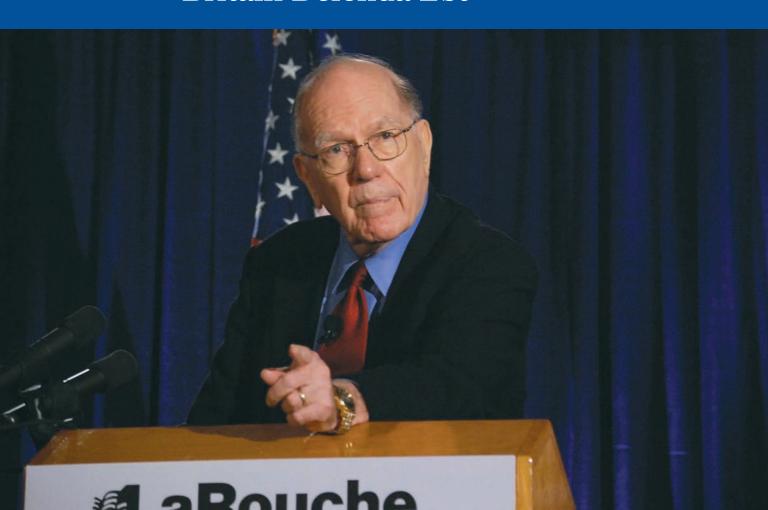


Prince Philip's Flu Is on the March The Fight for an American Development Policy in Sudan California: The Killings Have Already Begun

# LaRouche's June 27th Webcast: 'Britain Delenda Est'



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# The Banking

System
Has Airead
Collapsed!





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

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

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

-EIR Editorial, Aug. 31, 2007

"My view of the economy is that the fundamentals are strong."

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

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

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Canada Post Publication Sales Agreement #40683579

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



### From the Managing Editor

You will find a recurrent theme throughout Lyndon LaRouche's June 27 webcast, his seventh of 2009: America's historic enemy, the British Empire, must be destroyed, if civilization on this planet is to survive (*Feature*). "Britain delenda est" paraphrases the cry by the Roman statesman Cato the Elder, who called for the destruction of Rome's enemy, Carthage. The Romans did, in fact, destroy the city in 146 B.C., during the Third Punic War, ploughing it over, and selling the survivors into slavery.

LaRouche made clear that our fight against the British Empire, is not against the people of Britain, but rather, against America's historic enemy: the Anglo-Dutch monetarist imperium. Now, the time has come to wage total war—political, cultural, and scientific—for our survival. The United States, because of its unique history, as the world's first and only true sovereign republic, must take the lead in eliminating the British imperial system, if the world is to have any chance of coming out of the current existential crisis.

As the lengthy discussion following LaRouche's opening remarks makes clear, there is a deepening sense of betrayal among those former Obama supporters, even among his current advisors, that the Presidential candidate they believed was the new FDR, is, instead, the new Hitler, who is taking down every significant program established by Roosevelt to defend the general welfare. The emerging resistance to Obama's Nazi policies represents the cumulative effect of LaRouche's interventions, beginning with his April 11 webcast, "President Obama's 'Narcissus Syndrome.'"

The balance of the issue provides a documentary overview of the state of the world this week: In *Economics*, LaRouche reports on the insanity of the Bank of China's moves to dump the dollar; in *International*, we examine the potential for a positive shift in U.S. policy toward Sudan; in *National*, we report on the advanced state of breakdown of the once-powerful California economy, under its fascist buffoon of a governor, who, with the full backing of the Obama Administration, is brutally slashing the state budget; and, perhaps most revealing of the current breakdown of moral sanity, our *Science* section looks at the onrushing flu pandemic in, "Prince Philip's Flu Is on the March."

Fourie Jame

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EIRNS/Stuart Lewis

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"We're in a situation where we're looking at the collapse of civilization," LaRouche declared. "It's already in process, it's not some event that might happen or might not happen: The crumbling of civilization is currently in progress. And it's global civilization." Behind the destruction of the U.S.A., is the British Empire, and its puppet Barack Obama: Yet, "even without the murderous policy of the Obama Administration, this planet, if it doesn't change in a certain direction, is doomed in any case. Obama just makes it surer and quicker." The two-and-a-half-hour discussion that followed LaRouche's opening remarks, showed that there is a healthy resistance developing to the British Empire's Nazi policies.

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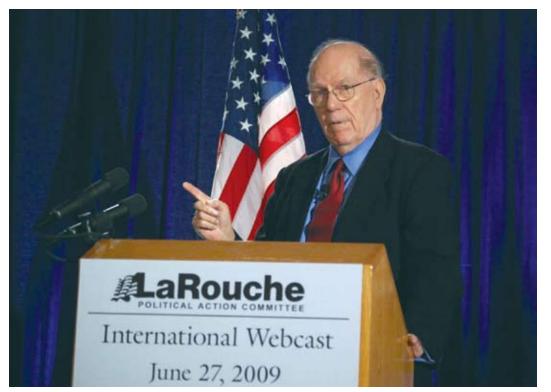
# Lyndon LaRouche's June 27 Webcast: 'Britain Delenda Est'

Lyndon LaRouche gave a webcast address in Northern Virginia, on June 27, 2009, his seventh, so far, this year. The webcast was hosted by La-Rouche's national spokeswoman Debra Freeman. The entire webcast is archived at www.larouchepac.com.

Today, we should probably say that the best news, is the bad news: That is, those who admit the bad news they are receiving as good news—the fact that they recognize it's bad. Because you have a lot of people out there who have wishful thinking, who are not dealing with reality.

Reality is this: The world has been, since, actually, July of 2007, almost two years, in the process of a general breakdown crisis, of the economy of the entire world. There has been nothing which has halted that process—it is just a process which has started, and it's continuing. Under the present Administration, the situation is more desperate than it was before the inauguration of President Obama. Because, frankly, President Obama is clinically, from the standpoint of his function as President, insane. He is, as I said on the 11th of April this year, that kind of problem. He is essentially an Emperor Nero in temperament; that's the historic figure which he's most closely related to, and nothing good will come out of him, and nothing good will come out of a Congress which submits to him.

This man is, in effect, clinically insane, and he's the President of the United States. And because the United States is essential in a leading role to get the world out of the world's mess, the fact that the United States is in this kind of trouble, means that the entire planet is ready to go. China and Russia, for example, are crumbling. They're crumbling not merely eco-



Since July of 2007, the world has been in the process of a general breakdown crisis, of the economy of the whole world, LaRouche stated, and now the situation is more desperate than it was before the Obama inauguration.

EIRNS/Stuart Lewis

nomically, which they are, but they're crumbling psychologically; they've lost their nerve. They're clinging to straws, and to imagination, wild dreams, none of which are true.

So we're in a situation where we're looking at the collapse of civilization. It's already in process, it's not some event that might happen or might not happen: The crumbling of civilization is currently in progress. And it's global civilization. And even though the Obama Administration is a mass-murderous machine, as we see through its health-care policy, even without the murderous policy of the Obama Administration, this planet, if it doesn't change in a certain direction, is doomed in any case. Obama just makes it surer and quicker.

There's nothing in Europe—there's no part of Europe that's capable of handling this situation! Europe is dead, as a factor in escape! That doesn't mean that Europe is necessarily dead. It means that Europe is not a place that's going to take an initiative that's going to save anything, including itself! The initiative will have to come from the United States, and it will have to come from our changing the character of the Presidency of the United States, *right now!* Because time is running out.

#### The Intention Is To Kill People

The obvious thing is that the President *is* insane, and immoral, in terms of his health-care policy. The policy of the President of the United States at present, on health care, is identical with that of Adolf Hitler, in September and October of 1939. The intention is to kill people! That's the policy. And the people *behind* him, that is, the people who are advising him, are just as evil as anybody who ever worked for Adolf Hitler in Germany: There's no difference in their mindset, there's no difference in their judgment. For example, they will say, typically, as most of you have heard, that those who are approaching the last years of their life, should get it over with! "Die! We're not going to spend anything on health care for people over 80! They're off the charts!"

That's the policy of the Obama Administration! That's the policy for those who have a serious illness which might take them out in a few years, the policy against all kinds of people. *It's the same thing that Hitler said!*—back in the 1930s, before he made it policy, and it's what he said officially, as German policy, beginning 1939.

He started the same way that Obama proposed to go: Taking the sick, the terminally ill, calling them "lives not worthy of being lived," and killing them! Not



Obama's policy is a Nazi health-care policy: killing people whose lives are defined as "not worthy of being lived."

just withdrawing health care, killing them! Have the trusty night nurse come in with the right pill, and they're dead in the morning, and a fake death certificate is written out, as to the cause of death. That's what they did in Germany; that's what they're planning to do here, to American citizens.

That's the morality of this Administration! Obama knows it! If he didn't know it before, I sure told him! It's all over the country. His policy is a *Nazi* health-care policy.

Then you look at the gutless wonders in the Congress and elsewhere, who won't say "Nazi"! Think of all these wonderful people, who condemned the Germans and so forth, for Nazism and for killing people—self-righteous people. And we're doing it here, now! If this President has his way, we're going to *do* it here, now! And it's already in progress.

The President is also insane on cap and trade, his other main policy: If you do apply cap and trade, you will kill people en masse: It's a program of mass murder. If you tolerate it and support it, you're guilty of complicity in mass murder. You're just as guilty as any German, under Hitler. No different! "Well, we have to go along, because it's the President. We have to go along, because the Congress has capitulated to this President. Look—this is our system, we gotta go along with it!" What did they say in Germany? The same thing. The same thing.

There is no difference between Hitler and Obama, not in terms of policy. I don't exaggerate. I don't speak

unjustly. It's those who don't say what I say, who are speaking unjustly! Because if you don't stop Hitler while you can, you're responsible for the results that ensue. If you don't stop Obama's policy now, you're just as guilty as anyone who ever supported Hitler, because you've seen the Hitler policy! It's on record: You saw how it started, you saw how it proceeded, you saw what the result was at the end; you saw the trials that were held in Germany and elsewhere on this issue, at the end of the war! You don't know about this? The map is there! It's exactly the same thing: There is no difference, from a political standpoint, a

political moral standpoint, between Obama, now, and Adolf Hitler—none! And if you tolerate it, if you apologize for it, you say, "You can't call him Nazi," you're complicit! You're part of the problem.

#### We Are a Bankrupt Nation

But behind this, is the great secret: Even without this crap, even without the Nazi policy of the President, and those who support him in this policy, who are also just as Nazi as he is—if they're more sane than he is, they're more guilty, because they should know what they're doing—we're going to Hell anyway. We've been going there, since 2007, when I announced, I said, "We're on the verge of a great collapse in the economy, and it will be a world collapse. It's going to hit the United States, probably by the end of July"—I said this on the 25th of July, 2007—"it will begin to hit in the housing sector, on the most vulnerable part of the housing market, and it will go down, and take down the whole nation, unless we stop it."

What to do? I said: Very simple. We are a bankrupt nation; our financial system is bankrupt. You go into bankruptcy protection of the U.S. system. You don't allow the mortgages to be foreclosed: You put them under protection, under bankruptcy protection. You keep the people in their homes, under bankruptcy protection. You put the banks that are bankrupt under bankruptcy protection. That way you prevent the system from falling. Then you take the measures, step by step, as Roos-

evelt did, to organize a recovery.

As of September, when I had presented all the steps that I proposed with this effect, Senator Dodd, Barney Frank, and others in the House of Representatives, under Bush and under Pelosi, began to move, to ensure that nothing was done to prevent this catastrophe, which happened then. Nothing was done. Matter of fact, they went in the opposite direction. It got worse. It was terrible under Bush. Obama came in—Obama made it *worse* than Bush, immediately! By his own choice, by his own Administration's choice.

The result of this process is, there has been a chain-reaction collapse of the physical economy of the world. The *rate* of depression in the United States, today, *already far exceeds the rate of depression, under Herbert Hoover!* And it's only begun. We are truly headed for what Prince Philip of

Britain has proposed—that he could become a deadly virus, and kill off all people above the level of 2 billion people on this planet, rapidly, by being a disease. Well, we have a flu epidemic, which is capable of inaugurating something like that. It's already fully under way! We don't know how bad it's going to be, but we know the potential: It's a general pandemic; it's been declared as such as by the relevant authorities. And it is hitting: It's estimated now, that a million Americans have been infected already with this flu virus. So we're in that kind of holocaust.

In the case of China, there's no hope for China now. China complaining about the dollar and things like that—there's no hope for China, not under this system! China can not save itself! There's no hope for Russia; Russia can not save itself! I know how to save the United States, Russia, China and some other countries. It can be done. But it means a change in policy!

#### Britain's 'Nero' Puppet in the White House

What we've done, which has been steered from Britain—and the President of the United States is a puppet of the British monarchy; he's not really a President of the United States—just a puppet, a British puppet; a poor, little Puppet Nero, of the British monarchy. What's



Emile Gsell

"We're in a situation where we're looking at the collapse of civilization." Here, an 1866 photograph of Angkor Wat, a Classical Khmer temple complex at Angkor, Cambodia, constructed during the 9th Century, and sacked in the 12th Century. It has now been restored.

been done, is, the system has been oriented to save a ruling financial class of the world. If what had been done, was what I instructed, back then, in 2007, the result would have been, we would have put these bankrupt financial institutions into bankruptcy reorganization. This would have protected and saved the nation, and nations of the world. But they were not prepared to allow that to be done. What they demanded is, that we save the parasites and kill the productive people! Bail out! Bail out! Bail out the thieves who had done most of the stealing, and most of the bad policymaking, which had ruined the U.S. economy and other economies.

Put them into bankruptcy! Close 'em down, in bankruptcy! Save the real industries. Save the banks, the real banks—the ones that are honest, not the high-binder banks. The high binders, let them all collapse, let them all disappear. They're of no use, anyway. We don't need them in management, they've already mismanaged the economy to the extreme. Let them go bankrupt! We'll put them on the welfare rolls, we won't let them die.

But what we've done, is, what the British have done and others have done, they have acted internationally to create a vast empire of wealth, among people who deserve to be shut down, as bankrupt. These people now have the wealth; they typify the ruling class of the

planet, the intended ruling class of the planet. The industries are shut down; the farms will be shut down. Unemployment today is worse than it was under Hoover. And it's going to get much worse. Whole economies—look—are going to go down.

For example, the state of California: The state of California is the sixth-largest economy in the planet. It's now disintegrating, by orders of these people. New York is also on the list. The United States is ready to crumble. Not bankruptcy, where a lot of people are bankrupt: You're in a situation, in which government does not exist, local government. Squads of armies, and such things, or hooligans, to manage things, yes. But you find that the city isn't there. City Hall has no authority, it has no power; the employees have been laid off; the police departments are largely laid off; other functions are shut down. And people are sitting there, starving, with nothing, no means, no resort, with no effective government, just like the state of California under Schwarzenegger. No protection of the citizen! No right to life! No institution to guarantee that right! That's where we are going!

The auto industry is gone! Other industries are gone! Agriculture is threatened! And nothing is being done: Obama moves on.

Yes, he is clinically insane. But why is he President, if he's clinically insane? Why doesn't the government itself, his own government, the U.S. government, just say, "Mr. President, you've got a problem. You're sick. You need help. We're not going to kill you, Mr. President. You're not over 80, you know."

The situation is the same in Europe. Europe has no power, Western and Central Europe, no power whatsoever. They lost their sovereignty to the British Empire. Margaret Thatcher took the initiative, supported by President Mitterrand of France, and supported by George H.W. Bush, who's a real kisser of the bottom of the British—his father, after all, put Hitler into power in Germany; that's where the real Bush League started, and it's been the same ever since. So, these three characters: Margaret Thatcher, the Witch of London, François Mitterrand, the longstanding enemy, hater of Charles de Gaulle, and the President of the United States, poor, simpering, silly George H.W. Bush, as President, made an agreement in which they imposed imperial management over all of Western and Central Europe. Europe has no freedom. They are not allowed to create their own currency; they're not allowed to create national credit. They have industries and capacities, still, which if they could organize national credit, properly, continental Europe could unify its efforts among nations, and actually start a recovery program. They are *forbidden* to do that! By the British Empire! Which now holds all of Western and Central Europe as a colony of the British Empire.

#### The Solution Lies in Our History

So, the answer to this question lies entirely with the United States. Why?

You have to recall history, as I've referred to it repeatedly, and most people don't know what history is, even. They think it's a chronicle, a series of events—it's not. History is a process. It's like a living organism, a process which generates its development, its successes, its successive phases.

You can't understand the United States, unless you go to its origins. You have to go to Christopher Columbus. It's very important: If you don't understand Christopher Columbus properly, you don't understand where the United States came from. You don't know what's embedded in its character. You don't understand Christopher Columbus if you don't understand Nicholas of Cusa, the man who defined the institution of the modern nation-state, who defined modern science; who set up the end of religious warfare as a policy, which became, again, the 1648 Peace of Westphalia. So, the institutions from which the United States was hatched as a nation, go way back in history, in a history of European culture, in particular.

We were formed, here, to escape from Europe, in order to bring the best of European civilization into a different continent. The effort was made from Spain, into South America, most notably. The effort was made in particular, beginning 1620 in Massachusetts, with the arrival of the Pilgrims, and then the later Massachusetts Bay Colony. The intention was—these were not refugees; these people who created this nation, were not refugees. They came here, to bring the best of European civilization to a new continent, where it would be free of the corruption of Europe! The moral and cultural corruption of Europe, which was largely the history of oligarchy!

We are an anti-oligarchical nation. We have nothing to do in our tradition, with the monetary systems of Europe. We came here, and founded this nation, to be *free* of the monetary systems of Europe! To be *free* of things like the IMF, today! To be free of the British Empire. People came from Europe in particular, to this



Library of Congress

The landing of Columbus at San Salvador, Oct. 12, 1492. Columbus was part of Nicholas of Cusa's policy to found a nation-state free of the oligarchy. "We were formed, here, to escape from Europe, in order to bring the best of European civilization into a different continent ... where it would be free of the corruption of Europe."

territory, to join and participate in building a nation, which would carry forward the *best* of European civilization, its best heritage, but *free* of the oligarchical problem which still sat on top of the people of Europe. People came here, not to get away from Italian culture, not to get away from French culture, not to get away from German culture—but, quite the contrary: *to free* these cultures, by *bringing these cultures here*, to bring the best of them here! And to develop, here, the best of European civilization. But *free* of the oligarchical systems of Europe.

Therefore, we have, embedded in our history, and in traditions of an organic type, which we can evoke any time we have the guts to do so, we can evoke, again, the European heritage which is specific to the United States, a United States which was created to get free of the evil in Europe, the incompetence in Europe. We can launch that again, from the United States, under *our* Constitution, which was designed for this mission.

What does that mean? That means, now, we need a President of the United States. I think we should put the one we have in a cage, or something like a cage (don't call it a cage, that'll make him unhappy, make him snarl a lot). But put him under supervision of his colleagues in the Presidency, and hopefully, some members of the Congress will help that process. Put him under supervision, "adult supervision," shall we call it? He's not old

enough to be President, really. Doesn't have enough experience. And just keep him in there, and tell him what to do: "Mr. President, this morning, you're going to do this. Today, you get Cheerios."

But you just keep him there, because we don't like to disturb, we don't like to make revolutions or other kinds of vicious things, against our institutions. This jerk is now a President, part of our institutions; some dummies elected him, all right? We got the bum, we're stuck with him. Okay, we know how to deal with that. We put him under adult management, adult supervision. He will still be President. He will give the orders. But he will be told what orders he gives. "No, no, Mr. President, you don't do that. We'd have to impeach you, Mr. President. You wouldn't like that, would you? Okay, be good."

#### A Devotion to the Future of Mankind

So, we have to decide, as a people, we have to come to an agreement, as a people, on what the destiny of our nation, in particular, is going to be: Are we going to restore the United States' commitment, as a nation, to the purpose for which it was created, largely by Europeans, to bring the best of European civilization, European culture, as developed through the Renaissance in particular, to bring that here, as a place of refuge, and to open this up, here, not only to people from Europe, but to people from all parts of the world, to create a nation, a sovereign nation, which would then be a building block, around which to organize the world for its own betterment.

In other words, it's a mission. It's like a religious mission; it's a devotion, to the future of mankind. And a devotion to the assignment of our nation, to perform a mission on behalf of all mankind. It's our mission to be *given* to all mankind, to be given to a system of sovereign peoples and sovereign nation-states of the planet. And we have, in a sense, lost that.

Roosevelt, Franklin Roosevelt had that. And, just to repeat, because it's important that we always emphasize this: Franklin Roosevelt was an honest patriot of the United States. He did *nothing* which was not consistent with the purpose of the Constitution of the United States. He did it under extraordinary circumstances,



LPAC/Matthew Ehret

President Obama needs to be put under adult supervision, before it's too late.

and some people, to the present day, don't like it—but he was right! Just as Lincoln was right on Greenbacks he was right! Those who criticized Lincoln for that, don't understand economy, don't understand history: He used the power of the United States to create its own credit, to revive itself.

We were a junkheap at the time that Franklin Roosevelt came into power. But the time he left power, by the time of his death, he had created the mightiest economic power the world had ever seen. It was a power which was then committed to freeing—ending the British Empire! Because Roosevelt understood, the British Empire is the main enemy of civilization! It was then, and it is today! We must get the world free of the British Empire! We must shut down the British Empire! It's been around too long. And we must restore the United States to its Constitutional intention, its mission for mankind.

What is needed, now?

We have to understand that Obama is not the only problem. Obama is chiefly a symptom, a by-product of the problem. The problem is, that the world is run by an empire. That empire is nominally a British Empire. It's the international monetary system, which is controlled by the British Empire. That's the problem.

We have to destroy the British Empire, as Roosevelt had intended to do it, when he was President. He intended

and dealing with war against Hitler, and to use that power, to create a process of growth.

planet,

composed of respectively sovereign nation-states. To use the vast power of production, which we had

created in preparing for

to destroy the British Empire at the end of the war. The intention was, as he told Winston Churchill, "Winston! When this war is over, we're not going to have any British Empire on this planet! We're going to free those people. we're going to help them to develop, give them their own nations." He called that the United Nations, to eliminate imperialism from the world, and to create, instead, a organized

Don't shut down our war production plants!, as Truman did, at the behest of Churchill and Company. Convert those plants, into plants for production. Take the capacity we had built up for fighting and winning the war, and use that capacity, with the people in place, to now produce for the world! To free the colonial parts of the world, to rebuild a shattered Europe, to develop the world as a whole. We were a real threat to the British Empire then. We're not today. Because the succession of Presidents, beginning with Harry Truman have, in large degree, betrayed us, sold out, kissed the British butt, and worse.

#### **Put the System Into Bankruptcy** Reorganization

So, the issue today is, we have to go back to the Roosevelt tradition, but we have to understand what the tradition was, where it came from in the course of history, following the dark age of 14th-Century Europe. And we have to, in a sense, take charge. And let me just lay out quickly, what that means.

The United States' government must state the policy, that the world as a whole is hopelessly bankrupt, financially; that the present financial-monetary system of the

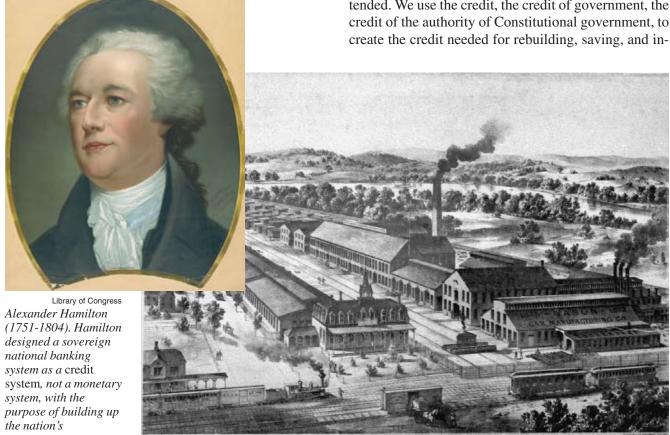
world is hopelessly bankrupt. We are not going to let the people go into bankruptcy. We're going to put the systems that are at fault, in bankruptcy reorganization. We're going to take the parts of the banks, where people's savings and things like that are located; we're going to keep those banks operating, their doors are going to be open, under government bankruptcy protection. The filth, the wastepaper, which we've been bailing out—no, it goes! We collect our assets, we cancel those assets of these wastelings, who've been bailed out by President George W. Bush, and by him, so far. Cancel them!

We then put the entire U.S. currency, in itself, through bankruptcy reorganization, by declaring the banking system in bankruptcy, in a state of reorganization in bankruptcy. We then take the part of the financial assets, so-called, the nominal financial assets out there, which are valuable, which are valid from our standpoint—we protect them. We take Wall Street's interests, and similar scoundrels' interests, these large

amounts of money, we say, "Sorry, buddy! Bankruptcy reorganization—and your assets just got chopped."

We then, on that basis, of converting the United States back to what its Constitution specifies, in terms of a sovereign national banking system, we then utter credit of the Federal government. No longer, does the U.S. government borrow money from banks! The U.S. government creates the money, and lends it for its own purposes! The banks will get credit from the U.S. government, just as Lincoln did in the Civil War, and as Roosevelt moved to do, in that direction, before. We now use the U.S. credit system, a Hamiltonian credit system—unlike that trash they have in Europe!—we use that to reorganize the world: by going to other countries, such as Russia, China, India, and other countries, and we ask them to join us, in creating an international credit system, based on the sovereignty of sovereign nation-states.

No more monetarism! No more international financial rule over the planet. No more IMF, which has become quite a different thing than Roosevelt had intended. We use the credit, the credit of government, the



infrastructure, agriculture, and manufacturing.

Under a Hamiltonian credit system, the United States was able to thrive, as depicted in this engraving of a 19th-Century manufacturing complex.



The British Empire, personified by the Royal Virus Prince Philip (right) and its frontman Tony Blair, has its puppet, President Obama carrying out its genocidal population reduction policies. (See www.larouchepac.com.)

creasing the economy, for the mission.

We don't go to bankers, international bankers; we don't let them prey upon us! We don't let George Soros into this country! We don't let such filth, the big drug dealers. We are now victims of drugs dealers, the major drug dealers—that's what George Soros is. The British Empire is still a big drug dealer. It's the author of slavery, in former times, and those forms of slavery today.

We create the credit program. What do we do? We create productive power. The power to live, the power to increase our productivity. We rebuild our country: We put back the railroad system, in a new form! We rebuild our industries that we've lost, in a new form. We restore the agricultural intention, as Roosevelt had at the time he died. We put these things into place. We cancel the HMO system, which is a pirate; we go back to the Hill-Burton law, that is, before Nixon. We reestablish that policy. We do these other things which are in our national tradition, which we know will work: We move to save the planet.

We move to our historic mission. Our historic mission was, after European civilization had been collapsed in a great financial swindle in the 14th Century, when a Renaissance freed Europe from the effects of this genocidal collapse—Europe adopted a new mission, a mission to build nation-states instead of empires, and to develop scientific technology, to free man from the condition, under which most people were simply, essentially, serfs, who were not supposed to create things, but

only supposed to work as ordered, to create a society of free men and women.

We built such a society, in what became the United States. There were efforts to do similar things in other parts of the world, especially the Spanishspeaking part of the hemisphere. We succeeded, despite the difficulties, despite the fact that the British Empire and others kept trying crush us over these periods. We defeated the British Empire, by freeing the United States from the slave system, which had been given to us by the British Empire. We freed the slaves, to defeat the British! We set forth and we built the

great productive machine the world had ever seen!

# The American System Copied Around the World

Our example was adopted and copied in Germany, by Bismarck, who copied exactly the American model. This was not a German development; it was a German development based on the American model, explicitly. Right from Abraham Lincoln's circles. Similar things happened in France. A similar thing happened in Russia, in the building of the Trans-Siberian Railroad and the development of industry in Russia also came the same way! The prospect for development of China in the same way, came the same way. The development of Japan as a modern nation-state, came the same way. We, in the United States, did this, because we had come chiefly from Europe to here, to build a base in the history of European civilization with which to rebuild the world as a whole, and free it from the evils of oligarchism, which have been typified, since 1763, by the British Empire.

The British Empire is the *only* empire that exists on this planet today. It's not an empire of the British people. It's an empire of a British *system*, which is largely based on oligarchical financier interests. We've got to break that empire! To bankrupt it, to bust it. We've got to assemble, as if in war, to break the British Empire! And to get the British Empire's puppet, Obama, under control, under management.

