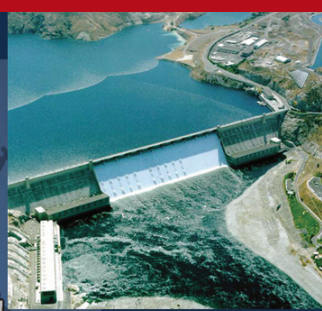
EIR
Executive Intelligence Review
August 12, 2011 Vol. 38, No. 31 www.larouchepub.com $10.00

After Obama's Hitler Coup: The Guts To Impeach
$5 Trillion Wiped Out as Hyperinflation Looms
Britain's Surrogate War Against the Union, 1861-65

An Emergency Solution to The Global Breakdown Crisis









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 Editors: *Bonnie James, Susan Welsh*
Science Editor: *Marjorie Mazel Hecht*
Technology Editor: *Marsha Freeman*
Book Editor: *Katherine Notley*
Graphics Editor: *Alan Yue*
Photo Editor: *Stuart Lewis*
Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS
Counterintelligence: *Jeffrey Steinberg, Michele Steinberg*
Economics: *John Hoefle, 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 Almario*
Berlin: *Rainer Apel*
Copenhagen: *Tom Gillesberg*
Houston: *Harley Schlanger*
Lima: *Sara Madueño*
Melbourne: *Robert Barwick*
Mexico City: *Gerardo Castilleja Chávez*
New Delhi: *Ramtanu Maitra*
Paris: *Christine Bierre*
Stockholm: *Hussein Askary*
United Nations, N.Y.C.: *Leni Rubinstein*
Washington, D.C.: *William Jones*
Wiesbaden: *Göran Haglund*

ON THE WEB
e-mail: eirns@larouchepub.com
www.larouchepub.com
www.larouchepub.com/eiw
Webmaster: *John Sigerson*
Assistant Webmaster: *George Hollis*
Editor, Arabic-language edition: *Hussein Askary*

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

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
Director: Georg Neudekker

Montreal, Canada: 514-461-1557

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.

Mexico City: EIR, Ave Morelos #60-A, Col Barrio de San Andres, Del. Azcapotzalco, CP 02240, Mexico, DF. Tel: 5318-2301, 1163-9734, 1163-9735.

Copyright: ©2011 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

The U.S. Congress buckled under and accepted massive budget cuts, for fear of "upsetting the markets" by jeopardizing the bailout of the banks. Well, "the markets" went berserk anyway, and now everyone who was on the up-and-up last week is really scared.

We told you so.

We told you that the "markets" have nothing to do with reality: that it's not good news when they go up, and it's not good bad news when they go down. The virtual economy is not the issue, and we're in deep trouble because the real economy was destroyed. The solution is what we said it was, and the first step is to wipe out the virtual economy with a return to a Glass-Steagall standard.

In the "Trans-Atlantic Call for Emergency Solution to the Present Global Breakdown Crisis," which leads our issue, Lyndon H. LaRouche, Jr. (United States), Helga Zepp-LaRouche (Germany), and Jacques Cheminade (France) lay out the situation and the marching orders, in a short statement intended for wide circulation.

The LaRouches elaborate in our *Feature* and in the *International* section: We are at the end-game phase of a life-or-death battle between what remains of Alexander Hamilton's American System of political economy, and the British system of free trade and imperialism. William Jones' article on the British intervention to support the Confederacy in the U.S. Civil War, and Ramtanu Maitra's report on the British-Saudi creation of al-Qaeda, provide vital documentation of how the British oligarchy has operated historically and is still operating today.

Lyndon LaRouche keeps coming back to the deepest issue of the current crisis: the question of human creativity. This is the theme of his weekly discussions with young members of the movement. His talk with Alicia Cerretani on "The Pact of the Human Soul" (*Feature*) is a particularly beautiful example, as he tells her: "My job is to create the stepping stones, the process by which you take over. But we take over, not merely by taking over, in terms of a heritage, or some succession, of winning some contest. We take over in terms of passing on the responsibility for continuing the change in the universe, which we must be part of doing. So, even though I will die, and you will live in this period, I'm satisfied, and you have to have the courage to be satisfied, too."

Susan Welsh

EIR Contents

Cover This Week

Development of NAWAPA will mark a new phase in the evolution of the Biosphere and Noösphere.



LPAC

4 A Trans-Atlantic Call: Emergency Solution to the Global Breakdown Crisis
A statement issued Aug. 8, by Lyndon LaRouche, Helga Zepp-LaRouche, and Jacques Cheminade: The entire global financial system has collapsed, and while the center of the crash is in the trans-Atlantic region, there is no region of the world that is immune from the disintegration that is already underway. A radical policy change is the only way to avoid a total breakdown of civilization, beginning with the immediate removal of Barack Obama from the U.S. Presidency.

Feature

6 An Emergency Address to the Nation: LaRouche—There Is Only One Solution
Lyndon LaRouche was interviewed on Aug. 5 by Alicia Cerretani of LPAC-TV, in the aftermath of Obama's "debt deal" establishing a Super-Congress, with anti-Constitutional powers over the U.S. economy. "The legislation passed through means the certain destruction of civilization, he warned, "not only of our nation, but of others. Unless this is repudiated, the United States as a nation *no longer exists,* and that's in the short term, not the long term."

11 Back on the Road to Prosperity

12 LaRouche on 'The Pact of the Human Soul'
In a poignant dialogue between two generations, one quite old, the other very young, Lyndon LaRouche and Alicia Cerretani discuss what it will take to shift civilization away from the dark age it now faces. The key thing, LaRouche advised, is, "you have to have a certain degree of courage, a courage to face ideas, real ideas."

National

16 After Obama's Hitler Coup: The Guts To Impeach
President Obama has committed high crimes and misdemeanors against the U.S. Constitution that warrant his immediate impeachment. In the course of the Congressional debates on the Libya War, and the more recent Super-Congress debt ceiling deal, scores of Members of Congress openly acknowledged that the President had violated his oath of office to uphold and defend the Constitution.

20 Why Congress Is Stupid: Congressional Research Service Circulates Trash on Glass-Steagall
With a growing number of rebellious Members of Congress debating Glass-Steagall, a report supposedly "debunking" the measure has been issued by the Congressional Research Service. Its "arguments" are those bought and paid for by Wall Street.

Economics

23 Bodies in the Streets: Obama Debt Deal Pushes States, Localities into Fiscal Chaos
U.S. states and localities face a life-or-death situation for millions of their citizens: losses of medical treatment, fire and police services, sanitation, housing, and food. This is the catastrophe that LaRouche warned of in June.

International

28 Glass-Steagall Is the Solution: $5 Trillion Wiped Out as Hyperinflation Looms
By Helga Zepp-LaRouche. The capitulation to the Wall Street and London banks has done nothing to prevent a further worsening of the trans-Atlantic financial crisis; the only way out is to replace the bankrupt system with a global Glass-Steagall standard.

30 Systemic Collapse Targets Italy
Italy has become the most recent target of London's wrecking ball. The City's imperial bankers are demanding that the country implement harsh austerity. But there are signs of resistance.

34 How Al-Qaeda Is a British-Saudi Project
A look behind the curtain at the British-Saudi royal families' role in international terrorism and drug-running, including in the 9/11 attacks.

History

41 Britain's Surrogate War Against the Union, 1861-65
The most important aspect of the Civil War conflict has largely been forgotten: that the war "was the second military phase of the political battle which raged between Britain and the United States from the time a formal ceasefire was concluded at Yorktown in 1781."

Science

53 The Strategy of Creativity: Creativity, Passion & Strategy
"A science-driven progress of a modern human culture, is the most powerful, and therefore dominant agent of the reigning quality of change known to us," LaRouche writes. "All life is creative, but, *only mankind* is known to us as capable of *voluntary creative initiative*."

59 The End of the Shuttle Era: Does Manned Space Flight Have a Future in America?
The Space Shuttle program did not end because it was too expensive to operate, nor because it was unsafe, or technologically obsolete. Its demise is the fruit of four decades of failed White House policies, which a compromising and cowardly Congress refused to reverse.

Editorial

63 Where Are the Patriots?

A TRANS-ATLANTIC CALL

Emergency Solution to the Global Breakdown Crisis

Aug. 8—The following statement was issued today by Lyndon LaRouche, Helga Zepp-LaRouche, and Jacques Cheminade.

The entire global financial system has collapsed, and while the center of the crash is in the trans-Atlantic region, there is no region of the world that is immune from the disintegration that is already underway. A radical policy change is the only way to avoid a total breakdown of civilization, beginning in the trans-Atlantic region, that will drive the world population down to below 2 billion people in a very short period of time.

There is no longer any distinction between the disintegration of the European financial and monetary system and the total bankruptcy of the Wall Street so-called "too big to fail" banks. A modest estimate is that the Big Six Wall Street banks are exposed to $1.5 trillion in Spanish and Italian debt alone, much of which is nearly worthless. Last week, when European interbank lending froze, it was the U.S. Federal Reserve that opened an emergency discount window. President Barack Obama has pledged to German Chancellor Angela Merkel that the United States will be the lender of last resort for the entire European Monetary Union.

This pledge by President Obama is not only unconstitutional and an act of virtual treason against the people of the United States. It is a pledge for Weimar-style hyperinflation, but this time, on a global scale. Such hyperinflationary bailout schemes would perhaps extend the life of the present bankrupt system for a few weeks more, but the price would be a far more dramatic crash into mass social chaos and dictatorship.

There are solutions, even at this late moment. These solutions have been repeatedly spelled out by the leading American economist Lyndon LaRouche, for years. However, none of these solutions, which must begin in the United States, can be possibly implemented in time unless President Obama is immediately removed from office by Constitutional means.

President Obama has torn up the Constitution, repeatedly. Most recently, the Libya War was launched without Congressional authorization, a flagrant violation of Article I, Section 8 of the U.S. Constitution. His "Super-Congress" deal is an even more blatant ripping-up of the Constitution, which gives sole authority to initiate tax and debt policy to the House of Representatives. The President's unconstitutional abuses are well known. At least two declared Republican Presidential candidates—Jon Huntsman and Ron Paul—have clearly spelled out his impeachable crimes. Scores of Members of Congress and progressive Democrats have made similar statements, including prominent members of the African-American community. It is transparent that the President has engaged in high crimes against the Constitution, that require his immediate removal from office—before it is too late.

The leaders of the European Union likewise violate their own national Constitutions in promoting the illegal bailout of the megabanks, while the European Central Bank violates its founding principles in purchasing

the debt of sovereign states to de facto bankrupt banks and insurance companies, which are their holders. The European Financial Stability Fund, which now loans to the de facto bankrupt states themselves, is going to be authorized to also purchase state bonds on the secondary market. This issuance of confetti money is not only against the law, but in acting as counterfeiters, the European heads of state are leading Europe to a Weimar-style hyperinflation. Like Barack Obama, they now deserve to be removed from office for high treason, according to the principles and proceedings pertaining to their respective States.

The infamous troika, made of the European Commission, the European Central Bank, and the International Monetary Fund, which is imposing an unprecedented austerity upon sovereign states, with the active complicity of the French President and the German Chancellor, should be immediately stopped from destroying the economies and the peoples of Europe.

Within hours of President Obama's removal from office—through impeachment, or resignation, or through invoking of the 25th Amendment, Section 4 of the U.S. Constitution, providing procedures for a President's removal from office if he is no longer mentally or physically competent to serve—the Congress could convene to pass legislation reinstating the Glass-Steagall separation of commercial banks from the brokerage and insurance sectors.

Such a bill has already been introduced into Congress by Rep. Marcy Kaptur (D-Ohio) in the form of H. R. 1489, which already has significant support on a bipartisan level. A minimum of $17 trillion in Wall Street gambling debts, foisted on American taxpayers, would be thus charged back. With that gambling debt removed from the Federal government's ledgers, Congress could immediately proceed to issue Federal credit for vitally needed infrastructure projects, like the North American Water and Power Alliance (NAWAPA), which would immediately create millions of productive jobs.

America can begin a process of physical economic recovery, setting a standard for similar action in Western Europe. The trans-Atlantic region can reverse the otherwise irreversible collapse into a new dark age, but only by taking these measures. The overwhelming majority of American citizens are demanding this action, now.

A vast majority of citizens of the nations of Western Europe are demanding the same things, and are calling for a change in leadership.

The unavoidable first step is the removal of President Obama from office, in the immediate days ahead.

Now is the time for action.

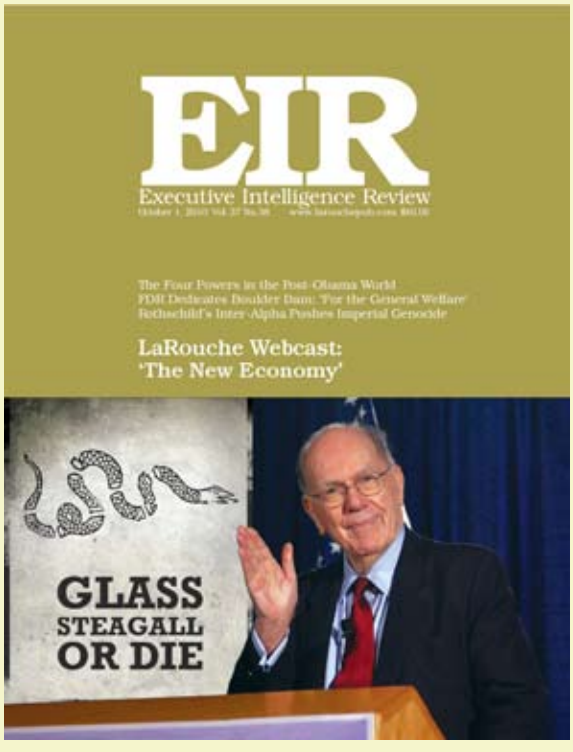
Lyndon LaRouche On Glass-Steagall and NAWAPA

The North American Water and Power Alliance

"The greatest project that mankind has ever undertaken on this planet, as an economic project, now stands before us, as the opportunity which can be set into motion by the United States now launching the NAWAPA project, with the preliminary step of reorganizing the banking system through Glass-Steagall, and then moving on from there."

"Put Glass-Steagall through now, and I know how to deliver a victory to you."

Subscribe to **EIR Online** www.larouchepub.com/eiw
1-800-278-3135
For subscription rates: http://tiny.cc/9odpr



AN EMERGENCY ADDRESS TO THE NATION

LaRouche: There Is Only One Solution

Lyndon LaRouche gave a special interview on Aug. 5 to Alicia Cerretani of LPAC-TV (http://larouchepac.com/node/19001).

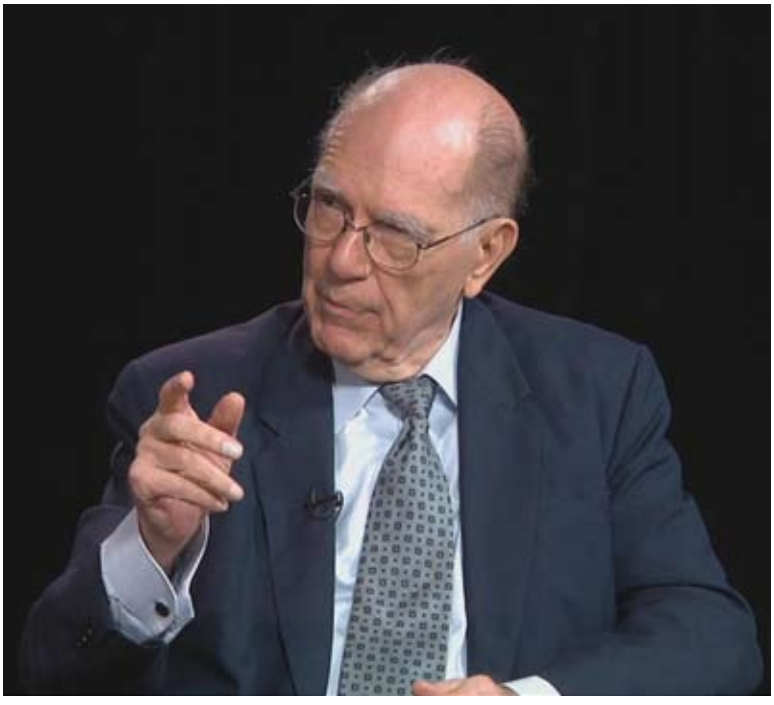
Alicia Cerretani: Hello, this is Alicia Cerretani with LPAC-TV. We've got Lyndon LaRouche joining us today, because there's a very particular message that needs to get out, not just in the United States, but all across the planet. And that is, given the events of earlier this week, when both houses of Congress passed what is referred to as the "debt deal," Obama's debt deal: Nothing in that deal is designed to help the American people, and most Americans know that. But it's important that we have a sense, that Americans have a sense, of how this is really strategic warfare against the nation by very particular foreign enemies, and how this decision, if it's not reversed with a Glass-Steagall policy, and with rebuilding the nation immediately—if this decision that was made earlier this week is not reversed, this could take down the entire world financial system.

Now, there's a particular reason why we're doing this, immediately in the aftermath of the "debt deal," and there's a very particular reason why we have you here: Because you have a particular authority on this, and I want to get right into that.

Lyndon LaRouche: The fact of the matter is, that it is recognized, in leading circles in the United States, and leading government and other circles, that my forecasting has been correct, and those who spoke otherwise, were wrong. What was done this week provides no solution. The legislation passed through means the certain destruction of civilization, not only of our nation, but of others. Unless this is repudiated, the United States as a nation *no longer exists,* and that's in the short term, not the long term.

So therefore, certain changes must be made now, including, in fact, that the current President must be thrown out of office, on grounds, for violations of the Constitution. He must be thrown out, because his influence would mean the end of the United States as a nation. And he's already committed the essentially criminal acts, of violation of the Constitution, which warrant his expulsion.

The other part of this thing is that we have a great crisis to deal with, which requires a change in outlook, and also to a large degree, a change in personnel. That is to say, what we have now, in the United States: We have the people who are excluded—which are generally the poor, the ones who don't have bank accounts, who are not popular with Wall Street—and we have the people in general. The people in general, are the largest part of the population, the greatest number of citizens, who have been *kept out* of the decision-making, done through the Congress, through both Senate and the House of Representatives, who have both betrayed the American people, in a fundamental



LPAC-TV

"Go to the American people," LaRouche urged, "and say: 'You must mobilize. You are the real power. You must take charge. Don't grumble, don't groan, don't curse. Just go in, and use the might of your authority as the great majority of this people, and exert it, ***to shut this racket down!****' "*

way! A very cruel, and murderous, fundamental way!

So you find out there, that the majority of American people have very little respect, close to none, for the members of the Senate and the members of House of Representatives, except for those few, who are not to be overlooked, who voted their conscience, rather than their submission to corruption.

And that's the situation we face.

We're in the most dangerous situation for the existence of the United States, since it was established as a republic, right now, and the threat comes largely from Britain, from the British monarchy, which is the real author of this thing; but it also comes from those in the United States, who *love their money, even though it's worthless, more than they love life, and liberty itself.*

That's our problem.

That's My Money!

Cerretani: Yes, I think it has to be clear to people who love their money, that whether they adhere to what Wall Street and what the rating agencies and what the British are saying, about how these factors can help save the money, stabilize the economy—that's a fraud. Because, until the restoration of Glass-Steagall, until there's a reorganization of the finances, until there's an alleviation of the trillions of dollars of debt that is not ours, until that is off of our books, their money doesn't mean anything.

LaRouche: What you've got in that connection: You have people who otherwise call themselves honest, will even call themselves patriots, who will defend the banking system, a banking system which is totally corrupt, in violation of our Constitution, which is stealing from the blood of the people, which is demanding that the blood of our people be shed for the sake of bailing out a bunch of people who have been living as parasites!

Now, you can say that these people may not be intentionally parasites; that is, they think of themselves as honest citizens. But they say, "That's my money!" And the worst comes out with the American who says, "Well, most of our savings are in Wall Street investments. If you tamper with this, we're going to be bankrupted personally!" In other words, they've been participating, willfully, in an act of corruption, of cheating the American people, in order that they would be favored, temporarily only, by Wall Street, because they had investments in Wall Street-related enterprises.

Cerretani: And that's how they're had.

LaRouche: That's how the corruption occurs! Because it's a moral corruption, which is inherent in the British Liberal system. There's no morality, absolutely none, in an Adam Smith system! He says so! People who say that Adam Smith is moral, must be clinically insane or stupid. Because Adam Smith himself, says there is *no truth* in his system! The man is incapable of truth! He's got no truth! He only has these indicators of pleasure and pain to go by: So that mankind will act for pleasure; so the person who has a heavy Wall Street investment will act for pleasure. He will defend his interest in Wall Street money.

The Wall Street money is worthless. If you look at the total accounts, there is no backing, there's no physical-economic backing, behind the Wall Street investments, to substantiate a claim. Nothing was paid in, in effect, in terms of real value, and nothing will ever be paid out. Those who ride on, voted for Wall Street, in supporting

this recent legislation, were fools! *Stupid fools, whose own avarice blinded them to the fact they were going to do what happened now!* What has happened in the day since the enactment of this legislation, is there has been a precipitous collapse, not only in the United States, but *also an accelerated collapse in Europe.*

We're at the death of civilization, and the only thing we have to count on, to deal with this, is the great majority of the American people.

Now, the problem then becomes, the typical Americans, who are excluded, think of themselves as helpless. They think of themselves as unable to find a means: They can't find the support among the members of Congress—or only a few—for their cause. They are being destroyed.

This President, who is a *crook* and a criminal, *is willfully, knowledgeably accelerating the death rate among our citizens!* And that's just one more reason, why he must be *thrown out of office now!* Because if we *don't* throw him out of office, we will never save this nation. And the many people, millions of people, even tens of millions of Americans, will die needlessly, because of the stupid jerks who supported Obama in his crazy, criminal policies.

And that's where we stand.

So therefore, we have to make a direct appeal, to unify those people out there who are being cheated and *killed*; the number of ill who are being cut off from medical care: *They're being murdered by Obama! He's murdering our citizens* with his policy! And there's no justification for it.

What's the alternative? "Well, you see, in that case, you would bankrupt our banks. I say, "I don't give a damn for your banks." I believe in a commercial banking system, not this parasitical kind of thing Europe imposed upon us." Go back to a Franklin Roosevelt standard of economy. Roosevelt saved us from Hoover, and what Hoover represented, and I'm disposed to say, "Let us do the same thing to the followers of Hoover, who are worse, today."

And that to me is the essential issue here. We have to go directly to the mass of the people, and to those citizens otherwise, who are citizens of true conscience. We have to say to them, "We've got to throw these bums out, now! You must join us. We'll ram through the Glass-Steagall Act, we'll throw Obama out of office, and we'll have a country back. And once we have our country back, we can help in other countries in getting their freedom, too." That's my perspective.

What Will Work?

Cerretani: My question to you, which I think is probably the question on a number of people's minds, is, people can't keep getting diverted into different issues that "may work." "This might work. That might work." And by throwing out all of these different issues—"Oh, it's a balanced budget"; "Oh, we just need more infrastructure"—by throwing out these little crumbs, you distract and disorient many of the American people.

People need to know what will work, because we don't have much time left to implement what will work. So I want to know from you: We have very few options which will work. We've been through many of them; they're failing us, they've failed us. Everybody knows they've failed us. People are sick of hearing the fakery from politicians. They want courage, they want bravery, and they want competence; and they want a sense of the future. There are very few things that will work: What are they?

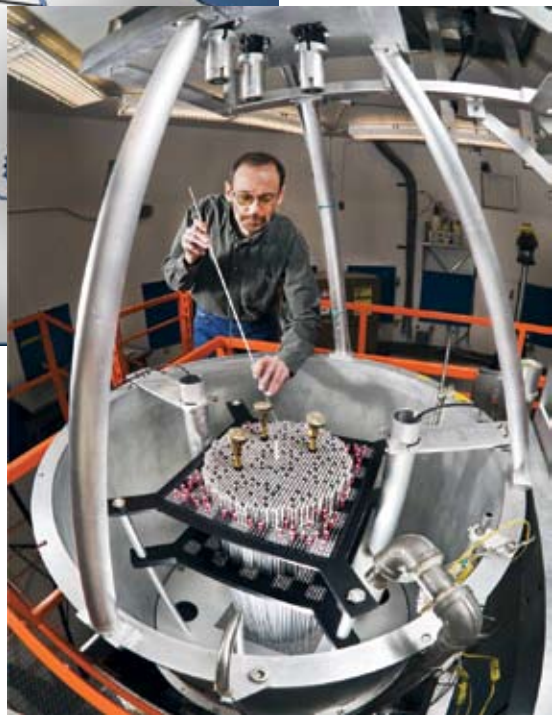
LaRouche: All right. First of all, we have to understand that the United States was formed, essentially as a *form of war* against the British Empire. All of our problems since that time have been the result of American citizens and leaders, who went to kiss the British butt. They brought in British methods; they brought in the British banking system, as in Wall Street, as in the Boston crowd up there—the same thing. These were recognized by Benjamin Franklin as traitors to our cause at the time the American Revolution was fought. They are still *traitors in fact* today! They are all more British in their orientation, than they are Americans. And naturally, therefore, as a result of that, for the sake of the Brits, the Americans starve!

