

# EIR

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Brits, Obama Push World War III vs. Russia and China  
The Fraud of Andrew Jackson: National Banking Now!  
LaRouche's 'Call to Arms' Against British War Threat

**LPAC Poses the Question:  
Are You Dinosaur or Human?**



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#### ON THE WEB

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

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P.O. Box 17390, Washington, D.C. 20041-0390.  
(703) 777-9451

**European Headquarters:** E.I.R. GmbH, Postfach  
1611, D-65006 Wiesbaden, Germany;  
Bahnstrasse 9a, D-65205, Wiesbaden, Germany  
Tel: 49-611-73650  
Homepage: <http://www.eirna.com>  
e-mail: [eirna@eirna.com](mailto:eirna@eirna.com)  
Director: Georg Neudekker

**Montreal, Canada:** 514-461-1557

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

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

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# EIR

## From the Managing Editor

**T**he extinction of the dinosaurs some 65 million years ago, at the Cretaceous-Tertiary, or KT, boundary was not an isolated event. As our *Feature* this week—the “LPAC-TV Weekly Report: Dinosaur or Human?” makes clear, the *entire system* of which the dinosaurs were a part, vanished, making way for a more advanced biospheric system, the Age of Mammals. As this deep-going discussion between Lyndon LaRouche and members of the Basement scientific research team elaborates, the fundamental characteristic of the universe—contrary to popular (Greenie) belief—is *anti-entropy*. Because the dinosaurs could not adapt to the new higher-order biospheric reality, they went extinct, like some 98% of all species which have ever existed on Earth. In fact, man is the only known species that can alter its physical environment, by creatively breaking through to a higher level of existence.

Can mankind, now, faced with the twin threats of thermonuclear world war and economic Armageddon, make the next evolutionary leap that is required? This is the question posed throughout this issue of *EIR*.

Two articles in *International* present the reality: “Brits, Obama Push World War Against Russia and China,” by Jeffrey and Michele Steinberg reports on the confrontation between the U.S.-British-French war faction and the Russians and Chinese, who have taken a war-avoidance stance. Helga Zepp-LaRouche’s stark warning in “No One Will Survive World War III: Prevent the Suicide of Humanity!” states bluntly that “the fuse is lit for a Third World War.” And in *Economics*, Dean Andromidas reports on the desperate situation in Euroland: “Brutal Austerity Killing Greece Won’t Rescue the Euro.”

But there is still cause for hope. See *International* for “Cheminade Presidential Campaign in France Begins To Break Out,” followed by an interview with the French Presidential candidate, whose campaign is shaking up the political elites in that country. And in Italy, Giulio Tremonti’s new book *Emergency Exit*, calling for a Glass-Steagall solution, is causing similar tremors among establishment circles. In *National*, you will find a report on LaRouche’s emergency Feb. 6 web-cast, “LaRouche ‘Call to Arms’ Against British War Threat”; and historian Anton Chaitkin takes on “The Fraud of Andrew Jackson,” and challenges you to “Think Like an American—Restore Hamilton’s Bank!”



## Cover This Week

*The dinosaurs were wiped out in a great extinction event. Will mankind act in time to avoid a similar fate?*



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Lyndon LaRouche, joined by Basement scientific researchers Oyang Teng, Sky Shields, and Ben Deniston, delves deeply into the question of the ontological character of the universe: that the universe is designed to achieve ever-more significant breakthroughs in energy-flux density, i.e., that it is anti-entropic, a fact that obliterates the hysterical claims of the so-called environmentalists. As LaRouche insists: “anti-entropy is the characteristic of the universe,” and that, among known lifeforms, “only the human mind has that particular kind of anti-entropic potentiality”; that anti-entropy “is the essential precondition for the existence of the human species. The environmentalist of today is an enemy of the human species!”