That's what we have to do.

If we don't do that, we are finished—and soon. If we are finished, then, the whole planet is finished. What you see in the cries from Russia about a "new financial arrangement" of China, a new financial arrangement, are cries of despair! They see the situation is hopeless, and they're trying to pretend they're going to survive. They're not going to survive. If the United States goes, every part of the world will go—finished!

And here we are, we get in the position that I'm in, of seeming somewhat like a lone voice in the wilderness. But what I'm saying is the only truth available. There are no contrary policies that will not simply foster the current plunge into doom. This is, for most people in the United States, their last chance. In the period ahead, if we don't change this thing, if we don't turn the Obama Administration around, and bring the United States back to its true mission, its historic mission, there's not going to be a civilization on this planet, for a long time to come.

The population, which is now about 6.7 billion people on the planet, will drop very rapidly, toward less than 2. We've already got a pandemic out there, a global pandemic, which is only the harbinger of the beginning of a general dark age throughout this planet. It's not going to take much, to bring the level of the world population down below 2 billion people, from what had been approaching 7.

As a matter of fact, the British Empire and the Obama policy is exactly that: A policy of genocide. The British have said the policy: You can not maintain a system of the type the British want on this planet, by tolerating a planetary population of more than 2 billion people. The policy of the World Wildlife Fund of Prince Philip, is exactly that. The environmental policy is just exactly that; the cap-and-trade policy is exactly that! It's a policy of genocide! To take the measures which will reduce the world's population from now, nearly 7 billion people—about 6.7 billion it's estimated—to less than 2! And it will work! Except, we can't be sure it will stop at 2; it may go down to half-a-billion people, or less.

That's where we are, that's the decision we have to make. And if we make the decision that that horror is not going to happen, we are going to put Obama under control! And we are going to sneer at members of the Congress who won't do it! Saying, "Coward! Fraidycat! Coward! Fraidy-cat! Butt-kisser!"

But, that's the issue: That's the issue we face.

#### The Presidency Must Do Its Job

Now, what they did is, they foisted a guy on us, Obama, a mental case. I described him on the 11th of April this year, as a mental case! A dangerous mental case. Whom we could control, but we're not controlling him. As I said, you can have an idiot like that in the Presidency. Our system can accommodate itself to dealing with that kind of problem. But he's *got* to be under control! And the Congress, the leaders of the Congress,

If we don't turn the Obama Administration around, and bring the United States back to its true mission, its historic mission, there's not going to be a civilization on this planet, for a long time to come.

have got to learn how to do that, and do it quick. And get the Presidency itself to do its job. And to switch from his policy, to what I've set forth, as a general guideline for policy, here, today, again.

That's our *only* chance. And if you *don't* want to do it, talk about death—sending the world population from 6.7 billion estimated today, to less than 2, in fairly short order; seeing a situation worse than what Europe experienced in the 14th Century, the New Dark Age, on a global scale. *If you are not willing, to pledge yourself to that purpose,* then there isn't much chance for this, or any other nation on the planet. That's the reality, that's the bottom line. And all these cowardly things that people say, "If this... If that... If this... If that..." forget it! Stop it! Stop that chatter!

We have to assert the United States in its Constitutional intention, as embedded in its history: We have to say, we're not going to go down. We're going to put this entire system, now, through the first step, a bankruptcy reorganization. We're going to stop all the measures that were done, since September 2007—all the measures that were taken by the Bush Administration and by the Obama Administration in the wrong direction, and we're going to reverse them! We're going to create a credit system, based on the Constitutional provision on a credit system!

Remember: Our Constitution says, nobody can issue, utter, currency, except by authorization of the



We are rocketing toward a New Dark Age, which will be much worse than what Europe experienced in the 14th Century with the Black Death. This illustration of the Plague is from the Toggenburg Bible, 1411.

Congress and the Presidency. That credit system *is the only lawful system for creating money*. Which means the Federal Reserve System is going into bankruptcy receivership, and should be absorbed into a Hamiltonian National Bank. In other words, the Federal Reserve System is actually bankrupt. Put that bankrupt institution, which we have to salvage, put that under parental supervision, by putting it into a Hamiltonian design for a National Bank, and putting it under supervision where it becomes Constitutional, at last.

Then, on that basis, we have to create large, voted, credit allowances, for rebuilding our railroads, rebuilding our industries, rebuilding our health-care system, and things like that. That will start the wheels in motion.

If we do that, other nations will join us. I can assure you that Russia, China, and India will probably join us, if we do that! Now, we're demoralizing them. If we do that—if we do that, and get other nations to cooperate in building up an international credit system, based on national credit systems, over long term, 30 to 50 years, by doing that, we can rebuild this planet. We can come out of this alive and well. We can save civilization.

If we are *not* willing to do that, however, and precisely that, the decision *not* to do that, is a decision to commit national suicide. And it's coming on fast.

So, all these guys who say, "We-e-ell, some people may not agree with you, you know?" Hey, idiot! Grow up. The decision is not whether you like what I'm saying or not. The decision is: Do you want this country to live or die? Do you want civilization to live or die? That's

your choice.

The choice is not some arbitrary pipedream. The choice is what history has taught us, from the entirety that we know of history, especially European history, and its influence. We have to go back to the mission of the 15th-Century Renaissance. We have to relaunch the Renaissance, the sovereign nation-state, the system of sovereign nation-states, of scientific and technological progress, the idea of credit systems, the idea of the elimination of oligarchy! To establish a system of republics, free of rule by oligarchies! Republics based on the power of citizens, to control their own government, with missions of cooperation among the nations of the planet, for the common aims of mankind, for the common benefit for mankind.

That will be a revolutionary, radical change. But if we're not willing to make that change, as I propose it, standing here, then we are not fit to survive, and we will not survive.

#### Dialogue with LaRouche

**Freeman:** The first question comes from a leading Democrat in the Senate, whose committee is charged with dealing with international affairs.

"Mr. LaRouche, prior to the elections in Iran, I was very hopeful that the current administration was pursuing a far more sane course than the previous administration had. And this was characterized not only by a desire to engage the Iranians in discussion, to sit at the table with them, and figure some things out, but I think it was also characterized by something extremely important, which was the administration's recognition that the government of Iran had the right to develop nuclear power for peaceful purposes. And I share that view.

"However, since the election, it appears that all Hell has broken loose, and although the administration and the President, personally, had, for some time, refrained from commenting on the situation, that has changed, I believe, under pressure that has come both internationally, and from inside the United States. While, certainly, the violence in Iran is extremely disturbing, and very difficult to watch, I really fear that this will be used to dismantle what had been a very important step toward progress in the region.

"Could you please comment on your overall view of

what's happening there, and what you would recommend in terms of U.S. policy?"

**LaRouche:** Well, the Iran problem is really not that significant. Iran, like most nations, is undergoing a crisis now, as all nations are, to one degree or another. Whole regions of the world are in a crisis. Remember, you've *got* to look at the thing in context: Don't work from a particular problem outward. Work from the global situation *toward* the particular question. Don't be an amateur. Don't work yourself out from one problem at a time, and think that you're going to make policy.

This is, of course, the character of the Obama Administration. Notice this: The good side of U.S. foreign policy is that President Obama has paid very little attention to foreign policy. But, rather, the State Department has been running its own foreign policy, especially including certain Presidential advisors, who are involved in international negotiations of that related type. Like the Middle East-Sykes-Picot area, and so forth. So, in that area, Obama has not interfered, but has allowed the Secretary of State and her people she coordinates with, in policy, to go pretty much in their own direction, with some influence by him.

But, therefore, in these areas, you find the old United States, and a semblance of sanity, somewhat improved over that of the George Bush era.

But then, in other things, it's not so good. Why? Because Obama is—he's a Nero. He's now on certain "kicks": He's on the kick of cap and trade, he's on the kick of killing people, through health-care policies, to kill people. To reduce the population—to kill people! So therefore, you can not separate Obama's wish to kill people, and do other insane things in particular, from the fact that he is not necessarily paying much attention to other areas, except as he's forced to make some mumbling, confused statement about them.

#### It's Not an Iranian Problem

Now, to understand the Iran problem, it is not an Iranian problem. There's nothing new there, in terms of an *Iranian* problem. Iran went through a revolution, some years back—and this was quite a revolting revolution! It shook things up, and produced very much a dictatorial system, because of the attempt to enforce a new *cultural* matrix upon the country, by the revolutionaries. So it's a complicated situation, which is stabilized by the use of authority, and the use of force. To say it's a dictatorship is meaningless, because it doesn't mean anything to say that. It's very much of a tough

regime, from the top down, and people are very nervous in that country, because the regime is a tough one; it smells like a dictatorship. But it was in the nature of revolutions of that type to create those kinds of regimes. Of one flavor or another—lemon, lime, whatever.

So there is no real problem, for the United States in Iran: None! There are things we should do with Iran, but every indication is, that whatever happened in the election, that the result was probably pretty close to ac-

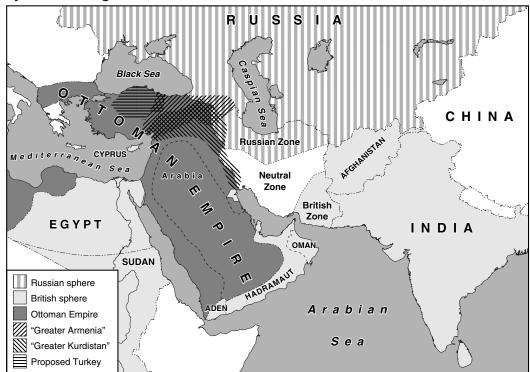
Don't work from a particular problem outward. Work from the global situation toward the particular question. Don't work yourself out from one problem at a time, and think that you're going to make policy.

curate. But then, somebody else put a finger in that place: the good ol', ever-loving British Empire. The entire operation, the entire scandal, all the heat about the crisis around the election in Iran, is all coming *from London*. The British Empire! Our dear, loving enemy!

So the British have created this orchestration. And it's all over the press, which is largely British-controlled—most of the U.S. press is British-controlled: Who controls the *New York Times*? Go through the newspapers today, who controls them? They're all controlled by the British Empire! The Beaverbrook apparatus has moved in, from World War II, has moved in and taken over the major U.S. news media! So you have a State Department that is actually having a problem with a foreign imperial power, that is trying to tell them what to do. It's British!

Now, what is involved here? The British run what area? The British control the so-called Sykes-Picot area, since World War I; they control the area from Turkey *down*, in the East. They control Israel, they control the various Arab factions; they control the area of Iran; they are now breaking up Pakistan; they control Afghanistan. This process is a threat to India, because if Pakistan blows up at the same time that the stabilizing factor of Iran is unsettled, *then you lose the whole area*! The whole under-continent of Asia! You want that? The British are doing it!

#### **Sykes-Picot Agreement of 1916**



"We're tired of the destabilization of Iran by the British," LaRouche said. The current scandal in Iran is all coming from London. This should be no surprise: The British have been playing the politics of the area since they and the French carved out their areas of influence in the Sykes-Picot Treaty of 1916.

# Why Don't We Have an Anti-British Foreign Policy?

Well, why don't we have a foreign policy that says, the British are our enemy? What is our interest in that area? Our interest is to end this nonsense! We're *tired* of this damned warfare, in Palestine and adjoining areas! We're more than fed up with it! We're tired of the Iraq War, which was given to us by the British, because Bush always kissed the butt of the British on wars like that. We're *tired* of the destabilization of Iran by the British.

You know, the United States had a policy in Iran. We had a hero in Iran, who was trying to rebuild his country, and the British destabilized him, and we let it happen, under Truman. Pakistan was always a question of stability, the subcontinent's stability; Afghanistan has always been a problem, a *drug* problem! So these are areas in which we have concern. So, why don't we, instead of looking at, and taking British propaganda, and saying, "Well, British propaganda is telling our people such and such is true," when we know it's not true! We know the British are doing it. So why don't we bomb London and get it over with? Or, maybe do something else, similar, something to the same effect.

So, there's the kind of problem here. First of all, it's the attempt to be focused into looking at single issues, or single territorial issues, when we have a *global* complex! Everything is global today. The British call it "globalization." It's global. And the question is, there are centers of power which are struggling either to enforce globalization, to make new arrangements under globalization, or to suppress it. My concern is to stop it—suppress globalization. Go back to sovereign nation-states.

And so, we don't have a problem with Iran. We have a problem with the United States.

We should not be in Afghanistan—we should never have put troops back into Afghanistan! It was insane! It was done by Obama. It should never have been done. We don't want to go in there to shoot farmers. We want to stop the drug traffic coming *out* of Afghanistan. Not shoot farmers *in* Afghanistan. The British are running the area of Afghanistan where the drugs are being produced. The drugs are being produced by farmers, who are working under a *gun at their neck*, being forced to produce opium, for the benefit of what? For the benefit of the British Empire. What does the farmer get? The farmer in Afghanistan, in that southern region, may get \$500 a year for his opium crop; he's virtually slave labor—he's got a gun at his neck; he's going to do that or get shot. This opium, when it gets transported *out* of

Afghanistan, gets into Europe, it's \$1.2 to \$1.5 *million*. That's where the issue is.

So shutting down the drug traffic is the issue, the drug traffic which is largely run in the Americas by George Soros—same problem: Shut down the drug traffickers! Drug traffickers, not farmers! Don't shoot farmers! So silly U.S. troops are sent in there, to shoot farmers! Effectively. Or to go in there to intrude in the area where these thugs are controlling the farmers, in raising the opium crops. So we go in there, and get effectively into a war, with the people, in Afghanistan, who otherwise have no reason to hate us, but we're in there, causing us to be hated! And we're getting our soldiers killed in a worse situation than Iraq! In an unnecessary war.

These are the kinds of things we ought to be concerned about! But every time you come up against this, in a U.S. foreign policy issue, you will find, invariably, that the vital interests of the United States are threatened by *one common source: the British Empire*. And therefore, a U.S. government that can not say "Git!" to the British Empire, is not sovereign. And that's where the whole problem lies.

We have to look at things in this way: If you're not willing to say, the British are the enemy—the British Empire's the enemy—if you can't say that, I don't think you can make competent foreign policy.

I think that the State Department has done a remarkably good job, under these circumstances. I don't know how much longer Obama's going to allow Hillary Clinton to stay alive.

#### The U.S.A. Is a Puppet of the British Empire

**Freeman:** This question also comes from the United States Senate.

"Mr. LaRouche, you have long been an advocate of a global financial reorganization along the lines of Bretton Woods. More recently, you've called for a Four-Power agreement, that would including the United States, Russia, China, and India, as the spark for such a global reorganization. I understand now, which I did not understand earlier, why it is your view that the Europeans are in a diminished position to enter into, or at



Franklin Roosevelt intended to end the British Empire and other colonial oppression after the war. After his death, Truman reversed the FDR policy. We need a foreign policy today that doesn't kiss the butt of the British! Here, Roosevelt and Churchill at Yalta in 1945.

least to initiate such a reorganization, largely as a result of their participation in Maastricht. However, it seems to me, that over the course of the last year, the likelihood of Russia and China participating in such a reorganization has diminished, and that in fact, they are leaning far more toward some of the proposals that have come out of Europe, which I know you disagree with, and which I also disagree with. But I'd like you to comment on why this is happening in Russia and China, and how you think we can remedy this, and begin to make some progress on reorganization?"

**LaRouche:** Well, you've got to go back to 2007, go back to September 2007. What happened, was, people in Russia are well aware of me, that is, relevant people. Relevant people in the Chinese government are well aware of me, of my policies. So the problem is, if the people in Russia and China, one group of people, believe that I am right, and they see me as being pushed down in United States, what's their reaction?

The point is, the policy that I presented was not an abstract policy, like an algebraic formula. It's a policy which was defined by *me*, by my policy, by my thinking. And was defined in terms of people in China and Chinese institutions, and Russian institutions, who knew what my thinking is. And were curious to know whether my thinking would be accepted, respecting them, in the United States.

That is, to the degree people abroad see my thinking as expressed by me, as being a factor in U.S. policy, they will tend to go in the direction of the United States. To the extent people abroad, think I'm *not* a factor in the United States, they will go in the opposite direction. Because they know the only force, apart from the United States, who's as relevant on this planet today, is the British Empire. Now, if you have got a U.S. government whose policies are pro-British Empire, then what happens, you'll get, as you get in Russia or you get in China—much less in China, but nonetheless there—in

I would hate to have to fight a war with this American population. You can't have an army, where every soldier says, I'm for the war—but not me.' You're going to lose the war.

China it's very reluctant. They're reluctant on this policy! Some people in Russia are reluctant on that change in policy. There are people in China and Russia, who prefer my policy to that policy, and to the policy of the Obama Administration.

But you've got to be realistic, you can not have illusions: You have to admit, the United States is a puppet of the British Empire! The present government! And any government abroad which has any brains, understands that! If they understand that the British Empire is controlling the United States government, what's their reaction? "We have to deal with the British. We have to deal with the boss." Who's boss? If I'm boss, no problem. Except for the problem, the British.

So, the key here, is, I'm not making policy to chop my gums, you know? I'm making policy, because we don't have people in the United States government who know how to make it. So therefore, I have to help my country, by giving them a little bit of understanding about how to make some policy! And the first thing in making policy, is having the *guts* to be a patriot! Not a kisser of the British butt. And I do not kiss British butts, or any other parts of their anatomy.

But anyway, if we find an occasional Brit who is good, we rejoice. I think there's a Biblical passage to that effect: the prodigal son. We love the prodigal Brit. But that's the nature of the problem.

What we have to realize, is this is not a matter of diplomacy. It's way beyond diplomacy: Are we going to save the United States, from the worst financial crisis in all known, recorded history? A planetary crisis? Are we going to do that? Now that means, if we're going to do that, we're going to say, as Roosevelt did, the British Empire is going down! The British Empire is to be shut down! The United Kingdom can live. That's fine. But the British Empire and what it represents is going to be shut down! The interests of the United States, among other things, demand that!

Once you say that, once you recognize *that*, as U.S. interest, you've got a policy. When you don't say that, and you don't think that, you don't have a policy.

## Russia, China Want To Know: Who's Running the World?

Look at this—put yourself in the position of someone from Russia or China, in government: They're looking at this mess, this Obama mess. Do you think they're totally stupid? Russia's a very large nation with a lot of experience there. China is not exactly ignorant. Don't you think they see what's going on here? And they're trying to survive? They're trying to find out who's running the world, who they have to deal with? And they're going to have to make a compromise for dealing with this thing that they think they have to deal with? And the United States is an impotent wimp, an errand boy for London? Of course they're going to kiss the butt of the British! Where'd this policy come from, that you're talking about, this China and Russia policy toward the United States? It comes from the gutlessness of the American people! Which is largely informed by lack of information, by the press. Everyone is saying, "Not me. Not me!" I would hate to have to fight a war with this American population. You can't have an army, where every soldier says, "I'm for the war, but not me." You're going to lose the war. And that's where our problem lies.

I understand the problems in the Senate, on this account. I understand we have patriots in the Senate who would really like to have the right thing done. But the problem is, we don't get enough of them together to *crush* the problem we have! We don't deal with our *own* problem! I mean—Nancy Pelosi, for example!! Why do we put up with that? What is she? She's got her mouth tied up again, with surgery, or what? What is she? We have done *nothing* in the House of Representatives, *worth anything*, since the beginning of 2006! And

where's the kingpin of this thing? This stooge, Nancy Pelosi, a stooge for people like Rohatyn and George Soros—a stooge! Who prevents anything from happening!

We elected for that year, a new Congress. We got a lot of Democrats in, as new Democrats in the Congress. They came in determined to do something. What did Nancy Pelosi do? Killed everything! All for the sake of the oligarchy. On all these issues, what she's done, she's been an impediment! She should go into retirement! And spend more time on these face jobs, you know? Probably needs a lot more repair these days.



Library of Congress

One questioner compared LaRouche to Benjamin Franklin, as "the only [other] American President who has never officially been the President." Here, a lithograph by Anton Hohenstein of Franklin being received at the Court of France, 1778.

But anyway, that's the problem: We do not have—you have to realize, we do not express, from our institutions of government a credible commitment to policies which will inspire people in other countries to trust us. And when they don't trust us, or they think we're weak, or we're vacillating, they're going to try to find out who is running the world, and they're going to try to find out how to deal with whoever that bastard is, who's running the world! And they'll kiss the British bastard in the rear, if they have to, to survive.

China is concerned that its very existence, its survival, is on the line. Russia believes that its very existence, economic existence, in particular, is on the line. The United States is doing *nothing* about that, but we could. The power over the existence of Russia, the existence of China, is now in the hands of the British. What do you expect? You're the ally that has no guts: Don't expect to influence people much.

#### **Creating the Conditions for Global Pandemics**

**Freeman:** The next question comes from a former ambassador from one of the countries, which would be party to the Four-Power agreement.

"Mr. LaRouche, I must admit, that, while I've been familiar with your movement for quite some time, I have only recently had the time to study your writings in depth. And I have discovered, almost within minutes, that after Benjamin Franklin, you may be the only American President who has never officially been the President. Your analysis of the Venetian-Anglo-Dutch oligarchy and imperialism is without parallel. Your understanding of American and world history is certainly of the highest order. And your proposals for action in response to the current global crisis are the best that I have heard from any political leader or economist, anywhere. And it is in that spirit that I would like you to address two things.

"Number 1, please clarify for me and for your international audience, why and how a basket of ten currencies adopted by the BRIC [Brazil, Russia, India, and China] nations is actually doomed to fail?

"And second, you've been saying that because of deindustrialization and globalization, the real economy is collapsing and creating degraded conditions of life that cause pandemics. I see that you recently remarked that perhaps there is a deliberate genocidal element behind the swine flu pandemic. Do you agree with people like Dr. Len Horowitz, that the swine flu virus was created in a laboratory under Anglo-American oligarchical direction? Also do you think that Tamiflu and other flu vaccines are safe, or deadly, as so many other commentators today believe? Is it possible that manda-



WHO/P. Virot

Economic breakdown leads to the spread of disease, epidemics, and depopulation, as specifically promoted by Prince Philip and Lord Bertrand Russell. This street scene is in Mumbai, India.

tory vaccination is actually designed to kill, rather than to save lives, as we've witnessed in so much of Africa?"

**LaRouche:** Well, let's take the last aspect of the question first. The problem of disease is systemic. When you're looking at disease from a political standpoint, that is, from a standpoint of government policy, you're not looking at a disease, in and of itself, as the problem. Because you're looking at sanitation in the broadest sense, first of all, and you're looking at the fact, that under various conditions, diseases spread and take on new forms. And the conditions of spread of disease is what we should be concerned about.

There is a third factor, which is typified by Prince Philip and Bertrand Russell: That Russell, like Prince Philip, said that they desired—and Russell said this in 1953; Prince Philip said it later, as a spokesman for the World Wildlife Fund—that they would like to have a

disease, a Black Death, once in every generation, so that the population be reduced sufficiently, so that people could "procreate freely." Prince Philip has said that he wanted to die and become a deadly disease, to reduce the population of the planet to at least below 2 billion people.

You have the practices of the British government and the British Empire and of the thinkers and co-thinkers of Bertrand Russell, his followers, all have introduced policies which have no other significant effect than to cause depopulation, with the assistance of disease, of nurtured disease. You'll find that Bertrand Russell's followers, in particular, are often engaged in laboratories which do synthesize diseases.

But then, on the other hand, at the same time, the way in which diseases spread has a great deal to do with sanitation; it has to do with the conditions of life, conditions of family life, health and so forth. You find that mortality rates are highest where the population is the weakest, because of disease factors, and nutritional and environmental factors.

So essentially, you're looking at a combination of things: I think it's a mistake, to presume, without very precise evidence, that a particular disease is a result of being created in a laboratory. I do not exclude it! But I don't presume it, until I have the evidence that convinces me that that is what's happened.

What I do understand, which is far different, but more important, is that when you create the *conditions* for spread of epidemic disease, or pandemic forms, when you create those conditions, then wherever the seeds of that destruction are found, they will spread! For example, you look at the death rates from flu, which we're seeing now around the world, you see a pattern. The pattern is degraded conditions of life, a history of disease. Like the thing the stupid President did, on McAllen, Texas: You have an area, which is an area, where people have a higher rate of specific diseases, than other parts of the United States! So, this stupid jerk called a President, goes down there and says, "They're spending too much on health care"! The problem is, they have a problem there, which we don't have in other parts of the United States, and we're treating that disease, or diseases, and hope it doesn't spread to other parts of the United States.

So, the problem of sanitation, and the policies of governments and others toward matters of sanitation, is, to our knowledge, in the history of epidemic disease, particularly pandemics, largely an economic problem! Look, the highest rate of death in Europe, in any short period of time, occurred in the 14th Century, as a result of an economic breakdown, at that time, which was called the New Dark Age. And you had an economic breakdown, which caused at least one-third of the population of Europe to die out very quickly, and one-half of the places of habitation, communities of habitation in Europe, vanish from the map. That's typical of the problem.

People may invent diseases, which, in and of themselves, are vicious. I think we should not overemphasize that. We should not deny it, but we should not overemphasize it. What we have to recognize is, the key thing we're looking at is *sanitation*: We have to build the conditions of sanitation which themselves allow the human body to resist disease. And you find that the highest death rates from the flu are coming from areas where you would expect the highest death rates to occur: where the populations are impoverished, have poor conditions of life, bad health histories, and so forth.

Therefore, what Obama is doing, is worse than a disease: What Obama is doing with this health-care program, and what he's doing with his economic policies as well, is the best way to kill the greatest number of people on this planet. Get Obama under control. Put him in a nice little box where he's comfortable and happy, and let him make statements, as long as they're supervised. That's the best way to deal with disease.

#### The United States Must Be Involved

Now, on this otherwise, on the BRIC: The problem here is one of what kind of system do we need. I mean, it's different than the question of what degree of cooperation we need, what kind of *system* do we need. What we need is, number one, what none of these countries can do—the BRIC would be a failure. Any effort by the BRIC to operate independently of the United States' system, would be a catastrophic failure for the nations of the BRIC—a failure. Don't take a poison pill! And the idea of breaking from the United States and the dollar, by the BRIC, would be their taking a poison pill, which would ensure their destruction.

The problem is, that the governments of China and Russia, do not understand economics. What's happened

is, they've gone from a hybrid, where they had the problems of Marxism, which already was a problem. Then they got the worst effect of it; they got the problems of the British model as an "anti-Marxist" policy. And the present economic policies of Russia, in particular, were produced in London, by the new mafia, which came in to replace the Soviet system. In China, you have a somewhat similar problem, but a different one—the same effect. So, what happens is, the Chinese and Russians adapted, over the course of the post-1989-1992 period, they adapted to the British system! And of course to

# The problem is, that the governments of China and Russia, do not understand economics.

these chicken legs from George Bush in Texas, in Russia.

So, they adapted to it. So now you find that the culture is no longer a Soviet culture. There's no element of real Marxism in there, except for some other purposes; the economic policy, the economic establishment of Russia is not the old apparatus. Who I would think is the most appropriate people to cooperate with the United States, are the old Soviet apparatus, including economists and others, who are traditional parts of the economic thinking system and the scientific establishment, that is, the Academy of Sciences of Russia.

The Academy of Sciences is the most important institution, from my standpoint, in Russia. Because it represents a tradition, a current of thinking, which understands Russia more deeply than these guys who were educated in London. And it also has competence, which these guys who were trained in London or here, do not have.

So, what you have, is you have idiots, who tend to be in influential positions in Russia, which influence the policy. They have the power—because they have the *money*! That is the problem there.

In China, you have Chinese Communist Party members who are billionaires, or something like that. That's a rather funny kind of Marxism, isn't it? But in any case, you see an influence there, that the Chinese have become dependent upon their relationship to the United States, the trading relationship, the market relationship. Russia similarly; different case, but similar in the sense

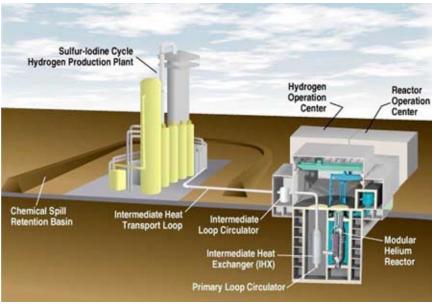
of the problem.