Now, the only way this is going to be corrected through the ballot, is by a mobilization of the people, those who are being *denied* their rights; those who are being *murdered* by Obama! *Literally murdered, by Obama!* This criminal, this insane creature Obama! Who is now down below 1% in his popularity. We have to free this nation of the Obama *disease*, Obama, whose Presidency was bought with British money.

We have to save this nation, and the way we have to do it is, we have very large projects which are needed. We've been shipping out all our productive capabilities—like General Electric, which is no longer an American company! It's these kinds of things! We've lost our industries! We've lost our productive powers. And people are talking about, "the economy is prosper-



LPAC-TV



National Nuclear Security Administration

Great projects, like NAWAPA, as seen in this map, will increase the productive power of the nation, and put us back on the road to prosperity, creating millions of new skilled jobs. Shown: a skilled technician conducting nuclear energy research.

ous"? When we are losing every ability to produce to meet the needs of our people?

The time has come, I would say: Let some of the Baby Boomers and others, let them take a back seat for a while. Let the angry citizens, who have been victims of a great injustice, allowed by the Baby Boomers, let them take a back seat now: Because we can not trust those who voted the wrong way in the two Senate and House votes this past week.

Those persons who voted that way should retire in shame, in shame of what they themselves did. And what we need to do, is go to the American people, those who are isolated, those who no longer like either the Republican or Democratic Party—who tend to hate them, in fact, as you hate the person who is a traitor more than you hate the enemy. And therefore, we've got to appeal to them, and say that we are committed *to bring them justice*, including economic justice. We can.

Once we cancel the worthless debt, we have trillions of dollars of credit, under a credit system, available to the United States. Yes, we're going to bankrupt the Wall Street banks! Yes, we're going to bankrupt the Boston banks! Why? Because they were already bankrupt! We're not bankrupting them; we're just notifying them of the fact that they *are* bankrupt.

And we have to do this financing with this credit we have available by a Glass-Steagall Act: We use this credit to allow the states to go back into debt again, but honest debt this time. And then the states will be supported in programs which bring employment, health care, and education, and so forth, to our people.

We then launch major projects, such as the NAWAPA (North American Water and Power Alliance)[1] project, large-scale mass-transportation projects, power projects, other things that will increase the physical productive power of our nation, and put us back on the road to

1. "A Tour of NAWAPA" video can be found at: http://www.larouchepac.com/node/15628

prosperity, where we once were, as under various Presidents, Franklin Delano Roosevelt in particular. And we have to go back to what was true, still, of us, when Kennedy was President, John F. Kennedy, before he was murdered. And before his brother was murdered, too, for similar reasons.

We have to go back to that. Go to the American people, and say: "You must mobilize. You are the real power. You must take charge. Don't grumble, don't groan, don't curse. Just go in, and use the might of your authority as the great majority of this people, and exert it, to *shut this racket down!* To immediately launch a correction, which is intrinsic in our Constitution." And to use the money we save by *bankrupting people who ought to be bankrupt, their trillions of dollars of waste!*—what? $20-30 trillion of waste have been spent on these crooks? And our people are left to starve, for the sake of feeding these crooks!

No! It's very simple. We don't want to get violent; we just want to win. We want our country back. And right now, I know, as other technologists know—we know the projects, the measures which will bring this country back quickly! We may be suffering for a while, but we'll put up with it, because we know we're recovering. We'll make sacrifices, for the sake of the recovery. We'll make sacrifices, for the benefit of our children and grandchildren. We will do that!

But we are going to proceed with the determination that nobody on this planet, is going to prevent *us*, from getting back to prosperity—*physical prosperity*, not gambling debts. Cancel all gambling! Maximum tax on all gambling! No more gambling in the United States, shut it down! Yes, Wall Street is gambling, so shut that down, too. And do that.

We have to do that. It's the only chance we have to survive. Any other idea is a foolish idea. Just get back to basics: Every American who needs a job must have one; every American must have access to improved productive skills; every American must have a right to what we call infrastructure; health care, every American has a right to that. All the things that Obama is stealing from their pockets and from their bellies, they have a right to!

And we have to have one party, right now, in this country, one party that's dedicated to those purposes, a purpose which can not be realized without throwing out of office, people like the present head of the Federal Reserve System! He's a *disease*, not a person, when it comes to his policy! Or Geithner, a real scum, who should be thrown out of office, not permitted to walk! Just thrown out.

And the American people have got to act in that spirit, to reassert their rights, and to deny the legitimacy of anybody who wants to go in the present, Obama direction. Obama, and everything he represents—and his predecessor, too—must be *thrown out of office, thrown out of politics!*, in order that our people can have confidence in doing what they're capable of doing, of going back from poverty to production.

Bring Back the American System

Cerretani: And we are committed to realizing that.

LaRouche: Yes!

Cerretani: Yes. And we're not going to stop, until we get there.

LaRouche: Right! And it requires that kind of determination, especially from those who have not, and think, instead of sitting there worrying about things, that they should have a sense, that with their united power, we can mobilize the American people, or the great majority of them, even those guilty people, many of them who voted for this filthy legislation this past week—even those guilty people will tend to come back to the fold of humanity, and of patriotism, away from the fields in which they have wandered in this time. That, to me, is our mission.

I am declaring this. Why? There are people in the United States, in leading positions, who will agree with me. But I am the one political figure, whose record as an economist, whose record on the issues of economy, stands out as relatively perfect, relative to my rivals. And I'm an older man; I'm not running for President at my age. But I am the one man who knows how to lead us out of this mess, and doing nothing more than simply following what I know to be the principles of the American System of political-economy.

Cerretani: Thank you.

LaRouche: You're welcome.

Cerretani: All right. I think that's incredibly clear. And you can count on Mr. LaRouche; but also, we here at LPAC-TV and the slate of six candidates: That's our mission. We're not going to stop until the job is done, and anybody who's going to get in the way of that, is going to have to get out of the way, which includes the current President and all of his cronies. Because we've got one stipulation to join us, which is: If you want progress, come with us.

Back on the Road to Prosperity

Following the removal of President Obama from office, and the implementation of Glass-Steagall, there are certain immediate steps that the United States needs to take in order to return to the path of prosperity in its physical economy. We summarize the leading projects here, all of which were designated in the Aug. 3 LaRouchePAC Weekly Report by Basement Science leader Sky Shields, complete with animations and supporting graphic material.

Here is a summary of the steps to be taken:

- **THE NORTH AMERICAN WATER AND POWER ALLIANCE (NAWAPA)** project, the largest biospheric infrastructure program yet to be conceived, is the key Great Project for a post-monetarism United States. In addition to transfering huge amounts of water to arid regions of the Great American Desert, and controlling water flows that currently lead to destructive floods, NAWAPA, first proposed in the 1960s by the Parsons Co., will provide the spur for reviving and upgrading a broad array of productive centers of the U.S. economy. All the following aspects of the necessary reconstruction program either spin off from, or feed into, the NAWAPA project.
- **GREENING THE LANDSCAPE** of the Western desert, with agriculture and needed biomass, will be a crucial biproduct, as cheap, abundant water becomes available.
- **THE LARGEST DAMS EVER** will be constructed as part of NAWAPA, demanding the exciting development of more advanced methods of construction.
- **RETOOLING OUR INDUSTRY** and massively expanding its workforce will be essential immediately, since the U.S. will have to be reindustrialized from its current decrepit state. Part of the retooling will involve extensive apprenticeship and training programs, in order that the aging skilled workforce, much of which is now going into retirement, may pass on its skills to the younger generation.
- **HIGH-SPEED RAIL** will be one of the major components of the upgrading of the U.S. economy to a new level of development, replacing the huge inefficiencies of current auto and air traffic with clean, rapid transit through such means as magnetically levitated (maglev) trains, and vacuum-tube cross-country transport.
- **NUCLEAR POWER** represents the next platform of power production, required for the enormous increase in electricity output which will be involved in implementing the full program of reindustrialization. Beginning with fission plants, the nuclear platform will ultimately comprise thermonuclear fusion energy, and then, matter/antimatter reactions.
- **NATIONAL LABORATORIES**, in the context of the renewed national mission for economic progress, will play a major role in preparing for future progress, once they are freed of the environmentalist curse, and given the resources to work on the kinds of ambitious scientific projects needed to protect mankind from the threats of disease and "natural" disasters, among other things.
- **A REVIVED NASA** will be crucial to the program immediately, because of the relevance of space exploration and science to projects here on Earth, as well as to future space travel, and the absolute necessity for mankind to take responsibility for the universe in which he lives.

LaRouche on 'The Pact Of the Human Soul'

Lyndon LaRouche gave this interview to LPAC-TV's Alicia Cerretani on Aug. 7, 2011.

Alicia Cerretani: Good afternoon, this is Alicia Cerretani, and joining me is Lyndon LaRouche. The two of us are meeting this afternoon, in what appear to be absolutely extraordinary circumstances. We sat here, just less than 48 hours ago, describing another extraordinary scene, extraordinary turn of events on the planet, not just in the United States, but across the world.

It's extraordinary in a particular way. We have a huge crisis: Everything the Congress has done in capitulation to the President has been a nightmare for the country. It's a capitulation to the nation's worst enemies, historically, and there seems to be very little way out, at this point.

But, what is not necessarily extraordinary about this period is that it's a great change in human history. We're facing an extraordinary change in human history, to the magnitude that we've never been faced with before. And what is unique about our situation, is that you have forecast exactly the position that we're in. And that is the way out of our situation, if people have the competence and the confidence to view history in the way that you do.

So, while these are extraordinary circumstances, this is an inflection point in human history, and I think it's worthwhile to discuss where we are, how we got to this point, and what we have to do immediately, at this point now, to secure a future, a meaningful future.

Lyndon LaRouche: Yes. Well, the key thing, first of all, is, you have to have a certain degree of courage. It's a special kind of courage, not just the courage of the soldier as such, but a courage to face ideas, real ideas, and to realize that the human species is an absolutely unique species; there is no species other than man, to our knowledge presently, which is capable of actually creative thought. Animals can be creative biologically, and in effects of biology, but animals can not create new conceptions of mankind.

For example, the way life works is, it's the imagination, the creative imagination, as typified by great drama, typified by great music, and things of that sort. This area of the imagination is like a playground, in which people are trying to come into a conception of ideas, conscious conception of ideas, human ideas, and it's in this domain that science comes. Science comes out of this imagination, the creative imagination, out of metaphor, this kind of medium.

And out of that, you have the struggle of mankind. We're always going from an earlier condition of mankind: In the past, there were 2 million people maximum population, up to this time. And we're living in that kind of environment, where mankind is experimenting. We also live in a universe that's creative. The universe is never constant, contrary to the so-called theory of—

Cerretani: The Second Law of Thermodynamics.

It Is Creativity That Moves Mankind Forward

LaRouche: Yes. Contrary to that, it's always the creative imagination of mankind. It's also the innovation in biological experience: That this creativity is what must, and does, move mankind forward. In other words, if we try to be the same kind of species all the time, exactly, as animals do, we, like animals, would die out. Matter of fact, about 98% of the animal life on this planet, and other life on this planet has died! Is dead! The fossils!

Only mankind has that specific quality of being able to self-develop in such a way that mankind is potentially an immortal species. And our job, in leadership, is to provide that factor of immortality of the human species, which lies in human creativity. And what's happened, essentially, is the effort of a ruling force in society which wants to control mankind—the so-called oligarchical principle—to limit mankind's numbers, to prevent mankind from knowing too much science, too much progress, and always to keep mankind down, underneath the control of an oligarchy. And that's the oligarchical principle.

So the main struggle of mankind has this twofold character: First of all, mankind can and must develop, in the sense of scientific progress applied to man's condition. It must change. It must change inside the universe. It must be truly an immortal species, one that survives, where ordinary species would die out and become extinct. So that's the great struggle.

And so therefore, we have a struggle against ourselves, in the sense that we have make these discoveries and implement them. We have to struggle, at the same time, against the oligarchical tendency in society, which is to keep mankind down, just as we're seeing with the British Empire, or Obama, who's a British agent, now. This is the enemy of mankind!

And the problem is: Will mankind show the courage, first of all, to recognize the improvements that must occur for mankind's benefit? Secondly, we must resist evil forces, such as this President Obama! He's evil! He's nothing but evil in everything. He *oozes* evil! And I've been in this business for a long time, struggling against this sort of thing. And I think I've done a fair job; I could probably have done a better job, but that's it.

And that's where we are. We are in a process *now* where mankind's existence is now in grave danger: If the British Empire and what we have in Europe as governments, or "governance," as it's called today, and a similar thing in the United States, prevail, the entire planet will go into a dark age. And it could be a dark age from which mankind never returns. It could be the *end* of the human species.

And so therefore, our motive is, first of all, to defend humanity, to defend humanity against its own folly, against the oligarchical principle. The second thing is to find in ourselves the power of discovery, first from Classical artistic composition, then going down to the application of that power of creativity to other things, such as science. And those are the great challenges which mankind faces. That is our mission, that's our duty.

Cerretani: That's precisely what we're doing as an organization. This is the challenge to the American people right now: They're facing this oligarchical principle. They may not know, they may not call it that, but that's what it is. You can't explain what's happening with this President, or with this Congress, in terms of the party system any more, because it's way beyond and above that. We're dealing with an historical enemy with a very particular motive, which is to lower the population of the planet. And the American people are faced with that. They're confronting that. It's becoming clearer and clearer what they're handling.

But the challenge to the American people and the challenge to people worldwide is what you identified: which is identifying what man is, identifying what the actual role of mankind is in the universe. Because if we just take on the challenge of the crisis our enemy has created for us, if we just take on the crisis they've created alone, there's no chance that we'll make it. But if there is a resurgence, and an understanding, or a struggle to understand, what we are outside of the crisis they've created—what we are just inherently—there's real power in that.

Mankind Is an Immortal Species

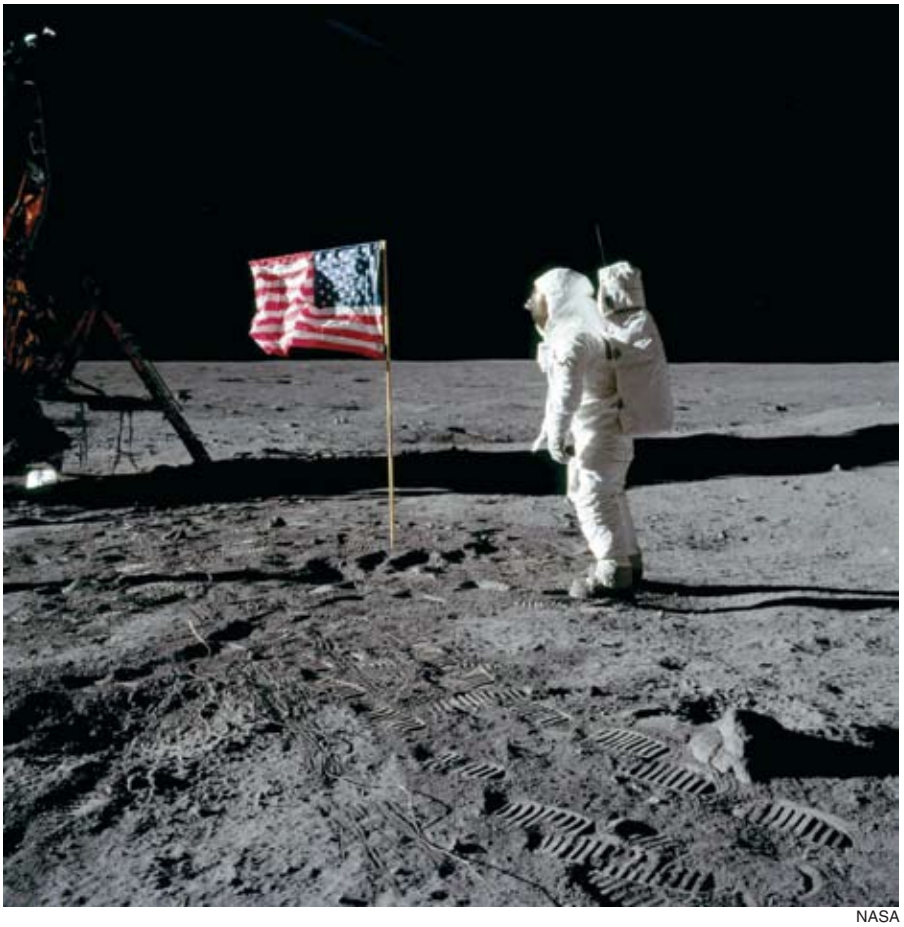
LaRouche: Yes. Well, the thing to look at, is now, you're a younger person. I'm an older person. I happen to be creative, but there's much left to be done, even if we apply the existing creativity to solve these problems, which we could solve. But then, I'm going to die. Like all people, I will die. I'm now at an age, where I'm riper for that harvest than I was when younger.

Therefore, the challenge then becomes the transition from you, as an emerging leader in society, and my role, in continuing that, in pushing you and other people like you, to make this kind of creative surge forward. And I will pass on. But we will be participating.

One clear example of that is the role of creativity. For example, we make inventions; a typical example that people can understand: We make an invention; this invention enables mankind not only to increase his power, but also to make up for the problems, the new demands that come upon man—so, this kind of creativity. And the way it occurs in terms of inventions.

I live; as long as I live, I may generate ideas. These conceptions give mankind a chance to move forward. But then the time will come when I will die. Now, two things happen: First of all, if these creative principles, which have been developed by earlier generations, are realized in the future, that means that mankind is an immortal species. We are *not* personally immortal; but to the extent that we're creative, we're an *immortal species*. And the ideas that we contribute to society are permanent contributions to the human society.

We are therefore an immortal species, based on mortal beings. And the key thing in life is to grasp that connection. To say that we're creative and die, doesn't tell us the story. If we, in our own lives, who are about to die, can contribute something that is permanent, which will outlive our death, and be a benefit to man-



NASA

The thing that makes us human is the courage for progress, the courage to make discoveries, to rise to the new levels of competence, which the continuation of the human species requires, LaRouche said. This means reviving the NASA program, among other things: what we call the "Extraterrestrial Imperative." Here, Apollo 11 astronaut Buzz Aldrin, in the first Moon landing, salutes the American flag, July 21, 1969.

kind in future times, we have achieved the purpose of immortality. And that is the crucial thing.

If people can actually face, with open minds, the fact that we're each going to die—but look at it in the right way, then we are impassioned to make the contributions, to discover the principles, to do the work that is immortal. Those discoveries of principle which are immortal, which pass on from one generation to the other. And thus, the dead live in the living; because what the dead do, if they have done that in their lifetime, they are alive, not as in the flesh, but they're alive in principle. They're part, an active part, of human society.

And that's the difference between man and the beast. The beasts—we eat beasts! We don't eat people. Why? Because the person, the human being, particularly the one who participates in these discoveries, is implicitly immortal. And that's the meaning of life, the meaning of life that even the dead can live, the dead *do* live, if they've lived that kind of life. And it's that principle that is the challenge to society today.

Look at the whole idea of the Greenie movement. The Greenie movement is a declaration of death. The Greens have no reason to live, because they make no contribution to the development of mankind, in man's destiny to become a creative species. And by becoming a creative species, becomes an immortal species: That even though we die, we are still participating, through our work, in what is to come. That's the great challenge.

And this is reconciled, these discrepancies and other things are reconciled, when we think about the nature of human mortality and immortality. And the problem we have in society today, is a lack of that sense of immortality.

The whole Green movement! These are essentially people who have made a commitment to *death*, to uselessness, to becoming a beast, to creating humanity as *an extinct creature*, by denying creativity.

And we have to show courage. But it's not courage in the sense of "we did something." It's courage that we have to transmit to our descendants, we have to transmit a commitment to the perpetuation of this process of creativity. And it is that that unites us as human beings: that we die, we're vulnerable, but we create. And the existence of leaders who maintain that devotion to creativity and its benefits, who are the only appropriate leaders of society. And that's what we see around us today. That is what people fail to recognize under the present cultural trends.

We have to restore that again, that commitment to the future; that commitment, that relationship between the deceased and the living; the pact of agreement which may be called the "Pact of the Human Soul," that which transcends mortality.

A Commitment to Humanity

Cerretani: You know, what's interesting is that, that is all there. It's all there for anybody to have access to, and you have people all around the planet who are very interested and impassioned to become political leaders, scientific leaders, cultural leaders. And this, what you've just described, is available to people, because it actually is reality.

And therefore, the political fight that has to be waged now becomes defined by that. And it becomes very obvious that the only thing that will work is a defense of mankind in those terms, and everything else will not capture the attention of a younger generation. And if it does, it will only be through some sort of manipulation. Because, whether a younger generation understands it or not, that is the reality that they're living in, and therefore, this as a subject of a political campaign has to be immediately on the table, explicitly.

What do you mean by "love"? You mean a commitment to humanity! You see children, you see all kinds of people, and you want them to live, because of what they mean to us. But above all, you want the process of human creativity there, to activate the succession.

LaRouche: Well, you face that yourself, personally. You're a younger person, just under 30, and you have adopted a commitment, a political commitment of this nature. And that is the reality, isn't it? So you have a commitment to the progress of society; that's your meaning of your life.

And that's the meaning of, for example, my relationship to you, is the same: My job is to create the stepping stones, the process by which you take over. But we take over, not merely by taking over, in terms of a heritage, or some succession, of winning some contest. We take over in terms of passing on the responsibility for continuing the change in the universe, which we must be part of doing.

So, even though I will die, and you will live in this period, I'm satisfied, and you have to have the courage to be satisfied, too.

Cerretani: Do you think that there's a science to this?

LaRouche: Yes.

Cerretani: If there were a science to this process, what would it be called?

LaRouche: Love. What do you mean by "love"? You mean a commitment to humanity! You see children, you see all kinds of people, and you want them *to live*, because of what they mean to us. But above all, you want the process of human *creativity* there, to activate the succession.

So we have to have the courage, to create children; we have to have the courage to accept death when it will come. We have to devote ourselves, in the meanwhile, to those kinds of commitments which mean this continuity of progress. That humans—all life in the universe, in terms that we know it, in terms that we measured in billions of years, all life is creative. The Second Law of Thermodynamics is a fraud! Because the existence of living species is constant progress in what we might call the energy-flux density, constant rise in progress. There *is* no Second Law of Thermodynamics; that's only for idiots, not for people.

So the thing that ties us, is this courage for progress, the courage to make discoveries, to rise to the new levels of competence, which the continuation of the human species requires. It means putting back the NASA program, other things like that, immediately. Go back to progress! We call it the "Extraterrestrial Imperative," which it was called by a famous scientist friend of ours. We have to commit ourselves to the "Extraterrestrial Imperative," in that sense. The kind of progress which enables mankind to go from Earth to other places, to have an influence on other parts of the Solar System and the galaxy. And those are our immediate objectives.

And this goes with the love of children, why you love children, why you should love children, why you should even have them, hmm? is this kind of thing. And this is what we must transmit to one another, from one generation to the next: this devotion, to continuing the struggle for progress.

Cerretani: I think we can stay committed to that.
LaRouche: Yes!
Cerretani: I think it's worth it.
LaRouche: Of course it is.
Cerretani: And I think we will do that.
LaRouche: Exactly.
Cerretani: All right. Thank you!
LaRouche: Thank you.

After Obama's Hitler Coup: The Guts To Impeach

Special to EIR

Aug. 9—President Obama has committed high crimes and misdemeanors against the U.S. Constitution that warrant his immediate impeachment. This is no secret: In the course of the Congressional debates on the Libya War, and the more recent Super-Congress debt-ceiling deal, scores of Congressmen openly acknowledged that the President had violated his oath of office to uphold and defend the Constitution.

Sen. Dick Durbin (D-Ill.) invoked the image of the late Sen. Robert Byrd (D-W.Va.), known as the "conscience of the Senate," descending from Heaven to scold the Senators for capitulating to a wholly unconstitutional deal. Moments later, Durbin voted "yes" on the very measure that he knew was tantamount to treason.

By failing to bring articles of impeachment against the President for taking the nation to war in Libya without Congressional authorization, and by signing on to the Super-Congress "Enabling Law" coup d'état, the majority of members of both the House and Senate have made it clear that, left to their own devices, they are prepared to surrender power to a London-directed dictatorship, just as the German Reichstag capitulated to Hitler in March 1933.

It now lies with the American people to force Congress to act. Unless President Obama is removed from office in the immediate days ahead, there is no solution to the total disintegration of the trans-Atlantic financial system. A vast majority of Americans know this, in their gut. The question is: Will they act in time to save the Republic from otherwise certain doom?

It was on the basis of this assessment that Lyndon LaRouche, Helga Zepp-LaRouche, and Jacques Cheminade issued their call to action this week (see p. 4).

Obama's Crimes Dwarf Those of Nixon

The crimes already committed by President Obama dwarf those that led to the resignation of President Richard Nixon. Then, as now, there were three Constitutional options on the table: impeachment; removal from office under the 25th Amendment, Section 4; or resignation. At the time of Nixon's resignation, he was facing an impeachment trial in the Senate. And there was serious consideration of invoking the 25th Amendment, on the grounds that Nixon had gone mad, and was contemplating a dictatorial move.