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## LPAC-TV WEEKLY REPORT

# Dinosaur or Human?

*The LPAC-TV [Weekly Report](#) of Feb. 1 featured Lyndon LaRouche, and Sky Shields, Oyang Teng, and Ben Deniston of the LPAC Basement Team of scientific researchers. It was hosted by John Hoefle. Here is an edited transcript.*

**Lyndon LaRouche:** Good morning. Today we're going to be treating actually two subjects, which are interrelated. On the one side, we're now in the period, which has become graver recently, which threatens a general breakdown, and worse things possibly, politically, in the world. We're on the verge of a thermonuclear war, which is being initiated from the British monarchy, and which is a threat now, to launch a thermonuclear confrontation with Asian nations, including Russia, which is Eurasian, China, and other countries. Russia and China are among two of the most important thermonuclear systems for warfare on the planet. The United States, with its submarine warfare for thermonuclear weapons, is probably the greatest power for killing on this planet right now.

If the plan now is to have—and it has been, since the time of the shut-down of Libya, and the killing of Muammar Qaddafi—the intention has been to have the Israelis launch an attack, an aerial attack, on Iran, and on the basis of engagements, set forth a conflict which will go very quickly to a thermonuclear conflict, probably launched by the United States, under British direction, against China and Russia.

Right now, if you pay attention to the news, the United States is now committed, under Obama, and under the British, in particular, to launch a thermonuclear war. It's their war. Obama's merely a figure who's being used in it, but it's their war.

On the other side, we have another issue, which is a related one: that we are now faced with a danger of a general collapse of the world economy, for other reasons. One of the causes of this crisis is the spread of a program,



LPAC-TV

*"The matter that is going to be presented today is a demonstration of the proof that the idea of zero growth is also a threat to the existence of the human species," LaRouche stated at the outset. Oyang Teng is to his right, Sky Shields, to his left.*

the United States into the war, and if there's no check on Obama, and there will be no check on Obama right now—that might change, I would hope it would change—but if Obama is not checked, you can kiss this nation and a few other nations, essentially, good-bye.

Now, this involves also the question of population. And the chief subject that will be discussed here today, will be factors in the population of species. Which species are going to survive, and which not. And we have something to present today, which is extremely important from a scientific standpoint, but

also authored from London, the British—and it's explicitly stated publicly, from the British monarchy—to reduce the world's population rapidly from 7 billion people, to 1 billion people. Of course, that would coincide with reducing the world's population to 1 billion people by means of thermonuclear war.

These are the issues.

Recently the Democratic Party leadership has backed off from attacking Obama. Obama is the keystone for setting off this war. If Obama is not constrained—and there's no intention by the Democratic Party leadership to even attempt to constrain him now, which means we've got two: Mitt Romney, who's bad news in and of himself, and also then, Obama, who's very bad news, a British puppet, who will be dispensed with, but now is a great threat.

So now, these are the conditions under which we're talking about any issue, including scientific issues. These are the realities. If you do not put these realities up front, you don't know what you're talking about. And most people out there, I think, don't know what they're talking about.

In the case of the Democratic Party leadership, the problem—I'm familiar with these people and therefore I know what I'm talking about—is that they're scared. They're not particularly courageous people for a war kind of situation as this is. They don't want to face it. They will hope that somehow it can work out, and therefore the Democratic Party has given up the fight. Obama is the vehicle who's supposed to launch

with the aforesaid political implications and strategic implications.

The matter that is going to be presented today is a demonstration of the proof, that the idea of zero growth is also a threat to the existence of the human species. And we have the scientific evidence to prove it, contrary to a prevailing popular view, among many people who tend to look from behind the people they admire. And so, let's get started.

## Green Policies Are Not Human

**Sky Shields:** We'll lay out a continuation of some of the discussion we had last week (*EIR*, Jan. 27), using the heuristic model we put together for looking at developmental processes in general. We're going to take a look at why the entire program that's being proposed right now by the environmentalists is insane and destructive, and will lead to the destruction of the human species. But also why, underneath the specific policies that they're proposing, is something that's identical to everything that's being proposed by the so-called right wing, the monetarist program, etc. Everything you're getting from, for instance, a Newt Gingrich. Or everything you're getting from any of these other Republican candidates: that there's an absolute identity between what's known as monetarism, free-trade economic policy, deregulation, and the policies that are known collectively, as environmentalist policy, Green policy, zero-growth policy, lack of development.

And in fact, the primitive character stems from the

fact that these policies are explicitly not human. That, in fact, these are the kind of policies that you would implement if you were a very specific species of animal.

We'll see that the biosphere as a whole does not obey what they're describing. And never at any point in time has the biosphere as a whole obeyed the policy being proposed by the environmentalists today.