So now, you have nations which do not have an understanding, in terms of the institutions in power, do not have an understanding of how the world economy works. There are people in there, who do understand, but you have a lot of people who don't. So therefore, they come up with recipes which, you look at them carefully: They're British-made recipes! They're talking about a world *monetary* system.

The problem with the world today, is to *get rid of* a monetary system! It's the monetary system that's killed us! We want the model—and the world wants, if it's careful—wants the model of the American System. The American System is a *credit system*. The present world system is a *monetarist* system, not a credit system.

A monetarist system is based on what? It's an empire: It's based on a system of currencies, which are controlled by people *outside government*: It's called the free market! Otherwise called the "flea market." You have financial power, which is independent of governments, not controlled by any governments, but in fact, these powers, through the so-called floating-exchange-rate system, have power *over* governments! The British Empire is not an empire because it emanates from London. It's an empire, because it emanates *into* London! It controls the British destiny in imperial form. It's a Venetian-style system.

We have to solve the problem—otherwise you're going to Hell—to solve the problem, you have to shut down *monetarism*! But how do you do that? You say, "nobody has the right, to create currency, except a sovereign government which is accountable for that currency. These currencies and these governments must cooperate, to create a fixed-exchange-rate system among themselves." On this basis, they can now issue credit, on rates such as 1½ to 2% per year. Not compound interest. Straight credit. On this basis, at the levels of less than 2%, 2% or less, you can invest government credit, government-uttered credit, in long-term capital improvement projects, which will restore or build up an economy, as the United States has done in its best times.



Courtesy of General Atomics

We need to go to nuclear power and its higher energy flux density, to maintain the growing population of the world at a decent standard of living. The Gas-Turbine Modular Helium Reactor has the high temperatures required for industrial processing, such as hydrogen production (shown here) or desalination.

So, what you need is an international *credit* system. Now, the other aspect of this credit system is, in

order to build up the world's economy, both to fix the problems that were never fixed, and to repair that which has been destroyed—we have to have long-term investments, which run, in the mean level, of up to 50-years maturities. In other words, a great mass of new credit has to be uttered, among nations, in the order of 1½ to 2% per year, over as long as a mean 50-year term, as government-to-government agreements, among credit systems.

This is necessary because we have to change the capital formation in the world. We need more capital intensity.

# **Cap-and-Trade Means Mass Murder of Americans**

For example, we, up until recently, had been mining the Earth, for minerals. Now what we mine are not minerals in their so-called natural mineral form, but minerals which have been deposited by dead living plants and animals. Now these animals in certain habitats have left their little dead bodies behind. These little dead bodies contain minerals which were part of the biological system of these animals, or these plants. So, when you want to get a good concentration of a

certain mineral, you find out where one of these deposits is: some in the ocean, some in various parts of the world. So, they're fossils. But they're products of living processes, which have concentrated minerals in a certain way.

So, the animals, or plants, have essentially *extracted* these minerals, from their environment, concentrated these minerals in their bodies, and when they die, they leave these minerals in the concentrations wherever they lived. That's where we usually find our minerals, under these kinds of conditions, going way back in the Earth's history.

Now, as man has improved his power, we have been able to increase the population, because we've gone to higher energy flux densities. We went from burning trash, such as the Bush family. We went up the scale, to coal, to coke, to natural gas, petroleum, and now we've reached the point that, in order to maintain the cost, that is, the physical cost, of raw materials, under conditions of shrinking of prime sources of concentrated resources, we now have to go to higher energy flux densities, to be able to have these minerals at the same cost to us, and effort, as we had earlier, when we had richer mineral resources.

Therefore, what determines the ability of the human species to maintain its population, and its conditions of life, is to increase what is called the energy flux density of power sources. We have now reached the point, as in the case of freshwater, that without large-scale reliance on high energy flux density, nuclear fission power, we cannot maintain the present population of this planet in decent conditions. Therefore, we've come to the point, that we must have long-term investments, capital investments, in transportation systems, in power production systems, improved power systems, and so forth. So the capital intensity per capita, and per square kilometer, of production, must increase. That means that we have to invest in capital-intensive investment, in processes of production, conditions of habitation, and so forth, in order to maintain the welfare of the planet, even at the present level.

So, therefore—we have now lost production capacity—we're going to have to go back to large-scale infrastructure projects, such as nuclear power plants, and similar kinds of things, which we can build; we have the resources to build these. We're going to use this as the *driver* for creating the conditions of production where the *productivity* of the human race as a whole is increasing, per capita and per square kilometer.

This means long-term capital investments. 25 to 50 years, and in some places longer, like a great railway system, a great water system is a 100-year, century-long project. Like the Three Gorges Dam is a 100-year project, at minimum.

So you have to think in these kinds of terms.

So the problem here is, only under a *credit system*, an international credit system, to replace an interna-

# It's the 68ers that have killed us, and it's the 68er thinking that must go.

tional monetary system—which is now bankrupt, by the way—only in that way can we guarantee the welfare of humanity, for generations to come.

If we do *not*, if we go in the direction of what is now proposed by these stupid Congressmen—this one Congressman,¹ whoever he was, who voted for this capand-trade bill—he voted for mass murder of Americans. Because that's what the effect would be. Cap-and-trade means mass murder of Americans. Because if you cannot go to high energy-flux-density modes of production, with capital-intensive investment, you cannot possibly save this population from Hell, especially in the run-down condition we're in today.

We've lost the auto industry; we've lost entire other industries. We no longer have the productive capacity we had ten years ago! We've lost it. We're losing productive capability in the United States at rates higher than Hoover Depression levels. Much higher, already. So therefore, we have to reverse this. But we not only have to reverse it. We have the same problem in Europe; we have the same problem in Russia, which is Eurasia; we have the same problem in China.

China has a systemic problem, because of a lack of development of the greatest part of its population. The only way you can cure that problem, is with high energy-flux-density processes on a large scale, capital-intensive processes. So, without that, we can't function. And only with the attitude, the historic attitude, of the United States, and *opposition* to the historic British attitude, can that be done.

<sup>1.</sup> The cap-and-trade bill was passed with 219-212 votes, just one more than the 218 required.

Europe's dead now. So, that's the point.

So, we need international cooperation, with a 50-year future perspective, practical, in terms of contracts. We need a 11/2 to 2% base rate of credit uttered over these terms, in order to build up the world economy, on a high energy flux density orientation, to maintain the preconditions of life for mankind on this planet. We have to change all this crap we've been taught, all the brainwashing that's been done by the 68ers and the people who followed them. That has to go. It's the 68ers that have killed us, and it's the 68er thinking that must go.



Dr. Frederick Guggenbuhl

The ruins of the Temples of Delphi, the center of the monetarist system of that time, whence the cult of Delphi ran the Peloponnesian War.

#### A Monetary System vs. a Credit System

**Freeman:** We've gotten five or six questions in from different professors, at different universities, who are working on certain policy questions through think tanks, but have also, as a result of that, embarked on studies of some of your work, and of certain aspects of U.S. history, as it relates to that. And what I've done, is I've mushed it all together into one question.

"Mr. LaRouche, I and various colleagues around the country, joined by various students and graduate students, have been following your analysis and proposals on the economy with increasing interest over the past couple of years, especially as your forecasts have proven to be more and more accurate. Of course, now, everything depends on what we need to do to fix the economic and financial mess that we are in. And while we're strongly drawn to your proposals, we are also hoping for clarification on some very crucial points that you've been making, which people ask us repeatedly, and which we cannot answer.

"It concerns the distinction you draw between what you call the monetary systems that European countries have, and the credit system that the U.S. has. Our questions concern better defining what the distinction is; why you think the U.S. has a different system than Europe, and where in the U.S. Constitution the idea of a credit system is provided for.

"Specifically, on the first: Our best inference is that

by monetary system, you mean a system where private banks, and/or privately held central banks, like the Bank of England, can create money, lend money, that they don't have as deposits. And by a credit system, you mean where the government itself is actually tasked with creating money, can create credits, by lending money it hasn't raised, etc.

"So, if this is the distinction you're making, whether it's the government that's in charge, or the private banks, then our second question is: It appears that the U.S., whatever the intention was, now has as much of a monetary system as Europe, since only the Federal Reserve, a private bank, seems to have the power to create money as loans—that is, credit not backed by anything— and that the Congress does not have this power. So, on that basis, I don't understand how we have a credit system. It seems right now to be operating in the same way that the European system is.

"If the issue is that we are not operating according to the basic ideas of our Founding Fathers, then please clarify that. But we believe that if we can just resolve this question, we can go forward with your proposals, and make much more rapid progress than we've made to date."

**LaRouche:** Well, the question does fairly describe the parameters of the issue. The difference is, I'd put it this way:

In the history of empire—take a certain segment of

imperialism's history, and locate it at the point that the Persian Empire had been defeated in its attempt to take over the Mediterranean region. And, at this point, what happened is that Athens, and Corinth—otherwise known as the Spartan faction—entered into what became known as the Peloponnesian War. And the Peloponnesian League was actually run by the cult of Delphi, which was the center of the monetary system of that period.

You will find, if you look at the aerial photographs, or similar photographs, of the Delphi cult site today, you'll find that, next to the temple, there's a ring of little so-called treasuries, which represent the financial interests of various cities of Greece, in particular. So this was the monetary power.

Now then, you had the two maritime powers, in Greece, one centered around Corinth, one centered on Athens, and these two go into a war, over which—now that the Persian Empire had lost its influence over the Mediterranean, the question was, which of these two Greek empires, or so-called empires, would now have maritime supremacy throughout the Mediterranean. And also deal with the thing in Syracuse, for example, the same way. That's why the extension of the war into Syracuse.

From this point on, all European systems of government and finance, from that time until the present, in Europe, have been monetary systems, in which private interests, monetarist interests—not necessarily banking, but the monetarist interests. Because you cannot say that banks and monetary systems are the same thing. They're not necessarily the same thing. It's the monetary system that you're looking at, not the banks. But the banks have been generally tools, or subordinates, of it.

For example, like the great crisis of Italy, that led into the New Dark Age: You had banks in northern Italy, which were the banks that went under, but the monetary power was in Venice, not in the banks of northern Italy. Like the case of the House of Bardi. The House of Bardi was a bank of a particular city, a very small city, Lucca, and this bank was the bank which was key in the crash of the entire financial system, monetary system, of Europe, in that time. But the power of this was in Venice, which was the monetary power.

Now, the monetary power typified by Venice then, is still the monetary conception of monetary power in Europe today. So, Europe never had a successfully consolidated system of self-government, which was not controlled by monetary power.

# The U.S. Is Based on a Hamiltonian Credit System

The United States was created, beginning with a policy of the Massachusetts Bay Colony, prior to 1688, in which the Massachusetts Bay Colony had developed a scrip system, that is, a credit system, within the Massachusetts Bay Colony, which was autonomous under the charter of the Massachusetts Bay Colony. That was shut down by the British in 1688-89. This idea persisted

The United States was, from its inception, based on a Hamiltonian notion of a credit system; in which no foreign banks, or private banks, would have sovereignty over national banking.

into the 18th Century, in this idea of a paper currency, by Benjamin Franklin, was an expression of the same thing. We'll follow the Massachusetts Bay precedent in this matter.

Then you had the Revolutionary War, where the private banks, that is, state-chartered banks of the various colonies, the 13 colonies, who participated in the Revolution, now came to the end. We'd won the war, but the banks were bankrupt as a result of the war debt. At this point, Hamilton developed a concept, which led to the formation of the U.S. Federal Constitution. And that was, to create a national bank, which would be the facility to put the state banks through reorganization, in order to save the U.S. system at that time.

Obviously, to have that kind of authority, you had to pass over from a collection or federation of separate former colonies, into a Federal government, and therefore, it was around this conception of Hamilton that the idea of the Constitution was created.

The Declaration of Independence had the same principle in it, from Leibniz. But now, we had a new problem: To take the same principle that was in the Declaration of Independence, and now express it in a form, which would deal with this question of a national credit system.

So, the United States was, from inception, based on a Hamiltonian notion of a credit system; in which no foreign banks, or no private banks, would have sover-

eignty over national banking. But national banking, and the control of the currency, would be entirely by the people, through the Constitutional structure, a national Constitutional structure, and with a national banking concept to deal with this.

So, my particular proposal, of course, is: eliminate the Federal Reserve System, which is a piece of poison, a British piece of poison actually, and just absorb that Federal Reserve, which is already bankrupt, in fact, under examination,—absorb it, and say, put it into reorganization, under the authority of a newly created National Bank.

In other words, it would not be the Treasury Department, but the Treasury Department would be the relevant agency supervising the National Bank, through various means.

But then, the National Bank would itself take charge of commercial types of debt, and protect the system.

Now, that was shut down by a man who was actually quite a traitor, who was called Andrew Jackson, later as President. And Andrew Jackson was the guy who shut down the bank, for the sake of the New York banking interests, which were British interests—Van Buren. And Van Buren launched the other banking system, which collapsed in the great crisis of 1837. So, we quickly went from one measure to a complete bankruptcy, again.

And then Lincoln was faced with the same problem: We had to defend the United States against the British Empire, which was behind the Confederacy. So, what Lincoln did, was went to greenbacks. Now, greenbacks are a form of credit, uttered by the U.S. government, by the Treasury Department, under law, under a credit system. And when the British wanted to defeat the United States, after Lincoln was dead—after all, it was their war, the British were the ones who set up the war—the first attack was on greenbackism. To destroy the power of the United States to create its own credit.

This was then consolidated through the aid of Teddy Roosevelt, who was a British agent. His uncle, after all, was a Confederate spy. And then became later, with Teddy Roosevelt's support, under Woodrow Wilson, the Federal Reserve system. And then became also the Federal tax system. The Federal income tax system was a creation, was a byproduct of the Federal Reserve System.

So, there has been a devolution in U.S. economic policy. We have to go back to our founding principle. The whole system is now bankrupt. It should be obvi-

ous to everyone, that the present United States system is bankrupt.

#### **Revive Glass-Steagall!**

Now, what we have to do, is take the relevant former legislation, Glass-Steagall, and go through every bank with a sieve. And every aspect of the banking system, which has Glass-Steagall conforming standard product in it, that has to be put under bankruptcy protection, and secured. Just plain secured. Those things which do not correspond to that, such as what used to be the Wall Street financing, which Larry Summers brought in to contaminate, overthrow, Glass-Steagall—that has to be just wiped out. In other words, these guys are going to take the heat, and eat the meat. And we're going to put the system back where it was, before Larry Summers destroyed Glass-Steagall.

Now, under that system, we will park, and take the U.S. assets which are classed as monetary assets on the one side—we're going to move these, as we put them through the Glass-Steagall standard sieve, and move them across to another department, which is the U.S. credit system. We will then be required, if we're wise, to create a national bank, of a Hamiltonian type, as Hamilton himself had intended, to handle this problem. On that basis, we will now have reorganized things; we will now take measures under bankruptcy reorganization, to protect those things which are essential, and to settle claims which are not necessarily essential.

And in that way, we will now put ourselves in the position to utter credit, for the Federal government, by law, which will be mandated for specific projects, typified by what happened with the Tennessee Valley Authority—that kind of operation. We're going to have to go at the infrastructure end. We're going to have to scrape from the sands, everything that looked like an auto industry's machine-tool capability. We're going to have to take the area in which these machine-tool-based plants existed. We're going to have to consider the fact that the populations which lived in that area, need a job, and they have the kind of skills which are required for the kinds of infrastructure projects we require. For river systems, mass transportation systems, and so forth.

Then we will use these projects to build up the productive power, and skills, of our population. We will be on the *road* to recovery. We won't be at recovery, we'll be on the road to recovery. Once we're on the road to recovery, then we can say to ourselves, that our credit is good.

And we're going to have to write the contracts, in effect, and the government will be involved, with the head of national banking, in writing the contracts which will provide for those projects, which are judged to be sound, in the interest of the nation, to get them moving. We're going to move this country of ours, and move it *back* to the large-scale infrastructure projects on which industrial and agricultural production depends. Move it back in that direction, and spin off a recovery of what the United States used to be, by that method. It will take a generation or two to do it. But we'll be on the road up, all the way through, not on the road down. It'll be the end of going down, to going up.

And the important thing here is, in a sense, psychological. You have an American people, citizenry, which is demoralized, in every sense of the word. Their society has failed them. They have been abandoned. They're on a sinking ship. They see no hope for the future. They have silly dreams they can get luck in a gambling deal, or something like that. They don't have any sense of the future. They don't have any sense of, *I built this*. They don't have the sense of the grandfather's going out to his grandson and saying, "Look, I built this." And that's the way you move the American people in the best way. When you get that idea across.

But we have to create the ingredients of credibility, by taking the measures which create the basis for people to believe in this stuff. And make sure we have the politicians and the institutions which are committed to delivering on that promise. We'll just restore the credit system. We can do it. If we look at our history, we can do it.

Look, ever since the Peloponnesian War, Europe has never had, except for brief intervals, a concept, cultural concept, of this kind of principle, of a credit system. All this period, from the Peloponnesian War, the world has been dominated by maritime-based monetary systems, which have ruled over nations, and have been called empires, and are empires. Empires are not really empires of one nation conquering another. Empires are the rule of all nations, by this kind of monetary system.

That's what we have to do.

#### **Obama Is a Conscious Fascist**

**Freeman:** This next question comes from one of the leading members of the Stanford group, and he says:

"Mr. LaRouche, you've defined that the unique aspect of the American Republic, is that our economy is

based on a credit system, as opposed to a monetary system. As you know, we've struggled over these last three months to understand the difference between the two, and I do believe that we've made a great deal of progress. But, as we've made that progress, I have come to disagree with you. And I think that the current fight over this health-care policy, and the soon-to-come fight over Social Security, will ultimately prove my point. My position is, that unless we settle a fundamental question, I am convinced that we will never find agreement on a programmatic approach to this crisis. And that fundamental question centers on a precise understanding of the unique nature of man.

"As a college student, and later as a graduate student, I switched my field of study several times, because behaviorists were becoming increasingly hegemonic in certain disciplines. And it is that behavioral outlook that is pervasive in every nightmarish policy that has emerged from this Obama Administration. I do not believe that Barack Obama is a conscious fascist, but I do believe that, if one is governed by a behaviorist model, in the midst of a crisis of this enormity and severity, that the solutions that you come up with, will be generically fascist.

'It's taken me some time to voice this disagreement with you, but I trust that you will take it in the spirit that I raise it, and right now, I just believe that it is very important that we get this right. Please comment."

**LaRouche:** Well, you've got to tell the American people who's boss. And you've got to convince them that they're boss. Then you'll get it. You'll get rid of the behaviorists.

Look at the essential characteristic of the behaviorists on health care. They're saying that some people have lives that are not worthy to be lived. Now, I've said that loudly, and Obama knows that I've said that. He knows exactly why I've said it. I've described it in detail. Obama is a conscious Nazi. I've said it repeatedly. He knows it. He knows I've said it. He's very upset by the fact that I've said it. Even after I've detailed it. If he's such a smart guy, you mean he didn't understand what I told him?

I said, "Mr. President, you are doing the same thing, in the same schedule, that Adolf Hitler did, for which people were indicted, and executed in the postwar period, in trials in Germany—both by foreign trials, and by the German process itself. This is a crime! You're a lawyer, buddy! This is a crime! It's a crime against humanity. It's a crime against humanity, which, admit-



Royal Nazis Elizabeth and Philip (center). "Is it possible for an intelligent person," LaRouche asked, "not to recognize that Obama is a conscious Nazi? Not swastika Nazi, but a real Nazi, a British Nazi. And the Queen is a Nazi, too. And her husband is a Nazi, too."

lickr:ion's pix

tedly, was not invented by Hitler; it was invented by the British, but its notoriety is that of Hitler, who was a British puppet in his inception."

So, it's impossible for an intelligent person, who considers these facts, not to recognize that Obama is a *conscious Nazi*! Not a German Nazi, not a swastika Nazi, but a real Nazi, a British Nazi. And the Queen is a Nazi, too. And her husband is a Nazi, too. What do you expect? You can't say, "You can't use the word 'Nazi.' No, that gets people upset." But that's good for them. It purges them of evil. "You are a Nazi!" "Oh, I'm a Nazi. Shoot me!" "No, no, we're not going to shoot you, just recognize it and *change*."

Well, you've got to tell them. I'm not going to tell you you've got a cold when you've got syphilis. That's the way to deal with it, and don't be too much impressed by these behaviorists' power. They really have no power. I'm dedicated to destroying their power. You should join me; let's destroy their power and we won't have to worry about them any more.

#### What, Really, Was the Trilateral Commission?

**Freeman:** This is also a question that comes from the Stanford group, but from a different section of it.

"Mr. LaRouche, as you know, most people will date many of the problems that we have in terms of the deregulation of the financial system back to the notorious Garn-St. Germain Depository Institutions Act of 1982. But, financial deregulation actually started two years earlier. The fact is, that a Democratic Congress and Democratic President—that President being Jimmy Carter—enacted the Monetary Control Act of 1980, which removed all remaining controls on interest rates and repealed the Federal law prohibiting usury. It was the 1980 legislation, you will remember, that took the lid off banking, and doomed the savings-and-loan industry, which was the mainstay that used to provide housing loans and home mortgages. The thrifts were able to raise capital because they were allowed to pay a half percent more in interest to depositors. Bankers wanted them out of the way, and the Democratic Party obliged.

"Economist Albert Wojnilower warned at the time, that freeing the thrift and mortgage markets from government subsidy and guarantee, is like freeing the family pets by abandoning them in the jungle. His prediction was swiftly realized. The 1982 legislation was actually Congress's clumsy attempt to make amends by expanding the lending powers of the failing S&Ls. It made things worse, and a crisis followed a few years later, i.e., a bipartisan fiasco that politicians tried to conceal from voters.

"Getting the history right on this thing matters, and I think that may help to explain why contemporary Democrats are so reluctant to enact more serious reforms, like capping interest rates, restoring the usury law, etc. The fact is, it would require them to clean up the mess that they made 30 years ago, and finally acknowledge their costly errors. I'd like you to comment on this."

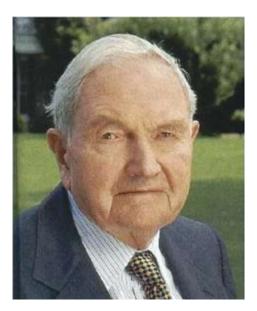
**LaRouche:** I don't think the Democratic Party in terms of its composition of its membership is actually the key to this problem.

What had happened was, you had two Rockefeller

brothers who were rivals—Nelson and David. Nelson, the oldest guy, and David, the kid, the beetle collector. And they set up, with European institutions, British and others—David operated out of Italy—the Trilateral Commission. And the Trilateral Commission was essentially a British operation, working with a British ally, or practically an errand boy, David Rockefeller, and his institution, and with other people.

Now, Jimmy Carter is not really significant in this, intellectually, because he had no idea what the hell he was doing. David Rockefeller came in with \$3 million for him, if he'd agree to run for President. So, he said, "Okay, Mr. Rockefeller, yes, okay." So he took it. And then later, as is well known, Mr. Carter, or President Carter, came to regret very much the role he'd played as President, and sort of went through—like a convert at a revival session. He's realized that there was something wrong with what he'd been doing. And the point is, he hadn't really been doing much of anything. He was a rubber stamp for people on policies he himself did not understand.

But the apparatus organized around David Rockefeller, was the Trilateral Commission, which not only ran the government under Carter, but also under Reagan. And, in this case, George H.W. Bush, who could be sincere because he didn't know anything, went along with that. That's his baby. Then he became President, and had the embarrassment of having more





White House Press Office/LBJ Library/Yoichi R. Okamoto

Nelson (right) and David Rockefeller, among others, set up the Trilateral Commission, which was essentially a British operation, that ran the government under President Carter and, later, under Reagan.

bank closures than anybody else, and he lost to Bill Clinton.

And so, therefore, the process is, you go back: There are two turning points which are crucial here. One is on the 13th of April, 1945. The day that Truman succeeded Roosevelt. And Truman's policies were an overthrow of the entire policy of Roosevelt, and implicitly the Constitution of the United States. Truman had no middle name; there was only an "S" sticking out there. And he was totally a puppet of Winston Churchill.

Remember the policy was, Roosevelt's policy, as he told Winston during the war, "Winston, when this war is ended, there's not going to be a British Empire. These people are going to be freed; we're going to help them develop when the war is over. They're going to be free." And Roosevelt had launched the intention for the United Nations Organization as a receptacle for taking the existing nations, many of which had to be rebuilt because of the wartime conditions, those nations which had a right to be free and independent, and to create a new organization called a United Nations Organization, which would be a vehicle for monitoring and discussion among this newly freed world of nations. No more colonies, no more dependencies.

And what Truman did, Truman went in exactly the opposite direction on the 13th of April, on the day after Roosevelt had died. He shut down large sections of the U.S. economy that Roosevelt had intended would be



Generals Douglas MacArthur and Dwight D. Eisenhower both advised President Kennedy not to engage the United States in a land war in Asia, and he took their advice—a decision for which he was assassinated.

continued for part of this reconstruction of the planet. He went with the British on everything. The United States, which had been committed, before then, to freeing nations from slavery, went back to supporting the British and the Dutch and the French in recolonization, and quasi-recolonization, that is, nominal freedom, but under total British control, or French control. And so, this was what the change was.

#### **Cultures and Generations**

Now, remember, that you're talking about a phenomenon of generations here, you're talking about cultures and generations. I will be, in two months from now, approximately, I will be 87. I'm one of the last surviving World War II veterans; there are a very small number of us left, as a percentile of the population. And we're not given too much influence these days, particularly with this young jerk in the White House.

So, therefore, our generation came back from the experience in the 1930s and the war with certain ideas and certain commitments. Some of my associates from that generation became whores; they went with the opportunities rather than their conscience. But still in our

society, as you saw that reflected in the election of Eisenhower: Eisenhower was popular because he represented, in the eyes of my generation, the leadership of the United States under wartime conditions. And he seemed to be a good man; and he *was* essentially a good man. But he came in in an unfortunate time; he became President, and was not in control of his own administration. So, we had that.

Then, Kennedy came in, almost by a fluke, and also, by the greed of his father. But, Kennedy got off on a Franklin Roosevelt orientation. There were several influences on him to that effect. And it came to a showdown with Wall Street on the steel bosses. Then the big showdown came, for which he was killed. I think it's no secret now, that he was killed because he—on the advice of Gen. Douglas MacArthur, and the support and concurrence of Dwight Eisenhower, both five-star generals at the time, retired—that the United States should not be engaged in a land war in Asia. Kennedy supported

that, and for that reason, he was killed. Johnson knew it; as he said later, he knew the three rifles that had gotten Kennedy were aimed at his neck. Rifles borrowed from Spain, by the same organization which was trying to kill General de Gaulle, President de Gaulle of France.

So, at that point, Johnson's scared, and went into a land war in Asia. This crazy Warren Commission said "hang this bastard. He's guilty, he did it. That's it." Shut down the investigation! Nobody did it. It's just like the 9/11 Commission, like what happened in New York. At a session, there was a little bit of an investigation, but, as we know now, the real culprits were never brought forward. So, we've entered a process over generations of these kinds of successive experiences.

We now come to the 68ers. The 68ers were victims of a cultural transformation, both in Europe, and in the United States, and elsewhere. The creative powers of mankind, which we recognize in achievements in scientific work, are not located in mathematics, or mathematical practice. They're located in the creative powers which are identical with Classical musical composition and Classical poetry. It is the inspiration which we find

expressed in Classical poetry, and in Classical musical composition or other great Classical art, which captures the mind's powers of imagination.

And you will find that the greatest scientists, achieving scientists in history, have always been strongly influenced by their development of their character through Classical art. Thus, the scientist, who is steeped as a scientist in a Classical artistic background and motivation, is creative; whereas the one who is *not* involved in Classical artistic legacies, is not. He may be innovative, but he's not creative. Because the idea of the discovery of a principle flows from the discovery in the imagination, in the Classical imagination, the Classical artistic imagination.

So, if you want to make an idiot, send him to study mathematics alone. He'll be an idiot in time. If he's inspired by Classical artistic composition, you'll find there is a discipline of the mind, as Shelley refers to this in his *Defence of Poetry*, a discipline of the mind which has a disciplined conception of the imagination, based and rooted in the tradition of Classical composition.