At the time, leading Republican lawmakers, led by Sen. Howard Baker (R-Tenn.), went to Nixon and bluntly offered him the option of resignation, promising swift impeachment, with overwhelming bipartisan support, if he refused.

That took guts, and a serious understanding that the oath of office is not a hollow matter. But so far, even those lawmakers who have attacked the President for having violated the Constitution have run the other way, when confronted with the question of removing him from office.



White House/Pete Souza

President Obama's creation of the dictatorial "Super-Congress" has drawn fire from many sources, but so far, the necessary action to remove him from office has not been taken. Here, Obama signs the treasonous Budget Control Act of 2011, Aug. 2.

Yet, as LaRouche has stressed, there is *no way* the United States, and subsequently the rest of the world, can pull out of the present existential crisis if British puppet Barack Obama is not removed from office. It must be done constitutionally, for the sake of our republic, but *it must be done.* There is ample evidence, known even more intimately by insiders than by this news service, that Obama is a mental case, a deranged narcissist who will never "reform," but who is easily manipulated by the Wall Street-London powers who orchestrated his accession to office. Add to this, his commitment to the Hitler-modelled policies in health care and government, and the combination is fatal—if the American people don't force Congress to act.

Two Brave Congressmen

So far, only two sitting Congressmen have explicitly attacked the Obama Enabling Act as unconstitutional. Rep. Ron Paul (R-Tex.), also a candidate for the Republican Presidential nomination, responded to a question about the bill's constitutionality by saying, "I don't think there's any doubt about it," explaining: "Where does it say that we can set up a program like this and then pop something back into the House and Senate and say you have a vote, you can't take it to a subcommittee or full committee?" he asked. "So no, that is not what was set up by the Constitution. That was so far removed that it almost becomes a silly notion."

Speaking on CNBC, Paul said: "I would challenge it in the courts and say that it is not a constitutional function.... There's no authority to have a super-Congress who takes over for what the House and Senate are supposed to do."

Rep. Maxine Water (D-Calif.) directly, but mildly charged that the bill was unconstitutional during the House debate. "I am very concerned with the precedent set by this 'super committee,' whose establishment threatens our democratic process with its unconstitutional structure," Waters said, and called it the "worst piece of public policy ever."

EIR has received reports that a number of members of the Congressional Black Caucus, whose chairman, Rep. Emanuel Cleaver (D-Mo.), called the deal a "Satan sandwich," are considering challenging the constitutionality of the Super-Congress in court. But a court procedure is slow and laborious compared to the urgency of the situation: Obama has to be removed now, before his coup is consolidated.

Establishing a 'Junta'

No one can claim ignorance of the nature of the bill which Obama rammed through in order to bypass the Congress. LPAC-TV has produced a series of videos pinpointing the parallel to Hitler's Enabling Legislation, which eviscerated the power of the German parliament. Then, from the "left" and the "right," journalists and academics have issued devastatingly accurate analyses of the nature of the bill.

Among the most striking was that from Democratic economist James Galbraith, in an interview with the Italian daily *Il Messaggero* published Aug. 9. Asked

whether the super-committee will give the right suggestions, Galbraith says:

"For God's sake! It will be a Junta, a body without legitimacy. It would be better to leave decisions to Members of Congress; true, they quarrel even in a dirty way, but eventually they must always be accountable to their constituencies. This committee created out of nothing, without political controls, worries me a lot."

Galbraith exposes the fact that both the U.S. and Europe are run by "a technocracy, or better, a tutorcracy, a situation in which the U.S.A. is under the tutelage of a bunch of financial bureaucrats, and Europe is in the hands of an illegitimate central bank. The bureaucrats are the members of rating agencies, Standard & Poor's, for instance, who want to model the political life of this country after their views, and maybe exploit this alleged debt crisis in order to dispose once and for all with the welfare state. In Europe, you have a central bank which is accountable to no one; with us, at least, the Fed must be accountable to Congress for its actions."

In an article published by *Deutsche Welle* on Aug. 8, Galbraith made a similar point: "The debt deal will make things clear. The President is not a progressive—he is not what Americans still call a liberal. He is a willful player in an epic drama of faux-politics, an operative for the money power, whose job is to neutralize the left with fear and distraction and then to pivot rightward and deliver a conservative result." (See http://www.dw-world.de/dw/article/0,,15295143,00.html)

Galbraith's argument is seconded in Michael Brenner's "J'Accuse," an article appearing in *Huffington Post* Aug. 8. Brenner, a Professor of International Affairs, University of Pittsburgh, writes:

"Emile Zola's passionate denunciation of the persecution of Major Alfred Dreyfus by bigoted, *ancien régime* leaders of the French army was a landmark achievement for the voice of righteous protest. A call to the nation's moral conscience, it galvanized a movement that forced Dreyfus' exoneration," he begins. He then makes the point that precisely that kind of call to moral conscience is required today.

"As an attack on the authority of the peoples' elected representatives by the creation of an ad hoc 'super Congress,' it erodes the constitutional foundations of the Republic. As a success for the rabid dogmatists who held hostage the financial solvency of the United States to exact a ransom whose terms are rejected by a large majority of the citizenry, it rewards behavior inimical to democracy. In demonstrating the minority power of financial special interests to impose itself on the country, the crisis has confirmed the plutocratic realities of our current situation while sowing the seeds of strife down the road. In demonstrating how craven is the Democratic Party—the self-avowed party of the 'little' people—it has highlighted the hollowness of our much touted two-party system. In demonstrating that the Democrats, in a crunch, give priority to well-heeled campaign contributors over their electoral constituency, it has made a mockery of the principle of representation. Government of the people, by the people, for the people has never been in greater danger.

"Then there is Mr. Barack Obama—nominally President of the United States.... Barack Obama has failed the country. Moreover, it is a failure that is not dictated by the array of forces or flawed strategy. The truth is far more troubling. He has failed us due to a lack of conviction, a lack of appreciation where the path of presidential duty lies, a lack of courage, and no lack of expedient impulses to promote himself....

"A reactionary coup. A regressive revolution in social policy. An economy doomed to stagnation for sure—and another collapse as a definite possibility. Discredited governmental institutions. The national interest made hostage to the machinations of an extra-constitutional Congressional junta. America the laughingstock of the world—except by those too frightened by the threat we now pose to global stability. Yet, for all these seismic events, the country hides its head in the sand like the proverbial ostrich...."

The left-wing *Dissident Voice* ran a column Aug. 4 which made the same point: Under the title "The Coup in Washington," Mina Hamilton writes that Congress "is to be pushed aside [and] nullified." She declares that "That is a coup. Albeit it's not a military coup, but the word 'coup' does not require military tanks in the streets or troops swarming onto Capitol Hill."

Congress's Power Nullified

Other analyses have provided conclusive arguments on the unconstitutional, fascist nature of Obama's Budget Control bill, especially as it removes Congress's power over economic policy. We cite the most trenchant:

• Two Republican lawyers, Herbert Titus and William J. Olson, writing for the *American Thinker* on Aug. 4, argued that the Budget Control Act is uncon-

stitutional in at least two respects. First, although the power to borrow money is vested in Congress by Article I, Section 8 of the Constitution, the new law actually transfers this power to the President, since he can determine if the debt ceiling is too low and more borrowing is needed, subject only to Congressional disapproval.

Secondly, the new Joint Select Committee undermines the bicameral legislative process established in the Constitution, and compels Members of Congress to yield their individual legislative duties and responsibilities to the new "super-committee." Describing a Hitler-style coup in other terms, Titus and Olson conclude: "Contrived crisis, appeals to fear, emergency litigation, and suspension of Constitutional order—these are the *indicia* of abuse of power, leading to tyranny."

• On Aug. 5, former New York Lt. Gov. Betsy McCaughey, a leader in the fight against Obamacare, credited with some of the thinking behind the slogans "death panels" and "pulling the plug on grandma," wrote a widely circulated column which noted that, "The framers of the Constitution insisted that any new tax originates in the House of Representatives, because its members represent smaller districts rather than an entire state, and are elected every two years. The House would be closest to the people and safeguard their liberty. Even the 100 members of the U.S. Senate were denied the power to propose a tax. Yet the 12 budget bosses can propose a tax—a perversion of the Constitution."

• Conservative columnist Jack Hunter's Aug. 3 column was entitled, " 'Super Congress' is Not Super; It's Not Even Congress." He wrote that, "The entire purpose of voters electing officials to represent them is the notion that Americans should have a voice in Washington. The Founding Fathers understood that pure democracy was as dangerous as it was impractical—but a representative republic, on the other hand, would allow a doable degree of democracy. Those behind the Super Congress have now decided that even the constitutionally proper level of practical democracy is simply too much. Or as Congressman [Ron] Paul explains, this new committee represents 'Nothing more than a way to disenfranchise the majority of Congress by denying them the chance for meaningful participation…'

Obama Got What He Wanted

It's nothing but fear and cowardice that prevents lawmakers of both parties from acting to stem this tyranny in the only way they can—by moving to remove the President. The excuses on the Democratic side, in particular—such as, that will open the way for the nasty right-wing Republicans to come in—are not credible, even to those who mouth them.

Rep. Dennis Kucinich (D-Ohio), interviewed on Truthdig radio, when asked about the commonplace idea that Obama is just a terrible negotiator who gave away the store, responded, "I don't think the President of the United States ever accepted a deal he didn't want."

Kucinich went on to explain: "I think that the telltale sign was when he put Social Security, Medicare, and Medicaid on the table—which, by the way, when the commission, the super Congress commission comes into effect, will become extremely vulnerable. So the idea of President Obama somehow being incapable of negotiating—excuse me. He knows exactly what he's doing. If he had been in a political trap here, he would have immediately, as a constitutional scholar, resorted to the 14th Amendment.... The 14th Amendment, Section 4, basically empowered the President, if he had been put in a box by the Republicans, to play a trump card. He didn't do that, and he never intended to do that. He got the deal he wanted."

Liberal columnist David Sirota, while putting an odd spin on it, makes a similar argument, in a column entitled "Obama Isn't Weak (He Just Isn't a Liberal)," says that Obama "is achieving exactly what he wants." Sirota goes down the list: "On health care, for instance, Obama passed a Heritage Foundation-inspired bailout of the private health insurance industry.... On foreign policy, he escalated old wars and initiated new ones. On civil liberties, he not only continued the Patriot Act and indefinite detention of terrorism suspects but also claimed the right to assassinate American citizens without charge. On financial issues, he fought off every serious proposal to reregulate banks following the economic meltdown; he preserved ongoing bank bailouts; and he resisted pressure to prosecute Wall Street thieves. On fiscal matters, after extending the Bush tax cuts at a time of massive deficits, he has used the debt ceiling negotiations to set the stage for potentially massive cuts to Social Security and Medicare—cuts that would be far bigger than any of his proposed revenue increases."

In other words, Obama *is* the fascist he appears to be. He has rammed through legislation to consolidate a coup on behalf of his financier masters. He must be removed.

Congressional Research Service Circulates Trash on Glass-Steagall

by Paul Gallagher

Aug. 8—The people who brought us toxic securities and derivatives, multi-trillion-dollar bailouts, and many millions of home foreclosures, are now trying to kill the only solution to this four-year economic depression, using arguments that only morons or corrupted public officials would accept.

With a growing number of rebellious Members of Congress debating the Glass-Steagall solution to this collapse of the United States, a report supposedly "debunking" Glass-Steagall has been circulated by the Congressional Research Service (CRS). The incompetent character of this report shows why Congress as a whole has been vulnerable to giving up its Constitutional powers to Wall Street. Its "arguments" against restoring Glass-Steagall are those bought and paid for by Wall Street, since Alan Greenspan and JP Morgan Bank first mobilized to free the beast of speculation from the wholesome regulations of Glass-Steagall 25 years ago.

Nearly four years ago, in February 2008, the CRS issued a report on the Homeowners and Bank Protection Act (HBPA) then circulating in the House, proposed by Lyndon LaRouche. That legislation combined restoring Glass-Steagall principles of bank regulation, with a national emergency moratorium on foreclosures.

The Congressional Research Service claimed that the HPBA was unconstitutional, helping to kill it. Months later the unregulated big banks exploded from their own speculations; since then, 8.5 million American households have had their homes foreclosed. Had the HBPA been enacted, the bank panic of 2007-08 would not have happened. Even the mortgage banks, whose foolish opposition to the HBPA was cited in the CRS report, would at least have rent-equivalent income today from many millions of what are instead, delinquent and defaulted mortgage loans, and unsellable foreclosed homes.

In September of that year, as Lehman Brothers and AIG blew up, CRS issued another report, this time on Treasury Secretary Hank Paulson's desperate and dangerous plan for the TARP bailout—to have the Treasury use $700-800 billion in taxpayer funds to buy toxic, nearly worthless securities from the major banks and funds.

CRS endorsed the harebrained scheme, which the American people furiously opposed, and even Paulson quickly abandoned, after Congress gave him authorization for it. "The intervention in financial markets could restore stability by restoring confidence. Removing bad debt from bank balance sheets directly addresses several problems. Shortcomings in transparency become a less pressing concern for institutions that can participate, because counterparties would know that the institution has the opportunity to clean up its balance sheet. Similarly, the program may provide an orderly way to resolve derivatives contracts." ("Proposal to Allow Treasury To Buy Mortgage-Related Assets To Address Financial Stability," Congressional Research Service Report, Sept. 22, 2008).

This disastrous advice was provided by CRS "Financial Economics Analyst" Edward V. Murphy, a professor of the dismal science at West Texas State University, and a principal author of all three CRS reports: the "unconstitutional" attack on HBPA; the endorsement of Paulson's nightmare bailout; and the current attempt to debunk the legislative drive to restore Glass-Steagall. Another CRS "Financial Economics Analyst," Baird Webel, was Murphy's co-author on the toxic securities bailout endorsement, and also on a November 2008 report purporting to explain the *causes* of the global fi-



levin.senate.gov

Sen. Carl Levin releases the Levin-Coburn report, "Wall Street and the Financial Crisis: Anatomy of a Financial Collapse," April 13, 2011. The report identified the repeal of Glass-Steagall as the turning point that led to the crash and bank panic of 2007-08.

nancial meltdown to Congress. According to them, the root cause was—increased defaults on mortgages; and they reported that it was unclear whether a recession was developing!

Ignorance of the Constitution

The new CRS report attempts to scotch broad debate over Glass-Steagall in the House, where H.R. 1489, a measure introduced by Reps. Marcy Kaptur (D-Ohio) and Walter Jones (R-N.C.), has 33 bipartisan sponsors—but it has only heightened that debate. It was commissioned by Members of Congress and circulated at the end of June.

Where CRS recommended Paulson's, Federal Reserve chairman Ben Bernanke's, and Treasury Secretary Time Geithner's bailouts, its report on Glass-Steagall does not recommend restoring President Franklin Roosevelt's law—which stopped bank panics in the United States for 70 years. It is directly opposed to the findings on Glass-Steagall of Senators Carl Levin (D-Mich.) and Tom Coburn (R-Okla.)'s report; of the Congressional Financial Crisis Inquiry Commission ("Angelides Commission); and of the head of the TARP oversight committee, former Sen. Ted Kaufman (D-Del.)—they all drew direct lines from the 1987-99 erosion and then repeal of Glass-Steagall, to the crash and global bank panic of 2007-08.

The report attempts to argue that "Glass-Steagall would not have prevented financial instability" in the eight years of wild speculation, "securitization," and growth of derivatives bets to $1,000 trillion in the eight years after its repeal, leading to the 2007-08 global crash. Its arguments against Glass-Steagall are those of sophistry and trickery—completely lacking in force or passion about the crash and mass unemployment and loss of homes and wealth of tens of millions which resulted; and completely lacking in knowledge of the fundamental principles of the U.S. Constitution.

The prime mover for that Constitution was our first Treasury Secretary Alexander Hamilton, who turned U.S. debt into credit and created U.S. national banking, defining "commercial banking" as an instrument of the Constitutional general welfare principle. Franklin Roosevelt's Glass-Steagall Act returned depository commercial banking, under Section 12 of the U.S. Code on "National Banking," to that proper role, and set aside the Wall Street speculation and securitization gambling games as "non-banking," prohibited from any form of government lending, insurance, or support.

Under Glass-Steagall the "universal megabanks" of the Eurozone—which have been bailed out to the last bank, over and over, and are still collapsing—were not even allowed to establish branches in the United States until the 1990s, because they violated the basic Glass-Steagall principle of bank credit which had obtained in the United States since 1933. Thus restoring Glass-Steagall in the United States now, would end the Federal Reserve's massive bailouts of European banks' bad debts; would end President Obama's pledges to be lender of last resort for the entire Euro-

pean Monetary Union; and would set an example for the European nations to end their policy of ever-larger, desperation bank bailouts.

Bought-and-Paid-for Arguments

Some will call the CRS report's arguments against Glass-Steagall regulation, "Republican"; but they would be wrong. These are also the arguments of House Financial Services Committee ranking member Rep. Barney Frank (D-Mass.), who argued at length in 1999 House floor speeches in favor of repealing Glass-Steagall (by the Gramm-Leach-Bliley bill). Barney now argues—just like CRS—that the Glass-Steagall he helped to kill "wouldn't have made any difference" to the ensuing global speculative blowout. He also argued—just as CRS did in its 2008 report against the HBPA—that holding off millions of home foreclosures would have been an unconstitutional violation of (Bank of America's) property rights!



The arguments against the Glass-Steagall principle made by CRS's Professor Murphy are not "party" arguments; they are those of the City of London financial circles and Wall Street financial roundtables.

What are these arguments?

1) The meaningless: "The investment banks, mortgage brokerages, hedge funds, etc. could, under continued Glass-Steagall, have conducted all the same speculative activities they did anyway."

Quite true—but under Glass-Steagall, they would have blown up ... only themselves. They could not have used the commercial banks' capital, loans, and barred investments to do it; they could not have set up funds to lure depositors' savings; as a result, they could never have escalated their debt-to-capital leverage to 40:1 in doing it; and *they couldn't have been bailed out from 2008 onwards for all of it*; nor could the commercial banks have bought the speculators' MBS (mortgage backed securities) and associated derivatives.

2) The fantastic: "Glass-Steagall might have prevented the collapse of bank credit, capital, and risk standards in the last decade, but the Glass-Steagall prohibitions on commercial banks' engaging or investing in high-hazard activities could have been enforced by regulators under other laws. So the absence of Glass-Steagall was immaterial."

But of course the regulators did not enforce them. These "other laws" aren't further identified by Professor Murphy. The U.S. Supreme Court found, in its 1971 "Camp" decision, that these high-risk speculations were prohibited specifically by Glass-Steagall, and that decision is invoked by Reps. Kaptur and Jones in their H.R. 1489 legislation.

3) The deceptive: "Commercial banks even under Glass-Steagall could offer, buy, and hold whole mortgages [unsecuritized mortgages, exactly the sort of banking activity which does *not* cause collapse], and could invest in MBS issued by Fannie Mae and Freddie Mac" [only because of one of the holes poked into the original Glass-Steagall provisions, in the 1970s].

4) The bought-and-paid-for: "Glass Steagall prevented banks from engaging in risky activity, but it also made them less profitable, and thus reduced their stability."

This was Fed chairman Alan Greenspan's and JP Morgan's "financial innovation" argument in attacks on Glass-Steagall from the mid-1980s, and eventually for Gramm-Leach-Bliley, which repealed it.

5) The desperate: "Europe had fewer banking panics than U.S. in the 19th Century, and Canada had fewer bank failures than the U.S. in 1929-33, without having Glass-Steagall legislation."

A Congress which believes any of this, or is held back by it from acting on Glass-Steagall, is owned hand-and-foot by Wall Street and London.

The global financial panic which has now resumed with greater ferocity *because* of the bailouts Glass-Steagall would have prevented, demands that they break those shackles and act immediately. More than $14 trillion in Wall Street, London, and European megabank gambling debts, foisted on American taxpayers during the past three years, would be thus charged back. With that gambling debt removed from the Federal government's back, the United States would regain its capacity to issue Federal credit for vitally needed infrastructure projects, scientific progress, and productive employment.

BODIES IN THE STREETS

Obama Debt Deal Pushes States, Localities into Fiscal Chaos

by Marcia Merry Baker and Carl Osgood

Aug. 7—Just five weeks into FY 2012 for states and localities, and their chaos condition has entered into new realms of life-or-death danger for millions: sweeping losses of medical treatment, fire and police services, sanitation, housing and food, and exposure to disasters. This is the catastrophe that Lyndon LaRouche warned in June, when he demanded that Congress immediately pass Glass-Steagall.

There is no means of reversing this, but enforcing a Glass-Steagall policy shift on the Federal level, to defeat the treasonous Obama Debt Dictatorship, the "Budget Control Act of 2011." Only in this way, can the credit regime be created, for the Federal government to intervene with programs and credit to restart economic production; and with emergency grants, loans, services, and programs to support state and local government functioning, which is now shutting down. Without this, it will be bodies in the street, as LaRouche warned, in a statement Aug. 1 on the implications of the Obama Debt Deal.

July 1 was the start date of a new fiscal year for 46 states and thousands of local entities. Despite all the budget-balancing acts they performed to get through FY 2011—a mixture of Dracula-cuts and accounting tricks—they can only show technical solvency at the expense of the welfare of their populations, and even that charade is being destroyed by falling revenues. The overall economic collapse process is too far gone.

Adding to this, June 30 saw the end of the Federal funding flow to states from the American Recovery and Reinvestment Act of 2009, the so-called stimulus act. Now the new "Budget Control Act of 2011" commits to vastly reducing every remaining Federal aid program to states, from FEMA and disaster relief, to energy assistance, Medicaid for the poor, and more.

The Intent To Kill

One example—LIHEAP (Low Income Heating and Energy Assistance Program)—reveals the intent to kill. So far this Summer, close to 100 Americans have died from excessive temperatures. But Obama wants the Federal energy aid for poor householders cut drastically. Earlier this year, he and the new Congress already cut the FY 2011 outlay from $5.1 billion down to $4.7 billion (for the budget year ending Sept. 30). Now Obama wants that cut further to $2.5 billion for the budget year beginning Oct. 1. The program is currently serving 8.9 million people, up from 5.3 million in 2008. Millions more would qualify, but the states, which administer the program, don't have the Federal money, and there is no state money to fall back on. In Michigan, Federal LIHEAP funding this year dropped from $238 million down to $38 million, the biggest state cut in the nation. The fatalities there are mounting each week.

The cuts to Medicaid funding—already authorized by Obamacare's Sir Donald Berwick, and soon to occur,



Feature Photo Service

As the Dracula cuts of the Obama debt deal take effect, Medicare and Medicaid programs will be slashed; seniors,like this Texas woman, will not be able to afford their medications. Their lives, and many others are on the line.

are so deep as to both kill people now, and to shut down huge parts of the U.S. health-delivery system (e.g., county skilled nursing facilities), so that death on a mass scale will be guaranteed in the near future.

Cities are in the throes of insolvency, no matter how much they had cut staff and programs up through June 30, and thereafter. Their two main funding sources for essential programs—state grants, and local tax revenues—are drying up, in line with the economic crash.

Add to the picture, the role of the rating agencies, such as Moody's Investors Service, Standard & Poor's, and the other carion-crows, to downgrade the credit status of states and localities, and the situation is clearly impossible for local government leaders to deal with, without Federal action on Glass-Steagall.

Chaotic Insolvency, Breakdown

Where are we now? A few headline examples:

• Washington State announced in July that their FY 2012 estimates for revenue are too high; far less will be coming in. Other states are in the same boat.

• Central Falls, R.I. on Aug. 1 declared Chapter 9 bankruptcy. Gov. Lincoln Chafee said on Aug. 4, that he hopes to merge the 19,000-resident town into nearby entities. But many other of the state's 39 towns are also in various degrees of fiscal crisis.

• Birmingham/Jefferson County, Ala., on Aug. 4, held a Commissioners meeting on whether to declare Chapter 9 bankruptcy—which would be the biggest-ever municipal bankruptcy ever in the nation. The county is the largest in the state. But at the request of Gov. Robert Bentley, the decision now has been delayed, by declaration of a "standstill" between the county and its creditors, until Aug. 12.

These examples are indicative of echelons of cities, counties, and states everywhere. Yes, a few particulars may stand out as apparently uniquely "local." For example, Birmingham/Jefferson County has debt associated with its sewer system; Harrisburg, Pa., with its incinerator; Central Falls, facing a common problem, cannot meet its upcoming pension payments to retired city workers.

Each place may have its particulars; it is the crisis of unpayability that is everywhere the same. These localities and their citizens are suffering under the prolongation of not replacing the already dead world monetarist system.

In Michigan, there are numerous local entities in the official category of "financially distressed," and dozens in the pre-stages. The same in New York and other Great Lakes states, and others of the formerly industrialized regions, whose economies have been drastically eroded under decades of globalization and production shutdown.