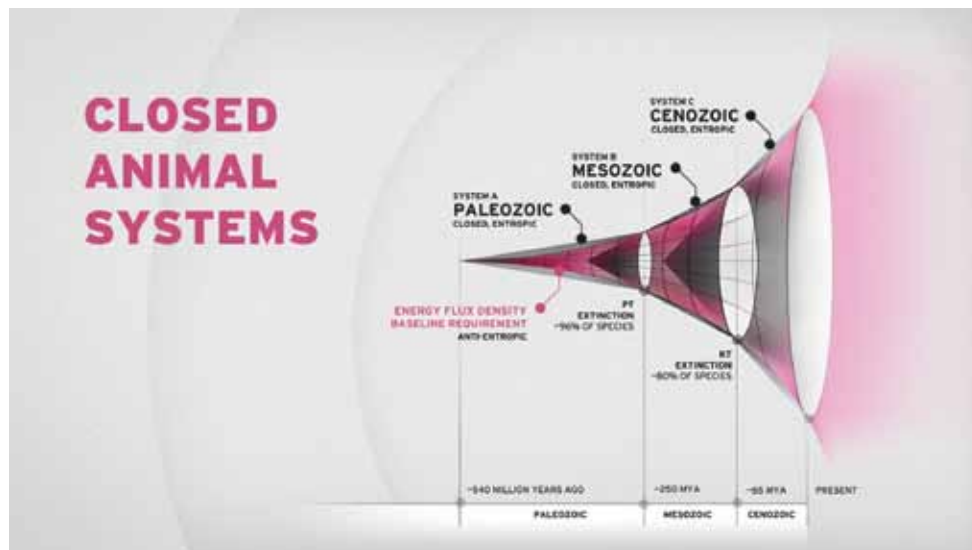
However, individual species do have the character they're proposing for mankind, which is the idea that, "Well, we will have no growth, no development." In fact, people will argue that, "Well, you can't really define what development is. What do you really mean by progress? Can you really tell us what progress is? Can you define that?"

And what we'll go through today, is that, yes, in fact, there is a very clear, very strict metric of progress, that can be used, can be applied; and in fact, we find this is something which is expressed not just in the human development, but in the development of the universe as a whole. And in looking at the process, looking at the principles that guide that development of the universe as a whole, it's going to get us to something that lies behind the shadows, behind the effects of certain types of what you would call anti-entropic development; it's something that's actually more substantial. And it will be in looking at that, that we'll be able to define more clearly, what we should call a principle of creativity, and a principle of mind.

We'll make the point here that mind is not something that appears once human beings appear on the scene; that mind is something that's implicit in the universe, and human beings are the unique, singular expression of that. The one time when you get the process that governs the universe as a whole, reflected in an individualized form, is in the appearance of human beings on the planet. And we'll discuss that rigorously.

And with that sort of isomorphism in mind, between the creative human individual and the universe as a whole, the creative principle of the universe as whole; with that in mind, we'll be able to look at the processes

FIGURE 1



of universal development, and draw much broader conclusions from them than you would be able to take from these specific isolated cases.

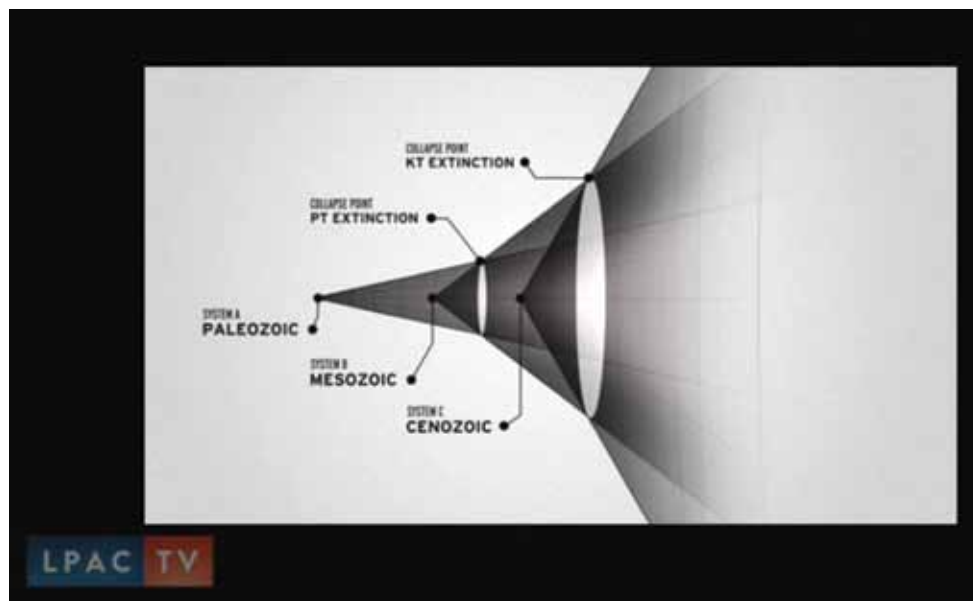
The most significant conclusion I think we're going to get from the discussion today, and the work that we'll go through today, will be that the failure to recognize these processes, the failure to become a conscious manifestation of this process of creative development, will lead to the destruction of any society that implements that opposite policy. Any society that refuses, that fails to move in this direction, in a natural progressive direction, will be destroyed simply by its attempt to prevent this forward motion.