This is true in all language cultures: that the greatest feature of any language culture, is its Classic artistic tradition, where

the imagination, the creative powers of the mind are developed. Then, these creative powers of mind, *faced* with a problem expressed as mathematical physics, is able to see what the mathematical physics can never see, as Leibniz made this clear in his conflict with people who came after him: the Descartes thing; Leibniz vs. Descartes. Descartes is the mechanical man; you know, it's like a collection of dried turds; it rattles around in his mind. As opposed to Leibniz, a man with great creative powers, expressed in every dimension—in the use of language, creative language; in poetry, in every aspect of life.

What happened is, we sent people to college, in the postwar period, in greater numbers than ever before, and they became what we called engineers. And engineers became a useful idea, and also, a dirty word. It was a useful idea in the sense that you could mass produce, relatively, a number of people who could do



Johann Vermeer's "The Concert" (ca. 1665) celebrates the Classical art and music that is necessary to foster the creative power of the mind, a power that has been lost in the current cultural degeneration.

things, who had been trained to go through certain procedures and techniques. But, with that, there had been a loss of the power of the imagination. And you will find a correlation in history—in what I knew, particularly, in the Fusion Energy Foundation—that we would find a generation thing.

The scientist who was a musician—we had leading scientists, largely, in the Fusion Energy Foundation—a Classical musician, or Classical artist, was also creative in science; whereas the scientist who was not particularly creative in science. They may have had genius, gimmickry, but not insight into principle, universal principles, which is the nature of this. You think about politics, or think about art. What is the nature of art? It is the expression of the imagination in a truthful way. The truth being, bearing on a principle of concept; a different way about thinking of things, thinking about principles.

#### We Live in the Simultaneity of Eternity

So what happens is, we had a postwar culture. We had the existentialist influence in the universities. We found that our people who were being trained in physical science had become less and less competent. They became mechanically fluent, they became mathematicians, not physicists. They knew how to add everything

We're living, as the greatest theologians have recognized, in a simultaneity of eternity. And when we can locate ourselves in that way, we commit ourselves to what is needed for all mankind in all time.

and subtract everything; they did better at subtracting than adding. But they didn't do much creative.

And then you had the effect; the real Dionysian cult which came up. The product of this came to bear in '68; because they were the victims of the cultural transformation that went with the Truman succession to Roosevelt. Think of the birth; think of those who were privileged, who went to universities, where they were conditioned in this new culture, the counterculture, the existentialists. In Europe, the Congress for Cultural Freedom—a real bunch of degenerates; their influence there. The existentialists generally, same thing.

So that, as long as my generation lived, and a slightly older generation lived, as we had them represented in the Fusion Energy Foundation back in the 1970s and 1980s, it was very clear: It was the creative artist, the person who was the creative artist in their culture, who was also a creative scientist. These were the people who really could understand things. Whereas, the fellow who was a rock artist or something like that, had no real conception of creativity. And so, the process of degeneration, which allowed this degeneration which occurred in the form of the Obama phenomenon, is a product of the moral cultural degeneration in the population.

And therefore, in order to try to build what we lost, it is necessary to have cultural movements in Classical music, Classical art, as well as in science. And the combination of this development is the only hope for creat-

ing a section of the generation which is capable of continuing the task of leading us out of past into the future.

That's the problem. Don't think of stereotypes, constant stereotypes. Think about the successive generations and their experience and their development, the downs and the ups of that process of development. And it's there that the power for reason, a power for devotion, is located. That's why I do what I do. That's why I work with the youth the way I work with them. That's the way I've always worked in politics. You have to have an emphasis on creativity in physical science, but you must also have an emphasis at the same time on the Classical artistic tradition.

In my generation, when I was young, and coming out of the war, that was still here. Back in the 1970s, and so forth—it's gone. Gone. And that's where the difference is.

We lost our cultural roots; we lost the ability to understand the cultural roots of the Founders of the American Revolution. We lost the cultural roots which characterize an Abraham Lincoln, the cultural roots of a President Franklin Roosevelt. We lost that! And only by recognizing what we've lost, and demanding that we get it back, does civilization have a chance of avoiding a New Dark Age.

We're all presently on the edge of a New Dark Age of all humanity. And it's the moral depravity in our cultural habits, as they play a dominant role in life today, which is the great threat to humanity. Otherwise, these things that have happened could not happen. Yes, we have to discuss all these other things, but always remember, the generational thing is important.

And you know, the theologians with whom I share my views, will speak of the simultaneity of eternity. That after all, we do know that time is not an independent factor. It's not something which encases society. That, actually, we experience time, and that's meaningful, it has a physical meaning. It has a physical meaning for us particularly as living beings. But it's not an independent factor. We're living, as the greatest theologians have recognized, in a simultaneity of eternity. And when we can locate ourselves in that way, we commit ourselves to what is needed for all mankind, in all time. Concern for those in the past, and concern for those in the future. And we look at our place in the past, or the place of our ancestors in our past, and look to the future. That's the connection; that's the moral connection.

And it's people who have a sense of that moral con-

nection, or who can develop it, who are the resource upon which we depend, for bringing the future into being.

# Can Obama Follow Lincoln's Economic Model?

**Freeman:** This question comes from a fairly well-known author and historian, who also is one of the people who is working with this auxiliary group that had been asked to develop an economic policy for President Obama.

"Mr. LaRouche, as I'm sure you know, President Obama claims to be a great admirer of Abraham Lincoln. And so, out of utter desperation, I recently wrote to him, and indicated that today, we find ourselves met on another battlefield of the same economic war that visited Lincoln and the Founding Fathers before him. And that, for President Obama to finish the work that Lincoln started, would be a poetic triumph that no American could miss.

"The fate of our economy, and the nation itself, may depend on how well our young President understands Abraham Lincoln's monetary breakthrough, which I characterized as the most far-reaching economic stimulus plan ever implemented by a U.S. President. I told him that he could solve our economic crisis quickly and permanently by implementing the same economic solution that allowed Lincoln to win the Civil War, and save the Union from foreign economic masters. As I think you know, the bankers had Lincoln's government over a barrel, just as Wall Street has Congress in its vise-like grip today. The North needed money to fund a war, and the bankers were willing to lend it only under circumstances that amounted to extortion.

"Lincoln knew that if he went along with this, it would bankrupt the North, and as such, he asked a trusted colleague to research the matter and find a solution. In what may be the best piece of advice ever given to a sitting President, Col. Dick Taylor of Illinois reported back, that the Union had the power, under the Constitution, to solve its financing problem by printing its money as a sovereign government. Taylor wrote to





Lincoln's greenbacks, paper notes that were backed by the credit of the government, helped the Union win the war and funded a period of unprecedented economic expansion.

Lincoln, 'Just get Congress to pass a bill authorizing the printing of full legal tender Treasury notes, and pay your soldiers with them, and go ahead, and win your war with them also. If you make them full legal tender, they will have the full sanction of the government and be just as good as any money, as Congress is given that express right by the Constitution.'

"Well, Lincoln took Taylor's advice, and he funded the war by printing paper notes backed by the credit of the government. These greenbacks aided the Union, not only in winning the war, but in funding a period of unprecedented economic expansion. Lincoln's government created the greatest industrial giant the world had yet seen. The steel industry was launched. A continental railroad system was created. A new era of farm machinery and cheap tools was promoted. Free higher education was established, and government support was provided to all branches of science. The Bureau of Mines was organized. Labor productivity was increased by 50% to 75%. The greenback was not the only currency used to fund these achievements, but they could not have accomplished without it, and they could not have been accomplished on money borrowed at the usurious

rates that the bankers were attempting to extort from the North. It was indeed a revolutionary policy, and some argue that it got Abraham Lincoln assassinated, although I admit that I left that out of my letter to President Obama.

"But, my question to you, especially in light of comments that you've made in today's presentation: Am I spinning my wheels by trying to shift the President's attention to someone who he does indeed seem to admire, away from the idiots who have directed him toward a policy that can only spell disaster?"

LaRouche: I don't think that the prospect is good in one sense. I certainly agree with everything you said about this historical aspect of the matter. All of us who know this, know this.

But I think you've got a poor choice. You're feeding the wrong food to the wrong species. It's not going to work. What has to happen—I realize, you know, in the kind of position you're in, what the problem is. Because I'm well aware of what my position is, in what I do, and I do it in defiance of any consideration of the type that you would consider the parameters of what you are permitted to do. I know that the guy's no good. I know he's a hopeless case. Maybe somewhere there's redemption for him, but it does not lie in the White House. That's not his baptismal place. It would make the water boil too fast.

The concept, however, that you summarize, *must* be circulated, in various ways to various people. The concept is what's valuable. The proposed recipient of the proposal is not a likely prospect, but there are many people out there, including members of Congress and other powerful institutions, who need to get a bit of historical inspiration about what the United States is, what it represents. And I think your message is excellent for that purpose. And I don't think there's any harm in your presenting it to this guy. He won't accept it, I'm sure,



Library of Congress

A former Cabinet member asked LaRouche whether Congress should create a Pecora-style commission to investigate what led to the economic/financial breakdown. Here, Ferdinand Pecora (right) consults with members of the Senate in January 1934.

but nonetheless, your presenting it to him may be a very nice idea.

#### The Problem Is a Lack of Guts

**Freeman:** The next question comes from an author, who is based in Washington, who submitted the question along with a former Cabinet member, who now is a state official.

"Mr. LaRouche, on June 17, President Obama got up before the entire nation, and he lied. He knowingly lied. He said, that our current situation was caused by a culture of irresponsibility that took root from, to quote him, 'Wall Street to Washington to Main Street.' He said that the regulatory system crafted in the wake of the Great Depression, was 'overwhelmed by the speed and sophistication of the 21st Century.'

"Well, that is not what happened, and Obama knows it.

"The simple fact is, that the regulatory system was not overwhelmed. It was systematically gutted and dismantled by Washington, at the behest of financial interests. But the bottom line, and this is a really big problem for us, is that Congress, both Representatives and Sena-

tors, are just as clueless as their constituents are as to what occurred. Now, we could certainly detail why each one of Obama's proposals are completely absurd. But the bottom line on questions of any serious financial reform, is that a deeper understanding of the dysfunctional qualities in this system are, we believe, required. How can you design any kind of serious economic reform if you do not understand, and do not explain to the American people, what led to the breakdown in the first place.

"But the fact is, that not only this President, but also the Congress, want a quick fix. Now, the fact is, that some quick fix may be a political imperative, and a way to get this really uncomfortable topic for them off the table. However, we would like to see Congress insist on a deeper investigation. As you know, Congressman Dingell and others have proposed a new Pecora Commission. You also have various proposals to audit the Federal Reserve. You have a measure which is supported by a number of members of Congress for a GAO audit, and other such things.

"Another alternative to a Pecora Commission, would be to give Elizabeth Warren and the Congressional Oversight Board that she chairs, subpoena power. But the problem, and the question that I have for you at this time is, that although I believe that this is necessary, and is necessary if we're going to have any meaningful regulatory reform, I don't know if we have the time to do it. And I do believe that, without such an investigation, you will never build up the kind of fervor among the American people that will be necessary for Congress to find the gumption to overtake the desires of the bankers on Wall Street."

**LaRouche:** Well, if we don't do it, the world's going to go to Hell, and everybody with it, so I wouldn't be too pessimistic. I would tend to be rather aggressive instead. That's why I am; because I know that all the nice things you might do, by the standard of nice things these days, will just be folly. They won't do any good. You have to crack this egg. You have to crack it; and that's no yolk. (Anyway, I'm permitted that, once in a while.)

So, the point is, we *have to make the change*. There are people out there who are perfectly willing to join you in making the change, but you have to tell them. And the members of Congress are the worst possible thing. They're afraid they won't get re-elected. I mean, they might get *shot*! The whole country would go to Hell. Is it that their not getting re-elected that frightens

them so much that they will let the country go to Hell? For failing to do what is obviously necessary? "The enemy's invading." "Well, let's try to make friends with him." That's the situation.

The problem is, a lack of guts. And the lack of guts comes, largely, I think, from the lack of clarity among the people themselves. And they don't want to *hear* it. "Get out of here. Don't say that, somebody might see me talking to you when you're saying that. I don't want that to happen to me." It's your typical attitude around

We're not in a depression. We're in a general breakdown crisis of the entire planetary system.

the Congress, and around other people. They're scared bunnies. You tell the truth. "Don't do that! Don't say that when I'm in the room!"

There's your problem. And a people that will be frightened and intimidated by that prospect, is a people who have lost the fitness to survive. They just lost the moral fitness to survive. And the best thing you can do for them is tell them that they've lost the moral fitness to survive, because somebody's got to start telling the truth, not polite lies. And I try to tell the truth. Will it work? I have no guarantees. Is it what I should do? Absolutely.

### A Breakdown Crisis of the Entire Planetary System

**Freeman:** This question comes from a fellow economist, and a pretty good one.

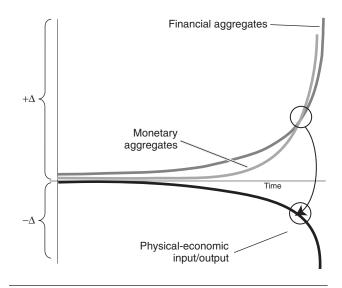
"Mr. LaRouche, under globalization, the United States, and perhaps to a lesser degree Europe, moved production to cheaper labor markets, both south of our border here in America to Mexico, etc., and then also to China and other parts of Asia. In so doing, we virtually shut down what remained of industry in the United States and Europe, and those were industries that we depend on. In fact, it seems that in the short-term desire to find cheap labor, we actually shut down our own sources of income. And I think that the current growing rate of unemployment speaks to this problem.

"But, at the same time that we were willing to starve every aspect of productivity—both agricultural and industrial—it seems that we were overfeeding banking

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FIGURE 1

### The Collapse Reaches a Critical Point of Instability



LaRouche's Triple Curve schematic, first released in 1995, describes what is now happening to the global economy. "There's no solution within the terms of the parameters which are currently operating," LaRouche said.

and finance, and we have a created a group of extremely overweight entities. The problem now, is this: If we take the example of California as a foretaste of what we face nationally, then it seems to me that what we are facing, is far more than a financial breakdown. What we are facing is an existential crisis. We are facing a breakdown of government.

"The government, the Federal government, just like California, has no money. It has no money to maintain what we expect as basic government-provided services. The income to cover these functions cannot be raised because we've eliminated the means by which we could raise it, or so it seems. In Europe, as a result of Maastricht, they no longer have the option of capital investment to reverse the problem. As for us, we do, and yet the situation does raise certain confusing issues.

We were able to find trillions of dollars to bail out the banks. I don't know where we found it, but we found it. Now, it would seem that this policy is inflationary. In fact, it would seem to be hyperinflationary. And it would foretell a situation that resembled the situation faced by Weimar Germany. Yet, at the same time, the collapse of production and employment in the United States threatens deflation, and it is far worse than the deflation that we faced following the Crash of 1929.

"So it seems that we have a rather unique situation. We seem to have a mix of everything that was horrible in prewar Germany, and everything that was terrible in the United States. The difference was that, in Germany we had Hitler, and in America we had Roosevelt. But, what I'd like you to address, is the fact that we do seem to have a mix of inflation and deflation, and that *is* different than what we faced in 1929, and therefore, probably requires a somewhat different response."

**LaRouche:** Well, as I've often said, in covering this thing, the problem is, we're not in a depression. We're in a general breakdown crisis of the entire planetary system. This was discussed hypothetically, in the 1890s, and the beginning of the 20th Century, that such a thing could occur. And it is occurring. We are in a general breakdown crisis, in which, in fact, yes, there is inflation and deflation at the same time. But if you look at my Triple Curve, you see exactly what that means. It's there. That's the problem.

So, the problem is, we have to define the thing as a breakdown crisis. That means, there's no solution within the terms of the parameters which are currently operating. In other words, you can not take the dimensionalities of the present situation as parameters, and by adjusting the parameters, or even throwing in a new parameter, you're not going to prevent the thing from collapsing.

Now, the problem here is emotional and psychological, more than anything else. Because this should be obvious to everyone. But you find out, if you try to tell people the truth, and emphasize what a breakdown crisis means, you frighten them, and they become very angry, or they just run away. So, you try to find some way to convince them in terms they will accept, that we face a problem of that dimensionality. And yet, that is precisely what you can not convince them of. And you can't convince them because you didn't scare them.

And you don't have to come in with a devil's mask or something to scare them. They're afraid of the truth. But you have to confront them with the truth, and it has to be done repeatedly, and you have to state what the alternative is. But they won't understand what the alternative is, unless you tell them what the truth is. And if you're afraid to tell them the truth, for fear of scaring them, they'll never get the idea. So, to argue with them otherwise, is a waste of time.

You've got to get people to understand, this is a breakdown crisis. And what they're conditioned to

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hoping, "No, don't tell me that. Don't tell me that. I don't want to hear that. I don't want to hear that. Tell me something that will help!"

Did you ever get that kind of response? They've got to accept the fact that this is a breakdown crisis. You know, it's like a guy's jumped out of a plane, and forgot his parachute, and the guys are falling. One of them says, "You know, you've got a problem." He says, "I know I've got a problem." "You know it's..." "Don't tell me that! Don't tell me that! I don't want to know it." And that's what the psychological situation is. Your guy has jumped out of a plane, and forgotten his parachute, and he just wants to have a few moments of silent comfort while it remains for him.

And that's the kind of attitude you get in this kind of situation. There is no other way; the truth has to be faced. The truth has to be faced. It's that simple. I keep doing it, but see if people get scared enough, they might understand that, if they don't become absolutely crazy.

### The House of Representatives behaved like a bunch of asses, passing the Capand-Trade bill. "You've got to break them," LaRouche said. "You've got to break the will of the enemy."



### You're Dealing with a Malicious, **Evil Factor**

Freeman: This question comes from someone who's a former labor leader, who is now an officer of the National Association of State Legislators.

"Mr. LaRouche, the June 2009 report that was prepared by the National Governors Association, documents that budget cuts in Medicaid, education running from kindergarten through grade 12, as well as higher education, state employment, state employee benefits, and other related things have occurred in 47 out of 50 states, because those states have run out of money.

"As I know that you know, on June 30, forty-six states will have to come up with new budgets for fiscal year 2010, that actually starts on July 1. That is because these states must balance their budgets, and they are facing a \$121 billion shortfall, at the same time that jobless rates are rising, and the stimulus funds that covered the extension of unemployment benefits have run out.

"We're at a critical juncture now, where corrective

action at the state level, may very well be our last and only hope to preserve some sense of functioning, so we can fight for our own national sovereignty, which seems to be rather rapidly coming under the purview of the City of London. Ordinarily, I would not make such a proposal, but the fact is, that right now, because we need some way to survive while we are addressing a larger problem, I'm submitting for your consideration, a proposal that's been on my desk for quite some time, which is the idea of creating a state bank. That is, a state-owned bank.

"The reason for a state-owned bank is simple enough. We've obviously lost control of our finances. Our municipalities are burdened with legacy debt and aging infrastructure, and the only current way to fix the infrastructure right now, is to bond through Wall Street. We can't take any more taxes, but indebting us to Wall Street has cost us dearly, and those costs will only increase as the credit crunch continues to squeeze us, both

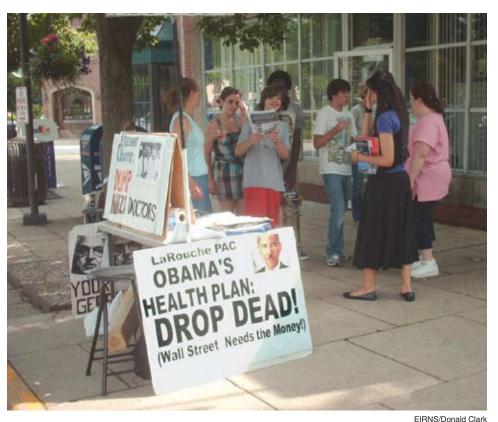
July 3, 2009 **EIR** Feature 37 at home and in our neighborhoods. Businesses are also suffering. Banks are cancelling lines of credit for businesses with excellent credit. Shopping centers are empty, and it seems as though another friend loses his or her job every week. The future is bleak. Credit is all but drying up, as scarce resources increasingly are diverted to bail out Wall Street and to repay the national debt.

"A publicly owned state bank, capitalized by our own taxpayers, would allow us to fund roads, schools, and other statewide infrastructure. It would allow for commercial development, mortgages, municipal debt, and student loans. Apparently, there is a model for this in the state of North Dakota, which has had a state bank since

1919. Ordinarily, I would not take such a proposal so seriously, but it was pointed out to me that this year, the state of North Dakota has a \$1 billion-plus surplus. I'm not suggesting that this is the answer to the current problems that we face. However, I'm wondering if it isn't something that we can engage in, while we are fighting the battle to get our government in Washington to take its responsibility. Would you please comment?"

**LaRouche:** I understand the wish, but I don't think it'll have any fruit. You have to look at the reality of the situation. Look what happened in the state of California, with the Senator Feinstein, going against Obama, as well as against the governor.

What the policy is this; you've got to deal with the reality: You're dealing with an *enemy* factor; you're not dealing with a stubborn resistance factor. You're dealing with an enemy factor; a malicious, evil factor. And Schwarzenegger was picked because he was capable of evil. He's owned by George Shultz, who is evil. Shultz was responsible for the fascist regime put in in Chile, for example. He's not a good man, and he knows exactly what he's doing. Shultz was the guy behind the creation of Schwarzenegger out of mud. He thought he



LaRouche PAC organizers in Flossmore, Ill., getting the message out.

was acting like God, or something.

But, the intention here is to *wreck* the U.S. The orders are coming from London. The President of the United States is a stooge of London. The only way to do it, is do it the hard way. You've got to break something; you've got to break their will.

Unfortunately, the House of Representatives behaved like a bunch of asses on this thing, passing this cap-and-trade bill. You've got to break them; you've got to break the will of the enemy. Because nothing will work. I know exactly what to do; there are a number of options. But they all involve, from what I know, breaking the will of the enemy! If you don't break his will, he's not going to do anything good; he's not going to let anything good happen. Because his intention is to cause that kind of chaos. His intention is to use that bait among states, to create the kind of chaos he wants.

And you're trying to come up with an alternative? He'll destroy it. You'll never get anywhere with it. If you can force that on him, you could force him to change his administration. If you can't change his administration—don't have that power, don't take that kind of action—there's nothing you can do. Don't assume that

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you can win a war without fighting, especially once the enemy has declared it.

### The First Step Is To Have No Illusions

**Freeman:** This question comes from a Washington, D.C. think tank.

"Mr. LaRouche, President Obama put on a great show on June 17. He's good at putting on shows. This one was like a staged cocktail party, to which everyone was invited. President Obama would like us to believe that he shapes policies according to an ersatz constitutional democracy, where every stakeholder gets a vote. But, the reality is that it's a shareholder democracy, and the more shares you own, the more votes you get. And right now, the banks have all the shares.

"Between 1998 and 2006, the average financial real estate and insurance company, increased their lobbying costs by 25%. Over the course of the last ten years, Wall Street has spent \$5 billion in campaign contributions. It gives them an awful lot of power.

"The other thing that facilitates Wall Street's power, is the sheer complexity of the issues involved. Yes, this affects all of us, but it's the province of elite inner circles. Let the experts take care of it. But the fact is, that it's the experts that got us into this. If you watch TV, they'll tell you that the recovery is here. The market's up; bank stocks are back. But the fact is, that non-Wall Street Americans aren't faring so well. One in eight mortgages is in foreclosure, and the share of new mortgages moving into foreclosure is at an even higher rate. Credit card delinquencies, which everybody thought had reached their peak a year ago, not only continue to rise, but are up 11% from the same quarter last year.

"Now, the problem, as far as I see, for Obama, is the following: If the fortunes of American households were to rise with Wall Street, he'd be home free, even if his fixes permit a new meltdown just a short time from now. However, if the financial sector resumes living large, and American households continue to suffer, well, then he'll face anger from the voters. Right now, in what is something that I simply cannot understand, he is enjoying extremely high popularity, at the very same time that a full 70% of the American people know that the country is in crisis, desperately want help, and believe that they are not getting it from this administration.

"My question is perhaps one that doesn't really have an answer. I don't know what it is going to take, to push the American people into the recognition that they have got to take a much harsher position toward this administration. They suffered through eight years of Bush, and they want to believe in this President. But the fact is, that if we don't turn things around, and turn them around quickly, that hope will soon die, and that is really what scares me. Not only because we will be faced with a financial crisis of even greater proportions than we face today.

"But I cannot help but think about what did, in fact, happen in Germany, with a population that was far more cultured than ours was, when it was subjected to the horror of the aftermath of the First World War. I don't know whether I would prefer it, if the population continued to be hopeful, even if it's a mere illusion, or if they move, on the other hand, into cynicism and pessimism, which is what I fear is going to be the current outcome.

"Can you shed some light on how you think this is best addressed? Because I think that this crisis really overrides anything else that we face."

**LaRouche:** Well, you're right. It is that kind of crisis. It's been coming on for a long time. I've been aware of this; I've described it, and I also have learned something, I think, from history, which is why I do what I do. Sometimes, there's only one thing that you can do, and this is to figure out how to fight in the best way possible, with the means available. And the first step is to have no illusions, no consoling illusions. No wishful thinking. To face the reality in all that it represents, and then you may find in yourself the resources to deal with it.

The problem is, that people are just hoping that people will come in with the solution. Well, I know what the solution is, and I'm doing it. I just need to have more people doing it. And I think that the events will take charge of themselves. I'm just getting the message out. And I know that what we're doing has really got the enemy running scared. And what the pressure I'm getting, and our organization is getting, is to try to slow it down a bit; don't be so tough. That's *wrong*! It's a good idea to scare the enemy a little bit. Especially good if you mean it.

You're in that kind of situation. You're in a general breakdown crisis of the entire world system. There's no part of the planet that's immune from this. The whole system is coming down. Either we find that mankind has in it, some reservoirs here and there, of policy influence who will give inspiration for what is

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needed, or we're going to lose civilization. There are going to be a lot fewer people very soon. Somewhere probably between a half-billion, and a billion; probably closer to a half billion, very soon. All the conditions for that exist; all the preconditions. You have a population of 6.7 billion people on the planet. Look at the conditions of life of these 6.7 billion people. Look at the rate of change in the conditions of life of these people. Look nation by nation; look at the rate at which the decay is accelerating.

You look at the fact that half the states of the United States are bankrupt as states. There is, on the first hand, no arrangement for dealing with the problem; no intention of dealing with the problem, but rather to the contrary. That the ever-loving British system is determined to break the United States apart, finally!

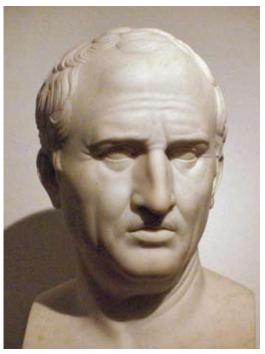
And hoping that this situation in these states will contribute to breaking the United States, and causing it to cease to exist as a nation. That's the game. Are you prepared to defend the United States from that? If you're not, stop complaining! Enjoy the suffering.

This is the point where you go to war! This is when war is justified. When this kind of existential threat faces you, and there is no *other* solution, except to fight. And a show of the willingness to fight, is sometimes sufficient, to cause a ferocious enemy to calm himself down a bit, and get you some room. It's the only chance we have.

### Obama's 'Nero Syndrome'

**Freeman:** This is probably the last question that we have time for, and, this comes from a member of a former administration, who's now leading up an effort to advise this administration, and she's asking for your thoughts.

"Mr. LaRouche, on April 11, you defined that President Obama suffered from what you called the 'Nero syndrome.' I wasn't sure I agreed with you that it was the case, and I also wasn't sure that I agreed with stating



Marcus Tullius Cicero, copied from the Roman original. Cicero represented the Classical Greek influence in Roman culture. His elimination set the stage for the monetarist system to consolidate its empire.

it publicly. So, I went back and I studied some Roman history.

"Now, I've been watching President Obama, and the fact is, that right now, against all advice, from all quarters, he's plunging ahead with this healthcare and related policies, which will only spell disaster for the country, and for him, no matter what the outcome. I'm convinced that he's doing this, not because he desires the policy of genocide, but because of his enormous ego. And as many people have pointed out, this is a man with absolutely no humility.

