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Second Battle of Trenton: Mass Strike in New Jersey  
State Budget Deadline: Chain-Reaction Bankruptcies?  
The U.S.A. and Europe Reaching the End of the Line

**Turning-Point in Current History:  
Drum-Beats Over Libya**



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# EIR

## From the Managing Editor

As we approach the Fourth of July this year, our nation seems never to have been in such peril, certainly not in most of our lifetimes. The last time the United States faced such an existential crisis, was during the Great Depression and World War that followed. Then, we were blessed to have a great leader in Franklin Roosevelt, who steered the nation to safety, albeit, following much tribulation and suffering. Today, instead, we have a treasonous British agent in the White House, who tramples on the Constitution, as frightened and cretinous politicians look on.

Yet, there are rumblings across the land, as the mass strike spreads again, echoing the huge protests and political upheavals we are witnessing around the world today. We look at much of this in our current issue.

In our *Feature*, “A Turning-Point in Current History: Drum-Beats Over Libya,” Lyndon LaRouche warns of the danger that the British imperial controllers of Obama, fearing the “almost inevitable,” near-term impeachment of their puppet President—will move for dictatorship, to impose fascist forms of austerity, in a desperate attempt to bail out their bankrupt financial system. “Suddenly, I fear, I am, for this moment, the only obvious leader of substance in support of the proper mission of our republic,” he writes. A Documentation section fills out the picture, as the walls close in around Obama.

In *National*, you will read about “The Second Battle of Trenton,” where the corpulent fascist New Jersey governor has thrown his weight behind a brutal assault on public sector workers, and thousands have taken to the streets in protest. Fueling the mass-strike actions around the country, is the fiscal doomsday facing state governments which are hopelessly attempting to balance budgets by slashing services, as covered in *Economics*, along with analyses from Argentina and India. Helga Zepp-LaRouche, in *International*, reports from Germany on the continuing crisis in Euroland, exemplified by the bankers’ destruction of Greece; there are also reports from Russia, Italy, and Peru.

A *Science* section features LaRouche’s “Our Young Existentialists: What Self-Interest?”

In honor of the Independence Day holiday, we will skip an issue next week, and resume publication with the July 15 cover date. Watch the website ([www.larouchepub.com](http://www.larouchepub.com)) for updates.



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*An intense Obama, listening, perhaps, to the drumbeats, as the crescendo rises, demanding his ouster.*



White House/Pete Souza

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A TURNING-POINT IN CURRENT HISTORY:

## Drum-Beats Over Libya

by Lyndon H. LaRouche, Jr.

June 26, 2011

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*The early impeachment and ouster of President Barack Obama is almost inevitable as an event before or during the coming Summer months, unless the backers of Obama, especially from London, were to copy the Adolf Hitler option with the likeness of the British creation, Adolf Hitler's March 23, 1933 Ermächtigungsgesetz. The danger of the latter development has just been greatly increased by an opportunist vote in the U.S. Senate, a vote made in de facto opposition to my own principles, from others' stated policy for this occasion.*

*The Senate majority has, thus, made a lalapalooza of an amazing mistake, a mistake fairly characterized as one which reveals a great, great deal about the pettiness of which some legislators are capable, a mistake comparable in the annals of gallows humor, to cutting off one's face to save one's buttock, or, in the alternative, the loss of one's buttocks to save the appearance of a face.*

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The trans-Atlantic region, in which our United States is situated, still, despite its Presidents George W. Bush, Jr. and Barack Obama, as a crucially important part, is now that largely self-inflicted target for destruction, to which it were doomed if it continued to fail in effecting the relatively immediate expulsion of the increasingly despised President Barack Obama from office.

Unlike many other leaders presently incumbent, who seek to compromise with an indictable scoundrel, I come from a tougher, World War II generation. There is some margin to doubt that the majority of the U.S. citizenry sees the matter in exactly those terms; but, the common fact remains that President Obama is popularly despised by the people, and in-



LPAC/Chris Jatz

that time, had put Hitler into power, and were those who had orchestrated the process leading into that Reichstag Fire, which was launched as the means to impose a virtually one-party Nazi dictatorship over Germany. That is exactly the situation in which the defenders of the British puppet U. S. President Obama now have tended to situate themselves in respect to the immediate weeks ahead today.

There can be no doubt of that fact of some of our nation's own leading figures today. The general breakdown-crisis of the trans-Atlantic region of the world, has now reached a critical stage of breakdown which leaves the backers of the Obama administration no available option for its continued existence in its present form, except as a fascist dictatorship modelled on that which the Bank of England and Prescott Bush's Brown Brothers

***“Unlike many other leaders presently incumbent, who seek to compromise with an indictable scoundrel, I come from a tougher, World War II generation.... Suddenly, I fear, I am, for this moment, the only obvious leader of substance in support of the proper mission of our republic presently operating in the setting of the present government of our United States.”***

creasingly so, and at an accelerating rate. The crux of the matter is that the present trans-Atlantic system, including the United States itself, is now on the trajectory of the self-doomed, doomed to a general breakdown crisis which is comparable to the hyperinflationary breakdown-crisis in 1923 Weimar Germany.

This comment of mine signifies the fact, in effect, that the only way in which Obama could manage to remain in office, would be to imitate the fascist takeover of the otherwise doomed Hitler government. So, as in Germany then, like U.S. President Barack Obama now, leading figures inside the national legislature, had declined to acknowledge the virtual treason of a sitting President. Thus, our republic is on the verge of capitulation to the incumbency of a President whose actions against the people of our United States demand his prompt expulsion, a President whose virtually treasonous quality of recent actions demanded his impeachment. Like those American notables who had been in the camp of Hitler's backers then, those leading British and Wall Street figures, like the British government of

ers Harriman had created for Adolf Hitler, and the Hitler regime's use of the burning of the Reichstag, that most probably under the direction of Hermann Göring, to establish a fascist dictatorship over Germany.

The same danger to civilization today is inevitable unless the U.S. Glass-Steagall law is re-enacted during the immediate weeks ahead. The Obama administration could not possibly continue to exist at this time, unless a fascist dictatorship were imposed by the British monarchy's direction of relevant forces, such as those around Obama, against the United States during either early July, or, at the latest, August of these present Summer months. Those who propose a continued support of the Obama regime will be denounced in future history, if there is any actual future of this nation of ours. Those who condone Obama are fostering such a crime against our republic with their present vacillations.

So, the most dangerous aspect of this situation now threatening a Nazi-like Obama dictatorship in the U. S.A., is the cowardice shown by the Senate Democrats,

in capitulating to the immediately threatened, British-steered onrush to an Obama-led fascist dictatorship in the United States itself. Suddenly, I fear, I am, for this moment, the only obvious leader of substance in support of the proper mission of our republic presently operating in the setting of the present government of our United States. However, one may hope, not without premises, for a less pessimistic turn, once the immediate shock of those frightened leaders may have given way to a more sane and sensible outlook.

Fortunately, in one sense, I am a senior, more insightful prominent figure of our republic than those who waffle in the face of virtual treason. I bear the flag which younger leaders have dropped, at least for the present moment. It may be said of those whose nerve has failed them in their fashion, as we may hope only temporarily, we may report that they are, in a certain sense, the victims of the deep cultural pessimism which has reigned, since the U.S. war in Southeast Asia which was unleashed by the cover-up of true authorship which condoned the assassination of President John F. Kennedy.

As a consequence of the actions condoned by the Warren Commission, our republic was sent en route toward subsequent destruction by the British monarchy, a foul British role from which many veterans of that war had returned, not in spirit, but in age. Nearly all of the active leaders of this nation from former times are now deceased. Mine is in that way, a relatively lonely devotion, but one for which I am obliged to serve, come what may. The putative outcast may become thus, the hero of this occasion, one still standing to lead in the defense of our republic, when so many elected and other incumbent leaders have failed so tragically.

I shall stand, for as long as I live, even if as a leading patriot by default, if not a martyr, in defense of our republic, come what may. I understand the principle of life after death far more efficiently in practice than most among our obvious political and religious leaders today, and have nothing as much to fear as the world-wide consequences of the destruction of our nation and its patriots now.

I am no sunshine patriot, who would merely bargain with the Devil rather than be devoted to ruining his cause; I am of patriotic disposition. That is only as some leaders in our system should be on their own account. Our people cry for justice, while foolish government promises Habsburg cake.

# Obama Rips Up The Constitution

by Jeffrey Steinberg

June 27—President Barack Obama has not only committed an impeachable offense in refusing to seek Congressional authorization for his military folly in Libya. The evidence now overwhelmingly shows that his violation of Article I, Section 8 of the U.S. Constitution was a willful act, taken with full and conscious intent to rip up one of the most fundamental features of the U.S. Federal system of checks and balances: Congress's exclusive authority to declare war.

Even before the *New York Times* confirmed on June 18 that Obama had rejected the advice of both the Justice Department's Office of Legal Counsel (OLC) and the general counsel to the Secretary of Defense, it was clear that the President had determined to extend the U.S. military involvement in Libya as a unilateral act, without seeking the Congressional approval demanded under the War Powers Resolution (WPR) of 1973.

Senior U.S. intelligence officials, with close ties to the Obama White House, report that the President, along with senior advisor Samantha Power and United Nations Ambassador Susan Rice, determined to bypass Congress, in order to set a precedent for U.S. intervention, under the doctrine of "humanitarian interventionism," now referred to as "R2P" ("Responsibility to Protect").

Another longstanding proponent of the R2P assault on national sovereignty is State Department General Counsel Harold Koh. Koh is a longtime ally of British megaspeculator George Soros, who served through the mid-2000s on the board of Soros's Human Rights Watch NGO. As an Assistant Secretary of State under Madeleine Albright in the 1990s, Koh was an apologist for the Colombian narcoterrorist FARC, and a hard advocate of human rights sanctions against the Colombian military, at the peak of the FARC insurgency.

Koh advised President Obama that he should bypass Congress on the Libya operation, and the Pres-

ident used Koh's recommendations as a pretext for bypassing the Pentagon, and especially, the OLC. While there is no binding law, no previous President has ever rejected the Office of Legal Counsel's recommendations on Constitutional issues, such as the use of force.

Not only is Obama committed to the overthrow of Libyan leader Muammar Qaddafi, an action that far exceeds the limited mandate given by the UN Security Council, he is out to bully Congress into conceding to the President the authority to conduct regime change military operations without ever having to seek legislative approval.

His crimes, in this regard, exceed even the "high crimes and misdemeanors" standards for impeachment. They represent an assault against the entire Westphalian system of national sovereignty and the UN Charter, which bans preemptive and preventive war. For Obama, Power, Rice, and Koh, the Westphalian system of national sovereignty is a relic of the past, that must be overturned.

This is the larger significance of the ongoing Libyan crime of President Obama.

### Transparent Lies

The White House has resorted to transparent lies, in making the case for bypassing Congress in pursuit of the Qaddafi overthrow. According to the President's men, the U.S. involvement in the ongoing Libyan military operations has been so reduced, as to be below the threshold for the War Powers Resolution. As *EIR* reported last week, the War Powers Resolution is clear: Any military action by an international coalition involving American commanders must be approved by Congress after 60 days. The White House argument that the WPR no longer applies because the mission was "handed off" to NATO before the 60-day deadline was reached, is pure sophistry. The Commander-



White House/Pete Souza

*White House sources report that the President, spurred on by advisor Samantha Power (left) and UN Amb. Susan Rice (center), were determined to bypass Congress on the Libya War; to set a precedent for U.S. intervention, under the doctrine of "R2P" ("Responsibility to Protect").*

in-Chief of NATO is American Adm. James J. Stavridis, who also is head of the U.S. Eurcom (European Command).

Obama has gone so far out on a limb, on behalf of the fraudulent doctrine of R2P, that a substantial portion of his own party has abandoned him on the Libya War adventure. The June 24 House of Representative vote on a resolution supporting the Libya mission, was defeated overwhelmingly on June 24—with 70 Democrats joining the vast majority of Republicans, to defeat the resolution 295-123.

During the debate on the resolution, which was identical to one first brought up in the U.S. Senate by John McCain (R-Ariz.) and John Kerry (D-Mass.), a bipartisan group of Representatives assailed the President for his efforts to rip up the Constitution, including Reps. Dennis Kucinich (D-Ohio), Ron Paul (R-Tex.), Lynn Woolsey (D-Calif.), Walter Jones (R-N.C.) and Jerrold Nadler (D-N.Y.). (See below for excerpts from the discussion.) Indeed, Speaker John Boehner (R-Ohio) had allowed the Kerry-McCain motion to come to a vote in the House, knowing full well that it would be defeated by a large bipartisan majority, thus preempting and undercutting the Senate's cowardly efforts.

## A Self-Discrediting Stunt

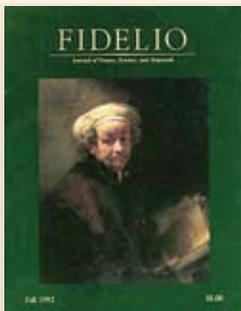
While the House was delivering this crushing defeat to President Obama and the proponents of R2P, across Capitol Hill in the Senate, the mood of capitulation and cowardice was palpable. The Kerry-McCain resolution to back President Obama's continuing military engagement against Libya is, according to a senior U.S. intelligence source, aimed at averting a Constitutional crisis, and at providing the Federal courts with a pretext for shutting down the Federal lawsuit filed against the President on June 15—on the specious grounds that the Executive and Legislative branches were in the process of collegially resolving the differences. In effect, the Kerry-McCain resolution, which is essentially identical to that defeated in the House, is aimed at giving Obama a Senate nod to rip up the Constitution; it is also an attempt to shortcut the Federal courts from upholding their responsibilities to hold the Executive and Legislative branches responsible for meeting their Constitutional obligations and limitations.

The June 15 Federal suit, by a bipartisan group of

ten House Members, led by Dennis Kucinich, John Conyers (D-Mich.), Walter Jones and Roscoe Bartlett (R-Md.), explicitly charged the President with violating the U.S. Constitution, and sought a Court finding and sanctions against any further U.S. actions against Libya.

The Senate effort to “bring the mountain to Mohammed” by voting President Obama in compliance with the War Powers Resolution—despite his willful effort to repudiate Congressional oversight—was a reflection of the worst kind of “go along to get along” cowardice.

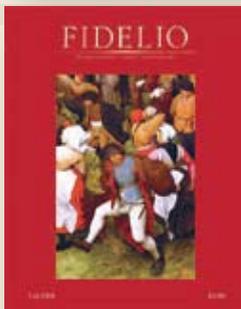
As Lyndon LaRouche pointedly asked on June 25: “Don't these people understand what is happening over the next 20 days? Once the new fiscal year begins for the states on July 1, we are facing a potential total collapse of the U.S. financial system and the real economy. There is no room to capitulate to Obama's ripping up of the Constitution. This is the road to dictatorship, and the cowardice of the Senate, in trying to dodge impeachment, puts the nation one very large step closer to that dictatorial rule.”



# FIDELIO

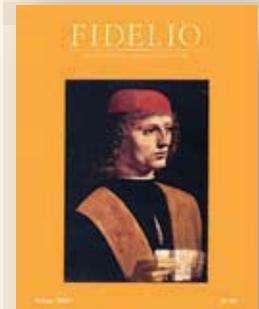
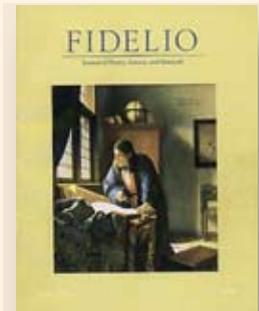
Journal of Poetry, Science, and Statecraft

From the first issue, dated Winter 1992, featuring Lyndon LaRouche on “The Science of Music: The Solution to Plato's Paradox of ‘The One and the Many,’” to the final issue of Spring/Summer 2006, a “Symposium on Edgar Allan Poe and the Spirit of the American Revolution,” *Fidelio* magazine gave voice to the Schiller Institute's intention to create a new Golden Renaissance.