In Pennsylvania, there are also several towns officially under state financial receivership—called Act 47—and several about to follow. However, on July 19, the City Council of Harrisburg, the state capital, became the first city ever to turn down a state Act 47 receivership plan, for reasons of not wanting outside financial axeman-experts to come in and lay waste to the town. The problem now, is that city leaders are to come up with their own plan for financial reorganization by late August. Mayor Linda Thompson issued a Dracula-plan

on Aug. 2, involving selling assets, leasing the city/capital parking garages, cutting wages and programs, etc. Council members want to protect city assets, functions, and prerogatives. A public hearing is set for Aug. 11 on Thompson's plan.

On July 12, the Harrisburg Council unanimously voted up a resolution backing the national reinstatement of Glass-Steagall, in the form of H.R. 1489, introduced by Rep. Marcy Kaptur (D-Ohio). In December 2007, the Council had voted up a resolution for Congress to pass the LaRouche policy initiative, the Homeowners and Bank Protection Act. But without Federal action, Harrisburg and thousands of other cities are in the barrel.

The Credit-Raping Agencies

Making the plight of local and state entities worse, are the actions, over decades, by the credit-rating agencies, better called *raping* agencies, conducted in tandem with international banking networks, especially the London Inter-Alpha crowd—JP Morgan Chase et al. Here's how it works.

Moody's Investor Services, Standard & Poor's, Fitch, or another agency comes in, and declares, or threatens to declare, a lower rating to the creditworthiness of the entity in question. This both affects the interest rate which the entity (town, county, university, water treatment district, school district, etc.) has to pay for bonds and loans, and also constrains how the local government or district runs their budget and operations—in order to "please" the raping agency.

Then, in cahoots with the rating agency, big-time financial sharks show up, to offer exotic "interest rate management" deals to local goverments, supposedly to protect them from the impact of steep interest rate increases on their borrowings. In fact, these fancy deals—credit default swaps, interest rates swaps, and others—are just ways to suck out more money. Leaders of the pack include JP Morgan Chase and Goldman Sachs. This characterizes the past 15 years of U.S. municipal financing.

In Pennsylvania, for example, between 2003 and 2009, 86 local governments in the state, and 21% of the school districts, had $14.9 billion in public debt tied to swaps. In 2003, the Harrisburg Authority (which deals with physical infrastructure, such as an incinerator project), started entering into swaps for its bonds with the Royal Bank of Canada, all of which backfired.

Out of $2.8 trillion of bonded indebtness of U.S. states and municipalities nationwide, as of early 2011, some $500 billion is related to the "interest rate management" game!

LaRouche said on Aug. 2, "Jail the bums!"

This flim-flam is now rightly getting international exposure and denunciation. In Italy, there are two investigations of S&P and Moody's. Their Milan offices were raided by Federal authorities on Aug. 2. The charges include, in part, that these agencies are acting against the "sovereign interest" of the nation.

In the U.S., local leaders are issuing denunciations of Moody's, because of its July 28 sweeping announcement that it might downtick 177 public finance entities, naming five states; over 170 localities throughout 31 states; 14 housing authorities, and 1 public university. The nominal reason offered, is that these locations might be negatively affected by Federal government downsizing. Virginia, which now is on the Moody's watch list (along with Maryland, New Mexico, South Carolina, and Tennessee), has 15 entities under review, the largest number of any state.

A group of eight northern Virginia mayors and county chairmen issued a statement of objection, soon after Moody's July 28 notice. They said, "Enough is enough!" Why should localities be threatened over their credit rating by Moody's, just because of what the Federal government is or isn't doing?

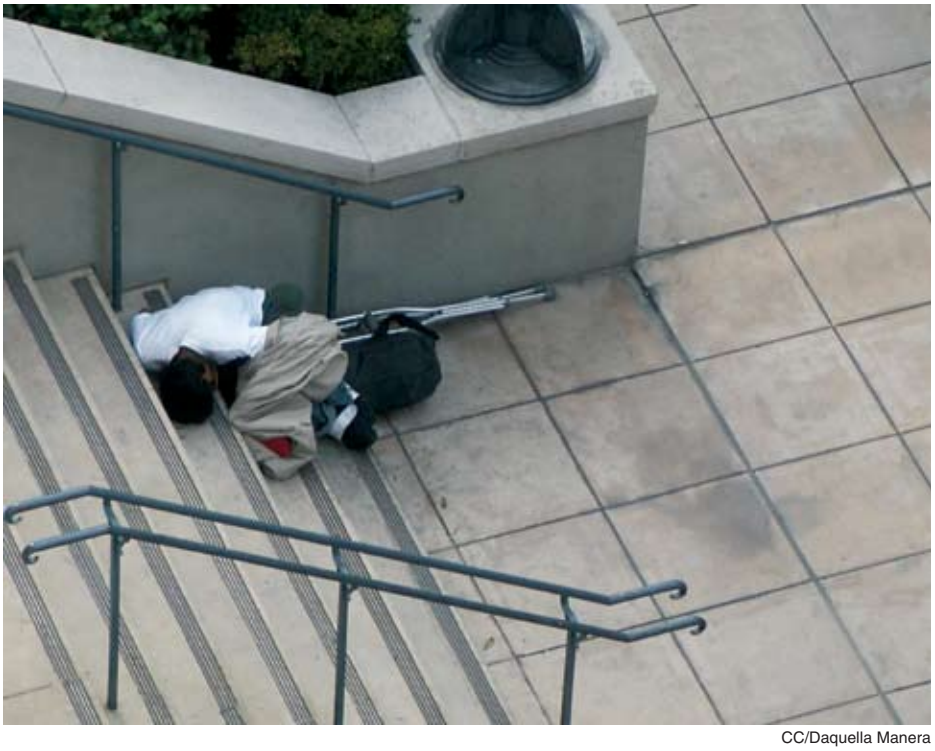
In Minnesota, on July 29, Hennepin County board chairman Mike Opat issued a strong objection to Moody's threats. Opat scored the raping agency for putting question marks over his county's rail authority and ballpark bonds, as well as over the city of Minneapolis, the County of Wayzata, and Edina School District. Opat also denounced as "unacceptable" that Moody's released its from-on-high findings to the media, before informing the jurisdictions.

The response from the raping agencies? On Aug. 5, Standard & Poor's downgraded the bonds of the United States!

Budget Cuts, Injury, and Death

A snapshot of the largest spending shares of state budgets (as of the last few years), and what is being cut, makes clear we have a breakdown in government function. Details were most recently summarized in a July 28 report by the Center for Budget and Policy Priorities ("State Budget Cuts in the New Fiscal Year Are Unnecessarily Harmful").

- 30% cuts to health care and Medicaid: Huge new



CC/Daquella Manera

The policy is to kill people: In Tallahassee, Fla., a nursing home deposited a 53-year-old, diabetic, disabled combat veteran, on Medicaid, on the steps of a homeless shelter. This disabled homeless person was photographed in Los Angeles.

FY 2012 cuts are being made in at least 20 states, coming on top of two years of cuts in all 50. Arizona and Washington have both frozen enrollment in parts of their Medicaid program, denying, in the case of Arizona, 100,000 persons from coverage.

• 30% from public education: Both pre-K and K-12 education funding, and also higher education funding, are being cut deeply by states. Thousands of teachers' jobs are gone. Florida's cuts led to 15% tuition hikes to colleges, for a total hike of 52% since 2009. California's new budget reduces support for the state's two university systems by $1 billion.

• 40% to all other functions: Major state allocations are cut to such basics as firefighting, public-health measures, police; and in Virginia, paying for burial of the indigent. For many localities, state funding normally constitutes over 30% of their revenue. Now it's not there.

Overall, 577,000 jobs have been eliminated from the public-sector workforces of states and localities together, since August 2008. The public is paying the price for those cuts, in terms of higher risk of injury and death.

Camden, N.J. stands as an extreme example. In January of this year, Mayor Dana Redd fired one-third of the fire department and nearly one-half of the police department in a futile effort to balance the city's budget. Camden had been in state receivership for several years, but Gov. Chris Christie (R) decreed that the city, with 79,000 residents, would get no more state help.

Already one of the most dangerous cities in America when the cops were let go (although 70 of the more than 160 laid off have subsequently been re-hired), Camden has become far more dangerous. The incidence of violent crimes was up 13% in June, year on year; the rate of non-violent crimes up 21%; and the rate of assaults using a gun were up 60%, as reported July 12 by the Cherry Hill *Courier Post*.

The Body Count

Apart from violent crime, there is an immediate mortal threat to American families, because of the withdrawal of medical treatment, due to the impact of current and pending cuts in Medicare and Medicaid. In Arizona, there are individuals enrolled in Medicaid who are dying because medical procedures they need have been cancelled, under the state program to "save" money by having designated categories of the poor die off.

Arizona and other states have been granted waivers from the Obama Administration to make such lethal Medicaid cuts.

Now, the entire national health-care delivery infrastructure is itself being dismantled by the deadly budget-cutting mania. There are currently over 50 million poor Americans—one in seven—enrolled in Medicaid, which originated as just a stop-gap safety net; these people today receive their health care administered by the states, through local hospitals, doctors. and skilled nursing homes. The Obama regime and allied budget-cutters are cutting payment to all these institutions.

The bodies are piling up. Nursing homes are expel-



LPAC-TV

City and county councils across the country are voting up resolutions in support of restoring the FDR-era Glass-Steagall law, in response to a nationwide mobilization of LaRouchePAC. Here, LPAC organizers at the Austin, Texas Capitol in Feburary 2011.

ling the under-reimbursed Medicaid patients, while trying to get full-pay patients; or just shutting down altogether. In Hancock County, Ill., the skilled nursing home, in operation since 1970, has announced it is closing down as of Oct. 1, in large part because of the increase in residents coming under Medicaid, which underpays.

In Tallahassee, Fla., in early August, a nursing home deposited a 53-year-old, diabetic, disabled combat veteran, on Medicaid, on the steps of a homeless shelter. After all the publicity, state authorities said that they will look into what dismissal regulations were breached. But *the policy is to kill people.*

In Montana, an assisted living center publicized in advance that under the new 10% cut in Medicaid coming from the state, they would be forced to expel (while observing all the regulations) such people as a resident Korean War veteran. The nursing home has been carrying a certain number of such Medicaid residents at a loss, but the new cuts make this impossible. On Aug. 1, Gov. Brian Schweitzer (D) wrote to this particular home, and all of Montana's 200 facilities of this type, saying that he would rescind the state's 10% cut in Medicaid, and impose only a 2% reduction.

But massive Medicaid cuts are the order of the day in Washington. On July 9, a bipartisan group of governors, representing the National Governors Association, wrote to Obama, Vice President Biden, and Congressional leaders: "Make no mistake: these reductions are significant and cannot be absorbed into state budgets or simply passed on to providers of health services."

On Aug. 4, a delegation of 20 California medical treatment representatives met with Sir Donald Berwick of the CMS (Centers for Medicare and Medicaid Services), telling him to reject California Gov. Jerry Brown's (D) request for a waiver to cut $1.4 billion from state Medicaid spending. Brown seeks permission for a 10% across-the-board cut in Medicaid payments to doctors, hospitals, and nursing homes; and to impose other measures, including limiting a Medicaid enrollee's doctor visits to seven times a year, and such.

This will be "tearing down the infrastructure" on which health care is dependent, said Dustin Corcoran, the CEO of the California Medical System, in demanding Berwick reject Brown's waiver request.

marciabaker@larouchepub.com

GLASS-STEAGALL IS THE SOLUTION

$5 Trillion Wiped Out As Hyperinflation Looms

by Helga Zepp-LaRouche

This article was translated from German.

Aug. 5—The latest phase of the systemic collapse, which has wiped out at least $5 trillion on the international stock exchanges in recent weeks—that's the equivalent of the capital value of the yearly Japanese Gross National Product—is proceeding even further and more dramatically. Now America, with the downgrading of its credit rating by Standard and Poor's, is being subjected to the Greek treatment. If the Fed and the European Central Bank (ECB) open the money gates up even further, as is apparently their intention, the global financial system will quickly vanish into thin air, in a hyperinflationary glut of money. The only way to fight this threatened looting of the population, which would led to mass death throughout the world, is the immediate elimination of the casino economy by a two-tiered banking system (Glass-Steagall system).

Governments and representatives of financial institutions could have spared themselves the panic of the last few days if they had listened to Lyndon LaRouche, who had forecast the chain-reaction collapse, and a coup in the tradition of the Reichstag Fire, for the period after the end of the U.S. fiscal year (July 1), along with the threatened state bankruptcy. This coup has occurred through nothing other than the abrogation of the American Constitution by the so-called "Super Congress," consisting of 12 Representatives and Senators, who are supposed to push through a murderous austerity program of at least $1.5 trillion, in addition to the cuts of $1 trillion already announced by Obama. The chain-reaction collapse is in full swing; the financial system is finished, and every attempt to prolong it in its lingering illness through liquidity pumping, will only destroy more of the real economy and cost more human lives—and will at the very most only last an extremely short time.

Panic in Euroland

It was just as expected: Only two weeks after the EU heads of government at the July 21 summit submitted to the diktat of the international bankers, represented by the Institute of International Finance (IIF) and its director Josef Ackermann, and agreed to the extension of the European Financial Stability Facility (EFSF) as a rescue mechanism for the toxic government bonds held by the banks, at the taxpayers' expense, the whole package has already turned into wastepaper! From his vacation in Portugal, a panic-stricken EU Commission President José Manuel Barroso wrote an urgent letter to all 27 EU heads of state, with the insistent demand that the funds of the EFSF (which is a temporary institution) be immediately increased, without waiting until its succes-

sor, the European Stability Mechanism (ESM), takes effect in 2013. Unidentified sources in Brussels close to Barroso's environs, put out the word that the EFSF must be expanded from its current EU750 billion to EUR2 trillion, in order to prevent the infection of more states by the debt crisis.

The cause for this panicked reaction, naturally, is that the crisis is coming to a head in Spain and Italy, which now must offer investors risk premiums to buy Spanish and Italian government bonds, exceeding the pain threshold; for securities with a 10-year maturity, investors are meanwhile demanding more than 6% interest. Until recently, 5% was the outer limit that states would have to pay for rescue packages to avoid bankruptcy. Naturally, the deposits in the EFSF are not enough, if now the third- and fourth-largest economies of Europe also have to have an emergency parachute. Meanwhile, even French bonds are coming under attack!

And therefore, what was really already obvious before, becomes clear even to the last dreamer: Naturally, the states that themselves have to grab onto the rescue parachute (as it is called in the foolish jargon of the European politicians), will drop out as credit-providers for that parachute. Then, of course, only the states with a positive balance of trade are left as the paymasters for everyone else: Finland, The Netherlands, Austria, and obviously, Germany. The faulty design of the euro has failed, as it had to fail, and the German government must draw its own conclusion, and unilaterally leave the Eurozone.

The ideological blockheads of the EU bureaucracy and their lackeys in the governments and the parties will also struggle to understand this situation, but we have reached the end of the line! The only reaction which the members of the G20 nations were able to muster after the outbreak (provoked by the collapse of the secondary mortgage market in the U.S.) of the global financial crisis at the end of July 2007, and in the four years that followed, was the most gigantic redistribution of private gambling debts into public government debt. The result has been state bankruptcies galore, an enormous destruction of industrial capacity worldwide, a dramatic rise in mass poverty, and a significant increase in the number of millionaires and billionaires, even as the number of those who are already starving to death, or are threatened with starvation, reached a hundred million people. How those who caused this misery are able to sleep at night is a mystery.

Revving Up the Printing Presses

The collapse of the world financial system is in process; it's occurring in these August days. If the Fed, the ECB, and the other central banks now activate the printing presses—Bernanke's so-called "quantitative easing 3" and the purchase of toxic state bonds by the ECB, which has already begun—then a hyperinflationary explosion will be the result, which will make the developments of Autumn 1923 look as if they occurred at a snail's pace.

There's only one solution left: The system of the casino economy, which is bankrupt through and through, must be replaced by a two-tiered banking system, through which fresh credit will be made available for massive growth of the real economy, and the gambling debts will be wiped out, without compensation. The argument that the interdependence of real assets—such as rents, wages, savings deposits, etc.—and virtual financial products is too close, and the situation much more complex than in the time of President Franklin D. Roosevelt when he implemented the Glass-Steagall standard, is indeed understandable, but it misses the essential point.

The attempt to maintain the present system, with its estimated $1.5-2 trillion (!) in outstanding derivative contracts (of which a considerable part is in the dark corners of shadow banking), through continuous refinancing at ever faster intervals, would generate hyperinflation that would not only turn legitimate claims and virtual titles into electronic trash, but would immediately lead to dangerous strategic turmoil.

China, which is sitting on more than $2 trillion in U.S. Treasuries and other securities—whose devaluation it fears just as it does the collapse of the American export market—responded with sharp criticism to the S&P downgrading of the credit of the United States. According to a commentary in the state news agency Xinhua on Aug. 6, the times are finally over, in which the U.S. could get rid of its problems simply by increasing its debt. As the largest creditor of the U.S., China now has "has every right now to demand that the United States address its structural debt problems" and "ensure the safety of China's dollar assets," Xinhua, which is considered the voice of the government, wrote, and demanded immediate action, otherwise the current downgrading will be only the "prelude" to even more "devastating" credit scores. Similar assessments were made earlier by the Russian government. It is clear, and not only to the governments of China and Russia, that a

crash in the U.S. and the Eurozone threatens to drag the whole world into the abyss, with incalculable strategic consequences.

There Is a Solution

The solution lies in the concept that LaRouche proposed back in August 2007: the principle of the Homeowners and Bank Protection Act, which must now be extended internationally. Government institutions must be tasked to carry over legitimate claims from the current system into the new system. While these claims are sorted out by the state authorities, the claims are frozen, or limitations are placed on them. Although this method might be complicated, in the end everything will be saved that is the result of honest work—no matter whether it is the life's work of retirees, in the form of their pensions, or the export earnings of millions of Chinese workers.

There is not the slightest reason to accept the oracular pronouncements of the rating agencies, which in any case are just mouthpieces for the "markets." What are these ominous "markets," which can always make German Finance Minister Wolfgang Schäuble tremble and get him to, de facto, if not *expressis verbis*, repeatedly invoke Carl Schmitt and the "State of Emergency" to do what the financial institutions demand? Well, these ominous "markets" are such people as Josef Ackermann, Lloyd C. Blankfein, Jamie Dimon, Baudouin Prot, etc.

The rating agencies are nothing but reconnaissance patrols for the banks and hedge funds, who stalk their victims, and give the signal when it's time to start shooting. An Italian prosecutor has now drawn the conclusion from this situation, and is investigating the offices of Moody's and Standard & Poor's in Milan, having confiscated documents from them. After both rating agencies lowered their outlook for Italy in May, speculative attacks were launched against Italy. Now the prosecutor is looking into the complaints submitted by two consumer associations that are demanding an explanation for the sharp currency drops of July 8 and 11, asking whether criminal activity was involved.

The insolvency of the global financial system, for which the governments are to blame, now means shock and alarm for the entire world population.

There is a solution, but it must be taken swiftly and boldly. There must be an end to the principle of "too big to fail." If banks or other financial institutions cannot bring their balance sheets into order on their own, without taxpayer funds, then they will just have to file for bankruptcy.

The commercial banks must be placed under state protection; they have to be put in position from which to make targeted investments in the real economy. Legitimate claims should be honored according to the sorting-out process of the new system. Virtual gambling debts must be canceled without compensation.

Germany's sovereign control over its own economy and monetary policy must be recovered by terminating the EU treaties, from Maastricht to Lisbon, and introducing the new D-mark. Fixed exchange rates must be agreed upon. A New Bretton Woods System will create the new credit system, to be agreed upon by sovereign nations, with long-term cooperation treaties. This will mean that the world economy can be rebuilt, by projects like the expansion of the World Land-Bridge—particularly an infrastructure and industrialization program for Africa—and the development of manned space flight and other industries of the future.

Systemic Collapse Targets Italy

by Andrew Spannaus

Aug. 8—As London's bankrupt global financial system accelerates its wrecking campaign, the nation of Italy has become the most recent target. In the past few weeks, the City's imperial bankers unleashed a massive speculative attack, aimed at forcing the country to implement harsh austerity and "structural reforms," in a process that heretofore has been limited to smaller European economies such as Ireland, Greece, and Spain.

As usual in these situations, the international financial elite cares not for the welfare of the population of Italy, or any other of the countries that come under pressure to take drastic actions in order to avoid the implosion of the financial markets; they demand their pound of flesh, in the hope that their global debt bubble based on speculation in financial derivatives



Italian Prime Minister Silvio Berlusconi (right), caved in to a financial attack by the London banksters, deepening a rift with Economy Minister Giulio Tremonti (left). Meanwhile, on Aug. 3, prosecutors from Trani, a small city on the Adriatic Coast, ordered a raid of the Milan offices of the rating agencies Moody's and Standard & Poor's (below).



and whatever streams of income from the real economy can be rounded up by extortion, will live to see another day.

Euro vs. the People

Italy is a nation of nearly 60 million people, with a GDP of approximately $2 trillion, Europe's third-largest economy. While the fabric of its economic system is decidedly less intertwined with the global financial casino than that of many other countries, the gradual implementation of an anti-industrial policy over the past 30 years has produced a large foreign state debt, equal to approximately 120% of GDP. Until about a decade ago, over two-thirds of that debt was held by Italian families, who financed their own government and earned interest doing so; now, about half is in the hands of foreign banks, and thus any drop in "confidence" on the market represents a threat to the country's ability to finance its debt.

With this in mind, consider the current death spiral of the system based on Europe's single currency, the euro. From the beginning, the euro was aimed at eliminating economic sovereignty among the nations of the continent, starting with Germany at the time of its reunification, with Italy following close behind. The institutions of the European Union, now established as a dominant supranational structure through the Lisbon Treaty, set all essential economic policy for the member-states, based on precisely the same type of monetarist, free-market voodoo that has led to the current breakdown. Member-states are told to balance their budgets through austerity and cuts in public investment. Of course, those same policies make it impossible to create growth in the economy, which leads to calls for even more austerity, along with privatization and deregulation that are supposed to make the country more "competitive," but actually serve to open up sectors of the real economy that can provide new loot for the financial sector.

Thus, as the speculative excesses of recent years continue to unravel, numerous countries find themselves in an unsustainable situation. The drug-induced euphoria is gone, while the instruments that could change the nature of the economy are prohibited. Ireland, Greece, Portugal, and Spain have all succumbed, cutting deals with the EU and the IMF for massive budget cuts and reforms. Naturally, the programs don't work, as demonstrated in the case of Greece, which was "bailed out" over a year ago, and is now in an even worse situation. The truth is that the bailouts go directly to the foreign banks that created the bubble in the first place, or have recently bought up the countries' bonds seeking higher yields. Without a public handout, they would fail.

The Assault Begins

In early July, Italian state bonds began to come under pressure. By mid-July the spread between Italian and German bonds had reached a peak of over 300 base points. At that time, the Italian Parliament passed an austerity package of EU70 billion in record time, with tax increases, cuts in social services and pensions.

Last week, the pressure was ramped up again, with a new round of bond selling led by European banks such as Deutsche Bank, and heavy pressure on the CDS (credit default swaps) market, derivatives which represent bets on default. As the spread with German bonds closed in on 400 base points, and global markets began the current phase of the crash in relation to the artificial U.S. debt ceiling crisis, the EU moved into action with heavy-handed threats:

After the Italian executive tried to hold the line against the pressure, denying the request of the "markets" to frontload the austerity measures and demonstrate its willingness to gouge the population as soon as possible, the current and future heads of the European Central Bank (ECB), Jean-Claude Trichet and Mario Draghi, wrote a letter to Italian Prime Minister Silvio Berlusconi, presenting a list of conditions to be implemented immediately in exchange for measures to stop the attack. The bankers demanded a balanced budget in two years, a balanced-budget amendment to the constitution, a "credible" privatization and deregulation campaign, and labor market reforms.

Indeed, the Berlusconi government's policies in recent years, led by Finance Minister Giulio Tremonti, have given mostly lip service to free-market reforms, blocking the type of deep structural changes demanded by the liberals. Recently, the liberal faction has pushed Berlusconi—who has been heavily damaged by scandals—towards their desired position, deepening the rift with Tremonti, while at the same time angling to dump Tremonti as soon as possible, through scandals and public attacks.

Faced with this blackmail, Italy did an abrupt about-face, doing exactly what Berlusconi had resisted just the day before, demonstrating that policy is made "by a supranational technical government based in Brussels, Frankfurt, Berlin, London, and New York," as brazenly stated by former EU Commissioner for Competition Mario Monti, the leading candidate for a technocratic government to replace Berlusconi in the coming months, in an article in Italy's largest daily newspaper *Corriere della Sera*. As a reward, the ECB began to buy Italian bonds on the market on Monday, Aug. 8, allowing the spread to come down.

Death of a System

It is important to note that on its own, Italy is not at risk of default. Although its public debt is very high, there is no reason to suppose that the country will not be able to meet its obligations, even if borrowing rates were to reach the level of 7% or more (they have been oscillating between 5 and 6% in the past week), which would only add a few billion dollars in costs this year. The bond crisis is created by the speculative mechanisms of the market. Italy's survival does not depend on a bailout; indeed, the opposite is true. It is the global financial bubble that requires new streams of income from the real economy—through privatization of state enterprises, pension systems, municipal services, etc.—to postpone its inevitable end.