"You say that Obama must reform his administration, must re-form, not like in reformation, but remake his administration. I happen to agree with you. But how do you get someone in this frame of mind, to change course? I'd really like to know your

advice to us, in terms of how we should proceed. A mutual friend recently reminded my group that we're wonks, not warriors. So, what do we wonks do? Do we take up military training? Do we keep working on what we're working on? Or do we make some kind of public declaration which will undoubtedly elicit a rageful response from our current President?

"I'm asking you this, because we really do believe and we have put an enormous amount of work, under your advisement—into policies that we believe can function. But they can't function unless a change takes place. The question is, how to effect that change, without destroying things in the process.

**LaRouche:** Well, I had some good fun, of a sort, in dealing with this problem. The situation is potentially winnable. The problem lies in the lack of the number of people, people especially of influence, who are willing to do what's necessary to force this change.

We can change it. You saw it. For example: One vote, cap and trade. One vote. That's not finished, of course—that's in the House. One vote.

Because the President is not functioning, he does not have all power. Remember, first of all, the President

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is a British agent. He is *not*, does not have American motives. He's not really an American citizen, not in terms of his spirit, in terms of his mind. He's a very confused mind, a very confused identity. Like Nero. He's willing to do anything. The question is: Will you let him get by with it?

You can break his will, you know, if you don't let him get by with it.

You go back in Roman history, and you look at the case of Cicero. Now, Cicero was the last chance for civilization in Rome, that is, real civilization. And in the context of the assassination of Caesar, Julius Caesar, shortly after that, Cicero died. Cicero was eliminated. And the complexity of this is—because you have to

look at the famous lives, *Lives of Famous Men*, and you'll find out that the Roman Empire, under the Caesars, was actually run by the cult of Delphi, by the last high priest of the cult of Delphi. Plutarch, for example.

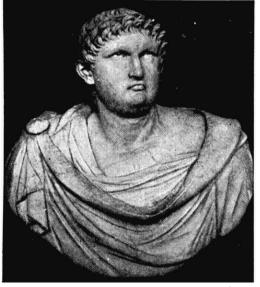
So, you see then what the issues are. The issues are between the cult of Delphi, which is the author of the Peloponnesian War, the orchestration of all of these kinds of things, a center of the monetarist system of that time, which had ordered a coup d'état in Italy, and played the thing—to what purpose? And had played the thing because, at that time, the empire of the Mediterranean had three locations: the Middle East, as they call it; Egypt; and Italy. And it was get-

ting no place in getting the empire. So they pulled the Caesar, and Caesar wars business, until they got the cult of Mithra, priests on the Isle of Capri, to make a deal with the guy who became Augustus Caesar. And this organized the three parts of the Mediterranean into one empire, the Roman Empire.

And Cicero represented the Classical Greek influence in Roman culture, Italian culture, which was working to prevent that. And the death of Cicero is key to understanding that whole history.

And what you're looking at in trying to understand the Nero problem—you have to understand it in that context. It's an historical phenomenon. Nero was not the only case. All the cases, of the whole tribe of these Caesars, were all of the same character. The system was always of this character. And what we're dealing with today, is the attempt by the British Empire, which is running this operation—never say it's an American problem. It's a problem we have with the British

Never say it's an American problem. It's a problem we have with the British Empire—the real empire, not the mythical one.



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You have to understand the Nero problem in its historical context, LaRouche said. It's an historical phenomenon. All the Caesars were of the same character—the character of the empire.

Empire—the real empire, not the mythical one. Not the storytale one.

This empire is determined to have absolute supremacy over the world. It is looking for a one-world government of the British empire, under the British monetary power. It's determined to reduce the world's population from over 6 billion now, to less than one. It's determined to destroy whole nations, the populations, whole cultures. This is the enemy. If you try to fight a lesser enemy than this, you make the mistake of not understanding who your enemy is. You choose another enemy, and your real enemy will come in to kill you.

So, in this case, what we have to do is take the Obama toy away from the British. It's the British empire that is out to destroy us. It's the British empire that's operating against us, globally. If you're trying to fight a U.S. enemy, inside the United States, you're making a big mistake. Because you're not fighting the real enemy. You have to set out to destroy the *real* enemy. And that's why I do what I do. Why I talk to Russia, China, and so forth, the way I do. I'm out to bring about a coalition of nation states which will destroy the British Empire. And only things in that direction will do any good. Any other strategy will lose.

Destroy the British Empire: Britain delenda est.

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### **Example** Economics

### ZHOU XIAOCHUAN HOOKED BY BRITISH

### Bank of China Official Takes British Bait

by Lyndon H. LaRouche, Jr.

LaRouche issued the following item on June 26, 2009, for widespread distribution.

A Friday, June 26th slug published by the BBC, credits the clearly misinformed People's Bank of China's Zhou Xiaochuan with proposing that "An international monetary system dominated by a single currency has intensified the concentration of risk and the spread of the crisis." The result of such an action would be the worst thing which China could do to itself and its people.

That terrible mistake, fortunately only proposed by the PBOC, but not yet implemented, is to be understood as a result of manipulation of relevant officials in China, Russia, and other nations by British sources. As a result of Eurasian and other nations' ignorance of the character of the present, London-centered imperial monetarist system, the present generation of leading relevant officials throughout most of the world has been misled into a scheme designed to bring about the ruin of those duped into supporting such a scheme.

Admittedly such a scheme of some nations for international mass-suicide in their own economies, would not have gained the degree of support it has gained recently, had the United States itself not discredited its economy, and its currency, by the virtual criminal stupidities of the policies under Presidents George W. Bush, Jr., and now, the worse policies of the patheti-

cally incompetent President Barack Obama. However, the fact that the U.S. under those Presidents has virtually insane economic policies, still today, does not remove the fact that the policies of nations which are proposing a new world monetarist system, are entirely insane.

### **The Present World Empire**

Since 1789, there have been only two leading financial-economic systems in the world. The one has been the European system, which has been dominated by the British Empire since the February 1763 Peace of Paris, and the challenger, the American System as designed under the leadership of Alexander Hamilton, an American System built into the relevant provisions of the U.S. Federal Constitution.

However, treasonous, post-Franklin Roosevelt developments within the U.S. political-economic system, prepared the way for the post-1968 developments since the catastrophic developments, led by the United Kingdom during the 1968-1973 interval. By March 1, 1968, the U.S. dollar was already degenerating, under the influence of the Trilateral Commission, into a mere auxiliary of the Anglo-Dutch-Saudi international monetarist system based on the long-standing role of the hegemonic, London-created petroleum spot market. The ensuing wrecking of the U.S. economy and dollar

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under David Rockefeller's Trilateral Commission sabotage of 1977-1981, as combined with the lunatic and ruinous "green" policies launched during the 1970s, destroyed the U.S.A. in its former role as a true sovereign nation-state, and turned it into an increasingly decadent role as a pawn of London, via London's Wall Street swindlers.

With the collapsing of the former Soviet Union, through concerted efforts of both internal and external political forces, western and central Europe were promptly placed under a dictatorship launched by Prime Minister Margaret Thatcher, with the complicity of France's President François Mitterrand, and the instinc-

tive corruption of an essentially more British than American Thatcher sidekick, U.S. President George H.W. Bush. The submissive role played by that President Bush, combined with the wrecking of the physical-economic potential of the fragments of the former Soviet Union, established the framework, through the European Union, of a British world-empire-in-fact.

The disorientation shown in leading political circles in Russia and China, among others, today, has been an outgrowth, chiefly, of these factors

set into motion with the triadic agreements against Germany, Russia, and others, factors set into operation by the trio of Thatcher, Mitterrand, and Bush.

### How the Economy Was Changed

The general, supranational trend, set into motion by the assassination of U.S. President Kennedy, used the lever of a "land war in Asia," the useless and ruinous war in Indo-China, to bring about the downfall of the U.S. economy, also setting the stage, in various other ways, for the characteristics of a so-called "post-industrial society" to replace the characteristics built into the U.S. economy's rebirth under President Franklin Roosevelt.

For example, 1968 was the turning-point at which the net of additions and shrinkage in U.S. basic economic infrastructure reached a zero-balance, and, since then, has undergone a decades-long disintegration in its net industrial and agricultural output, and physical standard of living, per capita, and per square kilometer of territory. The productive American was being transformed into a species now turning as dead as the dodo, like British married couples turned too fat to embrace

efficiently for breeding purposes, each with more length in veins, arteries, and related ducts, than that of the entirety of the still-operating, railway system of the United Kingdom.

The essential form of the economic crisis of the world economy, and each of its parts, is not financial, but a collapse in the rate of net physical output of the economy, as measured per capita and per square kilometer. As I have pointed out, since 1996, in my "Triple Curve" pedagogical, the general rate of monetary and financial emission has zoomed at the same time that the net physical output, per capita and per square kilometer, has zoomed downward, each at accelerating rates of

trend.

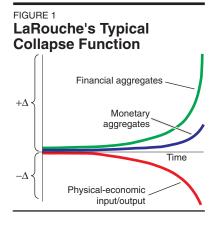
The remedy for the present economic situation, throughout the world, is to reverse these physical-economic trends, measured as both physical output per capita, and also capital-intensity, and energy-flux density of sources of power applied.

This requirement translates into a massive investment expressed as long-term investments, reaching into the range of half-century physical maturities, at fixed interest-rates between a net 1.5% and 2% over terms

reaching a half-century. That program is required to raise the physical productivity of the nation and its labor-force, per capita and per square kilometer, at the same time as increase the intensity of physical-economic investment in production and its essential capital formation in both production and basic economic infrastructure.

This urgently needed reform can be effected only by eliminating entirely the existing world monetary system, and replacing it with a general agreement on partnership among sovereign nation-states operating through a credit-system, rather than a monetary system. The role of the U.S.A. as presently a net debtor nation, but with a Hamiltonian tradition and a very large debt to work off, is the essential platform on which to base both a global fixed-exchange-rate credit-system and half-century uttering of debt as credit for the crash-program type of re-energizing the world economy.

Without such a reform now, the situation for every nation of the world is presently imminently a hopeless one. Therefore, end the existence of the British empire, now.



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### Regulation Is Too Little, Too Late!

by John Hoefle

June 26—The meltdown of the global financial system, in which derivatives played a crucially destructive role, has forced the issue of controlling the derivatives market out into the open once again, in a way not seen since the efforts of a brave regulator to regulate them in 1998, and Lyndon LaRouche's call to tax derivatives into oblivion in 1993. Now the matter has resurfaced, as an element of the Obama Administration's plan to restructure the financial regulatory apparatus.

The Obama plan is fatally flawed. It is not a serious attempt at correcting the errors and abuses which allowed the financiers of the Anglo-Dutch Liberal monetary system to blow up the world, but rather an attempt to head off any serious regulation by proposing a series of half-measures and cosmetic changes. Indicative of this is the plan to give the Federal Reserve even more power, in effect *rewarding* the Fed for its key role in blowing up the world. Any serious effort at reform would begin with seriously constraining, or better still eliminating, the Fed as part of a return to the Constitution. The Obama plan is not reform, but a further capitulation to the British Empire.

The same can be said about the Administration's plan to improve the oversight of the derivatives markets. What is required is to shut the derivatives markets down in their entirety, to declare all derivatives contracts null and void, and to forbid their use in the future. Instead, what is being proposed is a series of vapid and ineffective "reforms," which will allow the derivatives markets to continue, only this time under the supposedly vigilant eyes of no-longer-comatose regulators.

### What Derivatives Are

The derivatives market is, and always has been, a mechanism by which the financiers of the imperial monetary system could reap huge profits while they systematically destroyed the productive economies of the world, particularly the United States. Derivatives are a criminal scam of the highest order.

During the 1980s, the U.S. economy became a playground for the parasites, whose endless stream of dope money and petrodollars allowed them to shut down our industrial base in favor of an economy dominated by finance. By the time of the stock market crash of 1987, our economy was in ruins, our savings-and-loan banking system destroyed, junk bond and real estate markets were crashing, the big banks were bankrupt, and Washington was in a panic.

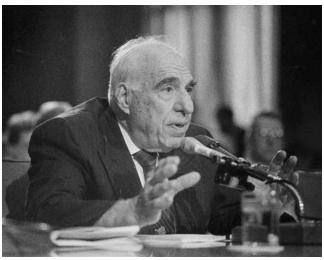
Rather than take their losses, and put the system through bankruptcy reorganization, as Lyndon La-Rouche recommended, the financiers and their politicians decided to cook the books and move the losses off the balance sheets, where they could be more easily hidden. Leading the charge was Federal Reserve chairman Alan Greenspan, who advocated derivatives as the way to keep the financial system going, even as the economy continued its collapse. In effect, Greenspan and his sponsors in the City of London created a giant casino, fueled by derivatives speculation.

The result of this insanity has been a financial system that has careened from disaster to disaster. Time after time, the "solution" to one disaster laid the groundwork for the next, and each time, the looting of the physical economy to support the growing bubble increased.

In 1993, LaRouche launched a campaign to eliminate the use of derivatives, which led to a series of hearings by Texas Democrat Henry B. Gonzalez, then, chairman of the House Banking Committee. Despite his valiant efforts, Gonzalez was unable to get the banker-dominated Congress to move against derivatives.

Another attempt was made in 1998, by Brooksley Born, then, the chairman of the Commodity Futures Trading Commission (CFTC). Born's effort was defeated by a high-powered lobbying effort by the big derivatives speculators and their trade group, the International Swaps and Derivatives Association (ISDA), and by the combined efforts of the Fed, the Treasury, and the Securities and Exchange Commission (SEC). Two

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EIRNS/Stuart Lewis

In the 1990s, House Banking Committee chairman Henry B. Gonzalez tried to move against derivatives, but was stymied by the banker-dominated Congress.

of the major players in this effort were JP Morgan, now, the largest derivatives bank in the world, and Enron, whose financial shenanigans destroyed it in 2001.

Through it all, the financiers claimed that derivatives were an essential part of the economy, reducing risks and creating value. Trust us, they said, we know what we're doing.

Now we know that was a lie. Far from helping the economy, derivatives have destroyed it, blowing out the banking system, and triggering the largest bailout in history.

Even so, despite the overwhelming evidence to the contrary, the financiers continue to defend derivatives, and insist that they be allowed. More astonishing, but not exactly surprising, the regulators agree, and are defending derivatives under the guise of regulating them.

### Meaningless 'Reform'

A complete lack of understanding of the crisis we face today, and of the measures necessary to resolve it, was on display at the hearings on derivatives held by the Senate Banking securities subcommittee on June 22. The title itself, "Over-the-Counter Derivatives: Modernizing Oversight to Increase Transparency and Reduce Risks," reflects the delusion which still grips Washington.

The three regulators who testified, SEC chairman Mary Schapiro, CFTC chairman Gary Gensler, and the Fed's Patricia White, all retailed the line that, while more stringent regulations are necessary, the derivatives markets should continue. The trio broadly agreed that a combination of increased regulatory oversight and increased reporting requirements could reduce systemic risk, increase transparency, prevent fraud, and protect less sophisticated investors.

Given that the derivatives market was designed as a way to let the insiders loot the "suckers," and that the regulatory apparatus is clearly dedicated to *saving* the crooks instead of shutting them down, such claims are ludicrous. Even if some of the regulators actually believe what they are saying, what they are proposing will not work.

The most obnoxious testimony came, predictably, from the derivatives lobby, in the person of ISDA CEO Robert Pickel, who repeated the hoary line that derivatives were good for the economy, and good for ordinary Americans. Pickel asserted that over-regulation would be a mistake, and would hurt the nation.

More interesting was the testimony of Chris Whalen, co-founder of Institutional Risk Analytics, who noted that "OTC derivatives trading is the leading source of profits" for large banks such as JP Morgan Chase, Goldman Sachs, and Bank of America, and that these derivatives "are net destroyers of value for shareholders and society even while pretending to be profitable." Whalen suggested that the Committee ignore the views of the regulators, "since the view of these agencies are largely duplicative of the views of JPM [JP Morgan] and the large OTC dealers."

### **Shut It Down**

There is no way to apply meaningful reform to the derivatives market—the very concept is absurd, since the derivatives market is essentially a criminal conspiracy run by the British Empire. Derivatives, as we said before, are designed to help the imperial financiers record profits while destroying the living standards of the people of the world. They are, then, part of the British Empire's drive for global genocide.

Contrast the Obama Administration's protection for the financial system with its stated intent to slash healthcare and Social Security for the population, and the duplicity of the Administration becomes obvious. Once again, we are being had.

The derivatives market must be shut down completely, and the parasitic financial market be put into bankruptcy protection. Nothing less will work, and we are rapidly running out of time.

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### Ending the Colonial Legacy Means Developing Agriculture

by Ramtanu Maitra

June 25—If, and when, the U.S. and other foreign troops leave Afghanistan, the Afghan people will have to go back to their former, relatively primitive way of life. That is, because, despite all the rhetoric, and the billions in taxpayers' dollars that have been pumped into Afghanistan to "win the war," the occupying forces, and the countries they represent, have done little, and will continue to do little in the coming days, to help Afghanistan emerge as an independent sovereign nation-state, after they pack up their rucksacks and leave.

For Afghanistan to prosper, a new agricultural development policy must be adopted. Afghanistan and other nations, such as those throughout Asia and Africa, have suffered hundreds of years of vicious colonial looting, manipulation, and control, led by the British, French, Belgian, Spanish, Portuguese, and other such foreign rulers. These imperial powers forcibly imposed the "free trade and free enterprise" ideology on their colonies; those former colonies can only become truly independent, when they achieve food security—not by depending upon food purchases from abroad or food aid from "generous donor nations" to feed their citizens.

Many developed nations, such as the United States, Germany, Japan, and South Korea, developed their infrastructure, manpower, and industry alongside the development of a largely self-sufficient agriculture. But, since the post-World War II era of Imperial Free Trade, nearly all the industrialized nations have been emulating British colonial methods, using the loot procured through exploitation of de facto colonies, to be able to pay "top dollar" to buy up food from the world food cartel-run private enterprises, irrespective of food shortages that continue in food-growing poorer nations.

There are others, such as the oil-rich Gulf countries, who are now using their oil-wealth to buy up food and food-producing regions in the underdeveloped nations to keep their own citizens fed. For the developing na-

tions, however, food security is key to their independence. Even larger nations, such as Egypt, are reeling under the pressures of social unrest, and making foreign policy adjustments, in order to remain "independent," as they face persistent food shortages.

### What a Successful Agricultural Sector Does

Over the years, the world has been told by the economists, imbued with British free-trade and free-enterprise thinking, and the mindset of accountants, that the former colonial countries should produce "valueadded" products, and, if they cannot consume them, to sell them on the world market. While less blatant, the other colonial powers did the same. In Africa, for example, development of agriculture, and the infrastructure that is the foundation of this sector, was not on the agenda of the colonial nations. Africa was rich in natural resources and mineral reserves. These were exploited to enrich the colonial powers: Only as much physical infrastructure was developed in these countries as was necessary to facilitate the looting. The colonial powers were not there to build nations; they were there to enrich themselves, exploiting the "cheap" manpower of the conquered countries, using brutish force whenever necessary.

As for Afghanistan, which sits on an East-West crossroads, it is imperative that it have an agricultural sector that would ensure the sustenance of its growing population. Anything else will keep it as a cockpit, where wars will be fought and Afghans will die.

At the same time, Afghanistan cannot be a merely agrarian nation. It does not have enough water resources, nor has it any access to sea water which can be desalinated to augment its water requirement. As a result, Afghanistan must become self-sufficient in food, and then move on to developing its small and medium-scale industries to nurture its population.

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USAID/Julie Fossler

If Aghanistan is to develop as an independent, sovereign nation, it must have food security, based on a modern agroindustrial economy. Here, locally produced seeds and grains are displayed at the October AgFair in Kabul, sponsored by the Ministry of Agriculture, the Afghanistan International Chamber of Commerce, and USAID.

The most fundamental benefit of a successful agricultural sector lies in what it builds into the nation. To begin with, an agricultural sector requires power, water, sufficient manpower, development of agro-industries, and a transportation network that spreads throughout the country. On the other hand, an industrial facility or the exploitation of mineral reserves, do not require these elements of physical infrastructure to be developed widely throughout the nation. An industrial plant needs a few skilled people, some captive power, and local supply of water to succeed. But that "success," as it is widely considered by the present day free-traders, may bring good fortune to a handful of manufacturers, and the buyers and users of that commodity, but does little to ensure food security or sovereignty of the nation.

A successful agricultural sector is not the be-all or end-all of nation-building. However, it is the first step that needs maximum efforts and, if done correctly, lays the foundation for a successful nation. If the importance of the agricultural sector is understood, and the sector is fully developed, it acts as a shield against external manipulations. The process itself develops skilled manpower. Research and extension services create agronomists who live in the country and work toward development of high-yield varieties of seeds and improvement of undernourished land. Development of water resources, which includes irrigation, and water supply to the agro-industries and population in general, produces engineers and technicians who build dams, canals, and flood plains. This act itself protects soil, the land, and the environment in general.

Power is also a necessary element in developing agriculture. Power sources could be hydroelectric and fossil-fuel-based power plants initially, but the objective would be to move towards developing nuclear fission-based power plants. This would require some time, but it would also require the development of a high-technology-based industrial sector.

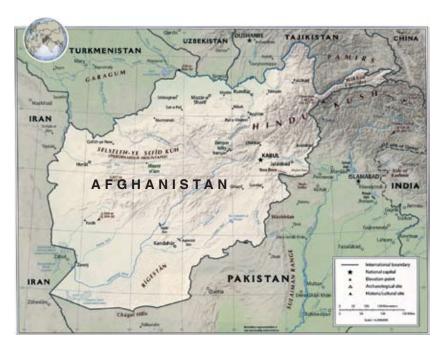
The agricultural sector would need development of bulk-transportation, preferably a railroad network. However, in light of the rough Afghan terrain, the initial transportation network could be based on roads. In the southern part of Afghanistan, in the highly fertile lands of Dasht-e-Khas, Dasht-e-Margow, and the Rigestan plains butting against Iran, an extensive railroad network can be developed to facilitate the interaction between agricultural lands and urban centers. The agricultural sector would also require agro-machinery, such as tractors, harvesters, hoeing machines, etc. The manufacturing, and maintenance, of such machinery would introduce industries that would help train skilled workers and technicians. In addition, a well-fed population will be more productive and healthy, and, over the years, more diverse in its pursuit of future.

Most important of all, a successful agricultural sector will have the potential to unify the nation. Foreign occupiers, and adventurists, over the years, have taken advantage of disunity among the northern Afghans—mostly Tajiks, Uzbeks, and Hazaras—and the majority Pushtuns, who inhabit central, eastern, and southern Afghanistan. For instance, when the U.S. invaded Afghanistan in 2001, U.S. special forces came in, using the support of the Northern Alliance—an alliance of Tajiks, Uzbeks, and Hazara—against the Pushtundominated Taliban. In other words, food will not only secure the Afghan nation, but it has the power to unify the country against foreign invaders.

### The U.S. Failure

When the United States invaded Afghanistan in the Winter of 2001, a knee-jerk reaction to punish al-Qaeda,

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the ostensible masterminds behind the 9/11 attacks on the United States, its immediate objective was to remove the Taliban, the protectors of al-Qaeda inside Afghanistan, from power. Following its initial military success, the U.S. proclaimed that the purpose of its stay was to engage in nation-building, and to bring the country out of its medieval economic state.

That has not happened, and will not happen, now that the Taliban, and many other Afghans, have regrouped, to harass and drive out the foreign troops. At the time the United States came into Afghanistan, the maximum annual production of opium in that country was 4,400 tons (in 1999), but less than 2,000 tons in all the previous years. Despite promises and gestures to turn back the tide, opium production, since the foreign troops landed in Afghanistan, has risen steadily. In 2007, it reached 8,200 tons, and in 2008, after it became evident to the powers-that-be that the Taliban and al-Qaeda were benefitting immensely from the opium production, it came down half a notch to 7,700 tons. Meanwhile, Afghanistan became more volatile, and a large section of its population, including its farmers, was criminalized by the opium-heroin-hashish traffickers.

In a well-researched article that appeared in the *Washington Post* on June 19, Rajiv Chandrashekaran pointed out a series of wrong policies that Washington had adopted pell-mell, under the pretext of developing the Afghan economy. He pointed to one such project, where a private entrepreneur laid out a plan to transform a vacant tract near the city of Mazar-e Sharif, lo-

cated in the northern province of Balkh, into a sprawling commercial farm, with miles of strawberry fields and thousands of cashmere goats. Located in a relatively peaceful area, some 400 kilometers northwest of Kabul, Mazar-e-Sharif is the nation's second-largest city, and is in better shape than much of the country, as it managed to avoid most of the last 30 years of war.

From the look of it, it was not a bad place to develop such a firm. As a result, when the private company abandoned the project, the U.S. Agency for International Development (USAID) decided to go it alone. It allocated \$40 million in reconstruction money to the venture, and directed a contractor to hire workers and purchase equipment, Chadrashekaran

reported. It was not until a year later, after several million dollars had been spent, that agency officials realized why the Afghans had not cultivated the land themselves: The water and soil were too salty to grow crops.

"It was a total waste of resources. It was a diversion of reconstruction money from other more effective and beneficial projects," The *Post* quoted Frauke de Weijer, a development specialist who worked with USAID contractors building the farm. It was evident that it was the idea of a cash crop, for sale to the outside world, that inspired the USAID official, and not a plan to develop Afghanistan's agriculture.

But officials at USAID, which has spent almost \$7.8 billion on Afghan reconstruction since 2001, maintain that their programs have been effective. They note that they have funded the construction of 1,600 miles of roads, the building or refurbishing of 680 schools, and the training of thousands of civil servants. In the agricultural sector, the agency has pointed to a number of achievements: the transport of Afghan pomegranates to markets in Dubai, the opening of rural farm-supply stores, and the restoration of pistachio orchards. "This program has had a remarkable success," said Bill Frej, the agency's director in Kabul, the *Washington Post* reported. But Richard C. Holbrooke, Obama's envoy for Afghanistan and Pakistan, thinks otherwise. The Obama Administration, he said, needs "to fix what we have inherited."

Mohammad Asif Rahimi, Afghanistan's newly appointed agriculture minister, agrees with Holbrooke. He says the reason for USAID's failure to improve the

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situation was obvious: USAID had focused its money and attention on its own programs, instead of helping Afghans assume responsibility for their affairs. Agency officials said they did not provide more assistance to the ministry because they regarded Rahimi's predecessor as an ineffective leader. As Rahimi learned more about the U.S. agriculture strategy, he said he became increasingly angry. "This 'leave it to the hands of the private-sector' approach—it's absolutely unrealistic. The agriculture sector needs a lot of support from the government," he told the *Washington Post*.

### The Task Ahead

On the other hand, there is a realization that what Afghanistan must immediately do, is to build its agricultural sector. Turkish Agriculture and Rural Affairs Minister Mehmet Mehdi Eker, after a meeting with Rahimi in Ankara, said, "we can implement a joint (agricultural) program with Afghanistan."

"We are well aware of the difficulties experienced by Afghanistan in the last three decades. We wish to assist in solving the problems of Afghanistan and in the development of this country. We think that we can have a joint agricultural program to facilitate agricultural growth and rural development in Afghanistan. We may be able to receive financial assistance from the United States and can implement an agricultural-rural development project to be led by the governments of Turkey, Afghanistan and U.S." Eker said.

What is not widely known to outsiders, is that, in the 1960s and early 1970s, Afghan farmers produced abundant cereals, fruits, vegetables, and meats for domestic consumption and export. But 30 years of war has taken its toll, not only on its people, but the physical infrastructure, the key to the agricultural sector, as well. This is particularly devastating to the country as a whole, since an estimated 75% of Afghanistan's 34 million people live in rural regions where agriculture is the principal means of livelihood. Soviet troops planted land mines all over the country, rendering large areas of land useless, and forcing large numbers of people to become refugees. The resulting cut in production caused massive food shortages. Kabul University produced a report in 1988, which found that agricultural output then, was 45% less than it was in 1978, the year before the Red Army marched into Afghanistan.

USAID estimates that over 6 million Afghans chronically lack enough food to eat. The UN's Food and Agriculture Organization (FAO) predicts Afghanistan will

have to import 2.3 million tons of cereals between July 2008 and June 2009, more than double the 1 million tons imported over the same period the previous year. The Asian Development Bank, in its 2008 report, said Afghanistan experienced a "serious food crisis" in 2008, due to inadequate rainfall, surging commodity prices, and "restrictions on wheat exports from Pakistan" (the main source of supply). FAO estimates that total wheat production dipped 40% from 2007 to 2008, when an estimated 2.6 million tons were harvested, and that agricultural production will see no major increase in 2009; Afghanistan will continue to rely on external assistance and food imports.