The title of the magazine, is taken from Beethoven's great opera, which celebrates the struggle for political freedom over tyranny. *Fidelio* was founded at the time that LaRouche and several of his close associates were unjustly imprisoned, as was the opera's Florestan, whose character was based on the American Revolutionary hero, the French General, Marquis de Lafayette.

Each issue of *Fidelio*, throughout its 14-year lifespan, remained faithful to its initial commitment, and offered original writings by LaRouche and his associates, on matters of, what the poet Percy Byssche Shelley identified as, “profound and impassioned conceptions respecting man and nature.”



Back issues are now available for purchase through the Schiller Institute website:

<http://www.schillerinstitute.org/about/orderform.html>

## House Debates Libya War Resolutions

*Here are excerpts from the June 24 debate in the House of Representatives, on H.R. 68, to authorize the use of force in Libya; and H.R. 2278, to limit the use of funds so as to prohibit air strikes and the use of drones.*

### A Republic, Not an Empire

**Jerrold Nadler (D-N.Y.):** This morning's paper, the *New York Times*, says that this is a dangerous resolution . . . it would damage the Nation's credibility in its leadership of NATO.



Mr. Speaker, I think that the Nation's credibility—that is to say its promise to go to war if backed by the President and not by Congress—ought to be damaged. We have been sliding for 70 years into a situation where Congress has nothing to do with the decision about whether to go to war or not, and the President is becoming an absolute monarch. We must put a stop to that right now if we don't want to become an empire instead of a Republic. This country was set up to be a Republic where the basic questions of war and peace are supposed to be answered by this Congress. . . . [T]here was no imminent threat to the United States, and the Secretary of Defense said that. There was plenty of time to negotiate with the Arab League, and there was plenty of time to go to the U.N. There should have been time to have, not consultations with Congress, but the authorization from Congress. In the absence of that authorization, we have to put our foot down now and say "no." If foreign countries learn that they cannot depend on American military intervention unless Congress is aboard for the ride, good. That's a good thing.

The power of the Presidency—and I'm not talking about this President—as was said by Charles James Fox in 1780, the power of the Crown, in this case the power of the President, has increased, is increasing and

ought to be diminished. This country's power to go to war or not must reside here except in extreme and urgent emergencies. It is time to put our foot down now by passing that resolution.

**Lynn Woolsey (D-Calif.):** Like most Americans, I am disappointed in any argument that says we are not at war. I believe that argument shows contempt for the Constitution and for the executive's coequal branch of government—the United States Congress.

How can this not be war? If another country launched aggressive air strikes against the United States, you'd better believe we'd consider it an act of war. Does anyone remember Pearl Harbor or 9/11? We certainly considered those acts of war against our country. To say that our bombing of Libya does not rise to the level of "hostilities" flies in the face of common sense.

Mr. Speaker, our Nation can't afford a third war. The ones we are already fighting are bankrupting us morally and fiscally. This Congress must reassert our power of the purse and not fund an unauthorized war. Today, we must send a clear message that the American people and this Congress will not support perpetual war.

### Violating the War Powers Act

**Barbara Lee (D-Calif.):** Mr. Speaker, let me just say, this debate, I believe, should have taken place at least 2 weeks prior to the war in Libya. The War Powers Act specifically forbids Armed Forces from engaging militarily in foreign lands for more than 60 days without congressional au-



thorization of the use of military force or a declaration of war. And we should really make no mistake about it: We are at war in Libya today. We have been actively fighting the Qadhafi regime in Libya since March 19, which is 97 days ago. . . . This is not about this President or any President. This is not about politics or isolationism. This is about the War Powers Act and the Constitution. It's about standing up for this body and our important role in one of the most solemn and one of the most important decisions that we make as lawmakers, and

that's the decision to declare war.

I hope that today we stand up for our Constitution. We must oppose, I believe, the resolution that gives carte blanche authorization to continue the war in Libya after the fact.

**Dennis Kucinich (D-Ohio):** What? We don't have enough wars going on? A war in Iraq, a war in Afghanistan? We need one more war? We have to wage war against another nation which did not attack us? We have to wage war against another nation which does not represent an actual or imminent threat to the United States?



Mr. Speaker, I have to tell you that I have been all over this country, and I haven't had a single person come up to me to tell me, "You know, Dennis, what America needs is another war." The last thing we need is to be voting to go to war. There are plenty of reasons to oppose the war in Libya:

It's unconstitutional. Article I, section 8 has given the Congress the power to declare war.

It's illegal. The War Powers resolution was passed over Presidential veto to allow the President latitude to respond when there is an imminent threat to the U.S. while retaining the constitutional duty of Congress. Even the President's top legal advisers at the Pentagon and the Department of Justice determined that the War Powers resolution applies to the war in Libya.

**Dan Burton (R-Ind.):** I've heard a number of people say, well, the Constitution does give the President latitude, but during the Nixon administration Congress passed the War Powers Act, and then when the President vetoed it, Congress overrode his veto, and so the War Powers Act became law. Now whether or not you believe it's constitutional, it has never been tested in the courts, and so it's the law. And the law says, as well as the Constitution, at least this is what most of the people who have looked at the Constitution believe is what it stands for, the Constitution and the War Powers Act say the President cannot do what he did without the support and approval of Congress. Now he's gotten us into the war in Libya and it is, in effect, our war. . . .

My big concern is this President, unless we send a

very strong message to him, may take us into Syria. There's humanitarian problems in Syria right now, and the reason they went into Libya, they said, was because of the humanitarian problems. He talked to the French, the English, the NATO, United Nations and the Arab League for about 2 weeks before we went into Libya, but he didn't have time to talk to the Congress who appropriates the money and authorizes this stuff. He's the Commander in Chief once we go to war, but he needs the authority from Congress to go into it, and he didn't do it.

There are a lot of wars of opportunity. The President could go into Syria. He could go into the Ivory Coast. There are a lot of places we could go to war if we choose to do it. There's humanitarian problems around the world. But unless it's a threat to the United States or an attack on the United States, the President does not have the authority to do what he did without the support and approval of Congress.

### Cover for Regime Change

**Dennis Kucinich (D-Ohio):** We were told this is about protecting civilians. It has become a cover for regime change. And just because we can change a regime with military power doesn't mean we should do it. And using military action doesn't mean that you're going to achieve the objectives that maybe you haven't even clearly defined.

Furthermore, if our allies make a mistake, do we follow them? If our allies are going out of the war, why should we go in? Right now, you have China's foreign minister saying we hope the two parties in the conflict can attach importance to the country and the people's interest and earnestly consider the international community's relevant resolution plans, quickly cease hostilities, and resolve the Libyan crisis through political channels.

Amr Moussa, the outgoing head of the Arab League, said this 2 days ago: Now is the time to do whatever you can to reach a political solution that has to start with a genuine cease-fire under international supervision.

The President of South Africa said a few days ago that this is about regime change, political assassination, and foreign military occupation.

**Michael McCaul, (R-Tex.):** The Founding Fathers clearly intended for Congress to have the power to commit this Nation into armed conflict. Article I, section 8 of the Constitution states that Con-

gress shall have the power to declare war. Our first Commander in Chief, George Washington, knew that when he said, “The Constitution vests the power of declaring war in Congress; therefore, no offensive expedition of importance can be undertaken until after they shall have deliberated upon the subject and authorized such a measure.”



That is exactly what this bill is about, and President Obama, when he was a Senator, knew this when he said that, “The President does not have power under the Constitution to authorize a military attack in a situation that does not involve stopping an actual or imminent threat to the Nation.” He went on further to say that, “No law can give Congress a backbone if it refuses to stand up as the co-equal branch the Constitution made it.”

I couldn’t agree more with him, but, unfortunately, as President, Mr. Obama appears to no longer agree with his prior interpretation of the Constitution, and in reviewing the War Powers Act, we can argue that it is unconstitutional, but that is for the Supreme Court to decide.

In applying the War Powers Act to the facts here in this case, it is clear that the President failed to comply with the requirements to get congressional approval; and when we examine the merits of the case for involvement in Libya, this administration has wholly failed to define a clear national interest, mission, or goal.

**Michael Turner (D-Ohio):** The President has used the United Nations’ approval of civil protection to wage an all-out war on Qadhafi, without congressional approval or American support. U.S. Admiral Locklear, in charge of the NATO operations against Libya, recently stated that ground troops would be needed to provide stability in Libya once the Qadhafi regime falls. And yet the President has not provided us any information about what a post-Qadhafi Libya will look like or what will be our involvement. He is committing us to an extended military action; and for Congress to be relevant, the voices of this body need to be heard.

## A Sad Irony

**Stephen Lynch (D-Mass.):** Mr. Speaker, it’s a sad irony that at the same time that we’re committing our sons and daughters to an armed conflict in Libya in support of democracy and the rule of law, that we are also here at home trampling on the fundamental principles of separation of powers and the plain language of the United States Constitution, which is the supreme rule of law in our land.

I’ve heard several times now an argument that is about politics. Well, in fairness, politics is to Congress like wet is to water. We cannot avoid that.

But this issue is really one of substance, and the United States Constitution clearly states that the President’s power as Commander in Chief to introduce Armed Forces into hostilities may be exercised only pursuant to three circumstances: first, a declaration of war; secondly, a specific statutory authorization; and, number three, a national emergency created by an attack on the United States or its territories. And none of those circumstances is in evidence here today.

So despite my great admiration and respect for our President, a lawful premise for this Libyan operation does not exist. . . .

**Brad Sherman (D-Calif.)** I know that we’ve had important resolutions from the Arab League, the U.N., and NATO. Those are not substitutes for Congress. The War Powers Act is the law of the land, and if we don’t stand up for it now, when will we? And if this President won’t obey it, what President will? . . .

## Speaker of the House John Boehner (R-Ohio):

Now, whatever your opinion of the War Powers resolution may be, the fact is it is the law of the land and simply cannot be ignored. So 3 weeks ago, this House overwhelmingly passed a bipartisan resolution asking the President to explain how this mission is consistent with our national security goals, to justify continuing this operation without authorization. He responded by telling us he didn’t need Congress because there are no “hostilities” taking place in Libya. Well, we soon found out even his own lawyers don’t buy that argument.

Now, if the Commander in Chief is going to take our forces into war, he must take ownership of it. And if the



President believes that missile strikes and drone operations taking place in Libya are critical, it is his responsibility to explain to the American people and to seek authorization from this Congress. Because the President has failed to do that, because he has failed to fulfill his obligations, we are here today.

Now, make no mistake: I support the removal of the Libyan regime. I support the President's authority as Commander in Chief. But when the President chooses to challenge the powers of the Congress, I, as Speaker of this House, will defend the constitutional authority of the legislature.

## Obama's Libya War: In Nixon's Footsteps

*President Barack Obama's defiance of his oath to uphold the U.S. Constitution, by violating both the War Power Clause (Article I, Section 8, Clause 11), and the War Powers Resolution of 1973, has drawn a broad range of opposition in Congress, both from anti-war Democrats and conservative Republicans, and from media commentators as well. Among them, is veteran journalist George F. Will.*

*On June 17, Will's column, titled, "Libya and the Potemkin alliance," in the Washington Post, drew the parallels between Obama's perfidy and that of President Richard Nixon, who chose to resign, rather than face impeachment. While pulling his punches on the impeachability of Obama's crimes, Will's reference to Nixon points in that direction:*

"...Recently, one-third of the House of Representatives—87 Republicans and 61 Democrats—unavailingly but honorably voted to end American involvement in Libya in 15 days. Were Barack Obama not taking a Nixonian approach to the law—the War Powers Resolution—his intervention would have ended last month. The WPR requires interventions to end after 60 days, absent congressional approval."

Will then knocks down the theory, espoused by some, that the WPR, "passed over Richard Nixon's veto," is "somehow a 'dead letter.' Their theory is that any law a president considers annoying, or Congress considers inconvenient, or some commentators consider unwise, is for those reasons nullified.

"Obama, a novel kind of commander in chief, explained in passive syntax that 'it is our military

that is being volunteered by others to carry out missions'....

"Disgust with this debacle has been darkly described as a recrudescence of 'isolationism,' as though people opposing this absurdly disproportionate and patently illegal war are akin to those who, after 1938, opposed resisting Germany and Japan. Such slovenly thinking is a byproduct of shabby behavior...."

### Obama Flaunted the Law

In an earlier column, dated May 28, Will wrote that President Obama is violating the War Powers Resolution by continuing military action in Libya:

"Enacted in 1973 over President Nixon's veto, the WPR may or may not be wise. It is, however, unquestionably a law, and Barack Obama certainly is violating it." Will notes that Obama did recognize the WPR in complying with its 48-hour reporting requirement, when he notified Congress on March 21 of the U.S. military action, while promising that it would be a "limited and well-defined mission."

But then, Obama flaunted the law, when, on the 60th day, rather than terminating the action as would be required by the WPR absent Congressional approval, he sent a letter to Congress with what Will calls the "meretricious" claim that the U.S. is "no longer in the lead" and is only providing "non-kinetic support." Will comments that "NATO would not act without us, and absent U.S. assets the Libya campaign would not continue."

Sen. Richard Lugar, the ranking Republican on the Foreign Relations Committee, who Will says is "normally as placid as an Indiana meadow," was aroused, telling Obama that the WPR requirements have not been fulfilled.

Will reminds us that Obama initially promised that the war against Libya would be a matter of "days, not weeks."

## The Road to Dictatorship: Hitler's Enabling Act

If the Federal legislature “voluntarily” gives up its rights, in violation of the Constitution, does that make it any more legal? Indeed, as the example of Adolf Hitler's 1933 *Ermächtigungsgesetz* (Enabling Law) shows, such a decision is a pathway to dictatorship.

The Hitler government, which, with the support of London and Wall Street financiers, had been appointed by the aging President Paul von Hindenburg in late January 1933, immediately found itself hamstrung by lack of a parliamentary majority for its fascist program. Yet, for Hitler to carry out the measures desired by his British masters, he had to get rid of parliamentary obstacles that might arise. Hitler's first step was to set national elections for March 5, in hopes of getting the two-thirds majority in the Reichstag which he needed to rubberstamp his dictates.

To get that outcome, however, it would be necessary to get the opposition parties, as well as the population, under control. Terror and imprisonment began immediately, and escalated following the Nazis' Reichstag Fire stunt on Feb. 27. The day after that event, the parliament easily passed an Emergency Law which permitted a massive crackdown on civil liberties, including authorizing surveillance, confiscations, and arrests. This suspension of constitutional provisions for individual and civil liberties in the Constitution was described as a “defensive measure against Communist acts of violence endangering the state.”

But when the election occurred on March 5, Hitler's Nazis had *still* not won a sufficient majority to “democratically” enact his dictatorship. The Nazis (National Socialists) were dependent upon the National People's Party for a majority, and faced opposition from the Catholic Center Party and the Social Democrats.

However, by March 23, Hitler got his dictatorial powers fully ratified, in a vote of 444 to 84. That was the day the Reichstag passed the Enabling Act, the “Law for Removing the Distress of People and Reich,” which gave Hitler the right to govern *on his own*, and in contravention of the Constitution, without consulting parliament, for a period of four years.