The policies associated with the bailouts only make the situation worse. The determination to keep the financial bubble alive with ransom from what remains of the productive economy is leading to the end of an era; without a Glass-Steagall-type reform, which would insulate the real economy from the speculative junk that is causing the crisis, the problem can not be solved.

Although the basis for a strong movement in favor of a Glass-Steagall reform has already been laid in Italy, through numerous public statements and events in collaboration with the LaRouche movement, including resolutions in the Senate and Chamber of Deputies, one of the goals of the crisis created in recent weeks has clearly been to shift the public debate away from the real solutions, and guarantee that the various political factions merely argue over the details of how the austerity policies will be implemented. Just as in the debt ceiling debate in the United States, the attempt is to push the growing momentum for systemic change aside, while the parties launch a largely useless discussion within the ideological confines of a disastrous policy—and the ruling financiers impose their will unchallenged.

A Sharp Strike-Back

Despite having submitted to this blackmail, however, a notable act of resistance has emerged, in the form of a judicial investigation into the rating agencies that helped precipitate the bond crisis: Moody's and Standard and Poor's. On Aug. 3, prosecutors from Trani, a small city on the Adriatic Coast, ordered a raid of the

Milan offices of the agencies, to "verify whether these agencies respect regulations as they carry out their work." The investigation originated with a complaint filed by a consumer association, which suggested that the sharp drop in the market may have been the result of a "precise scheme by hedge funds and other unidentified players that could be linked to the negative comments about Italian public finances by the rating agencies."

The Trani investigation was bolstered by a resolution passed by the Finance Committee of the Italian Chamber of Deputies last week, calling on the government to take legal steps against the rating agencies. In a conversation with *EIR*, Sergio D'Antoni of the opposition Democratic Party (Pd), slammed the rating agencies, and agreed that the financial system needs to be reorganized in order to block speculation and the attacks that destroy entire countries. "The current situation is absurd. The role of the rating agencies must be changed; we can't have rating agencies which are paid by those they assess, and that, in any event, respond only to the market. We need something independent, or run by states. I agree that we must stop speculation on state bonds, and separate ordinary banking activities from the speculative casino. The situation demands a change in the system."

The current investigation is actually the second proceeding regarding market abuse and stock-jobbing opened by the prosecutors in Trani. The first was initiated in late 2010, also based on a complaint from consumer associations, in reaction to a report issued by Moody's stating that the Italian banking system was at risk following the crash in Greece. The more recent proceeding, against Standard and Poor's, regards further reports questioning Italy's ability to finance its debt, and calling the measures proposed by the government insufficient. The rating agency is charged with irregularities such as issuing statements while the market was open, and based on misleading partial information. In those instances, the Finance Ministry responded immediately, denouncing the reports as inaccurate.

The case could potentially lead to a ruling that clearly establishes the lack of impartiality of the rating agencies. This would provide key support to those political and institutional figures who have already begun to take aim at them, and political cover for measures to insulate the bond markets from this type of manipulation.

LPAC Video

An Interview with Lyndon LaRouche

QEIII and The Fate of Mankind



The latest run on Italian state bonds and the downgrading of the bonds of Greece and Ireland have signaled the final days of the Trans-Atlantic monetary-financial system. The problem is that cowards on both sides of the Atlantic are accepting the continuing bailout of the Inter-Alpha banks, at the expense of the lives of ordinary people and the existence of nations. There is only one remedy: Glass-Steagall.

http://larouchepac.com/node/18767

How al-Qaeda Is a British-Saudi Project

by Ramtanu Maitra

Aug. 8—In late July, the U.S. State Department issued a wordwide alert warning of potential terrorist attacks against U.S. citizens and interests overseas due to an enhanced potential for anti-American violence following the killing of Osama bin Laden in May. Current information suggests that al-Qaeda and affiliated organizations continue to plan terrorist attacks against U.S. interests in multiple regions, including Europe, Asia, Africa, and the Middle East.

It is widely acknowledged that Saudi Arabia remains a critical financial support base for al-Qaeda, the Taliban, LeT (Lashkar-e-Taiba), and other terrorist groups, including Hamas. It is well know that Britain remains a haven for Islamist jihadis—but no actions have been taken against London, thus far.

Any adequate protection of the population against terror requires a clear picture of the role of Britain and Saudi Arabia in protecting and nurturing al-Qaeda, and what purpose it serves. That is the purpose of this review.

Al-Qaeda and 9/11

There is no dearth of evidence to show that the al-Qaeda leaders and operatives who were eventually arrested, were functioning from Britain before 9/11. There are also documented reports which show the City of London's laundering of narcotics-generated money of various terrorist groups, as well as the presence of a large number of Britons operating as terrorists in the Pakistan-Afghanistan border areas.

Most of these exposés occurred following the 9/11 event, giving an impression that the terrorists had gathered strength, and were operating with impunity from various parts of the world, only *after* 9/11. However, looking back at the British role prior to the attacks, it becomes clear that the British and Saudis, each for their own purpose, had joined hands years ago to bring al-Qaeda into existence.

Al-Qaeda's targets of attack were American and Iranian interests. After the Saudi-Pakistani military-backed Taliban had secured control over Kabul in 1996, al-Qaeda moved into Afghanistan to garner strength and secure control over the opium money—the age-old currency of the British empire—generated in Afghanistan.

But years before the 9/11 event, in which the Saudi involvement is impossible to refute, al-Qaeda was in the process of formation. Al-Qaeda was never a consolidated group that functioned under a definite hierarchy, but was rather a loosely-assembled group of jihadists, most of whom were local, and dependent on money from the core group, known as al-Qaeda, that operated directly under the British-Saudi control. The only commonality among these groups, other than being terrorists, is that they considered America—and not the West as a whole—and the Shi'as, as their greatest enemies.

While these two objectives had posed no problem to Britain, who had kept Iran at the top of its enemies list since the ouster of Reza Shah Pahlevi, the Saudi interest was not only to undermine Iran, but also to spread their virulent form of Islam, Wahhabism, throughout the Islamic world, and thus establish Saudi ownership of the Islamic nations. Although al-Qaeda was for setting up a caliphate from the Dardanelles to the Volga, it is also virulently anti-Shi'a—an indicator of its total dependence on Saudi Arabia.

All Clues, All Roads Lead to London

That Britain harbors terrorists of all colors and creeds, but particularly of the Islamic jihadi varieties, since the British Empire basically drew the map of the Islamic countries, and remained their "protector," is well established by now. Some Americans, other than those who have become such hard-core anglophiles that they would blame someone else for criminal acts in order to protect Britain, and thus endanger many American lives, have spoken out against the British-harbored terrorists. One such individual is Bruce Riedel.



NASA/Paul E. Alers

HRH Queen Elizabeth II and Her Royal Consort Prince Philip

Irrefutable evidence, long in the public domain, has established the role of the British royals in harboring terrorists and protecting the City of London's drug-money laundering. Likewise, the role of the Saudi royal family, notably former Ambassador to the U.S. and Bush family friend, Prince Bandar, particularly their involvement in the 9/11 attacks. Now, as the State Department warns of renewed potential terrorist attacks against U.S. targets, the time has come to shut down the British-Saudi terrorist apparatus.



President George W. Bush and Saudi King Abdullah.



FEMA/Andrea Booher

The World Trade Center site, Sept. 19, 2001.



Osama bin Laden



UN photo

A Taliban militant oversees popply cultivation in Helmand province, Afghanistan, 2008.

Riedel, a 29-year CIA veteran and counter-terrorism expert, told the London *Sunday Telegraph* in February 2009, that "the British Pakistani community is recognized as probably al-Qaeda's best mechanism for launching an attack against North America.

"The American security establishment believes that danger continues and there's very intimate cooperation between our security services to monitor that." Riedel, who served three Presidents as a Middle East expert on the White House National Security Council, added: "President Obama's national security team are well aware that this is a serious threat."

Why have even hard-core anglophile Americans felt pressure to name Britain as a potential terrorist threat?

In a Feb. 14, 2002 London *Guardian* article, "Allies point the finger at Britain as al-Qaida's 'revolving door,'" writers Audrey Gillan, Richard Norton-Taylor, and John Hooper in Berlin, Jon Henley in Paris, and Giles Tremlett in Madrid, point out that "documents compiled in Madrid, Milan, Paris and Hamburg and seen by the *Guardian* indicate that most of the known attacks planned or executed by al-Qaida in the past four years had links to Britain. Investigating magistrates, police and intelligence officers in those cities believe that Islamist spiritual leaders based in Britain played a key role in the indoctrination and possibly even the authorization of terrorist operations."

Since Britain is small geographically, its population is less than one-third of Pakistan's, and it has Her Majesty's fabled intelligence service, it is safe to assume that the terrorists are there because they are under the protection of the British authorities.

The *Guardian* article noted that the investigators in France, Spain, Germany, and Italy are adamant that at least seven top bin Laden lieutenants have operated out of Britain in recent years. They claim that Muslim clerics, such as Abu Qatada, allowed to openly preach jihad in the U.K., were in fact spinning a "revolving door" to radical Islam and to terrorism.

One source close to the French investigation told the *Guardian* that before the events of Sept. 11, "Britain acted—and, to some extent, may still act—as a kind of filter for parts of al-Qaeda. The main European centers for spiritual indoctrination were London and Leicester; any weak links were weeded out there. The new recruit would then be sent to suffer in the camps in Afghanistan. After passing both tests, the mojahid could take his place in the sleeper networks in Europe." A senior German intelligence officer summed up the mood when he told the *Guardian*: "All the clues lead to London. All the roads lead to London."

Here is a short list of those terrorists who prove that Britain was indeed the terrorists' "revolving door."

Abu Qatada: A Spanish judge, Baltasar Garzon, has stated that Sheikh Abu Qatada, the London-based Muslim cleric who ran the Four Feathers Centre near Baker Street, is "the spiritual leader of mojahedin [holy warriors] across Europe." Qatada was sentenced to death in absentia in Jordan and is accused by the U.S., Spain, France, and Algeria of being a key influence in the 9/11 attacks. Videos of his speeches were found in the Hamburg flat of Mohammad Atta, the hijackers' ringleader.

Djamel Beghal: Beghal, a French Algerian who was detained in Dubai, a Britain-controlled offshore banking and drug-and-gun-running center, who was questioned about his plot to bomb the American Embassy in Paris, told police he had been a follower of Qatada, who was a key figure in his radical conversion. Beghal moved from France to Leicester, U.K. where he worshipped at the Mosque of Piety, and travelled to London to listen to Qatada preach. Beghal is suspected of having recruited **Zacarias Moussaoui,** the former South Bank University student suspected of being part of the 9/11 plot; and **Richard Reid,** the alleged "shoe bomber," who tried to blow up a Paris-Miami flight in transit to terrorist training camps in Afghanistan.

Kamel Daoudi: The *Guardian* also noted that French authorities point to the confession of Daoudi, who had been living in Beghal's flat in Paris, was also found in Beghal's other flat in Leicester. He is said to be the unit's computer expert.

Abu Abdallah: Daoudi told French police that he met an al-Qaeda guerrilla in Leicester called Abu Abdallah. Abdallah's identity remains uncertain, but French investigators believe he may be among the 11 men arrested in Leicester in early 2002. In addition, **Baghdad Meziane** and **Brahim Benmerzouga** were arrested in Leicester in January 2002. Meziane is accused of "directing the activities of al-Qaida."

Abu Doha: Five months before the attacks on America, Italy's special operations police produced a report which identified two al-Qaeda networks in Europe. Both were run by Islamist extremists based in

Britain—"one made up principally of Algerians and led by Abu Doha; the second made up predominantly of Tunisians and led by the Tunisian **Seifallah Ben Hassine.**"

Spain points to four more British-based bin Laden lieutenants, identifying them by their pseudonyms in an indictment. Spanish police taped a series of cryptic phone calls from a caller in Britain using the codename "Shakur." One of these, according to Judge Garzon, shows that Shakur knew of the upcoming Sept. 11 attacks. "In our classes, we have entered the field of aviation, and we have even cut the bird's throat," he said on Aug. 27.

Pakistan has repeatedly reported the influx of British Muslims working hand-in-glove with the terrorists along the Afghan-Pakistan borders. Many of these terrorists are drug-runners and chemists refining opium into more expensive heroin. Pakistani intelligence has intercepted talks among these British Muslim terrorists, and the International Security Assistance Forces (ISAF) have recovered T-shirts carrying the logos of British soccer teams.

Money To Be Made in Harboring Terrorists

In 2001, a French parliamentary report exposed the connection between the drug money laundered through the City of London and the narcoterrorists. In a *Guardian* article Oct. 10, 2001, John Henley, citing an exhaustive 180-page French report, wrote that up to 40 companies, banks, and individuals based in Britain can legitimately be suspected of maintaining direct or indirect relations with the narcoterrorists. The report is based on interviews with senior Metropolitan Police officers, leading City financial regulators, and European judges investigating cross-border financial crimes in Spain, Belgium, and France.

According to a 70-page addendum, "The Economic Environment of Osama bin Laden," compiled by an independent team of financial experts whose identity has not been revealed, and attached to the French report, the structure of bin Laden's financial network bears a striking similarity to that used by the collapsed BCCI bank for its fraudulent operations in the 1980s.

The report establishes numerous links between bin Laden and international arms and oil traders, and even members of the Saudi elite. It also pinpoints the relationship and its subsequent breakdown between bin Laden and his family's holding company, the Saudi Binladin Group, and its multiple subsidiaries, investments, and offshoots in Europe. The names of half a dozen former BCCI clients and officials, including Ghaith Pharaon, wanted by the U.S. authorities for fraud, and Khalid bin Mahfouz, a Saudi banker who was closely involved with the bank before it was closed down by the Bank of England in 1991, recur throughout the report, and are directly linked to Osama bin Laden through banks, holding companies, foundations, and charities, at least one of which, the International Development Foundation, is headquartered in London.

"This document clearly shows the great permeability of the British banking and financial system and the fragility of the controls operated at its points of entry," the French report concludes.

Many of the individuals concerned, several with British connections, were also involved in various senior roles with BCCI, the now-defunct drug bank set up in the 1970s, the report says. Hundreds of banks and companies are mentioned, from Sudan, Geneva, and London, to Oxford, the Bahamas, and Riyadh, Henley wrote.

"The convergence of financial and terrorist interests, apparent particularly in Great Britain and in Sudan, does not appear to have been an obstacle with regard to the objectives pursued [by bin Laden]," the report concludes. "The conjunction of a terrorist network attached to a vast financing structure is the dominant trait of operations conducted by bin Laden."

Britain also spends some money in nurturing the terrorists. On June 7, 2011, The *Guardian* reported the admission by British Home secretary Theresa May, that the money from the £63 million anti-radicalization budget has been given to "the very extremist organizations that Prevent should have been confronting." May conceded saying Operation Prevent, originally launched in 2007 to counter the growth of home-grown terrorism, "failed to tackle the extremist ideology that not only undermines the cohesion of our society, but also inspires would-be terrorists to seek to bring death and destruction to our towns and cities."

The British-Saudi Nexus

The British intervention in Iraq in 2003 was, in reality, the continuation of the British effort to unleash Shi'a-Sunni violence, a Saudi project as well, that

began in the post-World War I Arabia. In the 1920s, Britain set about carving up Southwest Asia to serve its own needs. Gertrude Bell, a spy and operative for the British Empire, was at the forefront of creating "nations" and in king-making. In 1921, Bell drew the borders of Iraq, and so created disastrous problems for generations to come, whch ultimately would lead to war. Newcastle University historian Jim Crow said: "Without that imperial carve-up, Iraq would not be in the state it is in today. Gertrude Bell was one of two or three Britons who were instrumental in the creation of the Arab states in the Middle East that were favorable to Britain."

In 1919, at the Paris Conference ending World War I, Bell argued for the establishment of independent Arab emirates for the area previously covered by the Ottoman Empire. The Arab delegation, which was actually under Bell's control, was led by Faisal Saeed al-Ismaily, a Bedouin Sunni steeped in the orthodox version of the religion, born in Taif (now, Saudi Arabia), the third son of the Grand Sharif of Mecca.

Planting a Sunni Bedouin in historical Mesopotamia was a long-term British design which served a number of purposes for the Empire. To begin with, a desert Bedouin and feudal potentate was surely not acceptable as a ruler to the Shi'a-majority Iraqis, who had a strong sense of their heritage. In addition, Faisal played a role back then in forming the British-Sunni-Israeli nexus to perpetuate the British Empire's role in what is known today as the Middle East.

That tradition of British geopolitics, backed by Saudi Arabia's oil money, has continued to create terrorists and produce violence in the Muslim world. In recent days, bribing the Saudis by the British empire-promoters, such as former British Prime Minister Tony Blair, was the business model.

In the April 17, 2009 *EIR* article, "BAE Al-Yamamah Scandal Back in the Headlines,"[1] Jeffrey Steinberg wrote about "the case of BAE Systems (formerly British Aerospace), the giant British arms cartel, and its unprecedented barter deal with Saudi Arabia, a deal known as Al-Yamamah ('The Dove'). The Anglo-Saudi Al-Yamamah deal was, and remains, far more than an unusual oil-for-weapons barter scheme. The story goes far beyond the tens of billions of dollars in payoffs from the British firm to scores of Saudi princes and businessmen. It goes beyond the larger-than-life role of Saudi Arabia's longtime former ambassador to Washington, Prince Bandar bin-Sultan, who brokered the Al-Yamamah deal back in 1985, and received, at a minimum, $2 billion in BAE kickbacks for his efforts."

As *EIR* documented, under the Al-Yamamah barter deal, an offshore, off-the-books black operations slush fund, estimated at more than $100 billion, was built up, to finance covert operations on a global scale. Among those covert operations, acknowledged by author William Simpson in his semi-authorized biography of Prince Bandar: the bankrolling of the Afghan mujahideen, during the later phase of their decade-long war to drive the Soviet Army out of Afghanistan (1979-90); and the arming of the government of Chad with Soviet weapons, during Chad's war with Libya.

In a June 29, 2007 *EIR* article,[2] Steinberg reported: "Between April 1998 and May 2002, some $51-73,000 in checks and cashier's checks were provided by the Saudi Ambassador to the United States and his wife to two families in southern California, who in turn bankrolled at least two of the 9/11 hijackers. The story was investigated by the 9/11 Commission, but never fully resolved, and remains, to this day, one of the key unanswered questions concerning the backing for the worst terrorist attack ever to occur on U.S. soil.

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

"Around New Year's Day 2000, two other Saudi nationals, Nawaf Alhazmi and Khalid Almihdhar, arrived at Los Angeles International Airport, where they were greeted by al-Bayoumi, provided with cash, and outfitted with an apartment, Social Security ID cards,

1. http://www.larouchepub.com/eiw/public/2009/2009_10-19/2009_10-19/2009-15/ pdf/56-60_3615.pdf

2. http://www.larouchepub.com/ eiw/public/2007/eirv34n26-20070629/34-37_726.pdf

and other financial assistance. Al-Bayoumi helped the two Saudi men to enroll in flight schools in Florida. Two months before the Sept. 11, 2001 attacks, al-Bayoumi moved to England, and shortly after that, he disappeared altogether. But before his disappearance, and within days of the 9/11 attacks, agents of New Scotland Yard, working in conjunction with the FBI, raided his apartment in England and found papers hidden beneath the floorboards, according to *Newsweek* magazine, that had the phone numbers of several officials at the Saudi Embassy in Washington. Al-Bayoumi was suspected by the Arab community in the San Diego area of being an agent of Saudi intelligence, which kept tabs on Saudi residents in the area, particularly Saudi students attending college in southern California."

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

Al-Qaeda: An Old British Project

Long before the 9/11 event, Britain had begun to put together a "cohesive" Islamic terrorist organization. In its Jan. 21, 2000 issue,[3] *EIR*, urging the then-U.S. Secretary of State Madeleine Albright to declare Britain a terrorist state, pointed out the following relevant facts which justified taking such an action:

- In July 1998, a former British MI5 officer, David Shayler, revealed that in February 1996, British security services financed and supported a London-based Islamic terrorist group, in an attempted assassination against Libyan leader Muammar Qaddafi. The action, Shayler charged, in an interview with the British *Daily Mail*, was sanctioned by then-Foreign Secretary Malcolm Rifkind.
- On June 25, 1996, a bomb blew up the U.S. military barracks in Dharan, Saudi Arabia, killing 19 American soldiers. The next day, Saudi expatriate Mohammed al-Massari, the head of the London-based Committee for the Defense of Legitimate Rights, was interviewed on BBC. He warned the United States to expect more terror attacks, which he described as "intellectually justified." Al-Massari is allied with the well-known Saudi expatriate Osama bin Laden, who, to this day, maintains a residence in the wealthy London suburb of Wembly. And London is the headquarters of bin Laden's Advise and Reform Commission, run by the London-based Khalid al-Fawwaz.

Bin Laden has been given regular access to BBC and a variety of major British newspapers, to spread his calls for jihad against the United States.

- On Jan. 25, 1997, Tory Member of Parliament Nigel Waterson introduced legislation to ban foreign terrorists from operating on British soil. His "Conspiracy and Incitement Bill," according to his press release, would have for the first time banned British residents from plotting and conducting terrorist operations overseas.
- On Feb. 14, 1997, Labor MP George Galloway succeeded in blocking Waterson's bill from getting out of committee.
- On Nov. 17, 1997, the Gamaa al-Islamiya (Islamic Group) carried out a massacre of tourists in Luxor, Egypt, in which 62 people were killed.... Yet, the leaders of the organization have been provided with political asylum in Britain, and repeated efforts by the Egyptian government to have them extradited back to Egypt have met with stern rebuffs by Tory and Labor governments alike.
- On Dec. 14, 1997, British Ambassador to Egypt David Baltherwick was summoned by Egypt's Foreign Minister Amr Moussa and handed an official note, demanding that Britain "stop providing a safe haven to terrorists, and cooperate with Egypt to counter terrorism."

To substantiate the charges against Britain, the Egyptian State Information Service posted a "Call to Combat Terrorism" on its official web site. The document read, in part, "Hereunder, is a list of some of the wanted masterminds of terrorism, who are currently enjoying secure and convenient asylum in some world capitals." The "wanted list" consisted of photographs and biographical data on 14 men, linked to the Luxor massacre and other earlier incidents of terrorism. The first seven individuals listed were all, at the time, residing in London.

EIR also had urged Secretary Albright to take note

3. http://www.larouchepub.com/lar/2000/terror_memo_2703.html

that shortly before the Luxor massacre, on Oct. 8, 1997, the U.S. State Department, in compliance with the Anti-Terrorism Act of 1996, released a list of 30 Foreign Terrorist Organizations (FTOs) banned from operating on U.S. soil.

Of the 30 groups named, six maintain headquarters in Britain. They are: the Islamic Group (Egypt), Al-Jihad (Egypt), Hamas (Israel, Palestinian Authority), Armed Islamic Group (Algeria, France), Kurdish Workers Party (Turkey), and the Liberation Tigers of Tamil Eelam (Sri Lanka).... Similarly, the Algerian Armed Islamic Group (GIA), which was responsible for the assassination of Algerian President Mohamed Boudiaf on June 29, 1992, has its international headquarters in London.

• On Nov. 20, 1999, the *Daily Telegraph* admitted, following the release of the U.S. State Department's updated list of FTOs, that "Britain is now an international center for Islamic militancy on a huge scale ... and the capital is the home to a bewildering variety of radical Islamic fundamentalist movements, many of which make no secret of their commitment to violence and terrorism to achieve their goals."

The Next al-Qaeda

Now that the al-Qaeda chief, a bag carrier for Britain and Saudi Arabia, Osama bin Laden, is no more, the elites of those two nations will put together another international Islamic terrorist organization to continue with their old objectives. Already, terrorist groups like Lashkar-e-Taiba (LeT) and Hizb ut-Tahrir (HuT) among others, have graduated to become international terrorist outfits using Saudi money and British protection.

Recently, the Obama Administration announced that al-Qaeda's role in Afghanistan has faded after eight years of war. Gone is the once-formidable network of camps and safehouses where bin Laden and his mostly Arab operatives trained thousands of young Muslims to wage a global jihad. The group is left with fewer than 100 core fighters, the statement added.

Despite what the anglophile Obama Administration may say to mislead the American people and protect the British-Saudi nexus of terrorists, there is no reason to believe that the demise of al-Qaeda will end the British-Saudi-organized terrorist operations. Saudi money is pouring in, in the midst of what is called the Arab Spring, pursuing Saudi objectives, while London provides protection to the terrorists to meet their and the Saudis' violent aspirations.

Reuters' Alex Spillius, reporting on Dec. 5, 2010, cited a cable from Secretary of State Hillary Clinton, dated Dec 30, 2009, which said: "It has been an ongoing challenge to persuade Saudi officials to treat terrorist financing emanating from Saudi Arabia as a strategic priority.... Donors in Saudi Arabia constitute the most significant source of funding to Sunni terrorist groups worldwide."