## The Development of a Closed System

And so, we're going to walk more slowly through this model that we put together in the earlier discussions here. We'll be able to model the development of what we'll call a closed system (**Figure 1**). By closed system, we mean any system which is, again, the model of what you get proposed by the environmentalists, and also by your modern-day monetarists—and it's one of the things that, ever since the 27th Solvay Conference, and the takeover of quantum mechanics as a policy, and the reign of reductionism, this has been the view: that the universe as a whole is, and should be, governed by a set of fixed laws.

You have a set of fixed laws that function as your axioms for a given state. Everything else that exists in your system at that time is something that can be de-

FIGURE 2



rived deductively from those fixed laws. So your system forms a closed, axiomatic system.

Now we're going to look at the behavior of any closed axiomatic system. What we'll use as our case study here, is the system that precedes what's known as the PT extinction, the Permian-Triassic extinction, the late Permian extinction. This system is a very specific system of life on Earth, in the biosphere (**Figure 2**). These are very characteristic types of animal life, plant life, etc., that characterize it.

We're going to take a look at that, and what we'll see is that there's a very specific idea that governs the entirety of that system. And I don't use the word idea loosely here. I think in the course of looking at this, we'll be able to define much more closely, what do you mean by idea, ontologically. Not simply as, people have sort of a loose sense of what this means by their own experience, what they think they've experienced as ideas themselves; but we're going to discuss from the standpoint of the actual physical universe, what does it mean to say that an idea exists.

And we're going to compare that to the subsequent system here (Figures 2); where that system, leading up to the Permian-Triassic, is known as the Paleozoic, or the Old Animal Life, the period after this Permian-Triassic—PT—extinction, known as the Mesozoic, the Middle Animal Life.

Now, there's a point at which that middle system

becomes predominant over the pre-existing older Paleozoic system. Now that is marked by a collapse point, an extinction point. And we're going to get to why the character of that is not something accidental.

This is something that is a source of much debate right now. There's a lot of work being done to try to explain, kinetically, why you would get these events known as extinction events, in the history of the biosphere. These are very difficult to explain, and it's impossible to explain them in kinetic terms. It's useful to see the attempts to try to

describe why the PT extinction took place.

To give you an idea of why this is difficult: This is a point in time, a point in history, where probably between 80 to 90-percent of all species on the planet vanished. Now, that's rather significant. And looking through the fossil record, you see an incredible diversity. You do see a constant rate of background extinctions all the time. You can see a constant turnover of the appearance of new species; that always happens. And in fact, it's important to take note of, because with all the panic nowadays about trying to preserve endangered species, the biosphere has a notorious track record of not preserving endangered species. It really doesn't care very much. In fact, more than 99% of all species that have ever lived on the planet, have ever existed, have been wiped out by the biosphere.

So, this is to give you an idea of who's the worst criminal: The WWF [World Wildlife Fund] goes and tries to take on nature directly.