How was it done? The parliamentarians “made a deal.”

The crucial agreement with Hitler was concluded with the Center Party, headed by a Catholic priest named Ludwig Kaas. Kaas agreed to deliver votes for Hitler in exchange for assurances of protections for religious lib-

erties and the continued existence of the Center Party. Hitler acceded, promising to memorialize the guaranties in writing. The letter of guaranty wasn't forthcoming, but Kaas fulfilled his part of the bargain, on the promise that the letter was being drafted. Not surprisingly, it never came.

At that point, the vote was assured. Only 84 Social Democrats (their ranks diminished by arrests) opposed the Enabling Act. The Center Party and the National People's Party decided to take Hitler at his word, permitting him to act on behalf of the parliament, including passing laws that deviated from the Constitution, “as long as they do not affect the institutions of the Reichstag and Reichsrat,” and maintaining the rights of the President.

The guarantees were a farce. Within three months of the passage of the Enabling Act, all political parties but the Nazis had been banned. Hitler did not rule alongside the parliament, but superceded it. It only met 12 times over the next 12 years—including the two sessions when it renewed the Enabling Act.

The German politicians had “democratically” sealed their own doom, as well as that of millions of others, for more than a decade to come. Will the United States go down the same path today?

—Nancy Spannaus

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THE SECOND BATTLE OF TRENTON

## Mass Strike Resurges In New Jersey

by Nancy Spannaus

June 25—In line with Lyndon LaRouche’s latest political and economic forecast, the state of New Jersey—and implicitly, the United States as a whole—has entered into a new phase of mass-strike protest, accelerated by the state budget crisis. The protests, which built up in the Trenton area over the week of June 16-23, centered around a bill which has just passed the state legislature, which makes radical changes to the percentages paid by public employees to their health-care plans, and to the collective bargaining rights of unions.

The bill was pushed through the state legislature by aid of a deal between Democratic Ironworker’s Union member, Senate President Steve Sweeney, and Republican Governor Chris Christie. Democratic Speaker of the House Sheila Oliver also agreed to capitulate to Christie’s assault on the collective bargaining rights of union members. It was this treasonous sellout by the top leadership of the Democratic Party, which prompted labor activists to organize a New Orleans-style funeral service for the “Soul of the Democratic Party” on June 23.

The funeral included a New Orleans-style band with tuba, trombone, trumpet, banjo, and a hearse which had a large sign on the side: “Soul of the Democratic Party.” The march of about 1,000 unionists in the funeral procession carried a large banner which read, “Death of the Democratic Party (as we know it).” At 11:00 a.m., the “funeral procession” joined a 2,500-person rally out-

side the statehouse in anticipation of a early afternoon vote in the legislature.

By 6:15 p.m., a protest of about 8,500 people was reported.

It was the dramatic growth of the protest in a matter of a few hours, as well as the composition and target of the rally, that signalled to LaRouche that this event reflected a qualitative shift in the U.S. mass-strike process which has been oscillating between simmering and boiling over, since the Summer of 2009.

### **The Stick and the Blob**

Throughout this year’s fight over the New Jersey budget, LaRouche Congressional candidate Diane Sare has been waging a high-profile attack against the governor and his austerity economics, accusing him of being nothing but an obese version of President Barack Obama. It’s a case of the “stick and the blob,” both demanding that the majority of the population sacrifice their health care and living standards to support the interests of Wall Street.

Clearly, Christie’s style is more confrontational than Obama’s. The governor, who took office in January 2010, revels in attacking public employees as persons of privilege, at the same time that he has vetoed a surtax on the incomes of millionaires. He declared a state of fiscal emergency within weeks of taking office, and has used his executive powers to slash taxes, payments to



*New Jersey's Republican Gov. Christie, joined by sellout Democrats in the State Assembly, pushed through a bone-cutting austerity budget targeting public sector workers, despite mass protests at the capital in Trenton, seen here on June 23. But the battle has just begun.*

the pension fund, aid to schools, and to the indigent. He even cancelled the major federally co-sponsored project which would have built a new tunnel under the Hudson River, connecting New Jersey with New York City.

While bragging of his budget-cutting approach, however, Christie has repeatedly responded to Sare's questions about Glass-Steagall by declaring his opposition, saying he would never accept "Federal money to bail out profligate spending by the state."

Obama, for his part, strikes a softer tone, but the result is virtually the same. Public employees under Obama have been subjected to a wage freeze, and the Social Security Trust Fund has been effectively robbed by the December 2010 deal with the Republicans on cutting back the employee portion of the payroll tax. The nation's teachers unions have been the major target of the President's Race to the Top program, a union-busting venture, and the health care of the elderly and poor (Medicare and Medicaid) have been targeted by the Obama Administration as *the* major cause of the Federal deficit, and thus, the key area to be cut.

Most importantly, Obama has clung to the policy of serving Wall Street through ongoing massive bailouts administered through Fannie Mae, the Federal Reserve, and the Treasury, which put government support behind trillions in casino debts, while leaving the government without funds for the states, and vitally needed public

works. And it was Obama who personally assured the defeat of Glass-Steagall in June of 2010.

### **Bipartisan Fascism**

For those who didn't believe Sare when she identified Obama and Christie as thin and fat versions of the same breed, the budget negotiations of 2011 have been an eye-opener.

On the face of it, Christie didn't have a chance to get the legislature to pass his union-busting demands. The Democrats control both the House and the Senate by significant majorities: 47-to-33

in the House, and 23-to-17 in the Senate. He would be forced to negotiate. In addition, the Democratic base was mobilized in the streets.

Although the numbers have not risen to the level of May 2010, when the state capital of Trenton saw the largest demonstration in the state's history—between 30,000 and 35,000—the state employees unions have been holding frequent demonstrations in the state capital ever since Christie announced his plans for the 2012 budget. At the point where it became clear that the Democratic leadership in the legislature had made a deal with the fascist governor, however, the actions grew more serious.

On June 16, after hearing that Obama Democrats in the State Assembly, led by Sweeney, had supported the bill that shifts greater costs for health and pension benefits onto 500,000 public sector workers, some 3,500-5,000 union members, teachers, firefighters, police, and other public workers rallied in Trenton.

Demonstrators not only condemned Christie, but also those Democrats who aligned themselves with him. The new package that the Senate's budget committee agreed to on June 15 would increase state and local government workers' contributions from \$900 to \$2,056 per year, or \$3,230 per year for a family plan. It would also increase workers' pension contributions, and raise the retirement age for new hires from 62 to 65. The package also restricts collective bargaining rights on health benefit contributions.



EIRNS/Diane Sare

*A New Orleans-style funeral march commemorating the demise of the “Soul of the Democratic Party” was featured at the June 23 rally, which drew some 8,500 people in protest against the draconian austerity budget.*

The demonstrators were livid. Bob Master, political director of the Communications Workers of America (CWA), told the crowd that “Real Democrats would kill this bill, because workers’ rights are human rights.” AFSCME number-two national officer Lee Saunders accused the state’s leading politicians of being nothing more than fronts for corporate CEOs. “We are under attack from coast to coast,” he said. “All working people are at risk when voices are silenced.”

Christopher Shelton, international vice president of CWA’s District 1, went so far as to compare Christie to Adolf Hitler. “In Nazi Germany,” he said, “the first thing they did was go after the unions, and that’s what Christie and his two generals are trying to do in New Jersey!” Shelton was immediately denounced by the usual suspects and forced to issue an apology, but as LaRouchePAC organizers reported from the scene, more people than not understood the reality of the bipartisan fascist attack, and that Barack Obama is the biggest part of the problem.

### **The Second Battle of Trenton**

A few days later, on June 20, the unionists were back in Trenton, as hearings on the sellout bill were still occurring. Over 1,000 people came out to the Trenton Statehouse under the banner of the “Second Battle of

Trenton.” They started with a march across the Delaware River, with reenactors in colonial dress leading the labor unionists. Also, some protestors set up “Camp Collective Bargaining,” about 50 tents pitched behind the Statehouse.

From the standpoint of stopping the sellout, however, it was too little, too late. On June 23, three days later, 14 Democrats joined 32 Republicans in voting for Christie’s “reform,” giving the overfed governor a 46-to-32 majority.

Christie immediately began to crow, bragging that his bill savaging public sector workers is going to be “a national model, and will be hailed across the country as an example of bipartisanship that the President and the Congress can only aspire to.”

Echoing Obama, Christie lied that government pension and health-care obligations are “the core problems of government spending in the country.” Should Democratic President Obama follow Christie’s lead, and personally take charge the budget negotiations with Congressional Republicans, the New Jersey governor feels sure that the Federal government could impose even greater fascist austerity upon the American people. Magnanimously, the Republican governor granted that, “I would not have been able to achieve this for New Jersey without the Senate President Steve Sweeney and the Speaker of the Assembly Sheila Oliver,” both Democrats. “Everybody came together, put aside party,” said Christie.

It was in the face of this overt bipartisan fascist alliance, that the June 23 New Orleans Funeral March was staged.

But what will be the next step? The only solution to the real economic, as well as political, problems of the state is reinstating Glass-Steagall, as some political institutions in New Jersey have recognized. The New Jersey AFL-CIO, which has over 1 million members according to its website, recently passed a resolution in support of H.R. 1489, a return to the Glass-Steagall Act. Similarly with several towns in the state, including the fourth-largest city, Elizabeth.

To win the Second Battle of Trenton, Glass-Steagall must be the next step.

U.S. 2012 STATE BUDGET DEADLINE

## Chain-Reaction Bankruptcies For Global Monetary System?

by Marcia Merry Baker

June 27—U.S. state governments are in an impossible situation, which itself marks a crisis point for the collapsed world monetary system. July 1 marks the beginning of the new budget year FY 2012 (state fiscal year/SFY) for 46 states,<sup>1</sup> with their governments committed to the charade of devising and implementing ways to cut their operations sufficiently to “manage” debts and expenditures for essential functions, which, in reality, are unpayable because of collapsing economic activity and state revenues.

A drama ensued over the last two weeks, in which 21 states and the District of Columbia were in a frenzy to come up with a budget by the deadline. More than one state—Minnesota, California, Pennsylvania, among others—may begin July in a political stand-off to even concur on a pretense-budget. On July 1 they may resort to suspending staffing and programs, while their lawmakers continue haggling. California has done this several times before. Pennsylvania operated the first two months of SFY 2011 without an approved budget.

But today’s situation, because it is taking place within the context of the world financial blowout, is not simply more of the same. Even state budgets that have already been ratified are no “solution.” All states (except Vermont) are required by their own laws to have a bal-

anced budget. Therefore, over the last three years of worsening economic collapse, states “balanced” their budgets by cutting a combined total of \$430 billion out of expenditures, to try to reduce spending as fast as their revenue was falling—a figure that can be translated into thousands of layoffs of policemen, firemen, and teachers, and the slashing of services for the poor. Meantime, the same economic collapse was adding to state expenses to meet their responsibilities, in particular, for Medicaid—medical care for the poor—as more people became impoverished.

But now, the estimate as of mid-June, was that another \$103 billion had to be cut from the SFY 2012 budget year of the 21 states which still hadn’t ratified their budgets yet. Across the board, states’ combined projected spending for SFY 2012 is less than in 2008.

The clincher in this disaster and its timing, is that on June 30, the Obama Administration is terminating billions of dollars in Federal aid to states.

### Dump Obama, Get Glass-Steagall

Lyndon LaRouche, reviewing the situation on June 23, said that the crisis of the states portends a “Constitutional crisis,” a crisis which puts the survival of the nation at stake. The only solution is for the Federal government to return to the principle of the general welfare, which requires dumping the bailout and reinstating the Glass-Steagall principle. Given Obama’s role as

1. Four states begin their fiscal years on other dates than July 1: Alabama and Michigan, Oct. 1; New York, April 1; Texas, Sept. 1.



EIRNS

Michigan's Rick Snyder, along with several other first-term governors, are making axe-murder cuts to state budgets—but this is only adding to the budget blowout potential. Here, LaRouche organizers in Detroit campaign for Glass-Steagall, May 2011.

a British puppet, that means *he* has to go, while Glass-Steagall, which is now before the House of Representatives (H.R. 1489), is rammed through immediately.

LaRouche pointed to July 10 as the crucial date, a ten-day grace period after the July 1 beginning of the new fiscal year. He said that by July 10, as of now—unless some kind of gimmick or special legislation is put forward to temporarily address the states' crises, and temporarily affect the exact date—the whole system of the U.S. government is going to disintegrate. Some fraudulent scheme may be attempted to temporarily let the states off the hook, but to no avail. The states must reconcile their accounts, but the accounts are more than they can deal with. The entire Obama program on this is hopeless. The role of the national government is critical, but the government of Obama is hopeless.

LaRouche said that we are looking at a chain-reaction breakdown of the entire system over the Summer. We have reached the end of the line, the last stop on the trolley. The cuts forced on the states will cause that effect. Obama is finished. If we don't dump him, then we're finished too. If you don't dump Obama, you don't have a nation.

He said we must act by July 10, and get Federal relief to let the states function. We're at that point now. Anything else is fraudulent. Unless we turn Obama out into the streets, we're not safe. We must have Glass-Steagall.

## Impossible Situations

In six states, the size of their shortfall for 2012, taken as a percentage of their projected general fund budget, is over 20%. The projected deficits for the new year (i.e., the gap, as a percent of the projected 2012 general budget, from the Center for Budget and Policy Priorities, June 2011): California (27%); Nevada (38%); New Jersey (36%); Oregon (26%); Texas (21%); Minnesota (20%).

For the next six states, the projected deficit is 15-20%: Louisiana (19%); New Hampshire (18%); New York (18%); Arizona (17%); Illi-

nois (16%); Washington (15%).

Another group of 13 is between 10 and 15%: Connecticut (15%); Vermont (14%); Maine (14%); Mississippi (14%); Alabama (14%); Pennsylvania (14%); Virginia (13%); Florida (12%); North Carolina (12%); South Carolina (12%); Wisconsin (12%); Ohio (11%); South Dakota (11%).

Such widespread and large projected deficits are not new this year, but come on top of similar shortfalls each of the past three budget years, since the 2007 financial disintegration and economic breakdown began.

We are now at the point where states cannot carry out their responsibilities to their citizens, while keeping up a fiction of solvency by downsizing functions and finagling their books, to "balance out" plunging revenues. Whatever happens on July 1 or the ensuing few weeks—when accounts are to be reckoned—the proliferation of budget tricks will only heighten the likelihood of the breakout of chain-reactions of non-payment.

California, with the biggest budget, has had the longest-running record of accounting maneuvers and tricks to make it from one year to the next, in addition to making murderous cuts in government programs. California will carry over from FY 2011, an \$8 billion deficit into FY 2012.

In Illinois, the legislature sent a budget for Gov. Pat

Quinn's signature, which is "balanced" by simply putting off some \$1.1 billion in unpaid bills until FY 2013.

Moreover, the \$103 billion in next year's deficits, which the states have been hysterically working to "close" by July 1 in their SFY 2012 budget plans, does not count the overhang of multi-billions of unfunded state liabilities for pensions, loans taken for unemployment benefits, and similar obligations due. The non-payment of these can blow through the financial system at any time now.

Take the example of Pennsylvania, where, as of today, there is still no budget agreement. In Harrisburg, Gov. Tom Corbett and lawmakers have been hassling over what to do with an apparent "surplus" of \$540 million, while meantime, the state has \$4 billion owing on Federal debt for unemployment benefits, and \$20 billion in pension obligations! These situations are impossible.