In a recent interview with the *Weekend Review* in London, Sherard Cowper-Coles, the British Ambassador to Afghanistan from 2007 to 2009, and later promoted to the post of Britain's Special Representative to Afghanistan and Pakistan until 2010, when he left the Foreign Office, criticized Clinton's recent statement calling for a regional solution to the Afghan conflict.[4] During Cowper-Coles' ambassadorship in Afghanistan, two of his MI6 moles, Michael Semple and Mervyn Patterson, had been summarily kicked out by President Karzai in 2009, when he learned that they were organizing and funding some "good Taliban" behind his back.

Criticizing the U.S. Secretary of State, Cowper-Coles said: "But what is missing from the present plans and what is essential is that all the regional players have to be included, such as Pakistan, India, China, Russia and Iran, and the three stans [Uzbekistan, Kyrgyzstan, and Tajikistan]. But I would also argue that Saudi Arabia, Turkey and the UAE have to be part of the process. For example, Saudi Arabia has facilitated talks, as have the Qataris. They have a role in this.

"Today what is needed is Mrs Clinton to get all the foreign ministers around a table and regulate and manage the problem. We need to establish a council for regional stability, probably based in the UAE in either Dubai or Abu Dhabi. It needs a standing secretariat of the region's foreign ministers so that Afghanistan's neighbors can take ownership of the issue."

Cowper-Coles is a close associate of Tony Blair's protégé David Miliband. It is evident from what he said, that Britain wants the Saudis back in Afghanistan to set up another al-Qaeda, or some such terrorist outfit, to threaten Iran, Central Asia, China, India, and possibly Russia.

4. See Ramtanu Maitra, "Progress Seen Toward a Regional Solution for Afghanistan," *EIR*, Aug. 5, 2011, http://www.larouchepub.com/eiw/private/2011/ 2011_30-39/2011-30/pdf/50-53_3830.pdf

Britain's Surrogate War Against the Union, 1861-65

by William Jones

We celebrate this year the 150th anniversary of the start of the American Civil War. But with all the lectures, films, concerts, and battle reenactments that are taking place, the most important aspect of that conflict has been well-nigh forgotten and largely eliminated from the history books, not to mention from today's commemorations. For, as author Allen Salisbury wrote in his ground-breaking book *The Civil War and the American System*,[1] that war "was the second military phase of the political battle which raged between Britain and the United States from the time a formal ceasefire was concluded at Yorktown in 1781."

After Great Britain lost its frontal attack on the United States during the War of 1812, it determined to destroy us from within. The Southern "slave power," which the British slave trade had brought into being, was intended as a wedge to destroy the nation, and to transform the continental United States into two, or more, incessantly quarreling entities, a situation which the British Empire knew well how to manipulate in order to contain any threats to her rule.[2]

The absolute determination of President Lincoln to prevent that from happening put an end to those plans, but the British Empire never gave up. In the form of the monetarist system, that very Empire kept its hooks into the United States, through Wall Street, and the dominant international financial system. President Franklin Delano Roosevelt was able to checkmate British imperial plans in the 1930s, with a revival of Lincoln's and Alexander Hamilton's American System approach; but since FDR's premature death, the British corruption has increasingly rotted out our republic, bringing us, at present, to the brink of disintegration. Once again, it is a matter of survival for the United States to crush the British Empire.

As we are now engaged in that life-and-death struggle, it would well behoove our citizenry to comprehend the deeper meaning of the present anniversary. With the destruction of the Confederacy, the United States emerged as the most important industrial power in the world, and served as a model, as well as a support, for those nations eager to overthrow their own colonial masters. Today, our victory is the crucial stroke for the survival of civilization, and perhaps the species itself.

1. W. Allen Salisbury, *The Civil War and the American System, America's Battle with Britain, 1860-1876* (first edition, 1978; second edition, Washington, D.C.: EIR News Service, 1992). Salisbury's book lifts the curtain on the battle between British imperial economics and the American System, and includes invaluable documentation from protagonists of 19th Century.

2. Anton Chaitkin, *Treason in America, from Aaron Burr to Averell Harriman* (first edition, 1985; second edition, Washington, D.C.: Executive Intelligence Review, 1999). This book, now out of print, contains a treasure trove of material on the British conspiracy *within* the United States that led to the Civil War.



Library of Congress

Despite the plots of the British, President Lincoln saved the Union and the American System.

Britain and the Southern Aristocracy

As the great American economist Henry Carey warned the South in his 1854 pamphlet "The North and the South," were the South to secede, the North would continue to grow and prosper based on the protectionist system that had nourished the development of its industries and its labor power, whereas the South, even if it combined into a slave empire with Cuba, Brazil, and perhaps Haiti, as was envisioned by many, would represent a dead-end state, incapable, in the long run, of reproducing itself. The slave-labor agricultural production of the South could only survive as an appendage to the consumer of its primary product, cotton. And the main consumer and beneficiary of that slave-labor production was the British textile industry.

Lawfully, the Southern plantation aristocracy had adopted the worst features of their former colonial masters, and Anglophilia was rampant in the South. London *Times* reporter William Russell, who traveled throughout the United States, North and South, before and during the Civil War, reported the following from South Carolina: "Their admiration for monarchical institutions on the English model, for privileged classes, and for a landed aristocracy and gentry is undisguised and apparently genuine." " 'If only we could get one of the royal race to rule over us, we would be content' "—that sentiment, he wrote "varied a hundred ways, has been repeated to me over and over again."

It is no surprise that the novels of medievalist Sir Walter Scott were an item of popular consumption among the "genteel" plantation society. Not only the Southern plantation owners' aristocratic propensities pushed them in that direction, but also what they envisioned as their economic interests. While cotton products could be sold in many parts of the world, Britain—and secondarily, France—still maintained a monopoly in its production. Indeed British legislation had forbidden the establishment of textile manufactures even in its own colonies, to assure that the industry remained a monopoly of the "mother country."

At the same time, Great Britain saw its own peculiar relationship to the Southern aristocracy as the means to destroy the United States, which, under the beneficial regime of a protective tariff, was becoming a major threat to its economic hegemony. As Carey documents in the above-cited pamphlet, it was the influence wielded by the slaveholding Southern states in the U.S. Congress that helped unravel the successful tariffs passed by Congress in 1828, and again in 1842, causing an abrupt decline in U.S. production. The British believed that the decisive blow that might once and for all eliminate the economic threat emanating from America, would be splitting the Republic in two over the issue of slavery.[3]

3. Great Britain became involved in the slave trade in 1562 and subsequently introduced slavery into its colonies in America and elsewhere. By 1800, there developed in Britain a strong anti-slavery contingent in the British Parliament, led primarily by the Quakers, who were also instrumental in the abolitionist movement in the United States. This led in both countries to legislation in May 1807 abolishing the international



Library of Congress

The Confederate capture of Fort Sumter, in the harbor of Charleston, S.C., was the opening shot of the Civil War.

With the election of Abraham Lincoln in 1860 on a party platform dedicated to preventing the expansion of slavery into new territories which sought to become states, Southern representatives began to take measures to pull their states out of the Union rather than permit any encroachment on their "peculiar system." The British fueled these moves with a promise of recognition of the Confederacy, if independence were declared. In London, Russian Ambassador Baron de Brunow reported back to Moscow on Jan. 1, 1861: "The English government, at the bottom of its heart, desired the separation of North America into two republics, which will watch each other jealously and counterbalance one the other. Then England, on terms of peace and commerce with both, would have nothing to fear from either; for she would dominate them, restraining them by their rival ambitions."

The Russian Ambassasdor to the United States, Baron Edouard de Stoeckl had sent a similar dispatch the previous year: "The Cabinet of London is watching attentively the internal dissensions of the Union and awaits the result with an impatience which it has difficulty in disguising."

The British had learned that the United States could not be destroyed by force. They had attempted this twice and failed decisively. But the internal conflict engendered in the Republic by the slave trade might accomplish that which British military might had failed to achieve.

Blockading Southern Ports

With the fall of Fort Sumter, in South Carolina, to Confederate forces on April 14, 1861, President Lincoln called for 75,000 volunteers for three months of military service to suppress the rebellion. On April 17, Confederate President Jefferson Davis responded by issuing letters of marque which would allow privateers to destroy United States vessels at sea. Two days later, Lincoln declared a blockade of the Confederate coast from South Carolina to the mouth of the Rio Grande. On April 27, with the secession of North Carolina and Virginia, he extended that blockade to their coasts as well.

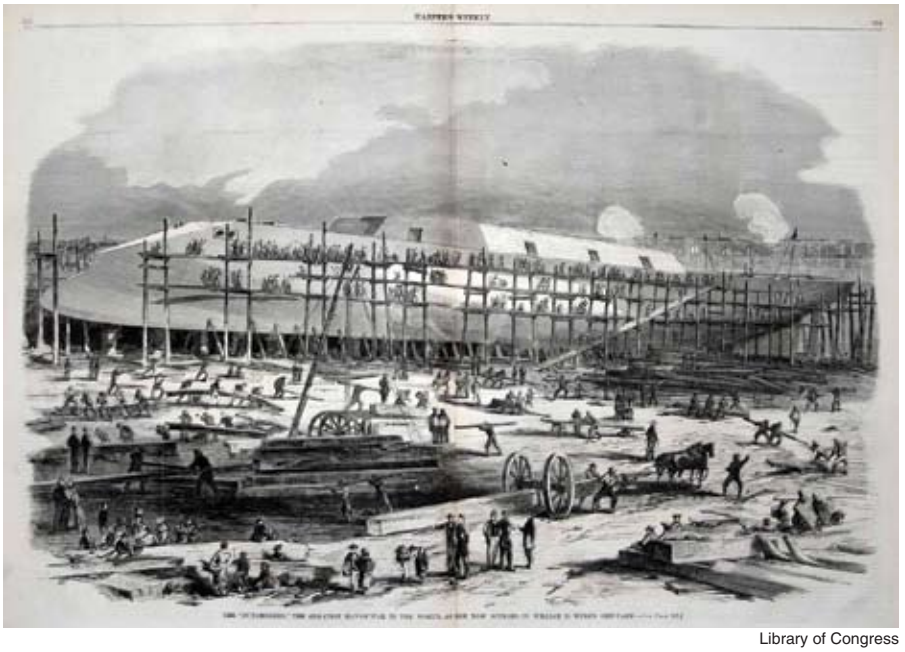
The blockade declaration was a daring proposal, as the U.S. Navy at the time possessed only 42 ships, and these were dispersed halfway around the world, hardly enough to effectively enforce a blockade on 3,549 miles of Rebel coast. And, according to international law, a blockade must be "effective" in order for other governments to recognize it.

The U.S. Navy called back all its vessels in foreign waters and began to lease other vessels. In addition, with the exit of the Southern Congressmen, Congress was able to pass the new tariff, sponsored by a Carey associate, Rep. Justin Morrill of Vermont, which had been stalled in the Senate by the slave power, and which now would provide the basis for building up the domestic iron and steel industries needed to produce ships. Four months after the proclamation of the blockade, the number of ships in commission had doubled; in ten months the Navy had expanded sixfold. By the end of the war, the U.S. Navy would have 670 vessels of all types, including 22 new monitor-class warships.

The British Ambassador to Washington, Lord Lyons, warned Secretary of State William Seward that if the blockade "overstepped the mark," it could lead to British recognition of the Confederacy. The British were

slave trade. In the U.S., legislation went into force on Jan. 1, 1808 forbidding the introduction of slaves into the United States. The institution itself persisted in the Southern states of the Union as well as in the British colonies. Britain abolished slavery in 1833, while in the U.S. it was abolished by the Union victory in the Civil War. After 1833, the British hypocritically used the continued existence of slavery in the U.S. as a means to split the nation that was fast becoming their major rival.

aware that the blockade would cut off their primary supply of cotton from the South. And the Rebel government was doing its utmost to bring its British protectors directly into the fray. Two Confederate envoys, William Yancey and Pierre Rost, were sent to London immediately, in April 1862, arriving even before Lincoln's newly appointed emissary, Charles Francis Adams, the son of John Quincy Adams. British Foreign Secretary John Russell deigned to grant the pair an interview even before Adams' arrival. Secretary of State Seward was furious. "God damn them," he growled to Sen. Charles Sumner of Massachusetts. "I'll give them hell."



Library of Congress

Union shipbuilding in the Civil War. The caption reads: "The Dunderberg, the Greatest Man-of-War in the World, As She Now Appears in William H. Webb's Ship-Yard." Starting from a mere 42 ships when Lincoln imposed the blockade on Confederate ports, the Union Navy grew to 670 vessels by the war's end.

While the Confederate emissaries knew that the issue of slavery would not win them many friends in the British Parliament, where the abolitionist forces of William Wilberforce had made open support for slavery something of a "third rail" for British politicians, they sought instead to play up the Southern secession as a revolt against the "oppressive northern tariff," an issue which was a burr under the saddle to the British elites. British Prime Minister Lord Palmerston would comment to August Belmont, the pro-Confederate New York representative of the Rothschild interests. "We do not like slavery, but we want cotton, and we dislike very much your Morrill tariff." Nevertheless, seeking to avoid a direct conflict with the United States, Palmerston kept the Confederate emissaries cooling their heels.

At the same time, Confederate operative Capt. James Bulloch, a former lieutenant in the U.S. Navy, and the uncle of, and role model later, for later President Theodore Roosevelt, was sent to England to buy ships capable of running the blockade, bringing much-needed supplies to the South, and taking out the cotton for sale in the British market. The Confederate emissaries received a friendly reception from Russell, but received no firm commitments of any sort.

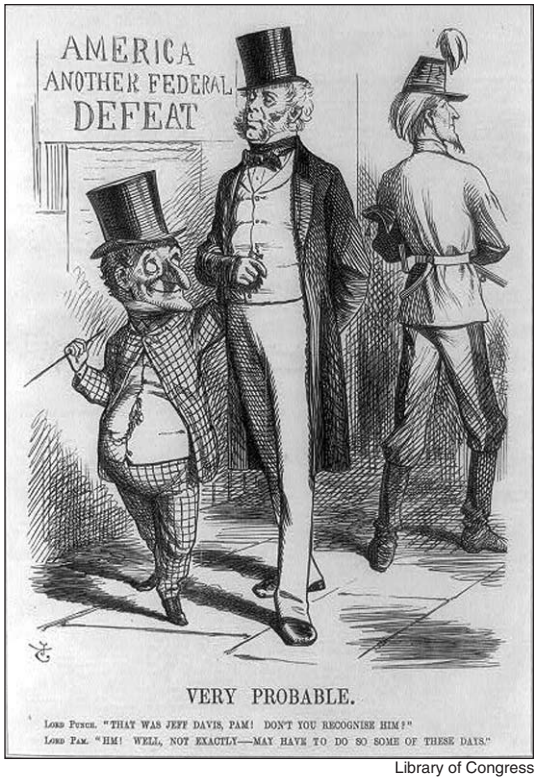
A few days later, on May 13, 1862, Great Britain, still not inclined to directly confront the United States, declared its neutrality in the conflict. At the same time, Russell sent out a notice to British ships to be wary of privateers from either of the warring parties, and sent more warships to Canada and to the Gulf of Mexico. Lincoln had made no threat to enlist privateers, but retained the right to do so.

The very declaration of neutrality by the British government, while falling short of recognizing the South, was in itself an important boost for the Confederacy, since it awarded them "belligerent rights." This meant that the Confederacy could conduct its trade with private businesses in England on the same footing as the United States, that England would recognize the Confederate flag on the high seas, and would grant her ships of war and commerce the same privileges in neutral ports as were accorded to the ships of the Federal government.

What the British really wanted was not a direct conflict with the United States—that might well end up costing them Canada—but rather to make the split in the Union a permanent one. Rather than direct recognition of the South, the British Foreign Secretary picked up on an idea that had been proposed by the French envoy to Washington, Henri Mercier, of a joint British-French attempt at "mediation" in the conflict. France at the time was ruled by "Little Napoleon" Bonaparte, the

third of that ilk, who, like his more famous uncle Napoleon I, was largely a British puppet.

Russell recommended this move to Lord Palmerston in a letter on Oct. 17, 1861: "There is much good sense in Mercier's observations. But we must wait. I am persuaded that if we do anything, it must be on a grand scale. It will not do for England and France to break a blockade for the sake of getting cotton. But, in Europe, powers have often said to the belligerents: Make up your quarrels. We propose to give terms of pacification which we think fair and equitable. If you accept them, well and good. But if your adversary accepts them and you refuse them, our mediation is at an end, and you may expect to see us your enemies."



Library of Congress

In this British cartoon, Aug. 27, 1864, Lord Punch (left) tells Lord Pam (Palmerston): "That was Jeff Davis, Pam! Don't you recognize him?" Lord Pam: "Hm! Well, not exactly—may have to do so some of these days."

One of the more egregious examples of early British perfidy brought to Lincoln's attention was the case of the British consul in Charleston, S.C., Robert Bunch, who was in direct contact with Confederate authorities and negotiating terms for them to sign the Declaration of Paris.

The Declaration of Paris of 1856 was an international agreement, signed by the major powers after the Crimean War, which designated the rules of a blockade. It warranted that a blockade, in order to be binding, must be effective, that is, capable of preventing access to the coast of the enemy. The Declaration also outlawed privateering outright. The United States, which was not a signator to the Declaration, now indicated a willingness to sign it, but only on condition that the European powers recognize Confederate privateers as pirates, and act accordingly. The British were not willing to do this, and even wanted to include a clause that would effectively prevent Britain from acting against Confederate privateers, on the flimsy pretext that this was an internal affair for the United States, the Confederacy not being recognized as a country!

While the U.S. was engaged in somewhat fruitless discussions on this point with the British and the French, British consul Bunch was conducting secret negotiations to get the *Confederate* government to sign the Declaration, but without the clause that forbade privateering. This act would serve to bring the Southern insurgency into an international agreement, a step towards ultimate recognition. When Seward's vociferous protest over Bunch's activities as a violation of U.S. law was ignored, the United States took unilateral steps to withdraw his accreditation.

'One War at a Time'

By the Fall of 1861, Jefferson Davis was prepared to send two other commissioners to Britain and France, heavy-hitters, to put pressure on the British government to recognize the Confederacy. These were James Mason, a rural aristocrat and master of Selma Plantation in Virginia, and John Slidell, a former member of Congress from Louisiana. Both had been involved in choreographing secession as members of the U.S. Senate. Slidell had helped overturn the Missouri Compromise (1820), which had prohibited slavery north of 36°30", except in of Missouri. Both had been instrumental in passing the Fugitive Slave Act (1850), mandating the return of escaped slaves who had fled to the North. President Davis felt these two might succeed where Yancey and Rost had floundered. Leaving Charleston under cover of darkness, with all lights extinguished, the envoys were able to slip through the blockading force and made their way to Havana.

While they were being feted and lionized by the Havana elites on their way to London, Union Navy Capt. Charles Wilkes, who had been the leader of the U.S. Exploring Expedition to Antarctica in 1838, dropped anchor at Cienfuegos, Cuba. Learning of the whereabouts of the Confederate envoys, Wilkes grew curious. Slidell he had known as a youth; they had quarreled over a woman. He didn't like him then, and he liked him even less now. Wilkes worked his way around

to Havana. Although U.S. naval vessels were already waiting for the envoys expected to leave on a Confederate vessel to London, where they hoped to pick them up at sea, Wilkes learned that the envoys were in fact traveling on a British mail steamer, the *Trent*, by way of St. Thomas in the Danish West Indies, hoping thus to use the protection of the British flag to make their way to London.

Wilkes lay in wait for them. He knew that arresting the men off a British steamer might cause some diplomatic turmoil, but Wilkes, no milquetoast diplomat, felt that he must not let them pass. When the *Trent* had put out to sea, Wilkes, aboard the *U.S.S. San Jacinto*, forced it to halt and boarded it. Finding the two envoys on board, he arrested them and their two secretaries, and placed them in the brig.

The British were outraged, and demanded that the prisoners be released to them. Perhaps at no other time during the conflict were the United States and Britain so near to a declaration of hostilities. The British Admiralty gave orders to the North Atlantic squadron to prepare for action, sending 6,000 additional soldiers to Canada. Lincoln was also taken by surprise, and had to mull over the situation before making a decision.

It was not an easy call. Wilkes became a hero overnight, and Congress passed a resolution thanking him for his service as did Secretary of the Navy Gideon Welles. Everyone was gearing up for a war with Great Britain, many looking forward to it. Lincoln was not so confident that this was a wise policy at that moment. The Union Army had yet to win a single major victory in suppressing the rebellion. "One war at a time," he had told Seward, when Seward, at the beginning of the Administration, had recommended starting a war with Britain or Spain in order to unite the country in a patriotic fever and forestall the rebellion.

On Christmas Day 1862, the Cabinet met to discuss the issue. As the meeting was ongoing, the French Minister came with a request that they release the prisoners and thereby prevent war. Senator Sumner came with letters from prominent Union supporters in England, John Bright and Richard Cobden, calling on Lincoln to release the prisoners, assuring the President, somewhat overconfidently, that England would stop its meddling in American affairs thereafter. After leaving the meeting, Lincoln was asked by his friend Orville Browning if a decision had been reached. "Yes," said Lincoln, "but the cabinet agreed not to divulge what had occurred." Lincoln then paused. "But there will be no war with England."

The prisoners were quietly delivered to a British man-of-war at Provincetown, at the tip of Cape Cod. But Seward wrote a response to Britain essentially justifying Wilkes' actions. Lincoln himself was not entirely happy about his decision. When asked to explain, the President said, "It was a pretty bitter pill to swallow, but I contented myself with believing that England's triumph in the matter would be short-lived, and that after ending our war successfully we would be so powerful that we could call her to account for all the embarrassments she had inflicted on us." Lincoln then related a story about two old foes who had to make up, as one of them was dying, but where the old fellow, on his death-bed at the end, commented, "But, see here, Brown, if I *should* happen to get well, mind, that old grudge stands!"

The Mexican Flank

Some of the British fleet sent to Canada during the *Trent* affair had been on their way to Mexico, as a part of another provocation being drummed up by the British to assist the South. On Oct. 31, 1861, a "London

An LPAC-TV Video

Life, Liberty, And the Pursuit of Happiness



In honor of Abraham Lincoln on the 150th anniversary of the beginning of the Civil War.

Before the the American Declaration of Independence and the U.S. Constitution, there was the brilliant project of the 15th-Century genius Nicholas of Cusa to found a new world, away from the imperial oppression of the European oligarchy. The result was the founding of the American Republic and its long struggle against British Empire, through the victory in the Civil War under Lincoln, and today's battle to defeat the Empire and its puppet President Obama.

www.larouchepac.com/node/18653

Conference" had been held which decided to launch a joint naval action by Britain, France, and Spain against the Republic of Mexico, allegedly to collect a debt accrued during Mexico's three-year civil war. They were to seize the Mexican custom-houses. The actual purpose of the mission, however, was to overthrow the republican government and impose on it a European monarch, the Habsburg Prince Maximilian, who could then bring Mexico into an alliance with the Confederacy.

Although the U.S. had no naval forces to spare to fend off this mischief, Lincoln was nevertheless prepared to issue a warning. In a letter dated March 3, 1862, bearing the signature of Secretary Seward, Lincoln made it clear that the United States would oppose any attempt to overthrow the legitimate government of Mexico.

"The President," Seward wrote, "deems it his duty to express to the Allies, in all candor and frankness, the opinion that no monarchical government, which could be founded in Mexico, in the presence of foreign navies and armies in the waters and upon the soil of Mexico, would have any prospect of security or permanence.... It is sufficient to say, that, in the President's opinion, the emancipation of this continent from European control, has been the principal feature in its history during the last century. It is not probable that a revolution in a contrary direction would be successful in an immediately succeeding century, while population in America is so rapidly increasing, resources so rapidly developing, and Society so steadily forming itself upon principles of Democratic American government."

From his assumption of the Presidency, Lincoln was determined to improve relations with his Latin American neighbors, particularly Mexico. He had appointed as envoy to Mexico, former Congressman Tom Corwin, who had been the leader of the Congressional opposition to the Mexican War (1846-48) of which Congressman Lincoln had also been a part. Corwin's major collaborators in Mexico were the republican circles around Benito Juárez, who had taken power after the civil war there. Lincoln was even prepared to lend Mexico the money to pay off its debt in order to block the planned flotilla. But Congress never gave its approval to such a measure.

Lincoln's letter, coming at a time when Gen. Ulysses S. Grant had started racking up some Federal victories in the West, gave the British pause. They also looked askance at some of Emperor Napoleon's more grandiose plans for a French, rather than a British, Empire in South America. "The only thing to do," Palmerston wrote Russell, "seems to be to lie on our oars and to give no pretext to the Washingtonians to quarrel with us, while, on the other hand, we maintain our rights and those of our fellow countrymen." Instead of intervening directly, the Palmerston Cabinet saw to it that aid to the South would flow through private hands, with the government looking the other way, at least until an appropriate occasion arose for more direct involvement by the government itself.

Arming the Confederacy.

By mid-1862, such private initiatives were already proceeding apace. Confederate Captain Bulloch was busy negotiating with British shipbuilders for the construction of blockade-runners and privateers. British ships were supplying the South with arms. Using British the possessions Bermuda and Nassau as way-stations, sleek British steamers ran the cargo into Southern ports like Wilmington or Charleston on the Atlantic coast or Mobile and New Orleans on the Gulf of Mexico.