Afghanistan's arable agricultural resource base is about 7.5 million hectare (mha) of cultivable land, which is divided into rainfed and irrigated land. The rainfed area, largely located in the northern provinces and dominated by cereal production, is estimated at about 4 mha. However, like all rainfed areas around the world, cultivation of these 4 mha depends on rainfall. Since drought frequently visits Afghanistan, much of this land is not cultivated and remains fallow. One report says the recent succession of dry years has reduced the annually cultivated rainfed area to less than 0.5 mha. Such reduction of arable land in drought years, drastically reduces the overall grain production. At present, rainfed cereal production has fallen to about 10% of expected production in a normal rainfall year. As a consequence, food security, especially in the northern areas, remains the first priority.

The principal output of the irrigated systems is wheat, accounting for about 80% of production, and a range of horticultural crops. The average national yield of irrigated wheat in recent years has remained low, around 1.3 tons/ha. In a developed agricultural sector, the average yield of wheat per hectare is more than 4 tons, as it is in the Punjab province of India.

In Afghanistan, the prewar irrigation systems have been virtually destroyed, and need extensive repairs; only 25% are currently operating, the UN believes. Further impediments include inadequate access to credit; a tattered highway system (Afghan officials estimate that 58% of rural villages have only seasonal access to roads, while the average distance to the nearest road is nearly three miles); the perennial shortage of wheat seeds; and unreliable electricity. An estimated 30% rise in the cost of fertilizer, between March 2007 and April 2009, has crippled Afghanistan's agriculture and the Afghan farmers.

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### Jack Wennberg, M.D.: America's Josef Mengele

by Tony Papert

June 22—For now over forty years, one man has worked relentlessly, ceaselessly, to contrive so-called scientific grounds for denying medical care to the sick, and for cutting back hospital beds and other medical infrastructure in the United States. With generous support from the super-rich, \$7 billion Robert Wood Johnson Foundation, the Daddy Warbucks of the euthanasia movement, Dr. John E.

Wennberg's "Dartmouth Institute" has become the corporate headquarters of a sprawling cottage-industry of anti-medical pseudo-science quackery. The 73-year-old Wennberg has had triumphs aplenty since he was first published in the 1970s, but, if Obama's Hitler-like health-care reforms are passed, the greatest are yet to come.

All of the most salient so-called "facts" cited in support of the Obama plan come from Wennberg and his followers. When, on June 16, Obama told the American Medical Association that McAllen, Texas, performed too many and too expensive medical procedures, that lie came from Wennberg's "Dartmouth Atlas." When Obama claimed in the same speech, that more medical care need not produce better health, his source was Wennberg. Again, when Obama's budget director Peter Orszag repeats endlessly that U.S. medical costs can be cut 30% without hurting patient care, Wennberg is his authority.

A typical Wennberg fraud is the so-called "cost of end-of-life care." Wennberg has been pushing this for years, and the most recent, 2008 edition of his Dartmouth Atlas, relies on it once more. First, Wennberg gathers death certificates for Medicare recipients who died during a given period and shared certain diagnoses, for instance, "severe chronic illness." Second, he adds up all the costs and other factors from the Medicare treatment records, for each patient, during his or her last two years of life. After allegedly correcting for cost-of-living and demographic factors, Wennberg produces

dramatic variations in the amounts, intensities, and costs of treatment of patients across different hospitals and geographic areas. From these come the "unwarranted variations" about which the Obama health-care reformers complain. From these come the 30% savings in medical costs which Orszag and the Behaviorists demand.

After all, whether the patient costs Medicare \$20,000 or \$60,000 over that period, each of them died just the

same, right? And it took each of them just as long, right? Whether six months in one study, or two years in another. Or, as Wennberg wrote in that 2008 Atlas, "By looking at care delivered during fixed intervals of time prior to death, we can say with assurance that the prognosis of all the patients in the cohort is identical—all were dead after the interval of observation."

They all died after two years anyway; why are we spending so much more on some of them than others? Isn't that just a waste of money? Orszag and Obama think so.



But what about the *others*, who got the better, more expensive treatment and are still alive? Or, those who simply lived longer, beyond the cut-off date of the study? *They are all deliberately omitted from these fraudulent studies*. Wennberg's statistical hoax captures the *failures* of medical treatment, as it were, but deliberately omits all the successes. After all, what was the purpose of the treatments? So that the people would live only six months? Hardly! But all of those successfully treated are eliminated from the studies!

And why simply compare \$60,000 with \$20,000 worth of treatment for the same period, so-called? Why have any treatment at all? Patients who die completely untreated are still guaranteed to live out the last six months of their lives in exactly six months, aren't they? Why do Wennberg and Orzag limit themselves to 30% savings, when the same method proves that 100% would work just as well!

In the medical literature, Dr. Peter Bach has refuted these Wennberg studies from the standpoint of the cancer specialists, and Dr. Gerald W. Neuberg, from the standpoint of the cardiologists. Dr. Richard Cooper has refuted Wennberg's contention that more medical spending produces worse health, rather than better.

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### Wennberg Lies Behind Attack on McAllen Docs

by Tony Papert

June 26—On June 1, *New Yorker* magazine writer Atul Gawande penned a vicious attack against the physicians of McAllen, Tex., who serve what is actually both the poorest community in the United States, and the one with the fewest doctors per capita. Basing himself solely on deceptive statistics (see below) which seem to show that Medicare spends twice as much on McAllen patients as on those in nearby El Paso County (\$12,000 compared to \$6,000 per year), Gawande libelled McAllen's physicians as crooks ripping off the taxpayer.

"Physicians in places like McAllen behave differently from others," Gawande wrote. What's the difference? "Compared with patients in El Paso and nationwide, patients in McAllen got more of pretty much everything—more diagnostic testing, more hospital treatment, more surgery, more home care." Why do they get more treatment? Because they need it? No—Gawande knows better than that! "The primary cause of McAllen's extreme costs was, very simply, the across-the-board overuse of medicine." And why the overuse? Thieving doctors! "So here, along the banks of the Rio Grande, in the Square Dance Capital of the World, a medical community came to treat patients the way subprime-mortgage lenders treated home buyers: as profit centers."

Nothing was original in Gawande's article: rather, everything came from Dr. Jack Wennberg of the Dartmouth Atlas, the demonic 73-year-old physician-ideologue who has spent more than half his lifetime working to tear down the American medical system, and deny care to the sick—using, among other means to do this, the well-funded, bogus statistical studies on which author Atul Gawande relied for his inflammatory article.

Just one week later, the *New York Times* reported that Obama had given the article to a big group of U.S. Senators, and made it required reading in the White House. Once again, one of Wennberg's perverse studies had given Obama and his staff a justification, now during an influenza pandemic, to cut back on medical

care and medical infrastructure, in pursuit of the British monarchy's policy of drastic population reduction. The same Jack Wennberg had earlier been the source of Budget Director Peter Orszag's repeated statement that medical payments can be cut 30% with no effect on health, and of Obama's statement to the AMA on June 16, that more medical treatment could cause worse health, rather than better.

### Wennberg Refuted

Leading health services statistical researcher Daniel Gilden refuted Gawande and Wennberg in a posting entitled: "McAllen: A Tale of Three Counties," dated June 25. Readers are encouraged to refer to Gilden's paper at www.thehealthcareblog.com/the\_health\_care\_blog/2009/06/mcallen-is-now-a-tale-of-three-counties. html

After showing that socio-economic and other factors Wennberg ignored served to slant the comparison, Gilden moves to a comparison of rates of eight common chronic diseases between McAllen and El Paso, ranging from diabetes to Parkinson's. The rates for every one are far higher for McAllen, ranging to over twice those in El Paso.

When Gilden simply separates out the cost of caring for those Medicare patients who were *not* diagnosed either with diabetes, or with heart disease, during the year in question, the comparison becomes \$3,147 per year for McAllen, versus \$2,564 for El Paso—quite different for the original two-to-one ratio.

Gilden notes that combinations of two chronic diseases such as diabetes and heart disease, may be unusually difficult to treat. Fifty-five percent of McAllen's Medicare population had two or more diseases of the eight total, compared to 37% in El Paso. When patients' various combinations of diseases were transformed into a "risk factor" from one to nine, costs for treating those patients who shared any given risk factor, were nearly the same in both locations.

"Patients with chronic disease," Gilden writes, "especially those with multiple conditions, are extremely costly to treat. Cost savings will not be realized by denouncing and penalizing medical systems because they treat patient populations with high rates of disease."

Why then, the "denouncing and penalizing"? Gilden gives no answer, but the motive is the same as that for Hitler's T-4 so-called euthanasia program of September 1939, entitled by him, "The Destruction of Lives Unworthy of Being Lived."

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### **International**

## The Fight for an American Development Policy for Sudan

by Lawrence K. Freeman

July 26—There is a fight going on in the Obama Administration over what will be the future U.S. policy for Sudan. Essentially, it comes down to this: Either we continue to support British-led destabilizations of African nations, or we move forward with a genuine American policy of assisting in the economic progress of the less developed nations, as President Franklin Roosevelt intended after World War II, and President John Kennedy was inclined to follow.

This is the proper context in which to understand the importance of the trilateral Sudan conference, and meetings which took place in Washington June 22-24, engineered by Sudan Special Envoy, Gen. Scott Gration. Gration successfully brought together leaders from the northern-based National Congress Party (NCP), and the southern government party, the Sudan People's Liberation Movement (SPLM), under the auspices of the U.S. government, to focus attention on the all-important Comprehensive Peace Agreement (CPA).

The CPA, signed by the NCP and SPLM in January 2005, ended decades of civil war, and created a unity government that has held the peace for four and half years. There was not a great deal of progress on concrete issues at the trilateral conference, which included 170 observers from 32 countries and international organizations, except the acceptance of international arbitration for the demarcation of the oil-rich region of Abyei. The significance of the event is that it took place with leaders of both sides of the Sudan conflict present.

Prior to last week, senior leaders of the NCP delegation such as Dr. Ghazi Salahuddin Atabani, were not allowed to travel to the U.S. capital, while SPLM members and rebels frequently visited Washington. Most importantly, under Gration's impetus, the agenda centered on the CPA, and not the politically motivated and contrived issue of genocide.

### Obama Administration Divided Over Genocide in Darfur

All serious and concerned people know, that if the CPA were to unravel over the final 19 months of the agreement, Sudan would return to war, which would lead to the break-up of the country, with devastating effects on the Greater Horn of Africa region. For the success of these negotiations and the future of the CPA, and therefore, Sudan's existence, the Hollywood-liberal money-making scam known as "Save Darfur" had to be banished from the conference.

A growing faction of scholars, former government and intelligence officials, political activists, along with the LaRouche Political Action Committee and *EIR*, have been countering the provocations of the anglophile UN Ambassador Susan Rice, who still, to this day, contrary to all evidence, even from representatives of the United Nations, lies about "ongoing genocide" in Darfur by the government of Sudan. This was reinforced by a column by Andrew Natsios in the *Washington Post*, entitled, "Obama, Adrift on Sudan," on June 23, the day of the

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trilateral Sudan conference.

Natsios, a former special envoy to Sudan under President George W. Bush, was eventually forced out because he refused to go along with the lie of genocide in Darfur. He wrote: "Using the term 'genocide' feeds the International Criminal Court's indictment of President Omar Hassan al-Bashir-which has made meeting him politically explosive. Some advocates insist that no American diplomat talk with him. How do you mediate a peace agreement if you can't speak to one side's leader? At this crucial moment, the long-suffering Sudanese people need unified American leadership behind a pragmatic policy of engagement. Instead,

they have campaign rhetoric and diplomatic paralysis. We, and they, are headed toward disaster if we do not change course."

Gration, on June 17, at his first press conference since taking over as special envoy, make clear that there was no ongoing genocide. This immediately produced howls of protest from Rice and the Save Darfur crowd, but Gration stuck to the truth: There is no ongoing genocide in Darfur. The UN reports that there are more tribal killings in Southern Sudan than in Darfur, where 150 die each month, mainly from tribal and inter-tribal conflicts.

Immediately following Gration's remarks, P.J. Crowley, Assistant Secretary of State for Public Affairs, was trotted out to counter: "We continue to characterize the circumstances in Darfur as genocide." From this response, it should be obvious that the backing for Gration's initiative is not coming from the State Department bureaucracy, but more likely, he is receiving significant support from the military-intelligence community, who have a more sober understanding of the military danger and strategic consequences of Sudan returning to war, if the CPA were to fail.

The opposition to this saner approach by Gration and his supporters was clear to all in the remarks by James Steinberg, Deputy Secretary of State, who, speaking before the conference, said: "It is important that we remember the ongoing genocide in Darfur [sic] as well. Millions of innocent people have been forced



EIRNS/Douglas DeGroot

U.S. Special Envoy to Sudan, Gen. Scott Gration has said he will review the brutal sanctions policy, and focus on implementing the CPA agreement.

from their homes as a result of that genocide." This is the most preposterous of all statements made about Darfur. Millions? That would have to include almost every man, women, and child, since there were only a total of about 6 million people living in all of Darfur, North, South, and West (2000 census).

### **Sanctions Must Be Lifted**

Imposing U.S. sanctions against Northern Sudan, while promoting the CPA, is itself a contradiction, because it further divides Sudan, making unity even more difficult to achieve. Presently Darfur, Southern Sudan, and the Nuba Mountains are not

under U.S. sanctions, but they are forbidden from coordinating any economic activity with the North. They cannot accept goods that arrive via Port Sudan, conduct any financial transactions that use the Central Bank in Khartoum, nor use any goods produced in the North.

Dr. Ghazi reported that John Danforth, Bush's first special envoy, had promised that sanctions would be lifted if the government of Sudan agreed to resolving the conflict in the Nuba Mountains, but it was not done. Again, Secretary of State Colin Powell promised that the U.S. would lift sanctions and normalize relations with Sudan, if it signed the CPA, but sanctions have been kept in force. And Sudan has remained on the list of countries sponsoring state terrorism, even though it has been acknowledged that Sudan has in fact helped the U.S. in fighting terrorism. After the signing of the CPA, there should have been full normalization of relations, but, because of the rantings about genocide by Bush's evangelical base, together with the liberal ideologues, it didn't happen.

When Gration was asked at a U.S. Institute for Peace (USIP) forum, when sanctions would be lifted, he responded positively, saying that he "would take a good look at sanctions." He acknowledged that "sanctions make it difficult for Sudan to develop," and that "sanctions are hurting the people we are trying to help." But, he said that he can't do anything about sanctions until room to do so is politically created. As an example, Gration thanked Dr. Ghazi for helping to create a better situ-

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ation on the ground in Darfur. Contrary to claims that conditions are perilous in Darfur after the 13 NGOs left, the distribution of aid has returned to its previous levels, which Gration and Sen. John Kerry (D-Mass.) helped to negotiate.

A spokesman for the SPLM, representing the government of the South, also spoke out against sanctions: "Sanctions are not good for anyone in Sudan."

### Yesterday's Enemies Are Today's Friends

Gration's final remarks at the USIP forum were optimistic. He said, "Yesterday's enemies are today's friends," adding that he believed Sudan could become a politically stable, prosperous nation, at peace with its neighbors.

While those sentiments may be noble, for Sudan to be stable and to help stabilize the entire region of the Greater Horn, which is vitally urgent, a great deal more is required than normalizing relations, although that is an obvious necessary first step. Beyond that, what is required is:

First, the U.S. government must break completely from the British depopulation, resource-control policy, which it adopted in the early 1970s, with Henry Kissinger's National Security Study Memorandum 200 (NSSM 200), as the cornerstone of U.S. foreign policy towards the under-developed sector. It is a scandal, and antithetical to the anti-colonial principles of President Franklin Roosevelt, that, for the last four decades, the U.S. has failed to help African nations develop their economies. The lack of investment in large-scale infrastructure projects, in vital categories of water management and desalination, high-speed rail, and nuclear energy, has been the single biggest failure of U.S. foreign policy; it is responsible for the horrific living conditions in Africa today. This failure is a direct result of the prescriptions of NSSM 200, which opposed the industrialization of developing nations, for fear that those resources deemed valuable to the West, would be consumed by those nations for their own growing population.

Now, there is an opportunity to take bold action, and to leapfrog over the sterile sanctions-vs.-normalizing-



Dr. Ghazi Salahuddin Atabani reported that former Sudan Special Envoy John Danforth had promised that sanctions would be lifted, if the government of Sudan agreed to resolving the conflict in the Nuba Mountains, which it did. But the sanctions remained.

relations debate, to a higher level of foreign policy, one that locates the self-interest of the United States in cooperating with Sudan to develop its enormous untapped potential. Having recently traveled several hundred kilometers by bus to inspect the Merowe Dam, north of Khartoum, it was more than obvious to this author that Sudan needs three areas of assistance from the U.S.: infrastructure investment in rail, water management and desalination, and energy, especially, nuclear. Nothing, I repeat nothing, would do more to develop the Sudanese economy, and stabilize a very unstable region, than this kind of investment. Sudan has vast amounts of land ideally suited for agriculture, if water can be provided. It has already been documented that Sudan is capable of

feeding the entirely of Africa, if its agricultural sector is sufficiently developed.

Dr. Ghazi stated the obvious about the conditions in Darfur, when he said: people in Darfur live miserably; people live miserably everywhere in Sudan. It is time to demonstrate what a real American foreign policy for Sudan should be, the kind that President Franklin Roosevelt outlined for Africa over 65 years ago, when he lectured then British Prime Minister Winston Churchill on the evils of British free-trade colonial policy, which is continued in the form of "globalization" today.

There will be a follow up trilateral conference in Sudan next month, where more progress is anticipated. Two crucial questions remain to be answered. Will General Gration have enough support to act independently of the British anti-Khartoum faction in the Obama Administration, and continue to focus on the CPA to insure peace in Sudan? Secondly, will the U.S. adopt a visionary, yet practical foreign policy approach of securing development in the whole of Sudan, through mutual cooperation for economic growth? Of course, even though events in Sudan will not take place outside the current unprecedented collapse of the global financial system, it is important to insist on this new orientation for what the U.S.-Sudan relationship must become, as a model for Africa, and the rest of the world.

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### British-Directed Coup in Iran Exposed; The Question Now Is: What Comes Next?

by Hussein Askary

June 26—The British Empire was caught in the act as its agents were working intensively to turn a legitimate protest against the official outcome of the June 12 Presidential elections in Iran, into a bloody "revolution." *EIR* warned in its June 26 issue, in its analysis Iranian elections, that exactly this was likely to happen.

For the first time, since the mid-1990s, when *EIR* and Lyndon LaRouche launched an international investigation on the role of London as the center of global terrorism, has a government in Southwest Asia, in this case Iran, dared to attack the British directly for its attempt to create chaos throughout region.

Following several days of protests by supporters of Presidential candidate Mir Hossein Mousavi, who was reportedly defeated in the disputed elections by sitting President Mahmoud Ahmadinejad, the Iranian supreme religious leader, Ayatollah Ali Khamenei addressed the nation during the June 19 Friday prayer, where he called on all parties to practice self restraint, to stop the protests, and to resort to legal channels to review the results of the elections. Khamenei seized the opportunity to attack the Iran's historical enemy, Britain, as the "greatest evil" among all nations. He warned that agents of the empire were out to do the same thing as the British and George Soros—although not naming him by name—did in Georgia, Ukraine, and other countries in which frustrated youth were activated, through electronic channels, to rise against their government.

The days after Khamenei's speech witnessed the emergence of exactly this force. As the huge peaceful demonstrations disappeared, violent rioters appeared in the streets of Tehran. Small groups of up to 100 persons started burning cars, buses, and attacking pro-government Baseej militia posts.

On Sunday, June 21, Foreign Minister Manushehr Mottaki, in the most direct and detailed attack yet on the British Empire by an Iranian official, charged the British with: 1. training terrorists to launch attacks inside Iran; 2. being involved in the post-election destabilization; 3. spreading disinformation; and, 4. playing an historical role as the main enemy of the Iranian nation and its neighbors, including "leading" the U.S. to invade Iraq on false pretexts, and helping to increase the drug production in Afghanistan in the British-controlled areas. Mottaki was speaking in a briefing he gave at the Foreign Ministry to foreign diplomats.

Over the past few years, *EIR* has published documentation for all these charges. However, no government has yet taken these operations seriously, or dared to make them a point of discussion internationally in order to stop them.

Mottaki said, "The recent period witnessed the influx of persons from Britain to Iran to directly influence the course of events." He added: "London trained specific individuals in Basrah [southern Iraq] to carry out bombings in Iran, and the British forces in Afghanistan supported the production of drugs, which led to the increase of production manifold."

### **Britain Caused the Insurrection**

The Foreign Minister stressed that "Britain was the cause of insurrection, disputes, and conflicts in Iran in the past decades. They also supported Saddam in his war against Iran, and led the United States to occupy Iraq without any legal justification."

He also pointed to Britain's threats against Iran concerning Iran's nuclear program through Britain's role in the 5+1 group. He also accused Britain of playing a key media, spying, and official role in the recent elections in Iran. He explained that the first step the British undertook was to encourage people to boycott the elections. Many people came from Britain to affect the course of events in the country. Britain has to realize that its interference in other nations' affairs is con-

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tributing to the increasing hostility against it.

Mottaki called on Britain to forget the slogan "the Empire on which the sun never sets." He stated that France, Britain, and Germany are risking their nations' interests by interfering in Iranian domestic affairs. The Westerners, he said, are trying to impose their conditions and descriptions of democracy on other countries, referring to the different colored revolutions.

One day before Mottaki made these statements, the Iranian Intelligence Ministry reported that it had identified and arrested a large number of Mujahedin Khalq Organization (MKO) members who were involved in recent riots in Iran's capital. The website of Iranian Press TV reported that, according to the security officials, the arrested members had confessed that they were extensively trained in Iraq's camp Ashraf to create post-election mayhem in Iran, and that they have been given directions by the MKO command post in London. Iranian national television aired telephone conversations between a woman in London, and some of the arrested rioters, in which the women was giving commands on where, how, and when to attack and burn targets.

Although these reports have to be taken with a grain of salt, they cannot be ruled out completely, since the truth of MKO operations in London, and the steering of Islamic terrorist activities by their leaders based in that city, have been documented thoroughly.

On June 21, Iranian authorities asked the British Broadcasting Corporation's (BBC) correspondent John Leyne to leave the country within 24 hours. This came only hours after Mottaki attacked the British explicitly for destabilizing the country, including through the British media.

On the same day, Foreign Mininistry spokesman Hassan Qashqavi, strongly condemned the British and their media, for running insurgency and psywar operations against the country.

"They [the BBC and the VOA] are the mouthpiece of their governments' public diplomacy.... They have two guidelines regarding Iran. One is to intensify ethnical and racial rifts within Iran, and secondly, to disintegrate the Iranian territories."

Qashqavi warned that "any contact with these channels, under any pretext or in any form, means contacting the enemy of the Iranian nation."

The BBC has redesigned its website page on Iran as

a warroom. It addresses Iranians directly, under each story on the crisis:

"Are you in Iran? What do you think of the current situation? Are you taking part in the demonstrations? If you have any information you would like to share with the BBC you can do so using the form below: Send your pictures and video to yourpics@bbc.co.uk or text them to +44 7725 100 100. If you have a large file you can upload here...."

The rioters use the BBC site to not only send coordinates of where and when riots are planned, they are also fed instructions on where and when to act. In addition, this gives the BBC direct control over the flow of information (or disinformation) to other European and American mass media.

After the expulsion of the BBC correspondent, both Britain and Iran expelled lower-level diplomats from each other's embassies. Mottaki had a meeting with the Speaker of the Iranian Parliament (Majlis-e Shura) and members of the Foreign Affairs Committee, to discuss the "reviewing of diplomatic relations" with Britain. The British have maintained their proverbial one foot on each side, and have worked to keep its embassy in Tehran open, while the U.S. Embassy was occupied during the riots, and later closed.

### **Nota Bene!**

In spite of this useful intervention by the Iranian government, it has to be noted here, that the Iranian leadership concept of what the British empire and its motivations are, differs in obvious ways from that of EIR and LaRouche. The Iranian leadership's understanding of the role of Britain is plagued by a worldview typical of the propaganda of the Muslim Brotherhood, for example, or the Marxist movements in Europe that state that the British Empire as such ceased to exist after World War II, when the "U.S. Empire" took over that role. Every analysis of world events since then, is seen through the dark and thick glass of this view. The leader of the Islamic Revolution, Ayatollah Khomeini, made the slogan "America, the Great Satan" an integral part of the Iranian way of thinking. When Ayatollah Khamenei attacked the British in last week's Friday prayers, the people attending the sermon automatically chanted: "Down with U.S.A.," and "Down with Imperialism"!

The notion that the British have become the "tail" of "American imperialism" is so deeply rooted, that it is

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A huge, peaceful campaign rally for Presidential candidate Mousavi (left), on June 9; by June 13, as the demonstrations dispersed, violent rioters appeared in the streets of Tehran (below), as the British attempt to mount a coup, in the form of a "color revolution."

almost impossible for political leaders and analysts in the region to understand what is really going on in the world, in almost every case. There is almost no clear understanding, if any, of the distinction made by LaRouche, philosophically, culturally, and scientifically, between the American system and the British

imperial system. Unfortunately, the Sun has *not* set on the British Empire. The British Empire, as has been made clear, time and again, in this magazine, is not the people of the British Isles. It is the private financial interests centered in the City of London, with tentacles in Europe's oligarchical financial circles and Wall Street, and now, even in Saudi Arabia and the Gulf. It is they who have dominated world economic and political decision making under the name of globalization. As the system of globalization disintegrates, the Empire is resorting to "managed chaos" operations to prevent sovereign nations states from reorganizing the world financial and economic system for the benefit and welfare of the people of each nation, not some oligarchical private interests.

The British Reaction

The archenemy of the British Empire was, and still potentially is, a sovereign, anti-imperialist United States. For that reason, the main aim of the British has been to prevent America from returning to the legacy of the American Revolution and republican Constitution. At the same time, it does everything in its capability to create conflict between the U.S. and other nations.

Under such circumstances, the British actually would not want to have the moderates in Iran to come to power. The British, through their direct involvement against the government, meant to create kneejerk reaction by the Iranian hardliners by pushing them against the wall, making them become more violent and fanatic. A more hardened President Ahmadinejad

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and a fanatic government in Tehran would be more closed to the Western world, including the United States, and vice-versa. Under those conditions, any potential cooperation between Iran and the U.S. to stabilize the situation in Iraq and Pakistan, fight the drug flow from Afghanistan, and, most of all, establish a dialogue on the Iranian nuclear program, would not see the light of day.

The British succeeded in producing the reaction they wanted: On June 25, the Iranian government decided to boycott a G-8 foreign ministers meeting to be held the following day in Italy. Iran was invited to participate in a discuss with the Western nations regarding cooperation on Afghanistan and Pakistan. The G-8, in its turn, issued a statement condemning the violence that followed the elections, and a new spiral of verbal attacks and counter-attacks was launched.

A good illustration of the British Iago-role (as in "Othello") in this crisis was presented by former British Prime Minister Tony Blair, otherwise known as "the Butcher of Baghdad." Blair threw himself into the fray in defense of the Empire, and to divert attention from the Iranian attack on Britain onto the U.S. In an interview with CBS's Katie Couric, broadcast on June 25, war criminal Blair claimed that the Iranians were actually attacking Britain as a proxy for the U.S.! Answering a question on the Iranian protests against Britain, Blair said: "[It] may be possible as well that they feel going head-on against America is maybe too-too tough, so they-they-they use Britain as a proxy. But I mean, you know, what does it mean? It means nothing. I mean, it's got no credibility. And the idea that Britain's trying to foment this, or that anyone actually could—never mind Britain, America could foment it, nobody could foment it."

Unfortunately, many do believe such sophistry, both in the Southwest Asia and Europe, and in the U.S. itself. Unless such lies and manipulations are exposed, and the empire destroyed, there will be neither peace nor development in the world. When people allow themselves to be sacrificed for the sake of lies and misguided beliefs, they destroy themselves and those around them, as did Othello, in William Shakespeare's great history lesson.