But, aside from that background extinction rate, which, again, is significant, you get these singular events where you see the rapid collapse in biodiversity, the rapid disappearance of species, collapsing down to a very few, then expanding out again. But what expands out after that—that collapse point—is not the same system that was developing prior. What expands outward is a new system, of which we will have seen the pre-existing elements in the system prior. And we've



marked that off in our image here (Figure 2), by showing that you have an inception point for your secondary system, which exists within the primary one. But that second system we find developing within your initial system, up until the point where it becomes the dominant factor. And the prior system vanishes and dies out.

## The Principle of Progress

Now, this is not an arbitrary event. The difference between these two systems is actually very strictly quantifiable, and in the difference between these, we'll be able to very clearly define a concept of progress. In fact, what we'll see, is that the principle of progress is the driving principle behind this process; and the factor that governs what vanishes at this extinction point, in *any* extinction point, is what, at that point in time, violates this principle of progress.

And we'll see—because that's the governing principle—why there's such difficulty in explaining how that can happen. For this, the PT extinction, there are all kinds of attempts to try to explain it: Can you account for it by asteroid collision? Can you account for it by volcanism? And, in fact, we'll see that there *is* a relation between volcanism and some of these processes; but none of them work kinetically to eliminate all life on the planet. It takes immense effort for these guys to come up with even a domino scenario that would do that, to have the volcano erupt, produce the right kind of environmental changes that would kill off the right things. The only thing is to add extra things on top—adding asteroid collision—in order to try and finish things off.

No combination of what you've ever been told about an extinction event is enough to account for either a) the degree of destruction that you're seeing; but certainly not b) the degree of anti-entropic development that you see through that event. Obviously, no volcano or asteroid is going to be able to account for the diversification you see afterwards, the actual growth, the anti-entropic growth.

That same character is true of the extinction event which occurs much later, the KT extinction, which separates the Mesozoic from the Cenozoic (Figure 2), the Middle Animal Life, from the new, Modern Animal Life. Now, that's the extinction event most people are more familiar with, popularly. This is the extinction event that separates the so-called Age of the Dinosaurs from the Age of the Mammals, the whole system that comes later on.

But we'll see that it's not simply the dinosaurs that

vanish: Again, it's an entire system. The entire system that the dinosaurs were a part of, is going to be governed by a single idea; and again, we'll be able to clearly define that idea, or clearly be able to show when that all the specifics that were connected to that idea, all the physical elements predicated on that idea—that they vanish at the point the idea vanishes.

And again, a system which was preexisting in germ form within that Mesozoic system, which becomes the Cenozoic system, that includes the mammals, but also birds, fruiting and flowering plants, grasses—there's a whole complex system which is already there in seed form, the entirety of the system is in seed form, as one thing, as a single idea, during the Mesozoic, before the KT extinction. But after the KT, after this collapse point (Figure 2) where you see the collision of the two systems, that later system, that Cenozoic system, takes off, and becomes the dominant factor.

Now, we're going to make it very clear that there is a set of metrics that we'll be able to see, that define that growth, through that collapse point. That it is possible to clearly define what you mean by progress, what you mean by development. The metrics themselves are going to be curiously interchangeable; that you won't find any one that you're going to be able to just rest on. We'll look at a few values that are going to definitely, clearly define progress, but you're going to see that they all seem to be a shadow of something else.