Receiving a protest from Seward over the ships intended for the Confederacy, which Seward clearly considered a violation of the British Foreign Enlistment Act (which made it a misdemeanor for anyone without a special license to equip, furnish, fit out, or arm vessels for a belligerent, or to knowingly assist in doing so), Lord Russell simply shrugged and said that British shipbuilders would probably, "if money were to be made by it, send supplies to Hell, at the risk of burning their sails." American naval authorities took the British response as a spur to tighten up their own efforts to deal with such "adventurers."

Bulloch would outfit the blockade-runners at the shipyards in Liverpool and Glasgow, recruit British seamen for the service, and then run the vessels out to sea. He himself, in the Fall of 1861, had gone with the first blockade-runner, the *Fingal*, into Savannah harbor, with weaponry that allowed Gen. P.G.T. Beauregard to extract the remaining Confederate troops from the bloodbath at Shiloh, Tenn. This breach of the Union blockade was also a great propaganda victory for the South, which used it to characterize the blockade as ineffective.

This trade was very profitable, as two loads of cotton run through the blockade would well pay for the cost of a captured ship; but it was risky business. Union forces

had early in the war occupied the Cape Hatteras islands off the Carolina coast, which provided an ideal base for the Atlantic Blockading Squadron. In addition, the U.S. Navy had, by the start of 1863, doubled in number, thanks to Navy Secretary Welles' gunboat construction program. The Navy's success in capturing the speedy blockade-runners also provided the Union with excellent vessels with which to police the blockade. By the end of the war, they had either captured or destroyed over 1,500 Confederate ships.

Bulloch was also busy outfitting ships that could serve as privateers attacking U.S. commercial vessels. U.S. spies were meanwhile keeping a close watch on all this activity at British yards, and Ambassador Adams launched a complaint to the British government again, noting that such activity violated the Foreign Enlistment Act. When confronted on this issue in a reply to a motion by Richard Cobden in Parliament, Lord Palmerston defended his position: "I hold that on the mere ground of international law belligerents have no right to complain if merchants—I do not say the Government, for that would be interference—as a mercantile transaction, supply one of the belligerents not only with arms and cannon, but also with ships destined for warlike purposes."

While the ships would be produced in the British docks ostensibly for peaceful uses, and often enough for dummy clients, they would then be run out to sea or to other foreign ports, where they would be equipped with the necessary armaments. Six such privateers, the most famous being the *C.S.S Alabama*, were produced in British docks. By the end of the war, they had sunk 150 U.S. commercial vessels.

More seriously, the success of John Ericsson's *U.S.S. Monitor* had sparked Confederate interest in creating iron-plated rams that could destroy U.S. naval vessels conducting the blockade, and could even threaten Washington, D.C. Bulloch succeeded in getting the British John Laird & Sons Company to begin construction on two such craft.



Portrait by Nikolai Bogatsky, 1876

Russian Foreign Minister Alexander Gorchakov

Russia Tips the Scales

But the Lincoln government was not without its friends in Europe. Most decisive in this respect was Russia. Already at an early stage, Russian Minister for Foreign Affairs Alexander Gorchakov let it be known that Russia was in favor of a united and strong United States, and supported Lincoln's efforts to restore the Union. In July 1861, Gorchakov wrote on behalf of Tsar Alexander II (who had himself liberated Russia's serfs four months prior): "For the more than eighty years that it has existed, the American Union owes its independence, its towering rise, and its progress, to the concord of its members, consecrated under the auspices of its illustrious founders, by institutions which have been able to reconcile union with liberty. This union has been fruitful. It has exhibited to the world the spectacle of a prosperity without example in the annals of history. It would be deplorable if, after so conclusive an experience, the United States should be hurried into a breach of the solemn compact which up to this time has made their power."

Lincoln was deeply moved by the Tsar's message, calling it "the most loyal," and saw to it that it was publicized throughout the North.

By the Fall of 1862, new plans were being hatched by England and France for another direct intervention into the conflict. In August, Palmerston and Russell were prepared to bring that Anglo-French combination together to present a proposal to mediate a peace—with separation. Being advised on the issue, Queen Victoria recommended that Russia, Prussia, and Austria be consulted. Russell agreed on the need for Russia to participate in order to give the venture a less hostile appearance in American eyes. Palmerston, even more skittish, wanted to wait for a major Southern victory before launching the intervention. But the Union victory at Antietam on Sept. 23, 1862 placed a hold on British machinations.

But it was not only Antietam that came into play. Russia had indeed been approached on the issue of me-





Russian Archives, www.rusarchives.ru

In February 2011, the Russian government held an exhibition in Moscow commemorating the collaboration between President Lincoln ("the Emancipator") and Tsar Alexander II ("the Liberator"). The statue is a modern work by A.N. Burganov (the two leaders never actually met). The painting shows serfs listening to a reading of the Tsar's proclamation giving them their freedom, 1861, from a 1907 original by B.M. Kustodiev.

diation. Speaking to U.S. envoy Bayard Taylor on Oct. 27, Gorchakov had said: "Proposals will be made to Russia to join some plan of interference. She will refuse any invitation of the kind.... You may rely upon it, she will not change." The entire conversation with Gorchakov was relayed to Lincoln, who was greatly relieved by it. A resolution of Congress ordered a report of the entire discussion to be published and distributed throughout the nation. This put a definite hold on any intervention plans. "We ought not to move at present without Russia," Russell wrote dejectedly to Palmerston.

The U.S.-Russia discussions were, however, of more than of a mere tactical nature. There were also long-term plans for the post-Civil War situation, in which it was intended that Russia and the United States would become close collaborators. Already plans were being made to lay a telegraph line through the Russian Far East to the Kamchatka peninsula, linking that with a line on the North American side of the Bering Strait. Lincoln would later refer to these developments in his 1864 Annual Message to Congress. Discussions were afoot regarding building railroad connections through the Russian Far East.

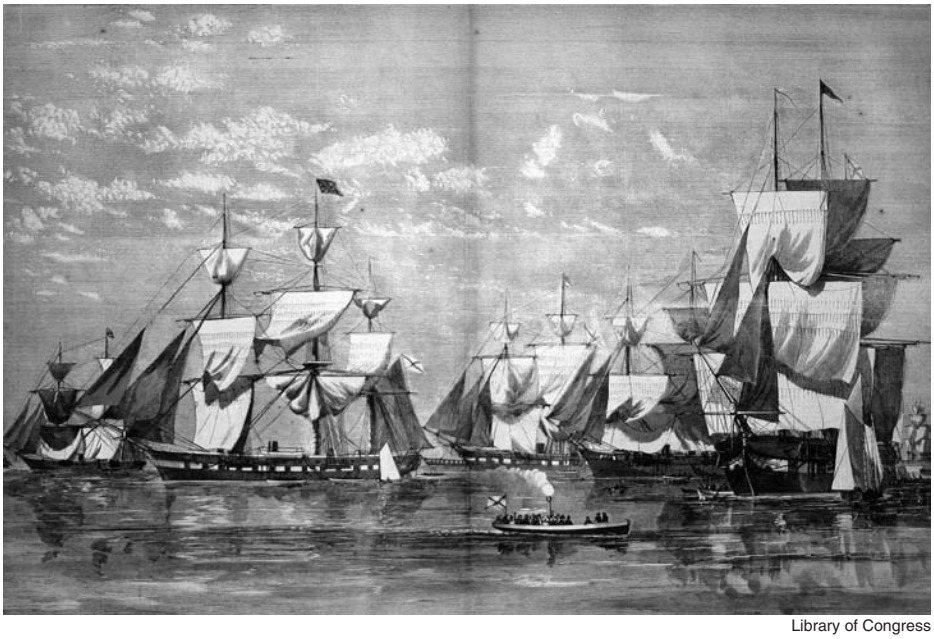
There were also discussions regarding the possibility of Russia selling Alaska to the United States, creating thereby a transportation grid stretching over two continents, centered on the Asia-Pacific region. At present, however, the primary task was to win the war. While Great Britain with its fleet largely controlled the Atlantic, the Pacific Ocean remained largely free.

A New Birth of Freedom

Antietam also provided the opportunity for a measure that Lincoln had long been preparing: issuing a declaration of emancipation of the slaves who lived in the states that were in rebellion against the Union. While Lincoln strongly opposed slavery, the ultimate resolution of that issue lay with Congress, the only body that could alter the Constitution in which slavery had been allowed to stand. Secondly, he had to keep the border states—Kentucky, Missouri, Maryland, and Delaware—in the Union, if the Union were to prevail, and these states were slave states. The Emancipation Proclamation would therefore only free the slaves in the states in rebellion against the Union, and that, only at the point that Union forces were there to set them

free. But it was the first decisive step toward abolishing slavery, and everybody knew it.

The Emancipation Proclamation was greeted with jubilation in Europe, including in Great Britain, where the friends of the Union had long hoped that such a measure would be taken. The cause of the Union was now unequivocally the cause of human freedom. This made any attempt to save the Confederacy equivalent to depriving 3.5 million slaves of their chance for freedom, and thus represented a political obstacle to Palmerston's plans.



Library of Congress

"The Russian Fleet, Commanded by Admiral Lisovski, Now in New York Harbor," was the headline of ***Harper's Weekly*** *in 1862.*

Lincoln was not slow to utilize this important development. He dispatched Henry Ward Beecher, a noted abolitionist, to England to speak in churches and other public forums, mobilizing public opinion in favor of the Union, where it was already strong, especially among the working class. Even among the textile workers, hardest hit by the Union blockade, pro-Union feeling was high. Lincoln himself wrote a letter to the workingmen of Manchester, England, who had held celebrations in honor of the Proclamation.

In July 1863, with the simultaneous Union victories at Vicksburg and Gettysburg, the tide had definitely turned militarily, making any British moves toward intervention a very dangerous undertaking. In September 1863, Ambassador Adams sent a warning to Secretary Russell about the Laird Rams being prepared in the Merseyside yards, demanding that they not be allowed to leave their docks. "It would be superfluous in me to point out to your lordship that this is war. No matter what may be the theory adopted of neutrality in a struggle, when this process is carried on in the manner indicated, from a territory and with the aid of the subjects of a third party, that third party to all intents and purposes ceases to be neutral."

At the same time, the Senate passed legislation allowing Lincoln to outfit privateers. The message to London was that the United States would begin disrupting British commerce on the high seas if Britain didn't prevent these rams from leaving the English shipyards. The Palmerston government stopped the rams from leaving the docks, and later impounded the ships.

The Confederacy's purchase agent, Bulloch, then moved his operations to France, where he hoped for greater cooperation. When a British parliamentarian again called for Britain to join with France in recognizing the Confederacy, Palmerston made a cynical comment about not pulling Napoleon's "chestnuts out of the fire." Britain was now prepared to jettison the "Little Emperor."

Also, in a surprise move in October 1862, Tsar Alexander II had sent two naval squadrons to visit the United States for several months. One, from the Baltic Fleet, under the command of Adm. Stepan Lesovsky, went to New York and Washington, and the other, from the Pacific Fleet, under the command of Adm. Andrei Popov, appeared in San Francisco.

The naval deployment had several purposes. On the one hand, France and England, which had joined together against Russia during the Crimean War, were again planning an intervention against Russia in Poland. The Russians were well advised to take their ships out of their home ports and prepare them for possible action. Sending them to the U.S. ports would also send a clear signal to the British and French that the United States would not be without allies, if European powers sought

to intervene in support of the Southern insurgency.

The visit of the fleets, which remained in the United States for the entire Winter, was met with jubilation wherever they went. In New York and Philadelphia, the Russians had an opportunity to discuss with leading industrial interests the possibility of U.S. manufacturers helping with Russian railroad construction and producing equipment for the Russian Navy.

Lincoln was overjoyed at the visit. His Emancipation Proclamation had been received with great fanfare in the nation where the Tsar Liberator Alexander II had abolished serfdom. While the two men never met, the measures served to tighten the bonds between them. When the Russian Atlantic squadron docked in Alexandria, Va., First Lady Mary Lincoln went to toast the Russian fleet, her husband being ill in bed. Lincoln told Bayard Taylor, who had served briefly as envoy to St. Petersburg, to prepare a public lecture in Washington on serfs and serfdom, in order to give people a sense of the significance of the great reforms launched by the Russian Tsar.



National Archives

Confederate Secretary of War Judah Benjamin destroyed all the files of Confederate covert operations, before returning to his native England after the war.

The Tasks Remaining

The war would continue for another year and a half, with some of the bloodiest fighting still to come in the long campaign to destroy the Confederate Army and retake Richmond. The picture looked grim going into the November 1864 elections, as the country was growing tired of war. Gen. William T. Sherman's successful march through Georgia and the Carolinas, and the vote of the soldiers, however, assured Lincoln's election victory.

When Lincoln, at the end of the war, visited Grant and his generals at City Point, Va., after viewing the ruins of Richmond, the President began reminiscing about Great Britain and the *Trent* affair. "England will live to regret her inimical attitude toward us," he said. "John Bull will find that he has injured himself much more seriously than us. His action reminds me of a barber in Sangamon County in my State."

Lincoln then related a story about a barber who was trying to give a customer a much too close shave. Using his finger to press out the hollow of the man's cheeks, the barber poked a hole through the fellow's closely leveled cheek and cut his own finger. "There, you lantern-jawed cuss, you've made me cut my finger!" the barber exclaimed. "And so England will discover that she has got the South into a pretty bad scrape by trying to administer to her, and in the end she will find that she has only cut her own finger."

The war left the United States as the greatest industrial power in the world. When Grant sent Gen. Philip Sheridan down to the Mexican border with a division of seasoned Union soldiers to assist the forces of Juárez, the French decided it was time to abandon their plans for a Habsburg monarchy in Mexico. Grant was also prepared to move his battle-hardened veterans into Canada in order to pull that country out of the British orbit, but was reined in by a timid Seward. While no one can be certain of Lincoln's plans in this respect, is it any wonder that the elites in London were shaking in their boots at the sight of a revitalized United States?

We may never have all the details of what went into the British plot that led to Lincoln's assassination, since Confederate Secretary of State Judah Benjamin, in the words of U.S. political leader James Blaine, the "Mephistopheles of the Rebellion," and the spider in the web of Confederate covert operations, destroyed all the files of the Confederate Secret Service before returning to his native England, where he became a Queen's Counsel, celebrated by the extensive pro-Confederate circles in that town.[4]

At Lincoln's death, a subscription was circulated for

4. For a review of the British role in the assassination of Lincoln, and other U.S. Presidents, see *EIR*, Dec. 2, 1994.

a great monument to be raised at his tomb, and all the countries of Europe were asked to contribute. Queen Victoria made her contribution, in what was no doubt intended to be a final insult to a foe she feared and detested, by sending a tuft of down that had fallen from one of her swans!

Although the death of Lincoln, like the death of Franklin Roosevelt, set back the broader plans of transformation envisioned by the fallen leader, and thrust the nation into a period of uncertainty and confusion, the emergence of the United States soon after that war as the main industrial power in the world, would give the world hope of escaping the yoke of British hegemony.



Henry C. Carey, the great economist of the American System, advisor to Lincoln, and opponent of British free trade. Portrait by Charles Leslie.

Writing a "Review of the Decade" in 1867, Henry Carey drew the conclusions of the Union victory for the British Empire:

"The 'balance' of material power is no longer in Britain's hands. That what yet remains of moral influence must speedily pass away will be obvious to all who reflect on the fact that the moral feeling of the world has been and is now being daily more and more offended

"By the spectacle of overgrown wealth at home side by side with a destitution the most complete;

"By the pro-slavery tendencies of a system that at home produces a necessity for cheapening labor, and has elsewhere led to advocacy of negro slavery as the only mode by which to obtain cheap cotton;

"By the spectacle of a neighbor nation [i.e., Ireland], one that in the past had given to Britain her ablest statesmen and most distinguished soldiers now passing rapidly out of existence;

"By the tyranny over hundreds of millions of Asiatics, feeble as they are, that is daily exercised, and recently so well described by Earl Grey in the passage that has above been given;

"Of all, however, that has occurred throughout the decade, there is nothing that, equally with the alliance between the governing portion of the British people and that portion of the American one which was engaged in the effort to establish a slave republic, has tended to destroy that moral force which constitutes so essential a portion of the capital of an individual or a nation."

Indeed, the British imperial financial empire still today represents a policy of slavery, one that now threatens to decimate all mankind in the vain attempt to save the bankrupt imperial system. And it falls to the United States, once again, to break this imperial power—this time with the Glass-Steagall legislation and accompanying measures which the patriotic movement led by Lyndon LaRouche represents.

It is not in reenactments or wreath-layings or memorial tributes that we will honor and cherish the memory of the Civil War, and of those who fought and died to maintain this Union and its "new birth of freedom," but rather, in dedicating ourselves to that "unfinished work" of finally ending the financial dictatorship of the City of London and their Wall Street lackies and of rededicating this nation to that higher purpose for which it was created.

References

Ephraim Douglass Adams, *Great Britain and the Civil War*, 2 volumes (New York: Russell & Russell, 1958)

Konstantin George, "The U.S.-Russian Entente That Saved the Union," *The Campaigner*, July 1978, New York. Reprinted in *EIR*, June 26, 1992.

Brian Jenkins, *Britain and the War for the Union*, 2 volumes (Montreal: McGill-Queens University Press, 1974-1980)

David Hepburn Milton, *Lincoln's Spymaster: Thomas Haines Dudley and the Liverpool Network* (Mechanicsburg, Pa.: Stackpole Books, 2003)

A. Tyrner-Tyrnauer, *Lincoln and the Emperors* (New York: Harcourt, Brace and World, Inc, 1962)

Albert A. Woldman, *Lincoln and The Russians* (Cleveland and New York: World Publishing Company, 1952)

THE STRATEGY OF CREATIVITY

Creativity, Passion & Strategy

By Lyndon H. LaRouche, Jr.

Saturday, July 30, 2011

In any competent attempt to deal with the actual principles of modern warfare, it is essential that the measure associated with a mistaken, sense-certainty-based notion of a proper standard of measure, must be discarded. That must be done in favor of what I shall restate here, as a truly Riemannian notion of the transcendental, as this is to be reconsidered from the vantage-point of V.I. Vernadsky's presentation of the universal physical principle of the Noösphere.

I had provided an illustration of this notion in a recent treatment of the notion of the higher principle associated with such Classical cases such as the subject of World War II, as such are to be strictly contrasted with the folly of affairs such as the prolonged U.S. Indo-China War.

So, for example, the passion of warfare, rather than the merely reductionist varieties of expressions of the geometry of conflict, expresses the quality of passion essential to ***the principle of the flank****. That latter case is aptly illustrated by the most famous battle of Prussia's Frederick the Great.*

So, I recall World War II. Although my personal role in Southeast Asia's northern Burma was of minuscule significance within that war, my experience, later, in a 1945 India still under the heel of a British imperial tyranny of the Raj, contained all of the essentially principled features of warfare which might have been found under the later conditions of Indo-China warfare in post-World War II Southeast Asia. As I said on a recent occasion, varieties of passion of mortal conflicts, are the key word for the varieties of such connections.

So, Frederick the Great, leading a weaker force, routed a well-trained, and ostensibly superior, Austrian force, by outflanking the Austrians' Classical plot, twice on the same day of battle. It was only later, after that particular victory, that Frederick viewed what had been his role in the Seven Years' War with a proper sense of irony. Great passion, as in warfare, does not necessarily contain the justification of the cause it had been called up to serve.

So, Passion lifts the principle of action to that qualitatively higher level of intensity which might be mistakenly presumed by many, as representing a weaker force, but, one which, nonetheless, is directed by a superior quality of passion. By "passion," signify the category of notions otherwise associated with "energy-flux density," or, the same thing, in effect: a higher order of ostensibly metaphorical forces. The proper measure of passion in such matters, is to be recognized, and that uniquely, in the uniqueness of the qualities of the human mind.



EIRNS/James Rea

"By 'passion,' signify the category of notions otherwise associated with 'energy-flux density,' or, the same thing, in effect: a higher order of ostensibly metaphorical forces. The proper measure of passion in such matters, is to be recognized, and that uniquely, in the uniqueness of the qualities of the human mind." Shown, Lyndon and Helga LaRouche, during the Schiller Institute conference in Germany, July 2-3, 2011.

FOREWORD:

The Principle of Mind

The approach to strategy which I have just indicated above, requires bringing into play conceptions which are not definable as in accord with conventional, reductionist's notions of a physical science. Nonetheless, it is that conception which is actually at play in such cases as this one being introduced here.

For example, as my associate Sky Shields, would also emphasize, generally practiced science is still stuck, customarily, to the present day, in such follies as a functionally futile, Laplacean notion of a simple progression, a progression which is mistakenly viewed as "physical time."

Therefore, whereas, "biological time" must encompass developments which are to be located in terms of changes of state which must appear to have occurred as a consequence of an action which occurred, ostensibly, in the past, or in the future, depending on the sequence chosen to be considered.

Human time, as distinct from that of other expressions of life, carries our attention far beyond the mere experience of life, even human life. The creative consciousness of the human life itself, can not be measured against other expressions of living processes; it is a dimension which exists only in human life itself, as Academician V.I. Vernadsky presented this.

All life is creative, but, only mankind is known to us as capable of voluntary creative initiative.

To narrow the view of that principle of human time, it is most useful to limit the discussion of a physical principle of time, to a focus of attention on the domain of that reign of living processes which is to be located approximately within the domain of the human species on Earth and its nearby, planetary space.

This view of the uniquely special role of human life, can be made clear from appropriate consideration of modern human culture. A science-driven progress of a modern human culture, is the most powerful, and therefore dominant agent of the reigning quality of change known to us; man's own utilization of a level of technology known as *"man-controlled nuclear fission"* is sufficient to illustrate that point. All life is creative, but, *only mankind* is known to us as capable of *voluntary creative initiative.*

However, the principle is clearer from the vantage-point of situating human life's place and role in more than a billion years of the evolution of life on Earth, as within not only life on Earth generally, but, also, within the galaxy which contains our Solar system.

"What Is Human Creativity?'

For years past, I have enjoyed what has been a uniquely distinct notion of "human creativity." That with good, practical reasons for doing so.



Schiller Institute videograb

"The root of science is to be located in the Classical artistic imagination. Why not? Where, otherwise, could we expect to find truth within what was the ante-room filled with precursors of that which is yet to be imagined?" Here, the Schiller Institute chorus and orchestra perform Beethoven's "Choral Fantasy," July 2, 2011, at the Schiller Institute Conference.

Nonetheless, what I have recognized in this way, does not presume that mine is the only expression of true human creativity; but, it, my own, is the one specific to my experience of the subject-matter. I could qualify that statement by stating my agreement with the notion, that the essential quality of human creativity, is located best in the conception of Classical poetic metaphor as adopted by such as the Pythagoreans, Archytas, and Plato, the metaphor which identifies that agreement. Nonetheless, my own conception happens to have been originally unique to my experience, a view of mine which can not be separated from certain implications specific to that experience which has been my own.

The importance of emphasizing my own definition, lies in the effect of the way I have drawn certain specific kinds of practical consequences, consequences which are located, specifically, in the way my choice of application of this notion came into being, as I stated that relevance in remarks to an assembled body of the "basement team," this past Friday noontime and afternoon, as I had summarized the same in my presentation to Saturday's midday National Executive Committee report.

I explain that as follows. Consider the following argument as an illustration of that distinction of my own view, as now follows.

The relevant precursor of my notion of human creativity, came to me, according to my best secured memory of that experience, about the age of 14, an experience prompted by a specific quality of experience with repeated visits to the Charlestown, Massachusetts U.S. Navy Yard. It was, fortunately, an experience which preceded my experience with my first encounter with "Euclidean Plane Geometry." I have never accepted, fortunately, any expression of Euclidean geometry, or, of kindred ways of thinking, since that time. I was correct in doing so; the evidence was, for me, crucial and conclusive; and, I was in the right in drawing that conclusion.

Simply, to illustrate the point, as I have summarized my relevant experience in remarks distributed over the years: the stimulus was my fascination with the manner in which structural steel was employed in constructions reaching higher than the iron-framed brick structures of the Boston area. The crucial issue was the ability of the construction employing the supporting role of structural steel to support both its own weight and that of the height of the completed structure, too. As I put the point in one secondary school class-room, the crucial evidence was the "holes" built into the structural steel support. That became, as if instantly, my notion expressing a physical principle of construction "of a weighty and weight-bearing structure."

Once I had enjoyed that experience of discovery, I could never accept Euclidean method or its likeness, not since that time. I had, then, already escaped the

lurking trap of the classroom textbook in the virtual "nick of time." Aristotle, as I came to know him, received similar treatment from me, that for kindred reasons.

That, and subsequent, related sorts of experience, created, for me, a recognizable category of conceptions which belong to the powers of imagination of the human mind, expressed by the awareness of the powers of judgment specific to the human mind. The result of that turn in outlook was an experience like that of steel filings drawn "as if fatally" to a fascination with the experience of ontological paradox inherent in poetic metaphor, as, notably, from Shakespeare, Keats, and Shelley. My notion of metaphor was thus bred into me in that specific way. This prepared me for the experience of becoming an admirer of Bernhard Riemann, that done by the time of the early months of 1953.