### The Debate in Iran: What Kind of State?

Internally, in Iran, there is a dispute over the election results, but more importantly, over what form the

state should take. However, this is a rift within the ranks of the "Islamic Revolution," not by newly hatched "revolutionaries," educated at Oxford or Harvard, against the government. Mousavi, and his allies, former President Mohammad Khatami and Ali Hashemi Rafsanjani, were all part of Imam Khomeini's revolution and Islamic Republic that followed. There has been a widespread discussion in Iran on the powers of the supreme leader over the elected institutions of government, and the parallel government, which functions basically under a clergy, and exercises power that often clashes with the legitimately elected government. The Baseej militias, the Revolutionary Guards, and the Bunyad organizations maintain enormous power in the social and economic affairs of the country, including coercive practices against the civil rights of the citizens. They also consume huge portions of the nation's oil revenues.

However, to change this reality, the "reformists" intended to use a victory in the elections to put the question of changing the institutions of government through political reform, nor violence or coups.

There is no doubt that brutal suppression of the legitimate protests of candidate Mousavi and his supporters, by the clearly unconstitutional forces of the Baseej militia and Islamic Republican Guard, opened the relevant back door for the British operations.

The British intervention, following the declared victory of hardline President Ahmadinejad, is intended to create the circumstances to turn this legitimate, but peaceful aspiration, into one more violent and bloody revolution, as the imperialists did against Prime Minister Mohammad Mossadegh in 1952 (wrongly blamed on the CIA alone), and against the Shah Mohammad Reza Pahlavi in 1979, whose purpose was to throw the nation and the region into a new round of geopolitical, "managed-chaos" and wars.

The situation in Iran will remain highly fluctuating and complex, as the different factions engage in negotiations, closed door disputes, and sometimes, open quarrels. Two things are certain, however: 1. The form of rule and division of power according to the Vilayeti Fagih arrangement, which established an unelected cleric and various religious groups on top of the power structure, is now in question; 2. If this is not solved peacefully, and through dialogue, very soon, the situation in Iran will spin out of control, as the dispute between the reformists and the conservatives becomes irreconcilable.

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### Exposed: British 'BAE' Hand Behind Terror

by Jeffrey Steinberg

June 27—A lawsuit filed by the families of the victims of the Sept. 11, 2001 attacks has forced out a treasure-trove of documents, proving what Lyndon LaRouche has been saying for years: Behind the 9/11 attacks was the hand of the British Empire, working through allied Saudi factions. In effect, 9/11 was the work of the "BAE Al-Yamamah" Anglo-Saudi imperial apparatus, which forms the core of the ongoing British Sykes-Picot control over the entire Persian Gulf and extended Southwest Asia.

According to a news account in the *New York Times* June 24, attorneys representing the 9/11 families have received thousands of pages of previously undisclosed documents, detailing Saudi royal family financing of al-Qaeda and the Taliban, prior to the 9/11 attacks. Some of those documents, including U.S. Treasury Department reports, were obtained through Freedom of Information Act suits; but other documents, including confidential U.S. and German intelligence reports, were leaked to attorneys for the families, and a court battle has ensued over whether that material can be made public. Copies of some of those still-classified materials were passed to the *New York Times*, further complicating the government's ability to bury the new revelations.

On June 22, according to the *Times*, some of the 9/11 family members met with President Obama, and they reported that he promised to go public with a controversial 28-page segment of the Congressional 9/11 investigation report, that the Bush White House had classified as top secret. As *EIR* has reported for years, the sealed 28 pages deal with funds that went from former Saudi Ambassador Prince Bandar bin Sultan, to two Saudi intelligence officers in California, who used the money to finance two of the 9/11 hijackers.

And this is where the London BAE story comes into play. As has been widely reported, Prince Bandar received at least \$2 billion in payoffs for his role in the Al-Yamamah arms-for-oil deal, first signed by former

British Prime Minister Margaret Thatcher and the Saudis, in 1985. Under the terms of the Al-Yamamah barter deal, a \$100 billion offshore slush fund for covert intelligence operations was established; this fund has been linked to the Bandar payoffs and, by extension, to 9/11. While the documents obtained by the lawyers for the 9/11 families primarily deal with Saudi "charitable" funds going to al-Qaeda and the Taliban, the real story is the BAE/Al-Yamamah slush fund. According to a senior U.S. intelligence official, there is strong evidence that some of the BAE kickbacks to Bandar were used to bankroll at least two of the 9/11 hijackers—but that investigation was suppressed by the Bush-Cheney White House for years.

On June 29, 2007, EIR provided a roadmap of the Bandar-BAE-9/11 nexus, identifying Nawaf Alhazmi and Khalid Almihdar as the two hijackers who received crucial backing from Saudi Arabian intelligence officers, from the moment they arrived in Los Angeles, around New Year's Day 2000. The two Saudi intelligence officers, identified to EIR by sources involved in the 9/11 investigation, Osama Basnan and Omar al-Bayoumi, received between \$51,000 and \$73,000 from Bandar and his wife, Princess Haifa, beginning in December 1999. A significant portion of those funds went to Alhazmi and Almihdar, to set them up in an apartment, and enroll them in flight school. For a short period of time, prior to the 9/11 attacks, Saudi intelligence agents Basnan and al-Bayoumi lived in the same San Diego, Calif. apartment complex, Parkwood Apartments, as the two hijackers.

Former Sen. Bob Graham (D-Fla.), who chaired the Senate Intelligence Committee at the time of the 9/11 investigation, has assailed the FBI for failing to fully pursue the Saudi-9/11 money trail. Both he and cochair Sen. Richard Shelby (R-Ala.) bitterly complained that the FBI would not allow committee investigators to question the FBI agents who had conducted the original interviews with Basnan and al-Bayoumi, shortly after 9/11.

As LaRouche observed today, the Saudi circles in bed with London in the Al-Yamamah program are part of a British imperial scheme, that jeopardizes every nation in the extended Persian Gulf and Southwest Asian region. "Regardless of their nationality, and whether they know it or not, these Saudi players are the enemies of every Arab and Muslim nation. They are tools of the British Empire, which every self-respecting Arab and Muslim despises."

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### **National**

# California in the Lead: The Killings Have Already Begun

by Harley Schlanger and Nancy Spannaus

June 27—For the last six months, California's fascist Gov. Arnold Schwarzenegger has threatened that, if the murderous budget cuts he is demanding are not passed, the state will collapse into a financial Armageddon, and the functions of state government will come to a grinding halt. With the beginning of a new fiscal year just days away—July 1—and the state facing a budget deficit of more than \$24 billion, that outcome looks increasingly likely.

Nor is such a shut-down scenario limited to California. Nineteen states face bankruptcy on July 1, and several, including Arizona and Pennsylvania, have no immediate prospect of finding a short-term solution. These states could face payless paydays for state employees and contractors, as well as cuts in vital social programs and infrastructure.

In fact, in the face of an Obama Administration which has concentrated on saving the banks, not the people, many states have already been slashing their social safety nets, especially in the health-care program for the poor, Medicaid. If the President's health-care "reform" goes through, this situation will get even worse, because Obama has called for Federal cuts of \$950 billion, starting with Medicare and Medicaid, the programs on which the most vulnerable U.S. citizens depend.

California, of course, is by far the biggest disaster on the scene. With a population larger than most countries (about 37 million), and a large poor population, the state's collapse would have huge repercussions for the nation, and the world. It is for this reason that California's Federal legislators, led by Sen. Dianne Feinstein (D), have raised their voices against President Obama's Nazi health program, which would further devastate the state, and Congressional leaders such as Rep. Zoe Lofgren (D) have implored the President to provide additional aid.

So far, the Obama response has been a repeat of that from President Ford to New York City in 1975: "Drop Dead."

### Californa on the Edge

The latest effort by members of both parties in the State Assembly to reach a compromise was scuttled June 25, as Schwarzenegger's threat to veto the bill led to its rejection in the Senate.

Schwarzenegger rejected the compromise, which would have pushed the immediate cash crunch back for 60 days, by postponing some \$5 billion in payments. This would have prevented the state from running out of cash, and having to issue IOUs to state contractors, so the state could save its dwindling cash, to pay for schools, and to make payments on debt and to bondholders. Schwarzenegger said he is unwilling to accept a piecemeal solution. The only solution acceptable to Arnie is the kind of budget cuts which will result in a rapidly increased death rate among the poor, elderly, and disabled.

The \$24 billion deficit comes on top of an additional \$40+ billion deficit, which was reduced by spending

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www.californiaprogress.com

In California and other states, budget cuts on behalf of the financial predators will cause the death, first, of the most vulnerable. Here, disabled Californians demonstrate against cuts in the state's In-Home Supportive Services (IHSS) program.

cuts, some increased taxes, and financial shenanigans made in a February 2009 emergency budget. While Schwarzenegger continues to insist, ignorantly, that the state doesn't have a revenue problem, but a spending problem, the present meltdown stems from a major collapse in revenue collection. For example, revenue collections from personal income taxes for the first five months of 2009 are down by 34%, while overall revenues are 27% lower. The state still has one of the highest foreclosure rates in the nation, an official unemployment rate of 11.5%, and a 21% drop in jobs in manufacturing from 2000 to 2007, all of which point to a further drop in revenue.

The following examples of budget cuts already implemented, or proposed by Schwarzenegger, represent the proverbial tip of the iceberg:

- Community health clinics will be forced to cut back service or shut down. Dr. Gilbert Simon, the owner of the largest privately run health clinic in the region, Sacramento Family Medical Clinics, told the *San Francisco Chronicle* that he may have to go out of business, due to cuts in Medi-Cal;
- County governments, which are slated for major cuts, will be forced to reduce foster-care facilities, to fire guards at county jails, and to shut down urgently needed road repairs and other necessary infrastructure projects, including services at county hospitals and health clinics.

- On July 1, Medi-Cal will end all payments for adult dental care.
- 1.3 million Californians with disabilities, who receive Federal Supplemental Security Income, which is augmented by a state supplementary program, will see further reductions in the state portion of supplemental payments. This will save the state \$402 million.
- The In-Home Support Services Program, which provides caregiver service to 446,000 disabled Californians, will see a cut in wages to caregivers, which will drastically reduce care. At the same time, there will be changes which will make it more difficult to qualify for coverage. Marta Russell, a freelance journalist, who has had cerebral palsy since birth, told the *Los Angeles Times*, "I expect suicides, premature deaths, a horrible disruption of the social fabric.... We're headed toward market-

based Social Darwinism where only the fittest will survive." Reducing caregivers' pay will save \$124 million, while disqualifying a large percentage of those receiving In-Home Support Services will save \$385 million.

- Schwarzenegger wants to eliminate the state's welfare-to-work program, which provides benefits to 1.3 million people, to save \$1.4 billion. This has been a highly-successful program of job training, especially helpful to single-parent families.
- The governor wants to eliminate the state's Healthy Families program, which gives over 900,000 children medical insurance. This would save \$369 million.
- Arnie's latest proposal is to save \$1 billion by stopping the state's payment to workers' health benefits, and to cut another \$890 million from the state's share of funding to child welfare services and foster care.

### **Democratic Resistance**

Democratic legislators have been unwilling to give the governor the cuts he is demanding. In response, Schwarzenegger said he is fully prepared to plunge the state into a financial Armageddon. Senate President Pro Tem Darrell Steinberg (D-Sacramento) accused Arnie of playing a reckless game. Steinberg said, of the Democrats' opposition to the Guvernator's insistence on killer cuts, "We have a sacred obligation, I would call it a moral obligation, to stand up for the least among us." In response to this stand, Schwarzenegger presented

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Steinberg with a gift of a metal sculpture of bull testicles! Steinberg returned it, telling Arnie to quit his machismo game-playing.

While Steinberg and the leaders of both parties, in both legislative branches, have pledged to do whatever is necessary to reach an agreement before July 1, it is clear that Schwarzenegger is prepared to do whatever he must to prevent any resolution from occurring. The state Controller, John Chiang, is preparing IOUs, which would be the first time the state had to use these registered warrants since 1992. Chiang said there has been nothing like this since the Great Depression, while his spokesman said that issuing IOUs is almost an admission of guilt that we can't pay our bills.

While Schwarzenegger continues to play a dirty, obstructionist role, literally cheering on the disintegration of the state, others are trying to sound the alarm. Los Angeles County Supervisor Zev Yaroslavsky said, of the current crisis, "This is the beginning of a statewide meltdown," while Republican State Senator Bob Dutton said, "Everybody's talking about jumping off the cliff. We're already off the cliff."

### **Federal Responsibility**

Clearly, there is no solution for these state crises on the state level. States are mandated to balance their budgets, and borrowing in the middle of the meltdown of revenues and employment is risky, if available. What is required is what Lyndon LaRouche proposed back in December 2002, as California was being devastated by the Enron ripoff.

LaRouche proposed two sets of legislation: First of all, a national infrastructure program, which he's sometimes called a "Super-TVA," to remind people of the TVA development under Franklin Roosevelt. This legislation would provide Federal credit for desperately needed infrastructure projects.

Second, LaRouche called for the repeal of all of those changes in Federal law, that took us away from a fixed-exchange-rate international monetary system, to a floating-exchange-rate system; away from a protectionist policy to a free-trade policy; and into massive deregulation.

"Only by using that authority, and by putting the financial system into bankruptcy reorganization, using Federal credit to generate real physical growth, as Roosevelt did, will we be able to avoid the otherwise inevitable plunge into a deep New Dark Age."

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### Murtha's 'Earmarks for Dummies'

### FDR-Style Economics Rattles Soros Hyenas

by Anita Gallagher and Jeff Steinberg

As EIR reported in its June 12, 2009 issue ("Soros Crowd Behind Smears Against Murtha"), a gaggle of George Soros-funded groups, in league with the corrupt media, took the occasion of Rep. John Murtha's annual "Showcase for Commerce," to escalate their slander campaign against the 18-term House of Representatives veteran. We reproduce here, his remarks, which shed light on why he so angers the crowd that is intent on obliterating the legacy of President Franklin Roosevelt.

June 19—Rep. Jack Murtha (D-Pa.) presented his central Pennsylvania district as a case study in Franklin Roosevelt economics, in two speeches he delivered at the Annual "Showcase for Commerce" in Johnstown May 28-29. The Showcase included 170 employers, who set up 215 booths, demonstrating their latest technologies; hundreds of skilled employees of defense, health, and other contractors and subcontractors, elected officials from all levels of government, and his constituents.

Murtha's remarks were also directed to a pack of press hyenas, who were eager to savage Murtha for "earmarks" of money for local economic development projects. As *EIR* reported in its June 12 issue, George Soros, the speculator who worked for the Nazis in Hungary, and called that time "the happiest period" of his life, is funding the apparatus that is attacking Murtha. Murtha is a target because he embodies the FDR tradition. Sources have also told *EIR* that Murtha's defense industry constituency represents an independent source of funding for Democrats—outside the control of the Obama White House apparatus—which City of London interests want to eliminate. And Soros has been designated to run the political hit, through attack groups bankrolled by his Democracy Alliance.

Murtha opened the 19th Annual Showcase for Commerce with these remarks:

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www.house.gov/murtha

In his 19th Annual Showcase for Commerce speech, Rep. John Murtha pointed out the many hard-won benefits to his district from so-called "earmarks," that the enemies of the FDR tradition have attacked him for. Here, Murtha dedicates the National Drug Intelligence Center in Johnstown in 1993.

### 'We've Had a Stimulus Package for a Long Time'

Welcome to you all. I want to compliment JARI [Johnstown Area Regional Industries] and the Chamber of Commerce, but I would be remiss if I didn't also compliment State Senator John Wozniak, and the three state representatives for the work they do, because the work we do is from the bottom up.

When we first started this Showcase, we had 24% unemployment. The Federal government has come to our aid a number of times. We've had a stimulus package here for a *long time*. When we first started in 1977, we had a flood—actually, there was a flood in 1936, when President Roosevelt came in and built a viaduct, and said there will never be another flood in Johnstown. Well, we actually got 14 inches of rain in 8 hours; and we had another flood in 1977. President Carter stepped up. We passed legislation. Frank Pasquerilla flew me back to Washington; he [President Carter] signed the legislation, and we rebuilt the Johnstown area. We had

thousands of people out of their homes, and we got them back into their homes without any kind of a problem. We said, "We're cleaning the place up: Get a shovel." We went to work. All the people went to work.

But this Showcase has been the key to our economic survival. I went by to make sure the airport was still there [laughter]. That airport—when we started out, we put an earmark in. The earmark was the highway—an access road. When we put the access road in, then the Galleria came about, with about a thousand or so employees. Lowe's came, and Home Depot came in, and we had to do the sewage and water. Sewage and water is something nobody likes to talk about, or think about. We couldn't expand, even though we lost 12,000 steel jobs and about the same number of coal jobs, and another three jobs for every one of those jobs. We had to diversify; we couldn't do it without the sewage and water. So the state legislators and myself worked on sewage and water for years. Hundreds of millions of earmarks went in, to put sewage and water in-so we could attract business; so we could build homes; so we could expand everything. We've done pretty well. Our unemployment now is about the same as the national average.

Let me tell you something. It's come because of you. When we first started this thing, we would have small businesses bring in a few spare parts. But none of us understood how to get it done. But we're quick learners. Now we have a diversified, high-technology industry; we have manufacturing; we have white-collar; we have the National Drug Intelligence Center, and we have 5,000 people working around the airport. DRS [Integrated Manufacturing Solutions, Inc.] alone has saved \$1.5 billion on one contract. These contractors come in here because of me, but I'll tell you this: They come in because you save them money and you do quality work, and that's what brings them back year after year, and I applaud that."

### Western Pa.: Backbone of the Industrial Revolution

In the closing breakfast May 29, Murtha emphasized the role of industry in defense, and his own background:

I grew up on Bridgeport Street in Mt. Pleasant. On our street, we had ten people that served in World War II—on one street. Some of them also went to the Korean War. Western Pennsylvania was the backbone of the

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industrial revolution. And, during World War II, we produced the steel; we produced all the things that were needed. We overwhelmed the Germans and the Japanese. As a matter of fact, in one year, the United States produced 83,000—in 1943—83,000 airplanes. We produced 30,000 tanks in one year, and that's more than Germany produced in the entire war. So, the industrial capacity of the United States was as important as anything else we do. We had 16 million people under arms. I remember going out and having a victory garden; I remember all of those things. All of us did it together, and we worked together, and the military might and the industrial might of this country made a difference.

Well, since that time, times have changed substantially, and defense has changed substantially. We rely more on the National Guard and the Reserve. For instance, the Pennsylvania National Guard, under the leadership of [Major] General [Jessica L.] Wright, has been deployed more times than any other National Guard in the whole country. And she just told me that Gen. [Raymond] Odierno was complimenting the Stryker unit [the only National Guard unit in the U.S. which has the Stryker armored combat vehicle], which I was able to bring to Johnstown. For some reason, they decided to put it in Pennsylvania—not Johnstown—but all of Pennsylvania. And they were complimenting that unit on what a good job they're doing there. They're professionals, and they're bearing a heavy burden....

It took me years to learn, after Korea and Vietnam, [that] military might wasn't the only answer. We had to have diplomatic help. We had to work with the State Department. The State Department was reduced in size; reduced in foreign service officers; reduced over the years. They weren't able to respond as they should, because we started to depend too much on the military. Now, the military still is going to be a key to our national defense; it's going to be the key to projecting power and influence, but, the State Department is going to play a bigger role. And we put more money into the State Department this last year.

Now, this area here has played such an important role over the years in our national defense. And what we've been able to do, as the steel industry declined—and I said this yesterday—how important it was that the national government interceded. You go back to the flood of 1936: President Roosevelt came in and

built a viaduct. The flood of 1977, President Carter, at my request, passed special legislation. So, all these things happened. We couldn't have done it by ourselves. And when we lost all those steel jobs, President Reagan—who was a free trader—said we need to stop subsidized steel. The flood was one thing; but it was a lot more impact when we lost the steel jobs—12,000 steel jobs, and of course, about the same number of coal jobs. So, the Federal government has been absolutely essential to the survival of western Pennsylvania... We know how important it is, sewage and water projects....

I see our troops coming out of Iraq. I believe that we can get them all out. I don't believe that they should leave 40,000 or 50,000 in Iraq. We're never going to be able to deploy troops, and leave them home for a lengthy period of time, unless we get them all out of Iraq. And I think we can do it from the periphery....

Here's what I see is going to happen in national defense. There'll be less money for national defense, just because things are winding down. Our weapons systems are much more lethal than they used to be. We don't need 83,000 airplanes today, because the targets we go after are so precise, and the weapons systems are so accurate today, that our systems, expensive as they are, are very effective. So, we need to concentrate on software and technology.

What we're trying to do is to make sure the troops have what they need....

The Congress is a diverse group of people.... I always say, "Even if they might not vote with you this time, they may vote with you the next time...."

My great-grandfather fought in the Civil War. His father fought in the Revolutionary War, on my mother's side. They came from Washington County. Two or three of them were involved in each of the wars. My dad and three of his brothers were in World War II. Three of my brothers were in the Marine Corps. They're all sergeants, and they said sergeants run the Marine Corps. In my family, the women ran the family. My great-grandmother lived to be 96, and when she passed away, my grandmother ran the family. And my mother ran the family, and now my wife says, "Take the garbage out." You know, it's time to take the garbage out. But my great-grandmother, when I was six years old, said, 'You're put on this Earth to make a difference.' We have made a difference in this area, and I'm proud of everything that we've done."

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### **National News**

### Calls for Pecora-Style Probe of Bankers' Crimes

The Obama Administration's promotion of the financial elites' demands for pretend-regulation of banking and finance has prompted renewed calls for an FDR-era Pecora-type investigation of the financiers' crimes that led to the destruction of the nation's economy.

Columns by Frank Rich in the Sunday *New York Times* June 21, and by William Greider in *The Nation* June 19, dismiss Obama's proposals, and insist on a new Pecora Commission now.

In "Obama's Make-or-Break Summer," Rich wrote, "Last week's big rollout of his financial reform package was a big punt, an accommodation to the status quo. Suffice it to say that the Obama team has not resuscitated the Glass-Steagall Act, the New Deal reform that Summers helped dismantle in the Clinton years and that would have prevented the creation of banking behemoths that held the economy hostage.... Perhaps if there had been a thorough postcrash investigative commission emulating the Senate investigation led by Ferdinand Pecora after the crash of 1929, we would now have reforms as thorough as FDR's. It was because of the Pecora revelations that Glass-Steagall was put in place."

Greider, in "Obama's False Financial Reform," wrote: "The regulatory system was not overwhelmed by historic forces [as Obama contends]. It was systematically gutted and dismantled by the government in Washington at the behest of the banking interests. If Obama wants details, he can consult his economic advisors—Summers-Geithner, who participated directly as accomplices in unwinding the prudential rules and regulations....

"Congress would do well to drag its feet and insist instead on deeper investigations. (Rep. John Dingell and others have proposed establishing a Pecora-like commission to investigate the crisis.)"

### Obama's Own Doctor Against 'ObamaCare'

David Scheiner, a 71-year-old internist, has a practice in Chicago's Hyde Park neighborhood, where he sees a mix of the well-heeled and the less fortunate. A Princeton graduate, who had been Barack Obama's doctor from 1987 until he became President, Scheiner did not talk to the Senator about health care, after Obama "took the lawyers' position" on the issue of malpractice, in a discussion.

Although he still considers himself an Obama supporter, Scheiner says, "I'm not really sure [the President] understands what we face in primary care.... He doesn't see all the pain, it's so tragic out here. Obama's wonderful, but on this one I'm not sure if he's getting the right input." Scheiner, a strong proponent of the single-payer Medicare-for-All system, criticizes HMOs, saying, "It's nonsense that the private insurance companies need to be protected. Why, because they've done such a good job?"

While these are mild criticisms of what *Forbes* magazine calls "ObamaCare," the fact that they are being made public indicates that Obama's plan *can* be stopped.

### Genocidal Energy Bill Rammed Through House

Down-to-the-wire thuggery and bribery were required by President "Nero" Obama to win passage June 26, by a bare margin of 219 to 212, of Prince Philip's "Bomb the U.S. Economy!" bill, otherwise known as HR 2454, the mass-murderous American Clean Energy and Security Act of 2009, with its CO<sub>2</sub> cap-and-trade provisions.

Undecided Congressmen were collared by Obama's Chief of Staff Rahm "Hedge Fund" Emanuel to be harangued by the President, who also arranged a last-minute Rose Garden speech, denouncing "misinformation that's out there" about the bill.

### Infrastructure Breakdown Caused D.C. Train Crash

Two Washington D.C. Metro trains collided during the Monday evening commute June 22, killing at least 9 passengers, including a train operator, and wounding over 70 others. The accident occurred when a moving train struck the rear of another train that had stopped on the tracks, waiting for a third train to clear the station in front of it.

Experienced sources quoted in all newspapers immediately pointed to the computerized signalling system, which is supposed to prevent just this type of accident, combined with operator error, as the likely causes. The Metro has been "plagued" with signal problems for years, said the Washington Post, and "tore out all 20,000 trackside relays in 1999, after discovering that a small portion, designed to last 70 years, were failing after 25 [years]." In 2005, two alert operators manually hit the brakes and prevented a collision; the year before that, two trains crashed when an unoccupied train rolled backwards and collided with a train in a station.

Also noted in coverage, was that the moving train was a "Series 1000" train, the oldest in the Metro fleet, purchased between 1974 and 1978, with a life expectancy of 40 years. Reportedly, the National Transportation Safety Board had recommended their replacement. This series of rolling stock was also known to have brake problems.

Above all, the Metro system is massively underfunded; even the *Wall Street Journal* noted that "the 33-year-old Metro system is perpetually starved for cash." Straddling three jurisdictions (Maryland, Virginia, and the District of Columbia), it "has no reliable stream of funding," beyond fares and parking fees, and depends primarily on Congress to make up the difference. Operators estimated that the system would need \$12 billion in capitalization for the next 10 years, but Congress has approved only \$1.5 billion.

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### **Science**

### PANDEMIC UPDATE

### Prince Philip's Flu Is on the March

by Laurence Hecht

The author is editor-in-chief of 21st Century Science & Technology magazine.

June 27—The world is now in the midst of a pandemic condition, of which the H1N1 swine flu is presently the leading marker. With a few notable exceptions, the nations of the world are vastly underprepared to deal with a crisis which could hit with deadly force as early as this Autumn, perhaps sooner.

Do not kid yourself. There is intent here. The repeatedly stated desire of Britain's Prince Philip, to be reincarnated as a deadly virus is more than the ravings of a nasty misanthrope. It has been, and remains, the policy of the Anglo-Dutch financial empire, now committed to a reduction of world populaton from the present 6.7 billion, to under 2 billion persons, as repeatedly stated in the post-war period by such leading spokesmen as Lord Bertrand Russell, Julian Huxley, and World Wildlife Fund founders Prince Bernhard of the Netherlands and the still-living Prince Philip.

Whether or not the virus was willfully engineered for that purpose, or the policy is to be implemented by sabotage of efforts to mobilize a proper bio-defense, as by President Obama's Hitlerian health-care advisors, the result will be the same.

We provide here a battlefield report of the progress of the swine flu and the mobilization against it, as matters stand today. In the accompanying articles, the astounding state of unpreparedness of the United States under the Obama Administration, and the longer-term trend toward a pandemic resurgence are reprised.

The most dramatic development of the past week was the shutdown of the Philippines House of Representatives, following the death from swine flu of a 49-year-old staff member. The woman fell extremely ill on June 18, and died the next day. The Speaker of the House ordered the suspension of office work for three days to allow sanitation of the buildings in the complex.

A World Health Organization medical officer warned that the flu is continuing to spread in Asia, and that the Philippines may become the first country in the region to see a pandemic. Meanwhile, the Malaysian Health Ministry has suspended leave for 100,000 medical officers and staff, in view of the H1N1 emergency.

In the U.S.A., the Centers for Disease Control acknowledged on June 25 that 1 million Americans had so far been infected by the new flu virus. More worrisome, from an epidemiological standpoint, was the statement by CDC researcher Lyn Finelli that there is still no sign of a decline in the rate of transmission. A seasonal flu would have long since receded in the Northern Hemisphere. The continuing spread is a sign of an abnormal situation that has been worrying specialists since the beginning of June. The expectation among a growing number of experts is that the number of flu infections will explode during the Autumn flu season.