There are dozens of instances. In Hawaii, where technically, the budget of \$11 billion was agreed to in May, Gov. Neil Abercrombie issued a memo June 23 implementing a new "horizontal budget adjustment" cut of 5%, to go into effect July 1. All departments of the state government are to themselves find ways to cut 5% across the board. Then, in SFY 2013, the new Hawaii SFY 2012 "balanced" budget mandates a second round of such "horizontal adjustment!" Statistics take precedence over people.

### **State Governments Don't Work**

After three years of such budget "balancing," government functions are in breakdown across the nation, while any pretense of fiscal soundness is gone. Besides paying for state-level activities, state budgets have been critical in funding portions of the budgets for vital services in 3,034 counties, over 19,000 municipal governments, over 13,000 school districts, and thousands more special entities such as water districts, levee associations, health-care regions, etc. In recent years, the combined budgets for all these states and localities together, whose revenue support has crashed, has been over \$3 trillion.

The July 1 deadline is a flashing danger signal for all these localities. Thousands of them cannot provide any semblance of financial soundness, and at the same time, their provisions for conditions of life are unworkable. This is the Constitutional issue: The Federal government has the responsibility to see to the general wel-

fare. This is now an emergency responsibility.

A total of over 467,000 state and local public work-force jobs have been eliminated since June 2009—when the Obama Administration economists declared the "2007 Recession" over. This includes the loss of 188,000 teachers, as well as firefighters, police, public health workers, librarians, and many others. The rate of loss of jobs has not abated. In May 2011, there were 30,000 public sector jobs eliminated nationally, which was the seventh month of such job-loss in a row, and set to continue.

Yet several first-term governors—Wisconsin, New Jersey, Ohio, Michigan—came into office this year, making the axe-murderer claim to be able to cut public sector jobs and functions faster and deeper: in effect, to shut down government. This madness just adds to the July fiscal blowout potential.

Look at the situation in Michigan, whose state fiscal year begins Oct. 1, but that of many of its local governments is July 1. Pontiac, for example, may soon be the first-ever Michigan city to declare bankruptcy. Pontiac, the once-famous manufacturing center, is among many localities in the state, which have been declared "financially distressed," and have been assigned emergency managers (EMs), to "balance" their impossible budgets. But even this non-solution has run its course in several cases. For Pontiac, the latest proposal from its EM, appointed in 2010, was to simply bypass the town, and reassign police and other critical functions to the surrounding county. Now leaders in Oakland County, Pontiac residents, and others throughout the region are refusing to go along.

Highland Park may soon receive its fourth emergency manager, and undergo its second state takeover in a decade. On July 1, the city faces starting the new fiscal year with a \$320,000 deficit.

### **Obama Cancels Aid to States**

In the face of this, the Obama Administration is presiding over the cut-off of Federal money to states and localities, as of June 30. So-called stimulus funding will cease (except for less than \$6 billion in SFY 2012), after Federal programs paid out \$150 billion to states over the last three years (2008-10), under the American Recovery and Accountability Act of 2009. Also ending June 30, is enhanced Medicaid funding, extended in August 2010 under the jobs bill (H.R. 1586), which also sent \$10 billion to the states, from January to June 2011, through the State Fiscal Stabili-

zation Fund. These programs expire June 30. Funding to states to support programs fighting HIV/AIDS will be reduced.

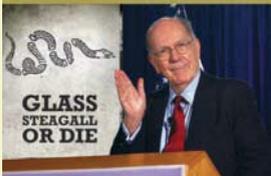
Plus, Obama is allowing to stand the so-called disaster relief payment ratio of 75:25—75% Federal government payment, to 25% state and local payment—for rebuilding costs after disasters (under FEMA, Homeland Security, and the Agriculture Department), even though hundreds of counties, as well as state governments, have no means to pay this. Local leaders are all pleading for waivers, under which they want the Federal government to pick up 100% of emergency rebuilding costs, because localities are economically destroyed.

But the Administration—despite flooding, drought, tornadoes, and other weather extremes, let alone mass joblessness—maintains its assertion that the economy is in recovery, and states and localities can pay up. Thus July 1, SFY 2012 is a call to arms for passing H.R. 1489 and companion Senate action to reinstate Glass-Steagall.

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## SAC-D Aquarius Satellite

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# Argentina Revives Its Scientific Legacy

by Cynthia R. Rush

June 27—On June 10, at a gathering at the Casa Rosada—Argentina’s Presidential Palace—in Buenos Aires, a very proud President Cristina Fernández de Kirchner watched via video hookup as NASA launched the SAC-D Aquarius observation satellite from Vandenberg Air Force base in California. Built in Argentina by the leading-edge technology company INVAP, in collaboration with Argentina’s space agency CONAE, NASA, and the French, Italian, and Brazilian space agencies, SAC-D Aquarius will use a broad spectrum of parameters to monitor and discover more of the galactic processes that affect the Earth, including, among other things, natural disaster precursors.

As she watched, Fernández had in view a live video transmission of Argentine schoolchildren who were also watching. “This [satellite] *reflects the real nation*, the country [our enemies] don’t want revealed and try to distort,” she declared (emphasis added). Thus, “this is the Argentina we must put on display every day, for these kids with their netbooks, and the apparatuses to teach them about space activities, and to train new scientists... It is so important,” she stressed, “that our children see the infinite possibilities which these new [technologies] offer.”

Toward that end, she said, rather than study law and accounting—“Do you see how many accountants we have in Argentina? What I want now are many more engineers, many biologists, and many physicists, because *that’s where the future lies*” (emphasis added). The building and launching of the SAC-D Aquarius came “from our country,” Fernández exclaimed. “This is a great day! Today, we’re all so proud to be Argentines!”

### ‘Our Contribution to the World’

As well they should be. As LPAC-TV explained in its June 17 video (<http://www.larouchepac.com/node/18493>) on the SAC-D Aquarius launch and Ar-

gentina’s tradition of scientific excellence, at a moment of global crisis, when crazed government leaders in the U.S. and Europe are following Wall Street and City of London orders to impose savage austerity on their own people, and continue bailing out a bankrupt financial system, Argentina has chosen an entirely different path.

The development and launch of the SAC-D Aquarius reflect this South American nation’s commitment to using science for the protection and betterment of humanity. Contrast this to Barack “Nero” Obama, who is slashing funding for vital satellite technology required to monitor natural disaster precursors and issue the early warnings that can save lives. In her on-the-ground report to LPAC-TV from the Casa Rosada on launch day, LaRouche Youth Movement (LYM) member Betiana González described the satellite “as a contribution from our country to the world.”

With its nine instruments—five from Argentina, two from France, one from Italy, and the Aquarius instrument from NASA—the satellite will measure the changes in salinity of the world ocean, variation of which can affect the global water cycle, including precipitation, evaporation, and ocean circulation. The Aquarius instrument itself, provided by NASA, is capable of measuring even the tiniest changes in salinity, which will assist in creating global salinity maps every seven days.

The SAC-D will also measure humidity and temperature of soils, intensity and distribution of night lights, snow quantity, ice concentrations, the effect of cosmic radiation on electronic devices, and precursors of natural disasters. All data will be accessible to the public, as well as to scientists or scientific institutions anywhere in the world.

On the occasion of the satellite launch, CONAE’s director Conrado Varotto told reporters that a major objective of Argentina’s space program “is related to natural emergencies and health, to not only act when they have just occurred and provide information for what’s called the mitigation stage ... but also to be able in the



www.casariosada.gov.ar

*Argentine President Cristina Fernández de Kirchner addresses a gathering at the Presidential Palace on June 10, as participants watch NASA’s launch of Argentina’s SAC-D Aquarius observation satellite (left)—a triumph of Argentina’s scientific heritage.*



future to issue what’s known as early warnings.” My life’s dream, he said, “is that someday we’ll be able to warn of earthquakes six months in advance.”

### **A Space Renaissance**

Fernández de Kirchner’s policy of aggressively promoting and financing the development of science and technology in a variety of fields, building on what her late husband and former President Néstor Kirchner began, has created

the optimistic and fertile environment in which projects such as the SAC-D Aquarius can flourish. As she told the Casa Rosada audience, “I’m passionate about my country, about science and art. . . . They appear to be different, but I say that the passion and creativity an artist uses when he sculpts, paints, or designs, is the same passion, ingenuity, and creativity that an engineer, a physicist, or a biologist uses when he looks through the microscope. . . .”

As a reflection of that passion, the President acted almost immediately after her Dec. 10, 2007 inauguration to create the Ministry of Science, Technology and Productive Innovation. Since then, her government has worked through that ministry, as well as through other scientific and educational institutions, to support and

increase funding for Argentina’s nuclear energy program, including the construction of new reactors, as well as a multitude of other projects. This focus has succeeded in attracting back to the country hundreds of scientists and engineers who were forced to leave in the 1980s and 1990s, because they had no place in the deindustrialization plans that London and Wall Street had hatched for the country.

Funding is key, the Argentine leader said. “We have the human resources, but human resources without financial resources can’t do anything.” It is the “*State in a sovereign country*,” she underscored, that can provide the necessary resources for crucial scientific endeavors.

But as LYM member Emiliano Andino pointed out in the LPAC-TV video, the current government’s commitment to science “didn’t come out of nowhere.” Rather, it’s a reflection of Argentina’s “classic scientific humanistic legacy,” which made enormous strides in the last century, particularly during the first 1946-52 Presidency of Juan Domingo Perón, when scientists and engineers from all over Europe, but especially from Germany, “found in Argentina a fertile culture interested in sowing this passion for ideas.” Among those who emigrated to Argentina was German aerodynamics expert Kurt Tank, a former student of Albert Einstein at the Technological University of Berlin, who designed the famous Pulqui II aircraft.

“The efforts toward thermonuclear energy, and the successful development of aeronautics, rocketry, biology, and space medicine, established a legacy that we see revived today,” Andino reported. It was space pioneer Teófilo Tabanera, he said, who in the 1930s “insisted on our natural destiny toward space exploration and colonization as an inevitable and unpostponable step.” Those scientists and engineers who sought to escape the oligarchical systems that suffocated scientific freedom were inspired by Tabanera’s leadership. The widely respected Tabanera later collaborated closely with NASA.

### **Do What the Empire Hates**

By the 1950s, a decade of the Perón government’s purposeful encouragement of science allowed Argentina to produce aircraft as sophisticated as those developed at the same time by the U.S. and the Soviet Union. During the Korean War, the U.S. Air Force showed interest in the Pulqui II’s superior design, and sent a representative to Buenos Aires to discuss purchasing Pulqui planes with Perón.

Even beyond that, as seen in the Argentine Air Force’s development of the medium-range Cóndor missile in the 1980s, the country had developed the ability to support a space program based on its own rocketry.

In the 1990s, when then-U.S. Defense Secretary Dick Cheney acted on behalf of British imperial interests and personally led the drive to dismantle the Cóndor project, that space program almost died, Andino noted. It represented a capability of putting satellites into orbit independently; and with a range of 1,000 kilometers, the missile was powerful enough to reach the Malvinas Islands, which Britain stole from Argentina in 1833, and which it still maintains as a colonial possession today. Both those potentials, Andino stated, are ones “the British Empire sincerely hates.”

In the minds of the Argentine LYM members, their country’s greatest challenge today is to “hold on tightly” to its precious legacy of scientific achievement, as it is this that defines its future. Andino concluded, that future will either see “the collapse of our species, or our transcending the coming long galactic season of natural catastrophes.”



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# Inflation, Hot Money, and Sleaze Paralyze Indian Economy

by Ramtanu Maitra

The Indian economy is in trouble. Although the economy continues to show high GDP growth, there is a growing disparity between India's sea of poor people and the few at the top of the heap. Out-of-control inflation, caused by the inflow of billions of dollars in hot money, combined with poor productivity due to weak physical infrastructure, has resulted in corruption of unimaginable proportions, which has eaten away the gains made earlier. Prime Minister Manmohan Singh, who heads a group of disparate political parties under the banner of the United Progressive Alliance, is busy keeping the coalition government in power by doing little to prevent further deterioration of the nation's economy.

On June 16, the Reserve Bank of India (RBI) raised its benchmark lending rates for the tenth time in 18 months, as a monetary measure to slow down the rampaging inflation monster, which has already greatly hurt the poor, and is now beginning to hit the middle class, which had benefitted in recent years from the GDP growth and wage rise. The earlier nine such monetary measures within the past 18-month period did not slow down inflation. It is inevitable that the high interest rates will attract more short-term hot money into the country, spurring a faster rate of inflation in the coming days.

India has earned the distinction of incurring the highest inflation of major emerging markets. On June 14, the Singh government said inflation had increased 9.1% in May, compared with a year earlier, a rate higher than expected. High inflation was first observed two years ago in the rise of food prices that affected India's



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*Despite the Prime Minister's avowed commitment to develop basic infrastructure, such as power and water, vast parts of the rural areas, where India's food is grown, have remained without electricity or water-management. These villagers are building a water storage pond, using Stone Age methods.*

poor the most. But since India's hundreds of millions of poor have little voice in directing New Delhi's economic policies, for the greater part of the last two years such inflation was pooh-poohed by Indian economists, accusing the growing army of the middle class of "over-consumption of food." Now, inflation has shown up everywhere, once again, proving the shortsightedness of those economists.

What this picture, which I elaborate below, underscores, is the inescapable truth that if a fundamental shift away from the monetarist system is not initiated in the United States, and soon, we are looking at the literal devastation of the largest population centers in the world, such as India and China. This is, in fact, the concern of *all* humanity—and must be stopped.

## The Growing Anti-Poor Bias

Unwilling to change course, and stubbornly defending the failed economic policy, New Delhi is still harping on India's high GDP growth rate. The *New York Times* reported on June 15, that Kaushik Basu, the government's chief economic advisor, said, in an interview on June 13, that inflation was a problem that all developing countries were facing. "If you look at emerging economies around the world," Basu said, "India's performance looks pretty run of the mill."

But, neither Basu nor others in the Singh government are interested in taking a good look at the damage done by their strictly money-obsessed policies. "The last two years have been a lost opportunity" for India's governing United Progressive Alliance party, Citigroup said this month in a research report.

This monetarist obsession has given rise to full-blown inflation across the spectrum. The unprecedented price rise in basic food items is severely impacting hundreds of millions of Indians. Despite the shouting by the globalizers, investment bankers, and their followers within India, millions of Indian families live on a daily diet which consists of cereal—rice, or wheat flour, or both—some vegetables, including onion, and a variety of lentil, or other similar items. Lentils provide the only significant source of protein they have access to, since they cannot afford to buy other high-protein foods, and this includes a large number of people who are non-vegetarians.

The latest figures indicate food price inflation is at 9.13% for the week ended June 11, on top of costlier fruits, milk, onions, and high-protein items. This figure is based on the Wholesale Price Index (WPI); the consumers buying from the retail market pay significantly more.

During a recent visit to India, which was prior to the release of the June 11 inflation figure, I took note of prices of some of the items which the poor have to consume in order to stay alive. The prices made me wonder how they survive. The urban poor have been forced to resort to criminal activities in order to procure food money in a cash-loose town.

What I discovered is that the cheapest variety of rice now costs twice as much as it did four years ago; wheat flour has also doubled during the same period; onion prices went up three- to fourfold; potato prices doubled, as did the price of eggs. The price of lentils (called pulses in India) has gone through the roof, and the cheapest variety, called the masoor, has gone up at least threefold.

Milk, an essential requirement in a country where milk is the most frequently consumed drink, now costs Rs.28 (about \$0.65) a liter. Chicken costs close to Rs.120 (about \$2.80) a pound. Really, there is no food item, including fruits and green vegetables, that is not selling at twice or more the price it sold three or four years before. Needless to say, cooking oil, an extremely expensive item, has gone beyond the reach of the poor.