This ironical turn from elementary physical experiment to Classical poetry, was not really exceptional in and of itself. The principle of metaphor is the most natural consequence of a maturing entry of the young along the pathway associated with the certain coincidence between the musician-scientists Max Planck and Albert Einstein (for example), exactly as Johannes Kepler became, in this way, the only known original and competent discoverer of the universal law of gravitation, a discovery which is to be attributed in its roots to the **De Docta Ignorantia** of Cardinal Nicholas of Cusa.

The root of science is to be located in the Classical artistic imagination. Why not? Where, otherwise, could we expect to find truth within what was the ante-room filled with precursors of that which is yet to be imagined? Metaphor is, thus, the most typical route taken to discover the truth which is yet to become yet to be known: just as I discovered a physical principle of geometry among the pillars of construction at the Boston U.S. Navy Yard.

Discovery leads, thus, to what is imagined; the experiment which verifies the imagination, is properly to be called "physical science."

As Percy Bysshe Shelley writes in the concluding paragraph of his **A Defence of Poetry**, it is the intimation of truth in this manner, which is the precursor of experimental discoveries of truthful principles. Thus, Classical poetry, and its expression as that and other Classical arts, are the expression of that power of the Classical scientific imagination which precedes physical science itself.

Such is the principle of the human mind.

I. What Is Your Mind?

In commonplace opinion, even still today, the discovery of the notion of the human mind begins with the study of the effects attributed to what has been celebrated as the allegedly "original five senses." However, once the notion of sense-perception has been established as a virtual platform for further explorations, this naive view of matters comes under pressures of a notion of change.

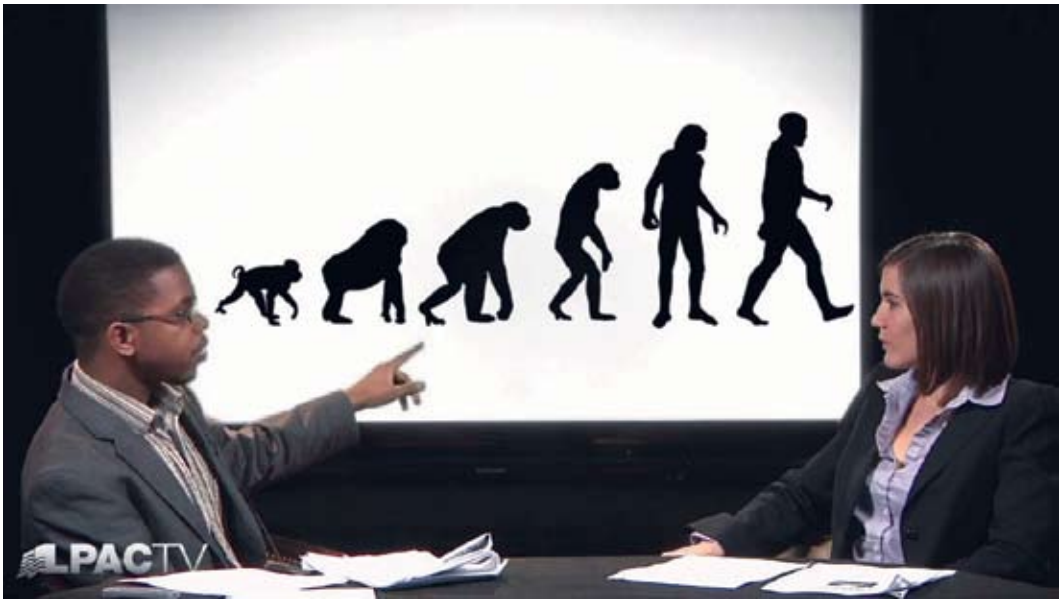
The most profitable of the putative original approaches to examining that class of facts, is to be found in the practice of astronomy by ancient, trans-oceanic navigators, such as, at a relatively later time, the great Eratosthenes who had measured the size of the Earth by the relevant set of shadows cast by the Sun's light. These kinds of discoveries by great mariners and their like, had already defined, at least implicitly, the notion of a finite but unbounded universe, a universe to be recognized as a principle by the worthy trans-oceanic mariner.

So, Nicholas of Cusa had pointed out the implications of this, as in the advice which was passed to Christopher Columbus from Cusa's own assignment to future mariners. It was Cusa's influence on Christopher Columbus's decision to cross the Atlantic to lands beyond.

The use of the relevant instruments of navigation was already the expression of the use of instruments by means of which the mind of mankind was uplifted from the bounds of the human senses to what would become, later, the effect of the concluding, third section of Bernhard Riemann's 1854 habilitation dissertation: the image of what was in fact, Albert Einstein's reading of the uniquely original discovery of the principle of gravitation developed, uniquely, by Johannes Kepler, and understood by Albert Einstein as the image of a finite, but unbounded universe.

This had been shown by the reading of the actually physical principle adumbrated as so-called Abelian functions by Niels Abel, as redefined from the physical-scientific standpoints of both Lejeune Dirichlet and Bernhard Riemann. Thus, in the closing section of Riemann's habilitation dissertation, Riemann warned, that in a systemic manner, that science must depart the domain of mere mathematics, if it were to show us the meaning of an actually physical universe.

Since the appearance of that concluding section of Riemann's 1854 habilitation dissertation, modern



LPAC-TV

"Human beings must be defined as having a potential of being a certain type of super-species, a species in which the essential principle of 'evolutionary change' defines a potentially immortal 'super-species,'" unlike the silly version of evolution as described by Darwin and company, shown here in an LPAC video featuring Sky Shields and Alicia Cerretani.

science had achieved the effect of great leaps of progress which are to be recognized now as the effects of discoveries which have had the effect of redefining the universe through the superseding, in a systematic way, of the notion of the array of what is, in effect, an expanding repertoire of "physical dimensions" of the universe, reaching now a set of rapidly expanding dimensions, far beyond the realm of an "original," mere five, crude biological notions of sense-perceptions.

Thus, the accrued collection of principles, such as those of sense-perceptual categories, represents an expanding array of physical dimensions, proceeding from the notion of "an original five," to an indefinitely expanding array. The initial set of "buds" represented as categories of physical-sense-certainty, prompts our view of our universe to open and display its inner self in the fashion of a great flowering of the petals of the sensory imagination.

This defines a pattern with a decided effect which is expressed in the form of an essentially changing identity of the nature of the human individual which is affected by such transformations.

The Principle of the Change

The changes now to be considered here, have the effect of ordered changes in the characteristics of successively higher orders of the physical changes which occur as a consequence of changes in the matrix of both the mind of the human individual, and the consequent, physically ontological transformations in the physically inherent characteristics of the personal identity.

Construct an hypothesis which charts the changes in the human personality which are the effect, initially, of a change from the mind of the person who "knows only" the experience of the raw sense-perceptions which had been, so to speak, "born" in the naive human infant. The limitation defines a categorical "class" of the relevant human individuals.

Now add "new physical dimensions" to that original repertoire.

The general result implied by such a configuration, is the image of the qualitative changes in the personality of the individual who has slipped from one configuration, to larger, or smaller essential sorts of "dimensions."

First of all, the sense of the identity of the human individual's place in the physical universe implicitly defined by the relevant array of "factors," emerges to appear as a human identity which undergoes successive, elementary changes in functional characteristics of behavioral traits. The succession of such changes, locates the changing sense of identity as if moving from one place in physical space-time functions, to higher or lower, but decidedly different "places" in the human behavioral spectrum.

Thus, the powers of qualitative such development define a qualitative change in virtual species, yet without any other change in the characteristics of virtually

each and all biological types of the human species defined in terms of such parameters as these.

This view of the matter suggests two, alternative interpretations.

Either the human personality must be ordered in its changes by its biological type *per se*, or the relevant, qualitative change in qualitative type must have occurred without the requirement of any physical change in the biology of the human individual. In the latter case, the effect of a change in the apparent biological-physical type of human individual, must be essentially "intellectual," rather than "physical."

In the latter case, human beings must be defined as having a potential of being a certain type of super-species, a species in which the essential principle of "evolutionary change" defines a potentially immortal "super-species," a virtually immortal type of species at its base, but also as creating a series of a certain set of types of "outer husk" as the context for sheltering its existence.

On the latter account, we are impelled to project the existence of a type which is immediately still categorically "mortal," but also a species which is implicitly immortal as an existing species.

The latter option is buttressed by the evidence that the existence of known types of living processes within our galaxy is subjected to an ordering of the survival of species according to a required rise in the order of "energy-flux density" required as representing the precondition for a set of species which embody a qualitatively higher order of energy-flux density. This would require that that species fulfill the requirement for an immortal species in terms of that frame of reference.

On such accounts, the evidence is that mankind is the only immortal species presently known to us, that on the condition that the requirement of progress in the order of the level of advancement in terms of "energy-flux density" is satisfied.

Such an immortal species would be of a type consistent with the free advancement in the energy-density of the culture, per capita, and according to the implications otherwise. It would an immortal species *in type*, an immortal species in that sense.



The Importance of NAWAPA for Geophysical Research
Peter Martinson
The North American Water and Power Alliance will make the deserts bloom and provide ample fresh water for thirst Western states, at the same time that it revolutionizes our understanding of terrestrial geology.

Nuclear Power and NAWAPA Nuclear Power and NAWAPA: What Will It Take?
DeWitt Moss
A nuclear engineer reviews the monumental challenge of NAWAPA and the nuclear options available to power its pumps, lifts, railways, and new communities.

Spent Nuclear Fuel Is an Abundant Source of Energy
Dale E. Klein, Ph.D.
The former chairman of the Nuclear Regulatory Commission makes a forceful case for using reprocessing to close the U.S. nuclear fuel cycle.

OTHER HIGHLIGHTS
- **Saturn's Storm, Earth's Unrest . . . And Science's Silence**
- THE SCIENCE THAT BUILT THE NATION
  West Point and the Tradition Of the Army Corps of Engineers
- INTERVIEW: DR. YUANXI WAN
  China's Ambitious Path to Fusion Power
- ALEXANDER VON HUMBOLDT
  Beacon of American Science And Forerunner of NAWAPA

Subscribe! Electronic subscriptions are
$25 for 6 issues, $48 for 12 issues
Single electronic copy is $5.
Available at www.21stcenturysciencetech.com
or send check/money order to
21st Century P.O. Box 16285, Washington, D.C. 20041

Does Manned Space Flight Have a Future in America?

by Marsha Freeman

The picture-perfect landing of the Space Shuttle orbiter, *Atlantis*, on July 21, brought to a close the three decades of NASA's post-Apollo manned space program. While it is unlikely there will ever be another space vehicle as capable, versatile, or elegant as the Space Shuttle, at the current moment, there is *nothing at all* in the U.S. to replace it.

The Space Shuttle program did not end because it was too expensive to operate, nor because it was unsafe, or technologically obsolete. Its demise is the fruit of four decades of failed White House policies, which a compromising and cowardly Congress refused to reverse. Based on promises that some sacrifice now would lead to greater things in the future, our elected representatives have abdicated their responsibility to ensure that our leadership in space—in which lies the future of the nation—is not compromised.

The Space Shuttle program cannot be restarted. The factories that manufactured its components have been shut down, and the workers sent home. But the teams of thousands of scientists, engineers, and technicians who managed, operated, maintained, and used the Shuttle fleet—many of them, over the full 30 years of Shuttle missions—are only now being dispersed. They can still be redeployed to carry out the Moon/Mars exploration mission that has been on the agenda since the end of the Apollo lunar program.

What this will require is not incremental increases in the NASA budget, pronouncements from the White House, or feel-good votes in the House and Senate. There must be a *fundamental* change. During a hearing before the House Science & Technology Committee in 2010, soon after President Obama proposed ending the Constellation Moon/Mars program, Rep. Ralph Hall (R-Tex.) raged at the idea that the country could spend "trillions of dollars to bail out the banks," but could not find the $1 billion that NASA needed to continue the Constellation program. But Congress has done nothing to end the bailouts, or the casino economy that created the current crisis.

Now, the budget compromises between the Congress and the White House that are on the table will not only end the manned space program, but cut back medical care for the infirm and elderly, an assured food supply, and the income our most vulnerable citizens depend upon to survive.

The nation must decide what its priorities are. President Franklin Roosevelt did that in 1933, when he declared a bank holiday, shut down the financial system that had become a gambling casino—looting the wealth of the nation, its citizens, and their future—and signed the Glass-Steagall bill into law. Then, the U.S. could return to a Constitutional credit system, empowered to mobilize the resources to end the Depression, through great infrastructure projects like the TVA.

No action short of that today will enable the exploration of space to continue.

What Will We Lose?

On the immediate chopping block are some 40,000 positions in engineering, science, and high-precision skilled jobs; whole manufacturing industries, needed for both civilian and military space applications; unique infrastructure in industry and at the NASA centers; the skills necessary to train the next generation of astronauts, the explorers of the future; and the inspiration for young people to reach for the stars.

Although the original mission for the proposed Space Transportation System in the 1970s was a cargo- and human-carrying space "truck," it took on tasks never originally envisioned. The Mars rovers were expected to carry out a 90-day mission on Mars, yet are still sending back scientific data seven years later. In the same way, scientists and engineers, given only half the



NASA

Over the course of its 30-year mission, the five-orbiter Space Shuttle fleet became a universally recognized symbol of mankind's drive to explore. Here, the Space Shuttle Atlantis lifts off on Nov. 16, 2009, to take cargo to the International Space Station.

funding NASA needed to create the Shuttle system, have accomplished more than anyone could have imagined.

The Shuttle orbiters provided laboratory space and resources for experiments, particularly in the life sciences, to help lay the basis for travel beyond Earth orbit, to develop potential new vaccines and pharmaceuticals. On-board experiments opened a window, unobtainable on Earth, into answers to some of the most fundamental questions in biology.

Orbiters carried aloft great observatories, to allow multi-spectral observations of the universe. Astronaut crews, anchored to the Shuttle, repaired the otherwise useless Hubble Space Telescope to correct its blurry vision, and captured and repaired other errant satellites.

Planetary probes were sent to the outer reaches of the Solar System from Shuttle payload bays, and experimental Earth remote-sensing instruments, such as imaging radar, were tested by astronauts in orbit.

The Space Shuttle fleet and its crews assembled, repaired, and serviced the International Space Station, making use of the experience of nine missions docking Shuttle orbiters with the Russian Mir space station in the 1990s. In addition to teaching NASA how to carry out long-duration missions in space, the Shuttle-Mir program helped save from ruin the precious former Soviet manned space program.

What is truly remarkable about the Space Shuttle, however, is not any one, or combination, of these accomplishments: It is the fact that it was built at all; that without receiving the level of resources required, it carried out 133 successful missions, with only two catastrophic failures; that it flew 355 people from 15 nations, most of whom would never otherwise have had the opportunity to fly in space; that over 2,000 scientific experiments were conducted with the help of crew members on board; and that it built a space station with components and scientific laboratories from more than a dozen nations, which assembly required an "orbital ballet" that had to be, and was done, perfectly.

Every aspect of the Space Shuttle program that has come under criticism, or was a genuine shortcoming, has been a result, not of faulty design, or lackadaisical engineers and technicians, or inflated NASA egos. They were *all* a result of compromise.

The Evil of Compromise

When the Apollo program ended, President Nixon had on his desk a proposal to build a reusable transportation system, and an Earth-orbiting space station, and to establish a settlement on the Moon, all with the ultimate goal of manned missions to Mars. In January 1972, Nixon announced that the nation could afford to build only the transportation system. NASA agreed to



NASA

Soon after it was discovered that the Hubble Space Telescope, launched from the Shuttle in 1990, had blurry vision, NASA planned a repair mission. In all, five missions to repair and upgrade the telescope were completed. Here, astronauts Andrew Feustel and John Brunsfeld work on the Hubble, May 16, 2009.

the compromise, because without the Shuttle, there would have been an end to manned space exploration altogether. NASA estimated that designing, building, testing, and flying a reusable space transportation system would cost more than $13 billion. The space agency ended up with half that amount, in a compromise with the budgeteers.

That drastic cut in funding meant that a fully reusable vehicle could not be developed. Instead of liquid boosters with wings that could fly back to the launch pad and be refueled and reused, the Shuttle used twin solid rocket boosters. Solid boosters had never been used on manned systems, because once they are lit, they cannot be turned off. Many at NASA believed this compromise increased the risk. The malfunction of a solid booster caused the Challenger accident in 1986.

President Carter continued funding for the Space Shuttle program by bringing in the military to use it. To accommodate huge Defense Department classified payloads, the Shuttle orbiters' payload bays were enlarged, and its in-orbit and landing capabilities increased, dictating changes that made the system more fragile and aerodynamically constrained. Another high-risk compromise. Remarkably, the cost of building the Shuttle fleet actually came in only 17% over budget, and, 30 years later, with all the compromises, it is still largely comprised of state-of-the-art technologies.

The space station, announced by President Reagan in 1984, followed the same path as the Shuttle: underfunded from the start, which led to almost-continuous redesigns to lower the cost, and changes in what goals it could accomplish.

In 1989, President Reagan's successor announced, on the 20th anniversary of the first lunar landing, a return to the Moon, "this time to stay," and then a manned mission to Mars. Congress took one look at the cost of George H.W. Bush's plan and shut it down. Not even a compromise.

Falling NASA budgets throughout the 1990s meant that no proposed Shuttle replacement vehicle ever made it past the design stage. George W. Bush's 2004 exploration initiative was a replay of his father's, with one important difference: The next series of vehicles that NASA would build to go back to the Moon and to Mars would not start full-scale development *until the Shuttle was retired* in 2010. Ending the Shuttle flights was supposed to "save" enough money to start something new.

NASA Administrator Mike Griffin, as he explains it, went along with this incredible compromise, because, even though it meant there would be an intentional gap of three or four years when no U.S. craft could carry Americans into orbit, he believed that in the future, it would lead to capabilities to explore beyond Earth orbit, which the Shuttle cannot do. Another bad compromise. Neither President Bush nor the Congress ever appropriated enough funding to keep the nascent Constellation program on schedule.

Since Barack Obama came into the White House, the nation has been faced, not even with a compromise, but with a 180° turnaround in policy: For the first time in the 50-year history of the U.S. space program, the White House proposed that the nation, through its space agency, would not build the next manned space vehicle

at all, not by budget default, but *by intention*.

After months of wrangling with a Congress hesitant to completely abdicate responsibility for space exploration (and, for some, suffer huge job losses in their districts), another bad compromise was reached. Private companies would be given part of NASA's funding, to develop a craft to take crew to the space station, as the White House insisted. NASA would continue to develop a Crew Exploration Vehicle, as the Congress wanted, but not a rocket to launch it on!



NASA

On May 23, 2011, the first-ever photograph of the U.S. Shuttle docked to the International Space Station, was taken by Paolo Nespoli, from an undocked Russian Soyuz capsule, which had just left the space station.

Although there is much hand-wringing, especially on Capitol Hill, over the fact that for the next few years, the U.S. will have to rely on Russia to ferry crews to the space station, the issue is *not* that we are dependent upon Russia, but that we are no longer a world-class space-faring nation.

And the promised exploration program that was supposed to be funded by retiring the Shuttle? To go anywhere beyond Earth orbit requires a rocket capable enough to carry large payloads, on the order of the Saturn V rocket that took astronauts to the Moon. Although the Congress legislated last November that such a vehicle be ready to fly by 2016, NASA Administrator Charles Bolden told legislators eight months ago that this heavy lift vehicle cannot be developed on that timetable with the amount of money NASA has been given by Congress for the project. So much for exploration.

Going Nowhere

The stupidest criticism made of the 30-year Space Shuttle program is that "it cost too much." Relative to what? Bank bailouts? Unnecessary wars?

In fact, it is *irrelevant* what the space program "costs." Every dollar spent returns on the order of ten dollars to the physical economy, in new technology, new manufacturing capabilities, and skilled jobs. What the nation buys for a pittance of the money it spends on space exploration is the *future*. For 50 years, the space program has been an inspiration to young people, to literally reach for the stars. How do you put a dollar figure on that?

There is no project more important for mankind's future than exploring space. Our ability to forecast, and later prevent, the natural disasters—immediate and long-term—that threaten mankind, depends upon it. Our economy, now functioning on a level of technology that has been stagnant since the Apollo program ended in 1972, will condemn millions of people to die if there is not a science-driven forced march to higher-level economic platforms based on new technologies.

Each time the manned space program has been threatened with extinction, its supporters have saved it through compromise. But there can be no "negotiating" with an administration determined to throw the nation back to the Dark Ages. It is past time to take the stand that America will have a space program that befits a great nation.

When President Kennedy announced the Apollo program half a century ago, he told the Congress that it would be costly. If they would not adequately fund it, he said, it were better not to go at all.

Our nation faces an existential crisis. The policy we adopt regarding our space program is a litmus test for whether or not the nation has the uncompromising will to move forward. That means reviving FDR's Glass-Steagall Act to create the credit needed to fund nation-building programs, and removing the most anti-science President in U.S. history, Barack Obama, from office.

Editorial

Where Are the Patriots?

Americans were not always cowards. As reported in an Aug. 6 segment on LPAC-TV, there are clear examples of Americans moving decisively to end tyrannical moves by the British Empire, even as early as 1689.

The instance was this: Following the invasion of England by William of Orange, the British Crown moved to revoke the charter of liberties which had been granted to the Massachusetts Bay Colony, and impose the royal governor, Sir Edmund Andros, as the ruler. But, soon after Andros arrived, the citizens of Boston, led by Cotton Mather, marched to the governor's palace, arrested Andros, and shipped him back to London post haste. They then proceeded to reassert the powers of their charter, including the rights to create credit for economic development of the colony.

Of course the battle for freedom was not resolved until almost a century later, but an important precedent was set: Americans would fight for their liberties and soundly reject those who oppressed them.

Why is this not happening with President Obama today?

As you will read in this magazine, and can see in virtually every poll lately published, there is no lack of clarity on the disastrous threat which this President and his policies represent to the welfare of the American people. A mere 1% (!) of Americans are enthusiastic about the direction of policy in Washington, reported a CBS poll, and most are in various states of rage and upset about the disintegration of the economy, in particular. On top of that, the President's violations of the Constitution are specific and well-known.

Yet, political motion toward ousting Obama is virtually invisible.

What is proceeding ahead with accelerating momentum, is the movement for restoring Glass-Steagall, the crucial first step toward freeing our nation of gambling debts, and restarting our economy. Spurred by LPAC organizers, especially the six LaRouche Congressional candidates, labor unions, Democratic Party clubs, and city councils around the nation are debating and passing resolutions demanding that Congress save the nation by passing Marcy Kaptur's H.R. 1489, which would reinstate FDR's Glass-Steagall principle.

As of Aug. 9, five state organizations of the AFL-CIO had passed resolutions for H.R. 1489: New Jersey, Kentucky, California, Wisconsin, and Minnesota. This action represents the support of tens of thousands, if not hundreds of thousands, of U.S. workers, whose leadership has finally decided to act in their interest, and was carried out only because untold numbers of leaders in local labor councils refused to quit, until their state organizations acted. And more such actions are on the way.

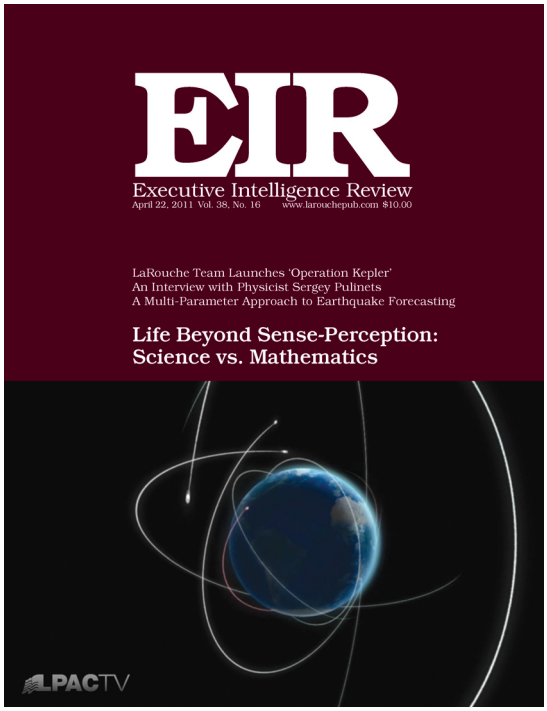
Similarly, citizens all around the country are getting out of their armchairs, and going down to City Hall to demand that their city councils pass Glass-Steagall resolutions. Others are passing emergency resolutions through their political clubs.

But, as good as this development is, its limitation must be faced. Even passage of Glass-Steagall would be insufficient to save the United States, if it was not combined with the removal of this President, whose flagrant disdain for human life is evident in his every public utterance. Glass-Steagall must be used as a *strategic weapon* to restore our nation to its constitutional principles, including the removal of a President who is a de facto traitor to our Constitution.

So, with each day Obama is in the White House being a disaster for the country, we must ask: Where are the patriots? When will they act?

SUBSCRIBE TO

EIR Executive Intelligence Review
EIR Online



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

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 _____