In the Southern Hemisphere, where Winter has

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National Museum of Health and Medicine

At a conference in Paris of the French National Institute for Health Surveillance, Prof. Claude Desenclos compared the current swine flu pandemic to the murderous 1918 flu, which killed 50-100 million people worldwide. Shown: an emergency hospital in Camp Funston, Ks., during the 1918 epidemic.

begun, 11 flu deaths were registered in Argentina over a 48-hour period, bringing the total deaths from H1N1 to 21. In Chile, death number 8—a 22-year-old dental student—was announced on June 25.

### **New Warnings from France**

Meanwhile, at a conference in Paris today, the director of France's National Institute for Health Surveillance noted the similarities of this pandemic to the 1918 flu, which killed between 50 and 100 million worldwide. From information available to him, French specialist, Prof. Claude Desenclos said that the influenza deaths are tending to appear in the 20- to 30-year age group rather than primarily in the elderly, who are the usual victims of a seasonal flu. The virus causes bronchial irritation, creating the conditions for severe bacterial pneumonia and death through suffocation. In 1918, no antibiotics existed to fight such a bacterial infection, but today, the flu's deadliness is unexplained. Desenclos also noted that the WHO is not sharing the important information that is needed about severe cases.

In France, which is preparing for universal vaccination, there remains fear that the vaccine will arrive too late. It takes four months to produce it, and another two months to test it. Some experts spoke of scenarios from 40,000 to 120,000 dead by Winter.

Sane warnings are also being heard from China. A June 23 editorial in the *China Daily*, notes that the flu pandemic threat is not over, and expresses special concern for rural areas. Readers are warned not to let down their guard. "The real trouble is not that we cannot deal with its current symptoms, but that several countries are losing track of its chains of transmission," the government daily warns, noting that in a pandemic things could become much more difficult to control.

Sweden is preparing to vaccinate its population twice. Lacking its own vaccine production capabilities, Sweden has ordered two batches of 9 million doses each from United Kingdom producer GlaxoSmithKline. The hope is to protect the population in the early stages and at a later stage of evolution of the flu virus.

While every effort should be made to step up flu vaccine production, the ugly reality is, that even a worldwide gear-up for mass vaccination may not be

### The Present Pandemic

June 21—There has been some blocking against reporting the implication of the fact that the complex of which the present, global flu pandemic is a part represents a true pandemic, and must be treated accordingly.

The additional cause for concern is the fact, that both Bertrand Russell and the World Wildlife Fund's Prince Philip have recommended a deadly pandemic as the means to be used for global population-control. This means that either the deploying of a pandemic, or condoning measures which would contribute to its spread, are the currently continuing British policy of the British interests behind U.S. President Obama's pro-Hitlerian health-care policies.

There is significance in determining which of the two means for promoting a pandemic is currently operating in the present situation; but, it makes little difference whether such a pandemic is being condoned, as Britain's puppet Obama has been doing, or actually cooked by such interests. The effect is approximately the same.

—Lyndon H. LaRouche, Jr.

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enough to halt this pandemic, should changes in the viral genome cause it to turn more deadly. Under generalized pandemic conditions, vaccinations, which must be prepared months in advance, may prove ineffective against a rapidly mutating and reassorting virus. They are an essential part of the defense arsenal, but not a sure bet against a fast-changing flu virus.

Disease is now becoming the most evident symptom of the long-term physical economic decay. Under present collapse conditions, the rate of generation of new diseases is beginning to outstrip the capacity of the physical economy to deal with them. The reduced conditions of nutrition and general immune levels of the world population have produced a breeding ground for influenza, and all manner of other pandemic diseases. Add to that, the fact, that, at best, 20% of the world's population could be protected by presently existing vacccine manufacturing facilities, and you see that the present virus might better become popularly known as the Greenspan flu. (Not all pigs, but certain ones in particular, should be given credit for their actions.)

### **British Caught**

In Great Britain, attempts to minimize or ignore the seriousness of the flu danger were called up short today, as the London *Times*, newspaper of record, was forced to acknowledge that parts of Britain now have so many cases of swine flu that it cannot be contained.

Not surprisingly, Britain has been playing the leading role in the world in stalling and obstructing efforts to fight the flu. A month ago, at the annual conference of the WHO, Britain had demanded that it not declare a Level 6 alert, stalling mobilization against the pandemic. Next, the British government was caught seriously under-reporting the number of H1N1 cases, and faced serious criticism from France and the WHO Director-General Margaret Chan. British Health Secretary Andy Burnham had also been under fire from the Scottish Health Minister, Nicola Sturgeon. Facing a spreading pandemic in Glasgow, Sturgeon said Scotland would break from the containment-only policy and pursue active measures to halt the spread of the flu.

Today's admission by the *Times* might evoke, for some, images of Edgar Allan Poe's classic treatment of the black plague. Not even blue blood will halt the contagion of which the current rapid and unseasonal spread of the H1N1 virus is a harbinger. Can anyone say that the flu virus shall not come to visit His Royal Virus Prince Philip before he himself is reincarnated?

### Obama Flu Policy: Go F\*\* Yourself!

by Marcia Merry Baker

June 26—What is outstanding about the Obama Administration's policy towards the new A/H1N1 flu, before and since the World Health Organization's announcement June 11 of the highest level of world pandemic alert (Stage 6), is its deliberate sound-good-but-do-nothing response. There is next to no mobilization for reserve hospital capacity, vaccination production, expanding ranks of public-health staff, and other measures called for.

The Administration's stance is thus in service of the stated de-population drive by the likes of HMV Prince Philip Mountbatten—Her Majesty's Virus—who said in 1988: "In the event that I am reincarnated, I would like to return as a deadly virus, in order to contribute something to solve overpopulation..." (Deutsche Press Agentur, August 1988).

U.S. funding for bio-defense against the new influenza has been obstructed or minimized every step of the way by the White House. To begin with, in February, the entire authorization for state and local public health capacity—\$700 million—originally intended to compensate for capabilities hit by the crash—was stripped out of the American Recovery and Reinvestment Act of 2009. On April 27, the day the WHO announced a Level 4 pandemic alert, President Obama called for special funding, but only a measly \$1.5 billion—not even enough to begin to restore state and local preparedness, let alone what is required over and above that for urgent Federal-level programs of vaccine and anti-viral R&D, bio-surveillance, and other tasks.

For example, the Association of State and Territorial Health Officials (ASTHO) estimates that \$15 billion is needed simply for a nationwide A/H1N1 vaccination campaign (figuring 600 million doses, 2 per person, at \$10 a dose for the vaccine, and \$15 per dose to administer).

Finally, the first week in June, as the flu spread, and deaths increased, Obama upped his request to Congress to \$4 billion, but to come, in significant part, from di-

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White House/Pete Souza

Kathleen Sebelius, HHS chief, is a outspoken advocate for Obama's Nazi healthcare "reform," while ignoring the threat of a flu pandemic: "I don't know anything about hospitals," she delcared dismissively. Standing behind her: Obama, and White House health czar Nancy-Ann DeParle.

verting resources from pre-existing disease-fighting programs such as Bio-Shield. Congress balked, and in mid-June, approved \$7.65 billion in new anti-pandemic funding. (It came out from a House/Senate compromise measure, included in final passage of the \$106 billion military supplemental spending bill.) However, only \$1.5 billion of that is to be deployed in FY2009, in deference to the White House go-slow policy; the other \$5.8 billion is in "contingent emergency appropriations" for the Health and Human Services Department and the Centers for Disease Control. The non-emergency funds amount to *ten times less* than what is needed to carry out an effective vaccination program, not to speak of other urgent needs.

The Obama cabinet member in charge of the U.S. response, HHS Secretary Kathleen Sebelius, is spending most of her time deploying as spokesman for the Obama Nazi-medicine health "reform," while advocating worse than nothing to deal with the pandemic. This is in line with British attempts in May to delay or prevent the WHO from declaring a pandemic Level 6 alert.

On June 11, the day of the WHO declaration, Sebelius and Department of Homeland Security head Janet Napolitano issued a three-paragraph statement saying, "Today's decision by the WHO was expected and doesn't change what we have been doing here in the United States to prepare for and respond to the public

health challenge." Sebelius showed what she meant the next day by presiding over a health-care "reform" event in Omaha, Neb., in her business-as-usual pitch for cuts in health care. On June 14, she was the spokesman on the Sunday morning CNN and ABC blab shows, peddling the line that there was "overutilization" of health-care infrastructure in the United States. Sebelius gives a weekly video update on the progress towards health-care "reform" on the website, www.healthreform.gov, but only occasional comments on the pandemic.

Over the last several weeks, only two press releases appeared on her HHS website on the A/H1N1 threat, apart from the June 11 statement. One, on May 22, reported on a Sesame Street TV advertising campaign aimed at children, telling them to "cover their coughs,"

and take other self-protections. Another, on the same day, reported on the limited U.S. effort to work with vaccine producers. Sebelius has stated that Federal orders will be given on priority lists of who will get the vaccine. All other matters—the lack of hospitals, licensed beds, staff, and so on—are either not mentioned or are sloughed over, by saying that Federal agencies will "cooperate with state and local" governments.

In reality, state and local governments are financially in ruins, with shortages worsening by the day. But in the United States, mention of hospitals and ratios of infrastructure has been almost taboo, under the pall of the Obama Nazi-medicine "reform" campaign. Nationwide, there is now a ratio of barely 2.7 beds per thousand persons; this is falling, and is even below that, in dozens of U.S. counties and cities.

But, at a May 28 media briefing, advocating poverty clinics, Sebelius said, "I don't know anything about hospitals," in reply to a question from *EIR* about the dangerous trend of U.S. hospitals shutting down. Her remark is especially venal, given that, as governor in Kansas—her position before joining the Obama Administration—she was the subject of a scandal for presiding over a takedown of hundreds of specialized psychiatric beds in Kansas hospitals. Also, many rural counties throughout the Plains states now have no community hospital at all.

For example, on June 10, Larned, Kansas Mayor

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Robert C. Pivonka issued an "Open Letter to the Community of Larned and Pawnee Counties," saying, "This morning, June 10, 2009, [he was told that state agencies would] close our hospital, St. Joseph Memorial Hospital. We were told the doors will close in 90 days and there is no appeal.... We were not expecting this...." He said that his goal is to reinstate a "free standing, independent, community hospital, with emergency room services, 10-15 acute care beds, lab and x-ray, a CT Scanner, and professional staff...." But, as of Oct. 10, there will be no hospital at all. This is happening all across the nation.

The sabotage of health infrastructure in the U.S. stands in dramatic contrast to the discussion that has broken out in France, Italy, and other nations, about what ought to be the scale of response to combat the pandemic.

### **U.S. Bio-Defense Infrastructure Crisis**

The following are a few of the indicative parameters of the takedown of bio-defense infrastructure in the U.S., now supported by the Obama Administration.

- Bio-science surveillance, research, and development: In February, the U.S. Association of Public Health Laboratories reported that 80% of the labs they surveyed have cut back their operations since January 2008, because of funding reductions. The critical cadre of state lab workers is being reduced, ranging from epidemiologists, to technicians and other staff. There is no federally backed, crash virology R&D drive.
- State and local preparedness programs for disasters such as an influenza epidemic, have experienced funding cuts of 25% since 2005, despite all the talk about "pandemic preparation" since the 2005 avian flu outbreak. (Source: April 27 warning by Robert Petronk, executive director of the National Association of City and County Health Officials.) Eleven states and the District of Columbia cut funding for public-health services in FY 2008. In California, the Health Department is already implementing a 10% budget cut, with additional cuts now in the works. The Obama Administration's "American Recovery and Reinvestment Act" slashed \$700 million from its original plan for publichealth services.
- The U.S. lost over 12,000 health-care workers in 2008, and is losing them this year at the same rate. This comes on top of an already shrunken base. In 2000, the total U.S. public-health workforce numbered 448,000, which was 50,000 fewer than in 1980. In 1980, there

were 220 public-health workers per 100,000 U.S. residents; by 2000, this had fallen to 158 per 100,000. Now it is worse. A paper released in December 2008, by the Association of Schools of Public Health (www.asph. org), "Confronting the Public Health Workforce Crisis," points out that many of the remaining workers are at retirement age.

Dr. Paul Jarris, executive director of the Association of State and Territorial Health Officials, told Congress April 28, "We don't have a preparedness force ready and waiting." Instead, "the regular workforce" has to kick into action, when there is an emergency, but that force is being undermined. He said, "We don't even have what we had two years ago.... We're at a critical resource and workforce point." Again, on May 20, Jarris appealed for help, as did health officials from Missouri, Ohio, and New York, who said they don't have the staff to cope with the oncoming pandemic. "The unknown is coming this Fall," said Ohio's Cuyahoga County Health Commissioner Terry Allan, referring to the second wave of influenza. He explained, "We know what to do, we just don't have the horses to do it over an extended period of time." Resources are too stretched.

• The rate of shutdown of hospitals and related facilities—the frontline defense of the population—is at the stage of a public-health emergency. The number of community hospitals in the U.S. fell from a peak of 5,904 in 1980, down to barely 5,000 in 1999, and today, stands at 4,897. The ratio of licensed hospital beds per 1,000 citizens has dropped from 4.5 in the late 1970s, down to 2.7 today. The situation in New Jersey is typical: In February, the New Jersey Hospital Association released the results of a survey over the past two months, reporting that, of the 37 of the state's 74 acute-care hospitals that responded to the survey, 27% had a drop in cash reserves, and were making drastic cuts in staff and services. Clinics associated with hospitals are being cut. Nationwide, hospital emergency departments have decreased by 15% from 1992 to 2003, while over the same time period, millions more people have been seeking emergency room medicine.

Hundreds of counties have widespread shortages of doctors, nurses, and equipment. The hallmark features of modern health care—nuclear medicine units, screening services, and others—are in decline. For example, in 2008, the number of mammograms given in the U.S. was 16% lower than in 2000.

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### ID Death Rate Began Rising 25 Years Ago

by Marcia Merry Baker

June 26—In the United States, for nearly a century, mortality from infectious diseases has declined. The ID death rate fell from 797 per 100,000 persons in 1900 (one-third of which came from tuberculosis, pneumonia, and diarrheal diseases), down to 40 per 100,000 by the early 1980s. Then came the reversal: The ID death rate started rising yearly, and by the turn of the 21st Century, it was up to nearly 60, a 50% increase over 1980. It has risen since.

Moreover, this series of crude vital statistics does not count death from HIV/AIDS (first identified in the 1980s), which would make the death rate still higher. Its increase includes the impact of increasing food-borne illnesses, and other new and resurgent infections, from Hanta virus, to West Nile. (Infectious disease refers to any and all kinds of transmissable illnesses associated with microbes, from TB and malaria, to tick fevers, gut infections, etc.)

Behind these crude U.S. statistical trends, is the dynamic that has brought the world to today's conditions of pandemics. Under the decades of American System economic practices, in which there were improvements in sanitation, water, nutrition, medical care, and a productive environment, there were dramatic gains in health and longevity. In 1900, U.S. life expectancy at birth was 47 years; as of 2000, it was 76. But that is now "history," if today's U.S. and world breakdown process is not stopped.

Lyndon LaRouche has long forewarned of a biological holocaust ahead, if anti-development, "zerogrowth" kinds of policies were implemented, as have been demanded by the neo-British Empire population reduction/genocide lobby. In 1973, LaRouche commissioned a taskforce to study and publicize the biological ecological breakdown that would ensue in Africa and worldwide, if globalization, anti-infrastructure policies, etc., were enforced.

In 2000, the U.S. Central Intellgicence Agency issued a report corroborating LaRouche's warnings of

new and re-emerging diseases a quarter century earlier. "The Global Infectious Diseaes Threat and Its Implications for the United States" was in part produced by the Armed Forces Medical Intelligence Center. It said: "Although the infectious disease threat in the United States remains relatively modest [compared with other locations], the trend is up...."

In 2003, the significance of the rising U.S. death rate from ID was featured in a report by the National Institute of Medicine of the National Academies of Science, "Microbial Threats to Health—Emergency, Detection and Response." The executive summary politely stressed, "A breakdown or absence of public health measures—especially a lack of potable water, unsanitary conditions, and poor hygiene—has had a dramatic effect on the emergence and persistence of infectious diseases throughout the world. The breakdown of public health measures in the United States has resulted in an increase in nosocomial infections [hospital-acquired], difficulties in maintaining adequate supplies of vaccines in recent years, immunization rates that are far below national targets for many population groups (e. g., influenza and pneumococcal immunizations in adults), and a paucity of needed expertise in vector control for diseases suchs as West Nile encephalitis."

Over the last 40 years, the U.S. closed down research centers for tropical and other infectious diseases run by the military and U.S. Public Health Service, scaled back ID surveillance and control, and de-emphasized R&D and production of new antibiotics and vaccines.

In 2004, another NIM report was issued, "The Threat of Pandemic Influenza," which again reviewed the rising ID situation, and lack of infrastructure for a "pending" flu pandemic. It noted, "Hospitals are a key focus of state and local influenza preparedness ... [but, U.S.] hospital surge capacities are extremely limited...." It's gotten far worse since.

In 2005, over 750 scientists circulated a letter opposing the U.S. government policy of limiting R&D to just six pathogens (anthrax, plague, brucellosis, etc.), and ignoring public health needs for basic micro-biological research into a broad range of threats, including cholera, TB, and others of worldwide urgency.

In 2005, at the time of the avian H5N1 outbreak, a facade of Homeland Security "preparedness" was orchestrated, since which time, all pretense has disappeared. You are advised to, "think healthy (cover your cough), and die."

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### **Editorial**

### The Battle for Independence, 2009

As we enter the month of July, 233 years after our republic's Declaration of Independence, there is an argument to be made that we are in more peril, as a people, today, than we were then.

The odds appeared to be solidly arrayed against us, back in July 1776. While the Continental Army under George Washington had succeeded in driving the British out of Boston, the condition of that fledgling body was alarming in the extreme. Volunteers came in and out of the Army, almost at will, and supplies were woefully inadequate. There was no central government with the power and resources to provide for the troops, and the British Crown had an intimidating Army and Navy, not to mention the ability to woo our fellow-citizens with the monies and goods at the the Crown's disposal.

We had, however, what was required to make a winning Revolution: both the inspirational ideas of a republic, and the leadership committed to mobilizing people to fight to implement those ideas, in the first true republic on Earth. Crafted under the tutelage of our nation's true founder, Benjamin Franklin, those ideas still ring today:

"We hold these truths to be self-evident: that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That, to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed...."

It took 13 long years, and much blood and sacrifice, for us to form the government based on those Leibnizian principles. But we succeeded, for the lasting benefit of not only our people, but humankind as a whole.

But today, Independence Day 2009, finds the American Republic in extraordinary jeopardy. We have not been defeated in battle, but the same Imperial enemy which we bested in 1776-1783 has not only not been destroyed; it has gained a deep hold over our minds, including that of our leading political class. Just as George Washington and Abraham Lincoln had warned, we are mortally threatened not by force of arms, but by corruption from within.

The issue of the Obama Administration's health-care "reform" provides the best example. The content of this health program, which is being pushed aggressively by leading British imperial institutions (like the London *Economist* and the *Financial Times*), is, literally, in violation of our Constitutional principles. It rests upon the oligarchical idea that all people are *not* created equal, with the right to life, liberty, and the pursuit of happiness; rather, the oligarchy which controls our financial system (and has demanded trillions of dollars to keep itself afloat), has determined that there are some people with lives "not worthy to be lived." Under the Obama plan, they are to be left to die.

This is an evil, Nazi plan. Yet, how many of our fellow citizens have adapted to its utilitarian argument? Who among them would agree with Prince Philip that the old and chronically ill should get out of the way, and die?

If we, as Americans, permit this plan to be implemented, we face the extinction of the very idea upon which we were founded. Physical extinction will follow soon after.

So, this July 2009, we must renew our Battle for Independence, with the maximum intensity we can muster. We must defeat the British oligarchical enemy in the arena of its Nazi health-care plan, and beyond. We must live up to the ideals of our Founding Fathers, because the future of all humanity depends upon it—just as it did in 1776.

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- BCAT.TV/BCAT Click BCAT-2 Mon: 10 am (Eastern Time)
- LAROUCHEPUB COM Click LaRouche's Writings. (Avail. 24/7)
- MNN.ORG Click Watch Ch.57 Fri: 2:30 a.m. (Eastern Time)
- QUOTE-UNQUOTE.COM
- Click on Ch.27. Tue. 6 pm (Mtn.) SCAN-TV.ORG Click Scan on the
- Web (Pacific Time). Ch.23: Wed. 7 am Ch.77: Mon. 11 am
- WUWF.ORG Click Watch WUWF-TV. Last Mon 4:30-5 pm (Eastern)

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### **ALASKA**

ANCHORAGE GCI Ch.9: Thu 10 pm

#### CALIFORNIA

- CONTRA COSTA CC Ch.26: 2<sup>nd</sup> Tue 7 pm
- COSTA MESA TW Ch.35: Thu 5:30 pm
- LANCASTER/PALMDALE TW Ch.36: Sun 1 pm
- LONG BEACH CH Analog Ch.65/69 & Digital Ch.95: 4th Tue 1-1:30 pm
- ORANGE COUNTY (N) TW Ch.95/97/98: Fri 4 pm

#### COLORADO

DENVER CC Ch.56 Sun 10 am

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- GROTON CC Ch.12: Mon 5 pm NEW HAVEN CC Ch.23: Sat 6 pm
- NEWTOWN CH Ch.21: Mon 12:30 pm; Fri 7 pm
- NORWICH CC Ch.14: Thu 7:30 pm
- SEYMOUR CC Ch.10: Tue 10 pm

### DISTRICT OF COLUMBIA

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

### **FLORIDA**

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

#### ILLINOIS

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

#### IOWA

QUAD CITIES MC Ch.19: Thu 11 pm

#### **KENTUCKY**

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

#### LOUISIANA

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

#### MAINE

PORTI AND TW Ch.2: Mon 1 & 11 am; 5 pm

#### MARYLAND

- ANN ARUNDEL CC Ch.99; FIOS Ch.42: Tue & Thu: 10 am; Fri &
- P.G. COUNTY CC Ch.76 & FIOS Ch.42: Wed & Fri: 6 pm
- MONTGOMERY COUNTY CC/RCN/FIOS Ch.21: Tue 2 pm

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- KALAMAZOO
- CH Ch.20: Tue 11 pm; Sat 10 am
- KENT COUNTY (North) CH Ch.22: Wed 3:30 & 11 pm
- KENT COUNTY (South)
- CC Ch.25: Wed 9:30 am LAKE ORION
- CC Ch.10: Mon/Tue 2 & 9 pm
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- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 5:30 pm; Wed 7 am
- SHELBY TOWNSHIP CC Ch.20 & WOW Ch.18: Mon/Wed 6:30 pm
- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

### **MINNESOTA**

- ALBANY AMTC Ch.13: Tue & Thu: 7:30 pm
- CAMBRIDGE
- US Ch.10: Wed 6 pm
- COLD SPRING
- US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Tue 9 pm
- DULUTH CH Ch.20: Mon 9 pm;
- Wed 12 pm, Fri 1 pm MARSHALL Prairie Wave & CH
- Ch.35/8: Sat. 9 am
- **MINNEAPOLIS** TW Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 3 & 9 pm
- NEW ULM TW Ch. 14: Fri 5 pm
- **PROCTOR**
- MC Ch. 12: Tue 5 pm to 1 am ST. CLOUD CH Ch.12: Mon 6 pm
- ST. CROIX VALLEY
- CC Ch.14: Thu 1 & 7 pm; Fri 9 am ST. LOUIS PARK CC Ch.15:
- Sat/Sun Midnite, 8 am, 4 pm ST. PAUL CC Ch.15: Wed 9:30 pm
- ST. PAUL (S&W Burbs) CC Ch.15: Wed 10:30 am; Fri 7:30 pm
- SAULK CENTRE SCTV Ch.19: Sat 5 pm

WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

#### **NEVADA**

- **BOULDER CITY**
- CH Ch.2: 2x/day: am & pm WASHOE COUNTY
- CH Ch.16: Thu 9 pm

#### **NEW HAMPSHIRE**

- CHESTERFIELD CC Ch.8: Wed 8 pm
- MANCHESTER CC Ch.23: Thu 4:30 pm

### **NEW JERSEY**

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- MERCER COUNTY CC Trenton Ch.26: 3<sup>rd</sup> & 4<sup>th</sup> Fri 6 pm Windsors Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- **PISCATAWAY**
- CV Ch.15: Thu 11:30 pm UNION CC Ch.26: Irregular

### **NEW MEXICO**

- BERNALILLO COUNTY CC Ch.27: Tue 2 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE
- CC Ch.16: Thu 9 pm; Sat 6:30 pm SILVER CITY
- CC Ch.17: Daily 8-10 pm
- TAOS CC Ch.2: Thu 7 pm

#### **NEW YORK**

- ALBANY TW Ch.18: Wed 5 pm. **BETHLEHEM**
- TW Ch.18: Thu 9:30 pm
- BRONX CV Ch.70: Wed 7:30 am **BROOKLYN**
- CV Ch.68: Mon 10 am TW Ch.35: Mon 10 am RCN Ch.83: Mon 10 am FIOS Ch.43: Mon 10 am
- **BUFFALO**
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- TW Ch.1/99: Tue 7:30 pm ERIE COUNTY
- TW Ch.20: Thu 10:35 pm IRONDEQUOIT
- TW Ch.15: Mon/Thu 7 pm JEFFERSON/LEWIS COUNTIES
- TW Ch.99: Irregular MANHATTAN TW & RCN Ch.57/85 Fri 2:30 am
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Irregular
- QUEENS TW Ch.56: 4th Sat 2 pm RCN Ch.85: 4th Sat 2 pm
- **QUEENSBURY** TW Ch.71: Mon 7 pm
- ROCHESTER
- TW Ch.15: Sun 9 pm; Thu 8 pm
- ROCKLAND CV Ch.76: Tue 5 pm SCHENECTADY
- TW Ch.16: Fri 1 pm; Sat 1:30 am STATEN ISLAND TW Ch.35: Mon & Thu Midnite.
- TW Ch.34: Sat 8 am TOMPKINS COUNTY TW Ch.13: Sun 12:30 pm; Sat 6 pm

- TRI-LAKES
- TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm
- WEST SENECA TW Ch.20: Thu 10:35 pm

#### NORTH CAROLINA

- HICKORY CH Ch.6: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

#### OHIO

- AMHERST TW Ch.95: 3X Daily
- **CUYAHOGA COUNTY** TW Ch.21: Wed 3:30 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

### **OKLAHOMA**

NORMAN CX Ch.20: Wed 9 pm

### **PENNSYLVANIA**

**PITTSBURGH** CC Ch.21: Thu 6 am

### RHODE ISLAND

- BRISTOL, BARRINGTON, WARREN
- Full Channel Ch.49: Tue: 10 am EAST PROVIDENCE
- CX Ch.18; FIOS Ch.25: Tue: 6 pm STATEWIDE RI INTERCONNECT

### CX Ch.13; FIOS Ch.32 Tue 10 am

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

### Wed 5:30 pm; Sat 9 am VERMONT

- BRATTLEBORO CC Ch.8: Mon 6 pm, Tue 4:30 pm, Wed 8 pm
- GREATER FALLS
- CC Ch.10: Mon/Wed/Fri 1 pm MONTPELIER CC Ch.15:

### Tue 10 pm; Wed 3 am & 4 pm

- ALBEMARLE COUNTY
- CC Ch.13: Sun 4 am; Fri 3 pm ARLINGTON CC Ch.69 &
- FIOS Ch.38: Tue 9 am CHESTERFIELD COUNTY CC Ch.17; FIOS Ch.28: Mon 1 pm
- FAIRFAX CX & FIOS Ch.10: 1<sup>st</sup> & 2<sup>nd</sup> Wed 1 pm; Sun 4 am. FIOS Ch.41: Wed 6 pm
- LOUDOUN COUNTY CC Ch.98 & FIOS Ch.41: Wed 6 pm
- ROANOKE COUNTY CX Ch.78: Tue 7 pm; Thu 2 pm

- WASHINGTON KING COUNTY CC Ch.77: Mon 11 am, Wed 7 am
- BS Ch.23: Mon 11 am, Wed 7 am TRI CITIES CH Ch.13/99: Mon 7 pm; Thu 9 pm

WYOMING

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

GILLETTE BR Ch.31: Tue 7

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