Now, consider what almost 40% of Indians earn daily. These are the poor, and they earn, on average, about Rs.70 (\$1.60) per day. With those earnings, a family of four is left with just rice or wheat, a little salt, and a piece of onion for its meals, or a single meal with lentils and vegetable. This is the state of affairs for a huge part of India that is rarely seen, since it shames the middle-class and the academics, and the state of existence of the poor is denied.

The callous neglect of the agricultural sector, where most of the poor reside, has also exposed them to the global speculators. For instance, the abominable productivity of pulses and oilseeds, two necessary items for the poor to survive, forces India to import these items in large volume from the international market.

## Devastation of the Farmers

A recent Reuters article, "India's food chain in deep change," said that since the mid-1990s, an estimated 150,000 small farmers have committed suicide nationwide, most of them over debts, according to a survey by the Center for Human Rights and Global Justice at New York University. Behind that chilling figure, is the fact that nearly 100 million farmer families not only do not benefit from growth and high prices, but have become victims of the cannibalistic economic policy of the present Administration.

Despite the high food prices in the market, farmers are finding it ever more difficult to make ends meet. The introduction of high-yielding seed varieties and increased use of fertilizers and irrigation spawned the Green Revolution in the 1960s, which allowed India to become self-sufficient in grains. Over the years, however, agriculture innovation and efficiency have stalled due to the Singh government's absolute neglect. As a result, farmers are getting squeezed by rising costs and inefficient agronomy.

But, New Delhi continues to turn the proverbial blind eye to conditions in rural India, where hunger is endemic among the country's more than 500 million poor. James Lamont, writing for the *Financial Times*,



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*As prices have doubled and tripled, putting healthy food out of reach for huge numbers of Indians, farmers are also sinking under the weight of debt; only the speculators are benefitting. Here, a poorly stocked food market in Vellore, Tamil Nadu.*

last February, cited a Punjabi farmer: “A good farmer with a good piece of land can just about break even,” but the small farmers can no longer do so. While Punjab has remained the breadbasket of India, throughout the region, small farmers are sinking under the weight of debt. In India’s fast-growing economy, costs are rising for agricultural inputs such as fertilizer and transport. The water table has fallen dramatically, and the cost of irrigation has risen, as farmers use more powerful pumps, consuming more electricity.

Despite the Prime Minister’s avowed commitment to develop basic infrastructure, such as power and water, vast parts of rural areas have remained without electricity, and due to the non-implementation of a comprehensive water-management plan for the rural areas, many farmers have remained wholly dependent on monsoon rains for growing their crops. Farmers are bitter over the fact that the rural poor are subsidizing the urban classes in New Delhi, Mumbai, and other megacities.

The farmers are also under pressure from the government to hold down food prices. By keeping food prices down while paying for increasing production costs, these farmers are becoming increasingly indebted, as the cost of borrowing rises precipitously.

Lamont was told by the Punjabi farmers that borrowing costs are now upwards of 24%. They are forced to sell their land to pay debts. But in a state with little industry, most are trapped on the land with few alternative livelihoods. As a result, suicide rates have soared. One reports shows that, in Punjab alone, as many as 60,000 farmers have committed suicide in the past 20 years. The Singh government, presiding over this sordid state of affairs, remains in a state of denial, trotting out the official statistics that show 132 suicides in the past five years.

### **Inflation Everywhere**

It is not only the rapidly rising food prices that are causing serious problem to the millions of poor in India. Real estate prices are also soaring. An analyst pointed out that one of the causes of this is the huge sums

of black-market money (from drugs, smuggling, etc.) pouring into India. Land purchase scams have become quite common with senior politicians, top bureaucrats, and even senior military officials being involved. Also, the government has allowed foreign money to come into the real estate market.

At the same time, an inflationary spiral has engulfed the education sector. The cost of primary or secondary schooling has gone up two and a half times between 2005 and 2011. A survey carried out by the ASSOCHAM, one of India’s leading chambers of commerce, shows the rising cost of education has become a major concern for parents. The survey showed that parents living in major Indian cities invest on an average 40% of their income in their children’s education. The cost of education is increasing every year, parallel with inflation.

The survey pointed out that over 40 million children are now educated in private schools, where fees rise annually well above the overall rate of inflation. Seventy-eight percent of the parents said that, in an average family where only one parent works, it is impossible to pay even for one child’s education.

Not long ago, pharmaceutical drugs, like education itself, were priced to help the poor. But, things have

since changed, to accommodate the global players. New Delhi's decision to allow large foreign pharmaceuticals to increase their control over domestic drug companies has hiked up the price of medicines well beyond the reach of the poor.

The Singh government has reportedly taken note of this, and yet, the government's control of drug prices is restricted to only 74 essential medicines. The National Pharmaceutical Pricing Authority (NPPA) recently conducted research on cancer drugs of similar configurations. What they found startled them: prices have gone up 10 times during the last few years!

### **Hot Money**

The government's neglect of the agricultural sector, immoral as it is, is not the only reason that the curse of high inflation is now taking its toll in India. High interest rates, globalization, the government's penchant for foreign exchange to build infrastructure, and the inadequately regulated bourses, have made India the haven of dirty money, flowing in from all directions.

One major inlet of hot money is the African country of Mauritius, considered a tax haven. The total amount of foreign direct investment (FDI) that came through Mauritius has surpassed \$50 billion, accounting for 42% of the total FDI inflows, according to the latest official data.

India has a Double Taxation Avoidance Treaty (DTAT) with Mauritius, under which the corporations registered there can choose to pay taxes in the island nation. Companies prefer to route their investment through Mauritius because the effective rate of corporate tax on foreign companies incorporated there can be as low as 3%. Moreover, an investor routing his investments through Mauritius into India does not pay capital gains tax in either country.

Hot money in the form of Foreign Institutional Investment (FII) is growing, while the annual FDI flow is slowing down. In 2010-11, inbound FDI fell by as much as 28%, the second consecutive year of decline, and the first such large decline since the opening up of the economy in 1991-92. The present level of \$27 billion in FDI inflows is the lowest in four years. By contrast, FII flows into India have been on the rise over the past two years on an annual basis, with only 2008-09 being a year of sharp outflows. In fact, the outflow of \$15 billion was more than made up by inflows of \$29 billion—the highest ever—in 2009-10. This level was

largely maintained in 2010-11 as well, with a small increase.

As the Reserve Bank has jacked up the interest rate once more, with the intent to slow down inflation, India is becoming more and more an attractive destination for hot money from abroad, thanks to the prevailing high-interest-rate regime, with foreign institutional investors (FIIs) continuing to pour cash into short-term bonds issued by Indian companies.

FIIs are taking advantage of the substantial interest rate differential between India and the big money markets in the West. The probability that more money might come to Indian shores in the form of debt has risen sharply in the past couple of weeks, as a majority of the central banks around the world, excepting China, have shown an inclination to continue with their easy-money policy.

Interest rates in Europe are at 3.15%, while the rates in the U.S. are between zero and 0.25%. In Japan, they are about zero to 0.01%. This leaves enough scope for funds to raise money overseas and invest in Indian debt paper, even after taking into consideration the risk of currency fluctuation.

One report shows that, in 2011 to date, FIIs have invested about \$3.09 billion in India, of which only about \$85 million is in equities. The remaining portion has been invested in debt issued by government and corporate entities. As of June 3, FIIs have poured \$20.66 billion into rupee-denominated debt in India, as per the Security and Exchange Board of India data, much of it in short-term bonds. It is this money that threatens to fly out overnight should arbitrage opportunities improve in the West or other competing markets.

In other words, whatever is coming in by way of foreign funds flows into debt, because of interest rate arbitrage opportunities made possible by borrowing cheaply in overseas markets and investing in top-rated Indian debt instruments at attractive coupon rates.

Most investors who play with hot money are constantly seeking short-term profits rather than long-term investments. They shift hot money from one place to another quickly, in tune with changing interest rates. The rapid flow of hot money across borders of nations can cause fluctuations in the foreign exchange markets, reaping quick profits for those who control the funds; but the moment the same funds begin to flow out of the country, its economy takes a beating. India has become increasingly vulnerable to that.

## What Has Gone Terribly Wrong?

Prior to the appearance of Manmohan Singh on India's economic scene as a financial guru, in his first official incarnation as Finance Minister, and now, for the last seven years as Prime Minister, with his majordomo, Montek Singh Ahluwalia, an IMF product, the Indian economy had a slow growth rate, very little foreign exchange reserves, and a lower disparity of income. The economy was handled badly, causing untold misery to the millions, but at that time, India had a political economy—i.e., its economic decisions, though badly handled because of poor understanding of how to generate physical wealth, were in the hands of the politicians, who were accountable, since they were elected by the people.

The ushering in of monetarist “reformers” and globalizers as the policymakers has changed all that. India's economic decisions are no longer in the hands of the politicians, but firmly in those of such large corporations as the Tatas, Ambanis, Ruias, Jindals, et al. These are global investors, beholden to the foreign financial institutions from which they raise money. In other words, they are nominally Indian, but consider that their business interests come first. They are not accountable to the people of India, nor, for that matter, to the people of any nation.

As the transition occurred, the politicians became “facilitators” for one business house or the other. Some of them are facilitating many business houses. This has given birth to what many Indians call “crony capitalism.” Whatever that term means, the fact remains that by facilitating these business houses, which are worth billions of dollars, these politicians and their families enrich themselves immensely.

The process does not stop there. It goes way down. The Indian bureaucrats in high positions usually know a lot more than the relevant Cabinet minister, who was elected by the people, about the project he or she is



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*Under the Singh government, which has become a tool of the imperial monetarists and globalizers, India's income disparity has soared, between the handful at the top, and the hundreds of millions at the bottom, like these migrants, living in temporary huts, and unable to afford an education for their children.*

handling. So that, after the politicians take their cut, the bureaucrats get their share from the businesses. The process of facilitation, in essence, corrupts one and all.

The Singh government is presently presiding over one of the most corrupt administrations that India had ever seen. Teresita C. Schaffer, a retired U.S. ambassador with long experience in South Asia, and co-founder of the web magazine southasiahand.com, posted an article, “Cleaning up India's Culture of Sleaze,” in which she described the rampant corruption of “scam-o-ramas,” in which the Singh government's ministers and bureaucrats are steeped.

Describing one of the “scam-o-ramas,” in which the minister-bureaucrat-business houses together fleeced an estimated \$40 billion, according to the government's comptroller and advocate general, Schaffer writes: “Corruption is hardly unique to India—and it is not new there. Past cases that have risen to the level of public scandal have generally involved kickbacks or sweetheart deals. What distinguishes the present situation is the confluence of several major scandals at about the same time, creating an atmosphere of sleaze that appears to permeate all aspects of public life in India.”

# The U.S.A. and Europe Are Reaching the End of the Line

by Helga Zepp-LaRouche

*This article is excerpted and translated from the German weekly **Neue Solidarität**. The full article reports on developments in the United States that are covered elsewhere in this issue.*

June 25—The euro crisis is coinciding dramatically with the de facto bankruptcy of Greece and other states, and also the imminent bankruptcy of the U.S. government: In both cases, the end of the line is here. On June 24, in a vote in the U.S. House of Representatives, the question of impeachment of President Obama was potentially and implicitly put back on the agenda, because in the military operations against Libya, he has deliberately flouted the War Powers Act, and thereby the Constitution. Because the movement for the early introduction of a two-tier banking system is also growing massively, the greatest danger now lies in a staged event like the Reichstag fire of 1933, which would provide the pretext for State of Emergency legislation. . . .

## **Bankruptcy Threatens the ECB**

The situation in Europe is no less dramatic. Because of the sins of the EU Commission, the European Central Bank (ECB), and the governments, which have repeatedly violated the no-bailout clause of the European Union's Maastricht Treaty with their so-called rescue packages, plus the ECB's acquisition of toxic government bonds, a situation has now arisen in which the ECB could become technically bankrupt overnight. For example, if the Greek Parliament, under pressure from the

population, were to reject the brutal austerity program<sup>1</sup> prescribed by the Troika [the IMF, European Commission, and ECB], or if there is a "haircut" for banks that are holding Greece's debts, the ruthless and reckless behavior of the ECB would be immediately exposed.

As Welt-Online reported on June 25, the ECB has only EU82 billion of equity, with nearly EU1,900 billion in euro securities on its balance sheet, the vast majority being junk bonds. The ECB is almost as strongly leveraged as Lehman Brothers was in the darkest days, with its equity capital leveraged 23-fold (compared to 30-fold for Lehman Brothers). If the ECB ends up on the brink of bankruptcy as the result of a debt haircut for Greece, for example, it would immediately have to increase its capital to avoid insolvency. In this case, the Bundesbank—that is, the German taxpayer—would immediately provide this capital, thereby burdening the German federal budget with that debt. A debt haircut of only 50% for Greece would therefore instantly add over EU100 billion of debt to the German federal budget.

After the most recent EU summit on June 23, which decided on a further EU120 billion rescue package for Greece, the daily *Frankfurter Allgemeine Zeitung* (FAZ) commented that Merkel and Finance Minister Wolfgang Schäuble had "allowed themselves to be led by a nose-riding through the capital markets." And in fact, Chancellor Merkel, faced with opposition within her governing coalition, had previously indicated, that private investors might have to cover part of the debt, capitulated

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1. The package is scheduled to come to a vote in Parliament on June 30.

again, and used banker-speak to explain that such a thing would lead to a “credit event.”

Since the banks have already quietly dumped many of their Greek bonds, and since extending the maturities of the remaining bonds would have little effect, Merkel obviously does not want the bankers to have to put up with even minor losses, while the taxpayers, on the other hand, will have to come up with a trillion euros, as the *FAZ* writes—and it is quite right when it continues: “Anyone who wants to fight the debt crisis in a situation like this by incurring even more debt, is trying to put out a fire with gasoline.”

### Opposition Is Growing

While hundreds of thousands of people in Greece and Spain have for months been taking to the streets to oppose this policy, dramatic ferment is also now beginning in Germany on the grassroots level. More and more people are deeply troubled and upset with the reckless policies of Merkel’s government. More and more groups are seeing the bailouts as just as reckless as the nuclear phase-out, which is endangering Germany’s energy security and causing deindustrialization, a policy leading to Germany’s national suicide. There is also growing recognition that this policy was imposed on Germany by the euro system, and that Merkel has been taken in by bad Anglophile advisors, such as Hans Joachim Schellnhuber, CBE.<sup>2</sup>

Engineers and other skilled professionals are realizing with horror, how frightfully little scientific knowledge the politicians have, and how lightly decisions are being made that throw out the window the economic and cultural achievements that were developed over decades. Better late than never, people are starting to realize that what really matters is what *they* do. Still unsure about the exact form that the resistance must take, more and more citizens realize that the issue is protection from the oncoming political and financial tsunami, which is being exploded by the political cocktail that the EU and Merkel’s government have mixed for us. People are realizing, with a certain bewilderment, that they have fallen into the hands of robbers.

If one were to be cynical, one could say that Article 65, Sentence 1 of the Constitution, according to which the Chancellor defines the guiding principles of policy,

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2. The radical malthusian Schellnhuber, Honorary Commander of the Most Excellent Order of the British Empire (CBE), is the head of the German Advisory Council on Global Change (WBGU) and a climate advisor to Chancellor Merkel.

could be amended to specify that, in Germany, it is the banks that define policy—that would sum up the political reality in our country.

