<sup>th</sup> Fri 6 pm
- Windsors Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.22: Thu 11:30 pm
- UNION CC Ch.26: Irregular

## NEW MEXICO

- ALBUQUERQUE CC Ch.27: Thu 4 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE CC Ch.8: Thu 9 pm; Sat 6:30 pm
- SILVER CITY CC Ch.17: Daily 8-10 pm

## NEW YORK

- ALBANY TW Ch.18: Wed 5 pm. TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- BETHLEHEM TW Ch.18: Thu 9:30 pm
- BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN CV Ch.68: Mon 10 am
- TW Ch.35: Mon 10 am
- TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- CHEMUNG TW Ch.1/99: Tue 7:30 pm
- ERIE COUNTY TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT TW Ch.15: Mon/Thu 7 pm
- JEFFERSON/LEWIS COUNTIES TW Ch.99: Irregular
- MANHATTAN TW & RCN Ch.57/85 Fri 2:30 am
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Irregular
- QUEENS TW Ch.35: Tue 10:30 am; TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- QUEENSBURY TW Ch.71: Mon 7 pm
- ROCHESTER TW Ch.15: Sun 9 pm; Thu 8 pm

- ROCKLAND CV Ch.76: Mon 5 pm
- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Thu Midnite. Ch.34: Sat 8 am. Ch 572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- TOMPKINS COUNTY TW Ch.13: Sun 12:30 pm; Sat 6 pm
- TRI-LAKES TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm

## NORTH CAROLINA

- HICKORY CH Ch.3: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

## OHIO

- AMHERST TW Ch.95: Daily 12 Noon & 10 pm
- CUYAHOGA COUNTY TW Ch.21: Wed 3:30 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

## OKLAHOMA

- NORMAN CX Ch.20: Wed 9 pm

## OREGON

- LINN/BENTON COUNTIES CC Ch.29: Tue 1 pm; Thu 9 pm
- PORTLAND CC Ch.22: Tue 6 pm. Ch.23: Thu 3 pm

## RHODE ISLAND

- E. PROVIDENCE CX Ch.18: Tue 6:30 pm
- STATEWIDE RI I CX Ch.13 Tue 10 pm

## TEXAS

- HOUSTON CC Ch.17 & TV Max Ch.95: Wed 5:30 pm; Sat 9 am
- KINGWOOD CB Ch.98: Wed 5:30 pm; Sat 9 am

## VERMONT

- BRATTLEBORO CC Ch.8: Wed 8 pm
- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm
- MONTPELIER CC Ch.15: Tue 10 pm; Wed 3 am & 4 pm

## VIRGINIA

- ALBEMARLE COUNTY CC Ch.13: Sun 4 am; Fri 3 pm
- ARLINGTON CC Ch.33 & FIOS Ch.38: Mon 1 pm; Tue 9 am
- CHESTERFIELD COUNTY CC Ch.6: Tue 5 pm
- FAIRFAX CX Ch.10 & FIOS Ch.10: 1<sup>st</sup> & 2<sup>nd</sup> Wed 1 pm; Sun 4 am. FIOS Ch.41: Wed 6 pm
- LOUDOUN COUNTY CC Ch.98 & FIOS Ch.41: Wed 6 pm
- ROANOKE COUNTY CX Ch.78: Tue 7 pm; Thu 2 pm

## WASHINGTON

- KING COUNTY CC Ch.29/77: Tue 10 am
- TRI CITIES CH Ch. 13/99: Mon 7 pm; Thu 9 pm

## WISCONSIN

- MARATHON CH Ch.10: Thu 9:30 pm; Fri 12 Noon
- MUSKEGO TW Ch.14: Sat 4 pm; Sun 7 am

## WYOMING

- GILLETTE BR Ch.31: Tue 7

MSO Codes: AS=Astound; BD=Beld; BR=Bresnan; BH=BrightHouse; CV=Cablevision; CB=Cebridge; CH=Charter; CC=Comcast; CX=Cox; GY=Galaxy; IN=Insight;

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

Get The LaRouche Connection on your local cable TV system! Call Charles Notley 703-777-9451, Ext. 322. Visit our Website: [www.larouchepub.com/tv](http://www.larouchepub.com/tv).

SUBSCRIBE TO

# EIR Executive Intelligence Review

## EIR Online

# EIR

Executive Intelligence Review  
April 25, 2009 Vol. 35 No. 17 www.larouchepub.com \$10.00

Then and Now: British Imperial Policy Means Famine  
Al Gore: Britain's Malthusian Agent  
Cheney Blows Up Iraq. To Prepare Hit on Iran

To Defeat Famine:  
Kill the WTO!



**EIR Online** gives subscribers one of the most valuable publications for policymakers—the weekly journal that has established Lyndon LaRouche as the most authoritative economic forecaster in the world today. Through this publication and the sharp interventions of the LaRouche Youth Movement, we are changing politics in Washington, day by day.

## EIR Online

Issued every Tuesday, EIR Online includes the entire magazine in PDF form, plus up-to-the-minute world news.



I would like to subscribe to **EIR Online**

(e-mail address must be provided.)

- \$360 for one year  
 \$180 for six months  
 \$120 for four months  
 \$90 for three months  
 \$60 for two months
- Send information on receiving **EIR** by mail.

—EIR Online can be reached at:

**www.larouchepub.com/eiw**

e-mail: **fulfillment@larouchepub.com**

Call **1-800-278-3135** (toll-free)

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Country \_\_\_\_\_  
Phone ( \_\_\_\_\_ ) \_\_\_\_\_  
E-mail address \_\_\_\_\_

I enclose \$ \_\_\_\_\_ check or money order

Make checks payable to

**EIR News Service Inc.**

P.O. Box 17390, Washington, D.C. 20041-0390

Please charge my  MasterCard  Visa

Card Number \_\_\_\_\_

Signature \_\_\_\_\_

Expiration Date \_\_\_\_\_