A better solution is emerging in the United States: There is growing support in the U.S. House of Representatives for H.R. 1489, which would reintroduce the Glass-Steagall standard, and which is being demanded by more and more organizations and groups throughout the country. If America re-introduces such a two-tier banking system—and this could happen relatively soon, in response to the abovementioned dangers—then Europe will have no choice, given the interdependence of the global financial sector, than to do something along the same lines.

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## Documentation

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### Dissent Inside the System

**Bank of England Governor Mervyn King**, June 24: “Right through this crisis from the very beginning . . . an awful lot of people wanted to believe that it was a crisis of liquidity. It wasn’t, it isn’t. And until we accept that, we will never find an answer to it. It was a crisis based on solvency . . . initially financial institutions and now sovereigns. . . . “Providing liquidity can only be used to buy time. Simply the belief, ‘Oh we can just lend a bit more,’ will never be an answer to a problem which is essentially one about solvency.”

**Andrew Graham, master of Balliol College at Oxford University**, letter to the *Financial Times*, June 22: “I am appalled, indeed terrified, by the lack of understanding of macroeconomics being shown by the European Central Bank and by the German government.” The first bailout with conditionalities has reduced the Greek ability to repay its debt, “and now, the ECB want a second pound of flesh. This is punishment, not macroeconomics. What is more, it is stupid punishment. It risks producing a failed state in Greece, the non-repayment of any Greek debts at all and the collapse of the entire European banking system.”

**Swedish parliamentarians Ulla Andersson and Jonas Sjöstedt (Left Party)**, article in *Aftonbladet*, June 19: “If Greece does not get its own currency with another exchange rate, the country risks being trapped in a very deep crisis. It is time to plan for an organized retreat from the European Monetary Union.”

# In Italy, Reich Calls For Glass-Steagall

by Andrew Spannaus

June 20—Robert Reich, who served as U.S. Secretary of Labor under President Bill Clinton (1993-97), visited the central Italian city of Prato on June 19, and issued a strong call for a return to a Glass-Steagall banking system and public investment to ensure economic growth and progress. Located about 16 kilometers (10 miles) northwest of Florence, Prato's history in textile manufacturing goes back 800 years; and in the past century, it was the most important textile center in Europe. However, local industry has been crushed by globalization, leading to a massive overhaul of the sector, involving outsourcing, cheap labor from China, and black-market activity, resulting from the pressure to drive down prices.

Reich, who is now a professor of public policy at the University of California, Berkeley, spoke at a conference June 19, organized by local City Councilman Nicola Oliva and the Democratic Party, which drew over 350 people on a Sunday night, to hear the U.S. economist encourage them to go against the trend, and seek to add high-value-added industries and services that can guarantee the growth of living standards locally and elsewhere.

In his opening presentation, Reich pinpointed the key aspects which need to be addressed in order to rewrite the rules that have led to the current situation: credit and investment. The former Secretary of Labor said that banks used to base their decisions on the needs of the local economy as a whole, going beyond even the perceived creditworthiness of the individual company, based on the bank's eligibility formulas. Now, however, all financial decisions are drawn into a global casino which ignores the needs of the population.

In response to a specific question during the discussion period on how to change the structure of the system, Reich pointedly endorsed a return to a Glass-Steagall banking system, in which local and regional banks that take deposits and make loans to the productive economy would be insulated from the global casino.

He also called for public investment in innovation and research and development, in particular, in new materials and textiles for the Prato area. While he emphasized that he did not want to be presumptuous and tell people what they should do in an area he is not fully familiar with, he stressed the importance of developing an economic strategy based on high value-added industries and services, which requires public action because private capital will not adopt such a mission. In this vein, he also endorsed the idea of a regional development bank, as proposed by Oliva and his collaborators, for Tuscany. This would be a public institution, which could then involve both public and private capital.

## High-Technology Infrastructure

Oliva and two other representatives of the local Democratic Party, Enrico Giardi and Ilaria Bugetti, spoke before Reich was introduced. The president of the Tuscany region was scheduled to speak, but was unable to attend for family reasons. Citing the anti-Depression policies of U.S. President Franklin Roosevelt, Oliva



Massimiliano Cappellini

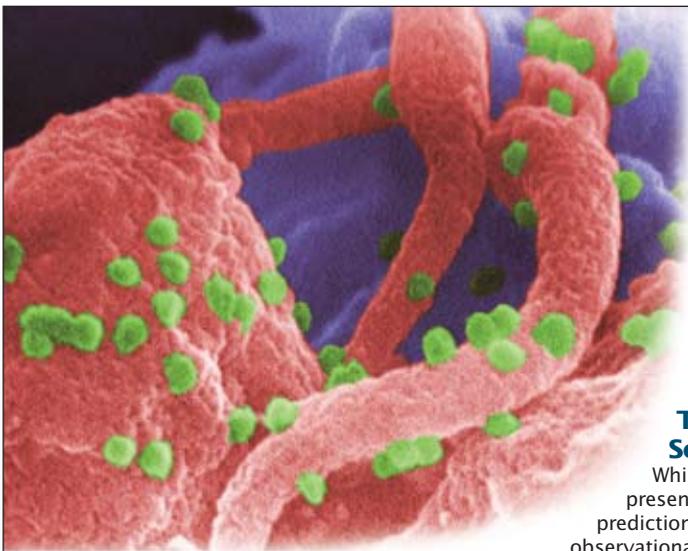
*Former Labor Secretary Robert Reich addressed a conference in Prato, Italy June 19, where he called for a return to a Glass-Steagall banking system. Seated behind him (L-to-R) are local Democratic Party representatives Ilaria Bugetti and Enrico Giardi, City Councilman Nicola Oliva, and moderator Andrew Spannaus.*

outlined the various proposals he has fought for over the past two years: controls on speculation in foodstuffs, a commission on credit for local industries, and above all, a magnetic levitation (maglev) train line between Florence and the Pisa airport, to bring a cutting-edge project to Tuscany, with new engineering capabilities and highly skilled jobs. The conference with Reich was conceived as the first in a series of events by which Prato will regain its role as a center of technological and productive innovation, requiring that national and international institutions take up the systemic changes necessary to stop the current economic and social decline.

The response from the audience was enthusiastic, with numerous local entrepreneurs and opinion leaders posing questions to Reich on the prospects for future industrial growth and the reform of the international financial system. On this point, this author, who moderated the event, mentioned the bill introduced in the U.S. House of Representatives by Rep. Marcy Kaptur (D-Ohio) to restore Glass-Steagall, and also the fact that motions calling for a Glass-Steagall system in Italy and Europe have been presented in the Italian Chamber of Deputies and Senate.

The two young City Councilmen, Oliva and Giardi, seek to challenge both their party and the political class as a whole in Italy, to take up issues such as Glass-Steagall, public investment, and high-technology infrastructure. In April, Oliva organized a conference on the maglev proposal which showed the potential for breaking out of the cage in which economic policy is discussed.

After his initial announcement of the proposal, he encountered numerous obstacles and criticism, including from members of parliament in Tuscany, such as one MP who is a former professor at the London School of Economics. However, after organizing a public event with German engineer Ralf Effenberger, who presented a detailed report on the feasibility of such a high-speed line for western Tuscany, the critics went into hiding, and significant public support has emerged; a discussion process has also begun with local officials, including the mayors of the cities involved. Naturally, to move forward with such an important infrastructure project, the types of systemic changes that Robert Reich endorsed in his visit to Italy, will be essential.



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# Russia Condemns Drug Legalizers' Report as PR Job for Lethal Drugs

by Ramtanu Maitra

June 26—The Global Commission on Drug Policy, based in Rio de Janeiro and funded by the drug legalization lobby's strongest voice, George Soros, issued a report on June 2 saying the war on drugs is a failure, costing governments oodles of money to no effect.

The "global war on drugs has failed," the report states, "with devastating consequences for individuals and societies around the world. . . . Political leaders and public figures should have the courage to articulate publicly what many of them acknowledge privately: that the evidence overwhelmingly demonstrates that repressive strategies will not solve the drug problem, and that the war on drugs has not, and cannot, be won." The report concludes that governments should legalize marijuana and other controlled substances. (It is not altogether surprising, that in attesting the failure of the war on drugs, the Soros-supported Commission makes no mention of the role of the banks in the drug trade.)

Reacting to this dangerous proposal, Viktor Ivanov, the director of Russia's Federal Narcotics Control Service (FSKN), said on June 2, "We should realize that this is nothing else but a global PR campaign to popularize drugs. Directly or indirectly, this campaign is linked with the colossal revenues estimated at about \$800 billion." Ivanov is co-chairman of the Russian-U.S. presidential anti-

drug commission, along with Gil Kerlikowske, the director of the White House Office of National Drug Control Policy.

Ivanov was supported by the U.S. Office of National Drug Control Policy, whose spokesman said that drug addiction is a disease that can be treated successfully, and that the war against drugs has met with success, contrary to what the Commission claims, and that drug use in the U.S. is half of what it was 30 years ago. The spokesman also pointed out that the production capacity for pure cocaine in Colombia fell by almost two-

thirds, from 2001 to 2009, and that making drugs more easily available will just put more people and communities in danger.

The Commission's members include former U.S. Secretary of State George Shultz, Greek Prime Minister George Papandreou, and former UN Secretary-General Kofi Annan, among other luminaries. They all have close links to Soros or his associates. For instance, under Kofi Annan, Soros's partner, Britain's Lord Mark Malloch-Brown, ran the UN Oil for Food program in the 1990s, and defended both it and Annan, when accusations of fraud emerged. While Malloch-Brown countered critics that "not a penny was lost from the organization," an audit of UN peacekeeping procurement concluded that at least \$310 million, from a budget



EIRNS

"George Soros and his imperialist friends—narcos and legalizers." *The LaRouche Youth Movement in Buenos Aires distributed this pamphlet at a pro-drug-legalization conference there.*

of \$1.6 billion, could not be accounted for.

Annan himself is associated with a leading opposition Kyrgyz politician, Azimbek Beknazarov, who had reportedly offered to grow opium in the Tien Shan Mountains. He is linked to Kyrgyz mafia boss Kamchi Kolbayev, known locally as Kolya Kirgiz. Kolbayev is on the U.S. Presidential list of drug lords who are not allowed to carry on business in the United States. Kyrgyzstan rivals Kazakhstan in drug production; hashish is produced in many districts of the Kyrgyz Republic, and the traffic of Afghan opiates through Kyrgyzstan's territory is estimated at \$20 billion annually.

Despite the "eminence" of the panel members, the pawprints and money trail of drug-legalizer Soros can be found throughout the report. For instance, at least three writers associated with this report, Bernardo Sorj, Dr. Alex Wodak, and Martin Jelsma, are beneficiaries of the Open Society Institute and Lindesmith Center, both funded by Soros. The report acknowledges the Open Society Foundation for its support.

Salivating over the years at the prospect of gaining official control of some parts of the at least \$1 trillion drug market, Soros has long been in the forefront of promoting legalization of lethal drugs. For instance, concerning Afghan opium/heroin, the Soros-funded International Council on Security and Development (ICOS), formerly known as the Senlis Council, having enlisted a number of drug-loving bureaucrats, held seminars on the "impossibility" of eradication of Afghan opium. The prime objective of the Council, and its benefactor Soros, is to legalize opium production in Afghanistan, ostensibly for medicinal purposes.

### Devastation of Russia

The Commission report was issued at a time when Russia has been staggered by the influx of Afghan heroin, whose production has jumped 40-fold during



DoD/Cpl. Lindsay L. Sayres, USMC

*U.S. Marines patrol along an opium poppy field in Afghanistan. No serious effort has been made to smash the drug production and traffic there, and Russia is bearing the brunt of the problem, with thousands of new addicts every day.*

the almost ten-year stay of the U.S. and NATO troops in Afghanistan. According to Ivanov's FSKN, Russia currently has 2.5 million heroin addicts, and 3 million other illegal drug users. Russia is the world's second leading region for heroin consumption, according to a recent UN study. Russian addicts consume 21% of the world's supply, while Europe is number one at 26%. The number of heroin-related deaths in Russia is about 100,000 per year.

Russia, along with Iran, has been ravaged by the explosion of Afghan opium/heroin. The United States has largely abandoned eradicating the poppy crop in favor of a narrower strategy focusing on cutting off funding to the Taliban, and cracking down on traffickers. Ivanov says that isn't enough to counter the flow of heroin into Russia.

The heroin-led devastation in Russia has now begun to affect its military. According to the military newspaper *Krasnaya Zvezda* last year, Russia's Main Military Prosecutor Sergey Fridinskiy, participating in an FSKN meeting, said: "Growth in the number of narcotics crimes among servicemen is notable in the course of the last five years. In 2009, the number of serious and very serious crimes connected with narcotics almost doubled." Fridinskiy said that drug-related crime increased fourfold. In the first nine months of this year, 345 crimes

involving narcotics trafficking were registered in the Armed Forces, he reported.

Ivanov, during his October 2010 visit to the United States, said in an interview with *Foreign Policy* magazine, published on Oct. 22, that he was appalled by California's legalization of marijuana for medicinal purposes. "I hadn't known about it before," he said, "and I was absolutely shocked when I was in the city and saw these posters saying that you can get marijuana for medical purposes. . . . I'm afraid that the consequences of [legalization] will be catastrophic. Even the Netherlands, where they sell marijuana legally in coffee shops, they are now reversing on this. Because there, and everywhere, drug addiction is becoming stronger and the people who are addicted develop psychiatric deviations. They say, 'What does God do when he wants to punish a person? He deprives him of his mind.'"

### Partners in Crime

What Russia must realize is that drug-generated money is one of very few sources of cash that exists in the present bankrupt global financial system, where trillions of dollars worth of unpayable debts fill the banks' balance sheets. UN Office on Drugs and Crime (UNODC) chief Antonio Mario Costa told the London *Guardian* of Dec. 13, 2009, that he has seen evidence that the proceeds of organized crime were "the only liquid investment capital" available to some banks on the brink of collapse in 2008. He said that a majority of the \$352 billion in drugs profits was absorbed into the economic system as a result.

In other words, most of the drug-generated cash extracted from millions of drug addicts around the world makes its way to the City of London-Wall Street-based banks, protected by the Bush and Obama administrations because those were "too big to fail."

The Afghan drug money gets converted to cash in Dubai. The tax-free island-city, sitting at a strategic crossroads of the Persian Gulf, South Asia, and Africa, is a major offshore banking center. With the development of the Dubai International Financial Centre (DIFC), the latest free-trade zone there, flexible and unrestricted offshore banking has become big business. Many of the world's largest banks have a significant presence in Dubai, including Abbey National Offshore, HSBC Offshore, ABN Amro, ANZ Grindlays, Banque Paribas, Banque de Caire, Barclays, Dresdner, and Merrill Lynch.

Besides those in Dubai, there are many other big money-laundering banks. Most of these are "offshore" banks that are located in former British colonies, and all are involved in money laundering: Legitimizing cash generated from drug sales and other contraband for the "respectable banks" is the lifeblood of these offshore institutions. Arguably the most important of the Caribbean offshore financial centers is the Cayman Islands, a British Overseas Territory run by a royal governor appointed by Queen Elizabeth II. The Caymans are mainly a mail drop and regulation-free zone, a place where hot money is welcome, and few questions are asked.

The British oligarchy, besides having almost a lock on the offshore banks that bring in most of the drug-generated cash keeping the City of London-Wall Street duo and Buckingham Palace alive, also works through some others who have the keys to almost all the doors in Washington.

Take, for instance, George Soros and Lord Malloch-Brown, mentioned above. Malloch-Brown is a dyed-in-the-wool representative of the British nobility, who prospers through thievery.

While Soros promotes drug legalization internationally, the Afghan drug lords do their part—with the help of the Afghan militia, illegal cash, and gunpowder. At the same time, the Soros-funded International Council on Security and Development, which has offices in Paris, Brussels, Rio, and Kabul, has set up offices at the center of Afghan drug production, Helmand Province and Kandahar, seat of Afghan Taliban power. ICOS's advocacy has been objected to by U.S. authorities. Legalizing dope cultivation could undermine the use of moral persuasion to deter growing, said Bobby Charles, former U.S. Assistant Secretary of State for International Narcotics Law Enforcement. "Anything that went about legalizing an opiate in that market would send exactly the wrong message. It would suggest that there is something legitimate to growing."

But the British are not going to give up their opium easily. Paul Fishstein, an analyst with the Afghanistan Research and Evaluation Unit, an independent think tank in Kabul which walks in lockstep with the ICOS, says that outside political pressure on Afghanistan to eradicate the crop makes this idea a "non-starter." At best, he says, it is a "long-term prospect," which requires the difficult work of strengthening Afghan institutions first.

# Elections in Peru: London Candidate Wins

by Luis Ernesto Vásquez Medina

June 27—The June 5 Peruvian Presidential elections had an unexpected result: Ollanta Humala, the City of London's candidate, won. This, despite the fact that just two weeks before the second, run-off vote, Keiko Fujimori, the daughter of former President Alberto Fujimori (1990-2000), was showing a consistent 5-7 point advantage.

What happened in that short period of time that enabled Humala, a long-standing British project, to win, albeit by a narrow margin?

The answer lies in the multi-million-dollar campaign launched from the seats of international financial power to ensure that no new Fujimori came to power in Peru. And the reason the international banks, especially the London banks, hate Fujimori, has little to do with strictly economic issues as such, at a moment when the whole international monetary-financial system is in crisis. The preference of international private banks for former Lt. Col. Ollanta Humala has more to do with the issue of narcoterrorism.

*EIR* exposed Humala and his “ethno-nationalist” project as a neo-fascist operation created by British-run international Synarchists in its book, *The Return of the Beasts: International Neo-Fascism Behind Humala*, published in Peru during the 2006 Presidential elections, in which Lt. Col. Humala, then a relative unknown, was put up for his first Presidential run. *Return of the Beasts* played a key role in blocking Humala's bid for the Presidency that year, by demonstrating that this unstable, existentialist, drug-pushing former military officer was a tool of unrepentent outright Nazi networks stretching back into France and Spain. Humala's entire family are wild-eyed ideologues of British race science, separatism, and economic feudalism: his father Isaac is a French-trained indigenist; his brother, Antauro, led a military putsch linked to cocaine traffickers in January 2005, not more successful than Ollanta's own 2000 uprising against President Fujimori.

While Humala campaigned by painting the bloody *Sendero Luminoso* leader Abimael Guzmán as a Peru-

vian Robin Hood in the media, candidate Keiko Fujimori mentioned a name at the beginning of the second round of voting that the private London banks did not like at all: in an interview granted to the AFP news agency, she said: “On matters of security, I feel that President [Alvaro] Uribe made great strides and has given stability to Colombia. It is a model that I will follow.”

## The Uribe Precedent

Alvaro Uribe, who like Alberto Fujimori for most of his Presidency, accepted the economic policies that London dictated, nonetheless demonstrated that a small country such as Colombia, if there is political will, can withstand destruction, if it is prepared to take on the new “Opium War” which Great Britain has unleashed in Ibero-America and globally. When the then-Colombian President, who in the course of two terms in office (2002-10) had succeeded in cornering the narcoterrorist FARC, asked the Colombian population for more time to fulfill his promise to permanently uproot the FARC, the media controlled by the British banks, especially the Rothschild interests, made it clear to Uribe that his persistence in seeking a third term in office could prove fatal. The London *Economist*, owned by the Rothschild interests, in its June 24, 2010 edition, warned Uribe that “they would give him the Fujimori treatment” if he sought another Presidential term. Escalating pressure from London ultimately forced Uribe to back off, and in his place, Tony Blair intimate Juan Manuel Santos threw his hat into the ring, and immediately received the blessing of the pro-FARC Venezuelan President Hugo Chávez. And today, the FARC, once on the ropes, is alive and growing once again.

The ties of the South American narco-guerrillas, such as the FARC, to the bankrupt international financial system, not only have to do with the fact that the drug trade is the business of the international oligarchic banks, but also with the fact that drugs are the main instrument of cultural warfare of the British empire against the sovereign nations of the planet.<sup>1</sup>

1. The now infamous “Grasso Abrazo” revealed the alliance between high finance and the Colombia narco-guerrillas. In June 1999, Richard Grasso, then head of the New York Stock Exchange, secretly traveled to FARC-controlled territory in Caguán, Colombia, where he embraced Raúl Reyes, then chief financial officer of the FARC. After the encounter, a photo of the infamous embrace was published by the Colombian Presidency itself, and news of the meeting was published.



Government of Chile

*Ollanta Humala won the Peruvian Presidential elections with the backing of the London-based international financial power, which was determined to deny the Presidency to Alberto Fujimori's daughter, Keiko Fujimori (inset), and thereby, protect its narco-dollars.*



Congress of the Republic of Peru

## No to Another Fujimori in Peru

Rarely has such a filthy and slanderous campaign been held in Peruvian electoral history. Days before the second round of voting, on May 26, the London *Independent* ran a supposed "exposé," asserting that the "autocratic" Alberto Fujimori was personally directing the political campaign of his daughter Keiko, from the special Peruvian jail cell where he is incarcerated. The *Independent* concluded that this proved that the concerns of national and foreign human rights activists are justified, "that a victory for Ms. Fujimori would see her free her father

and effectively hand him the reins of power, reopening a dark chapter of Peru's history, which saw extrajudicial killings and corruption."

Immediately after the second round election, it was learned that former President Fujimori had postponed his transfer to Lima's cancer center, the *Hospital de Neoplásicas*, until after the election, so as to not damage his daughter's campaign, despite having lost 17 kilos of weight, and the fact that his oral cancer had metastasized.

On May 31, the City of London had made its preferences for Peru known. The *Financial Times* published an article under the title "Humala Is Best for Democracy in Peru." The daily assured the world that, under the influence of fanatic drug-legalization champion and internationally acclaimed existentialist novelist, Spanish Marquis Mario Vargas Llosa, the Humala government would not ally with Hugo Chávez, but would be more like Lula da Silva in Brazil, who did London's bidding. It went on to publish a ferocious diatribe against Keiko Fujimori and, in passing, against the Peruvian Armed Forces. She "has not repudiated her father's policies, and we suspect that she would release him from prison where he is serving a 25-year sentence for corruption and crimes against humanity. In fact, her campaign appears to be run, in part, out of the penitentiary where father Fujimori is being held. The critics say that the

same dirty tricks he used to perpetuate himself in power have been used in her campaign." Peru's military intelligence service, it claimed, was at work for her.

## Anti-Fujimori NGOs Revived

The campaign orchestrated from London to stop Fujimori included not only the deployment of Vargas Llosa back to Peru, but also the well-financed resurfac-

ing of the whole NGO/media apparatus that had helped overthrow the Fujimori government, with the help of \$1 million contributed at the time by the world's leading drug legalizer, George Soros. The campaign this time was directed at twisting the arm of a financier-linked section of Peru's business sector, and pushing it with the full power of the media into support for Humala.

A key actor in this change on the part of Peru's business community was the president of the Association of Pension Funds, Beatriz Merino, a member of the pro-drug legalization Inter-American Dialogue and a political cohort of Vargas Llosa. Merino, herself a defender of drug legalization who signed the infamous 1986

Inter-American Dialogue call for an end to the war against drugs, met personally with Humala and came out of that meeting to tell the press that she fully believed Humala when he assured her that he was not going to touch the private pension funds, which he had previously announced he would. It was no surprise, therefore, that on June 7, as soon as the results of the elections were made known, Vargas Llosa proposed from Madrid that Beatriz Merino be named Humala's prime minister. Nor was it a surprise when, on that same day, Inter-American Dialogue president Michael Shifter, gave an interview to the New York Council on Foreign Relations in which he praised Humala's victory.

## Why London Hates Fujimori

*The following excerpt is taken from an article, "South American Summit: Infrastructure Integration Is the New Name of Peace," by Dennis Small, published in the April 15, 2005 edition of EIR.*

On Sept. 1, 2000, a summit meeting of the Presidents of South America was held in Brasilia, to promote exactly this policy [of infrastructure integration]. Based on extensive prior discussions with Brazil, Peruvian President Alberto Fujimori delivered a historic speech which called for the formation of "the United States of South America," premised on the physical integration of the continent around joint great infrastructure projects.

"Seen from a satellite," Fujimori told his colleagues, "the South American subcontinent is enormous, more than 20 million square kilometers, which contain resources which make us, united, the number-one mining, fishing, oil, and forestry power in the world. . . .

"And as if this [poverty and drugs—ed.] were not enough—and this is not detected by satellite—we have to add to this already somber panorama a sizable and heavy foreign debt weighing upon the shoulders of our peoples, and whose principal, according to conservative data, has been paid

several times, over the course of these last 25 years."

Fujimori's speech was deemed such a threat by international financial interests, that they promptly put their existing plans to topple his government into high gear, ultimately forcing his resignation on Nov. 20, 2000, less than three months later.

Was Fujimori overthrown because of that speech? Yes—but there was something else. On Aug. 31, the day before he gave the speech in Brasilia, the *Los Angeles Times* let the cat out of the bag, writing: "The Fujimori regime has hardened its tone with anti-U.S. diatribes and a strange affinity for the far-right ramblings of the U.S.-based Lyndon LaRouche movement. . . . His regime could become the model for a trend."

The financiers' fear of such a "LaRouche trend" in Ibero-America was not unwarranted. At the time that the *Los Angeles Times* article was written, and as Fujimori was delivering his speech in Brasilia, plans were being finalized for a visit to Peru by LaRouche in October of that same year. LaRouche was scheduled to meet with the nation's top leadership—including those most active in coordinating with Brazil on the subject of infrastructure integration—and to deliver a number of high-profile speeches, including one slated for a live video-conference to be broadcast across the country. LaRouche was ultimately forced to cancel his trip, because of the growing destabilization of the Fujimori government.

OUR YOUNG EXISTENTIALISTS:

## What Self-Interest?

by Lyndon H. LaRouche, Jr.

June 18, 2011

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*Some would say: "I admit that I am, so far, like most of the same generation of intellectually active minds among the maturing, younger adults today. Deep somewhere within me, I confess to myself that I am probably, really, something's 'windup toy.' I am a contemporary, young-adult existentialist. I am bright, and can be clever when the strange impulses which inhabit me, and which control me, may permit me to be clever; but those impulses do that in ways which I do not understand. Then, too often, these impulses which are like those of a wind-me-up-toy (which somebody, or something else controls) might permit me to play, or, may act to shut down my will to act. I try to do the things which suggest to me that I have free will, but, in my darkest moments, I know that that belief in my own free will is only another consoling delusion, when these unknown voices permit me to enjoy such a moment or two of pleasure. There are, in short, strange voiceless voices speaking to me, from where I do not know, voices which will cause me to punish myself, if I do not obey them when they silently speak. Will someone please tell me 'why'?"*

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There is a general affliction, which is most clearly evident in the cases of a young-adult generation today. It came to the surface in our United States itself in a new anarchist generation of the post-World War II time. This obsession fastened a grip of such a kind on a large por-

tion of the children born during the immediate post-war generation, and was spread in Europe as the 1950 launching, by such as Professor Sidney Hook et al., under the title of the European **Congress for Cultural Freedom**, a certain kind of grey-tinted sexual congress, which emerged then as a kind of haunting, existentialists' limbo of lost souls, something typified by the existentialist insanity which struck the Germany of the 1920s with samples such as a "fur-lined tea-cup and saucer," an existentialist fad which supplied the influence of an emerging fascism during that decade and beyond.

I am among the eyewitnesses of that process of degeneration.

The present phase of such pestilences of existentialism, erupted in the guise of the post-Kennedy-assassination wave of despair among those now steered in the directions typified by the "68ers." I recall, vividly, out of my own experience, how the existentialist pestilence of the post-war period to date took over the impulses of three generations to date.

I count myself fortunate, that from childhood on, I do not believe easily. As a child during the 1920s, and beyond, I knew that the beliefs for which my parents and others sought to indoctrinate me, were not true, as I adduced from conversations which I heard, or overheard as instruction, or had overheard as remarks of the adult generation. It was not an arbitrary opposition on my part; it was chiefly my awareness of both the inten-



EIRNS/James Rea

*The “pestilence of existentialism” infects some members of the youth generation today with “demonic possession” (above), just as it caused the wave of despair among the ‘68ers (right). The scene is an anti-nuclear demonstration in Berlin, May 28, 2011.*

EIRNS/James Rea

what is often the existentialist sort of emotional and intellectual anguish suffered, even among the brighter souls of our adult youths’ generation today. I know what are the attributable malaises of that generation, as I have experienced them through the course of my life’s work to the present date, as those anxieties have come into playing the role toward which they are expressed in the rather typical anxieties to which the young adult generation has been subject at this present time.

The point which I make here, is therefore a reflection of my insights into the urgent need of freeing the members of that generation, in particular, from the crippling grip of the existentialist fevers of these present times.

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## I. When the Human Soul Is Lost

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Taking the case of some persons from a stratum of the young adult generation of, say, between approximately 25 and 35 years of age, who experience what is felt by them as some ostensibly inexplicable influence gripping their moods, and, therefore, their will to react in a manner which is “objectively,” as one might say, “irrational,” one may, and should sense the presence of a factor which has little in the way of a truly realistic behavior, a behavior which, when expressed in some relatively extreme form, becomes a phenomenon approaching the state of what might appear to be a case of “demonic possession.” In society today, conditions approaching the latter extremes are not really uncommon, and may not be adequately diagnosed unless the manifestation is rather spectacular; thus, do such symptoms, reflect a part of factors which play an influential role in the behavior of even what may be presumed to be “normal” members of society.

The basis for such problematic states of personal and group behavior, does have what may be usefully considered as being a “perfectly rational” explanation, but, this is the case, only if one chooses an actually

tional and unintended forms of habituated lies of the adult generation, as often echoed during those times, up through the present date.

The best choice of illustration of the principled character of my reaction, was the seminal quality of influence on me by my adolescent rejection of Euclid’s apriorism, and my consequent inclination to a physical geometry, rather than the effort to derive the ordering of the physical universe from the reductionist’s emptiness of the imaginary and silly belief in the claims advanced for the mere myth of a physical efficiency of mere shadows on a wall.

During my childhood, adolescence, and beyond, the droning chant of the term “popular” haunted the experience of those mere shadows on a wall: I began to hate the very word “popular,” and that hatred was to become one of my advantages in life later on.

The mental and moral weakness of the minds which were more likely to succumb to the temptation of being in accord with “popular opinion,” is the key factor to be considered in the effort to understand the source of

## Riemann's Crucial Insight

*From Bernhard Riemann's habilitation dissertation, **On the Hypotheses Which Lie at the Foundations of Geometry**, translated by Henry S. White, in David Eugene Smith, ed., **A Source Book in Mathematics** (New York: Dover Publications, 1959):*

It is well known that geometry presupposes not only the concept of space but also the first fundamental notions for constructions in space as given in advance. It gives only nominal definitions for them, while the essential means of determining them appear in the form of axioms. The relation of these presuppositions is left in the dark; one sees neither whether and in how far their connection is necessary, nor *a priori* whether it is possible.

From Euclid to Legendre, to name the most renowned of modern writers on geometry, this darkness has been lifted neither by the mathematicians nor by the philosophers who have labored upon it. The reason of this lay perhaps in the fact that the general concept of multiply extended magnitudes, in which spatial magnitudes are comprehended, has not been elaborated at all. Accordingly I have proposed to myself at first the problem of constructing the concept of a multiply extended magnitude out of general notions of quantity. . . .

[In conclusion:] This path leads out into the domain of another science, into the realm of physics, into which the nature of this present occasion forbids us to penetrate.



exists only “outside” the domain which is defined by deceitfully naive belief in an assumed reality attributed to the systemically deluded notion of an ontologically essential quality of sense-perceptions.

The access to the needed insight into this subject-matter, can be defined in elementary terms of systemically scientific reference, as the relevant proof is to be celebrated from adequate reflections on the concluding section of Bernhard Riemann's 1854 habilitation dissertation, and in the light of the discoveries to this same set of effects associated with the corrective treatment of the notion of non-algebraic (e.g., outside mathematics as such) Abelian functions as the real meaning of the conception of such functions was discovered by both Lejeune Dirichlet and Riemann.

The possibility of a competent representation of the work of Riemann depends, most critically, on the summary presented by Riemann in the third section, as with the resounding conclusion of the dissertation as a whole, his warning that physical science must begin outside

the bounds of mere mathematics.

Clever mathematicians can produce academically plausible explanations of particular parts of Riemann's work; but, the most essential conceptions can not be so treated. The physicist's use of a mathematical illustration, is not only permissible as a part of the pedagogy of introducing Riemann's discovery. However, that notwithstanding, the actually competent understanding of a modern physical science does not lie with the bounds of mathematics as such. The mathematical illustration may be fine, as a temporary measure for calming the reductionist's rage of a mathematician, but, it is not a substitute for the reality which lies outside the bounds of mathematics as such. In this respect, the implications of the closing section of Riemann's habilitation disser-

competent insight into the matter. There is no need to consider such aberrations as the result of actually mysterious influences. A competent, which is to say “anti-Euclidean” standpoint of reference, is sufficient. Aeschylus, Socrates, and Plato understood the problem as expressed explicitly in the topical area of physical science—but, only on the presumption that the idea of “physical,” is properly adduced, and therefore, “demystified,” as follows.

*Atheists not wanted here.* Atheists are among the most superstitious of them all. The proof of that fact is elementary, once we have come to understand the relationship between what is merely sense-certainty, and a higher category, which is to be recognized as reality. As I shall show in the course of this present report, reality

tation, are of crucial importance for physical science today, as the subsequent work of such as Max Planck, Albert Einstein, and Vladimir Vernadsky illustrate that point.

The actual solution for the formal issues which I have just outlined, has come to assume an extremely relevant sort of practical importance for practice, in the relative facility of viewing the legendary five biological sense-perceptive capacities as being merely a virtual “one among many” of those principles of scientific insight which are not only accessible, but provide essential facilities for practice extending far beyond the limits of five senses as such. Indeed, crucial experimental evidence demonstrates that deduction from five senses is a serious, and, as in the case of the outrageous frauds of President Barack Obama on this account, even a grave error with respect to policy-shaping of a survivable mode of behavior of mankind presently.

Consider the additional qualities of instruments which are, each in their own way, equally principles of sense-perception provided as experimental principles comparable to those of sense-perception as such. That has a crucial meaning in respect to the manner in which even the very name of physical science has been extended by modern physical science, again and again, as new principles which respond to the challenge presented summarily in Riemann’s concluding section of his habilitation dissertation. It is, as it were, that the soul of mankind, as once attributed widely to five senses, is now enlarged in its essential character, and also continues to be enlarged, by the new, man-synthesized, categorical forms of sense-perception associated with any competent practice of physical science presently.

With that pattern of developments, the relatively foolish, because relatively primitive notion of the human mind, is being superseded, again and again, by the role of the addition of scientific instruments which extend the notions of universalizing principles, with ever-new, added qualities of universal principles of that growing science, presently.

Once the expansion of the sensorium has been extended in this manner, there are no limits to the existence of the individual human soul. All that dies in the temporal aspect, but not the principle of any human mind which partakes of the discovery and extended employment of discovered principles which mark mankind’s immortal role within the universe. It is as if the

soul were immortal, and the body merely the package in which, and by which it is delivered.

### *Accepting the Truth*

It has been the correlated effect of the reductionist’s belief in the five senses as the limits of mankind’s existence, which is “the offending organ” of belief which I have indicated in the opening of this present report. Suddenly, the actual soul of the human individual, and the human species, come into the view by the human mind. With that, the meaning of “human mind” itself has been changed, that in a relatively fundamental way. No more insane ghosts are permitted to play the tricks of a poltergeist upon the minds of men and women.

With the practical acknowledgement of that fact, the evil old graveyard ghosts are compelled to vanish. With that, the true meaning of the immortality of the soul, departs the graveyard.

I explain.

The idea of the “soul” has been long corrupted by what is typified by Philo of Alexandria’s denunciation of the “God is dead” hoax of Aristotle and the modern reductionists. The universe is being expanded constantly, both in extent and in quality. Whatever kinds of living cognitive forms of life comparable to the creative activity of a human being, may exist in the universe, we need not be ashamed of any limitations within the development of those elements of universal noetic principle of mankind. However many varieties of living beings exist within the universe as considered in the large, and whatever the relative span of mankind’s powers, relative to that backdrop, man’s specific characteristics as a species are in accord, in its nature, with everything which is truly creative in the universe. Man is thus distinguished as the Christian Apostle Paul wrote in **I Corinthians**. There is a mystery which can be understood in its nature on this account, whatever the experience of “change” that Apostle has indicated as to be encountered and, thus, discovered. It were sufficient, therefore, that we be content with that. We are part of an implicitly invincible principle of creativity, and our lives, and the meaning of our living, through all the uncertainties that encounters, is part of that, provided we are committed to that wonderful quality of mission in human life.

The human soul, as it is sometimes called, is implicitly immortal in its consequences, for better, or for worse—or worst.



<http://www.larouchepac.com/node/17607>

*LaRouche “Basement Team” scientist Sky Shields joins LPACTV editor Alicia Cerretani for a video presentation on “The Economics of the Noösphere: Evolutionary Potential,” Feb. 25, 2011. On the screen is a fossil of Archaeopteryx, the creature who was falsely claimed by the Darwinians to be the evolutionary “missing link” between dinosaurs and birds.*

## II. The Soul Which Is Not Lost

The cruelest of all crimes, is the form of practice which condemns the meaning of human life to the death of the legendary mortal frame. This is not some “mere” theology. An associate of mine, a still young and promising scientist, has joined me in wrestling against the silly and irrational notion of the ontology of “time” associated, typically, with frauds such as the hoaxster Isaac Newton, and the desperately demonic reductionist, Pierre-Simon Laplace, who defined himself a victim condemned to an eternity in ticking clock-time: click, click, click . . . forever.

It is not un-typical, that the young adults of today, should be inclined to the view, that their chosen way of life ends with their demise. Thus, for a significant part of that roster, there is no truth, but only a preference for a certain niche which they have chosen to occupy, up to the point that their proverbial time runs out. Such is the cruelty essentially implicit in the evil hoax of contemporary existentialism.

The issue so located within the spectrum of current beliefs is, in its effect, a very deep-rooted cultural pessimism, which may temporarily relish being relatively young and still living, but which has no homeland in its future. Behind the smiling “company manners” facade, there exists a deep despair; such a despair can be merely postponed, not actually overcome. The effect is the temptation to deny reality through aid of

pleasant experiences, for as often, and as long as they last. What is missing, is often missing because it has been lost in the disquieting effects of an undeniable cultural decay of our republic’s culture, lost for many among us with the assassination of President John F. Kennedy, and the onset of the war which his assassination—and that of his brother, the Presidential pre-candidate—was effected to bring on.

The teachers and professors who were schooled in the art of avoiding the true lesson of those assassinations, taught their pupils accordingly. So, a deep, thus inherited pessimism, enmeshes the otherwise promising young adult of today.

Therefore, take the devil by his nose!

The scientific principles of such correction are a very large subject in their own right; but, a few more modest comments should be sufficient for this specific occasion.

There exists a certain authority of necessity, such as the existential importance, for all sane mankind today, of accelerated reliance on the precedence urgently required now for nuclear fission, thermonuclear fusion, and matter-antimatter functions needed not only to increase, but accelerate the physical-economic progress of mankind, per-capita, as a whole.

The universe progresses inevitably. The continued existence, and the usefulness of our human species depends now upon our society’s “measuring up” to that standard. The opponents of such progress must,

indeed, be virtually the children of Satan. For, unless that is policy, the human species were threatened with rather early extinction, as is suggested by the currently changing position of the Solar System with our galaxy.

Let us, nonetheless, presume that that sort of now threatened human extinction were not fulfilled. The failure to adopt the measures which I have indicated, would lead to an equivalent sort of deadly effect for the human species. I refer to what is notorious, at least among competent historians, as “the oligarchical principle” treated as the evil of the Olympian cult of the Delphi temple.

The so-called “oligarchical principle,” as typified in the succession of forms of the original Roman Empire, Byzantium, the Venetians’ use of the “crusader puppetry,” and the New Venetian Party’s founding, under William of Orange, of what became the British (or, “brutish”) empire, is the essential model of global depravity within civilization still today.

Bertrand Russell was a leading British proponent of a policy and practice of regularly repeated mass-death actions effected by a ruling British oligarchy. Russell’s scheme for a genocide far vaster than Adolf Hitler’s, was perpetuated by the Anglo-Dutch duo of the World Wildlife Fund’s Prince Philip and Prince Bernhard. Now, the British monarchy is leading an international scheme for global genocide far more savage than any serious such plot in history ever before. The current President of the United States is passionately committed to actions which could not have any different effect.

That recurring scheme for genocide, is rooted in what the dramas of Aeschylus had presented as the practice of what has been called “the oligarchical principle,” the same current policy of the present British monarchy, and long the practice of Britain, formerly in India, and still currently against the populations of Africa.

That tendency for a policy of genocide against humanity generally, today, is the natural outcome of the so-called “oligarchical principle.” That is the policy of keeping the underclass of each society dumb and not-too-pregnant. The avowed, long-standing policy of the oligarchical principle has been that keeping the people dumb is the way to maintain the oligarchy’s control over them, as in the rape of the United States by bail-out policies launched and continued by George W. Bush, Jr. and Barack Obama, who have functioned

as British puppets in bringing down the people and economy of the United States now.

The point is, that if the general population is not kept relatively dumb, and if technological progress, such as that of nuclear power, were not aborted, the oligarchy would soon lose control over the virtual peasantry of “the lower classes.”

Every genocide known in Mediterranean-centered civilization has been an expression of the oligarchical principle, the principle which must now be destroyed as if it were a raging disease now threatening the human species’ continued existence.

Against the background of those and related considerations, we must identify and uproot, from within our own ranks, that sort of induced pessimism which denies the right of posterity to enjoy the progress of the future, as a sacred obligation of the present generations.

Such is the practical expression of the crisis which still tends to envelop even among the best currents of American young citizens today.

LPAC VIDEO

## TO BE OR NOT TO BE: A GALACTIC QUESTION



If we recognize that to man is granted a higher identity, above the simple perceptions of our mere mortal coil, an identity consistent with the greatest achievements of Classical arts and science, then we must locate our mission not in what is, but in what must become.

<http://larouhepac.com/galactic-question>

### *Our Constitution versus Liberalism*

“I don’t have to get to the Constitutional question,” replied Barack Obama to a question on his Libya war at his June 29 press conference. That’s what *he* thinks! The issue before the American people is all about the Constitution and the republican principles it embodies—a Constitution which represents the very antithesis of the British Liberal-Imperial system which is destroying us as a nation, and the world as a whole.

To listen to Obama, and his Soros-mouthpiece State Department Legal Counsel Harold Koh, in testimony before Congress, you would think that the Constitution has nothing to do with the launching of wars, such as that against Libya. Koh went so far as to say that the “limited” nature of the bombing campaign meant that Congress did not have to approve the operation: It just needed to give support to the President. It’s not a matter of principle, but policy, he said.

Sen. John Kerry, more surprisingly, uttered similar sophistries, not once mentioning the Constitutional principle that Congress has the sole power to declare war. Like Koh, he said it was the duty of Congress to support the President, and that it hadn’t done so in time—as if the idea was that it should be a rubber stamp.

To a patriot, the issue of the Libya war should be clear: whether we are a republic, in which Congress carries out its Constitutional mandate, or a dictatorship, where Congress obeys a President who decides the questions of war and peace.

Constitutional principle also lies at the center of the other major crisis which the United States faces, that of the ongoing blowout and breakdown of the economic and financial system. Specifically, our Constitution mandates that we function as a credit system on behalf of the general wel-

fare. That mandate makes the Glass-Steagall principle, implemented by President Franklin Roosevelt, an integral part of our Constitutional functioning.

Thus, not only is the reinstating of Glass-Steagall today, as in Rep. Marcy Kaptur’s H.R. 1489, an indispensable move toward restoring our economy to health, and restarting progress, but Glass-Steagall’s restoration is also a matter of restoring Constitutional principle—specifically, freedom from the tyranny of the British imperial monetarism, a.k.a. “the international markets.”

Will Americans rise to the occasion and fight to defend their Constitution today? Or have we so submitted to British Liberalism that we would allow a British puppet dictator to take over and destroy our nation?

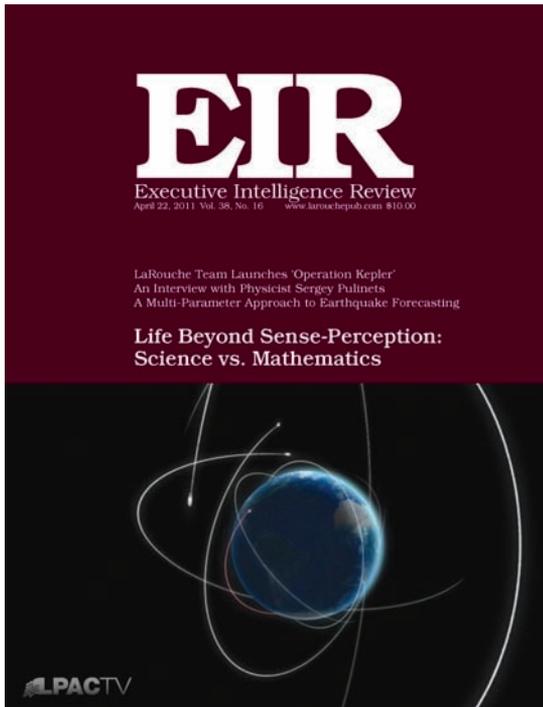
You’ll easily recognize the poison of British liberalism in our nation today—not only in our politicians, but in your neighbors and yourselves. This Liberalism stems from the fundamental premise that *there is no truth*, only the interpretation of sensual experience. Human beings are basically intelligent animals, in this view, expressed most nakedly in Adam Smith’s 1759 *Theory of Moral Sentiments*, where he rejects the idea of man made in the image of God, in favor of the assertion that each person can only pursue his own pleasure and pain, and let the results turn out as they may.

Our history says that the creation of our nation has been based, however imperfectly, on rejecting such Satanic ideas, and fighting for the *principle* of man, “endowed by the Creator with unalienable rights.” At this late hour, we either take up and win that fight now—or watch our nation perish.

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