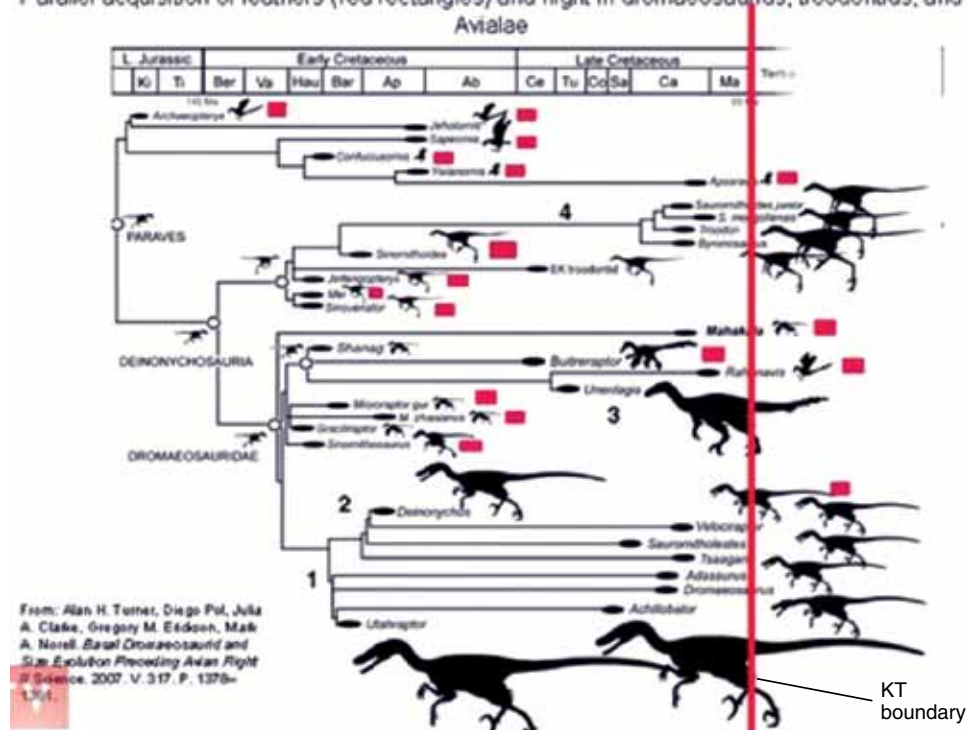
As you look, there will be certain changes, where some metrics will seem to increase, others won't; and then other places; but among them all, they form one, single set. But no one of these is going to be capable of defining what you mean by "progress." There's going to be something else that's underneath it, that's actually defining the process. That *invisible* thing that you see that's governing, that will be hinted at, is going to be the actual, most important part of investigating this process, and it will be the thing that we'll be able to carry over into policymaking in general, in the discussion of policy with human society, human economy.

## Research and Development

So, we'll take a couple of things. I'll give you just one example here of what we mean by the system in germ form, across the KT boundary, across this extinction boundary: that at this point, after this boundary, is when you see, again, the explosion, the real diversification and then the rise to prominence of mammals, of birds, of fruits. Mammals do a very funny thing, where

FIGURE 3

Parallel acquisition of feathers (red rectangles) and flight in dromaeosaurids, troodontids, and



you suddenly see that they increase in size rapidly, from these little mice-size creatures that they were.

Within the Mesozoic, the system where the dinosaurs were included, all these elements—the birds, the mammals, etc.—were so tiny as to be insignificant to the overall functioning of the system there. You get very small, rodent-size mammals, etc. Post-KT, you see them rapidly increase, actually going through a period of gigantism, before finally shrinking down to the size that we know now.

But even prior, if you take a look at the post-KT, there's a system that actually ends up *requiring* birds, as a crucial part of the development. Birds play a role in the whole system there, with fruits. Once you develop fruiting plants and seeds, birds obviously begin to play a big role in transporting seeds from place to place, and maintaining the way the overall system functions (Figure 1). They in-



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*Prior to the KT boundary, you get creatures that are otherwise unrelated, developing feathers, before there is a necessity for feathers in the system. Creatures like the velociraptor (shown here), were incapable of flight; their feathers were not used for what feathers were ultimately intended for.*

and again, these are the only ones that have developed feathers—you get creatures that are otherwise totally unrelated, developing feathers, prior to the necessity for feathers in the system. In fact, these creatures were totally incapable of flight—large creatures, like the velo-

crease—what we'll discuss later—a process known as “biogenic migration,” a concept developed by the Russian scientist Vladimir Vernadsky. They're absolutely essential, post-this KT boundary, but not necessary prior to it; they don't play a huge functional role.

Nonetheless, in that period before the KT boundary, you see a whole process of research and development—I think you can safely refer to it as “research and development”—the actual hypothesizing that's moving towards the development of that later idea.

So, here we have the actual KT boundary (Figure 3), and after the KT boundary, the only one of these lines that continues past the KT boundary, is the one that we know as birds, *avis*.

But what you're looking at here, prior to the KT boundary, are all the places where you see the appearance of feathers and/or feathers associated with flight prior to the KT. And what's important in having the [evolutionary] trees set up here, these are the plausible evolutionary relations based on types of similarities. And these are only plausible; none of these are known. But if you're trying to describe what are the plausible relationships—

ciraptor, developing feathers, not used for what feathers are ultimately developed for.

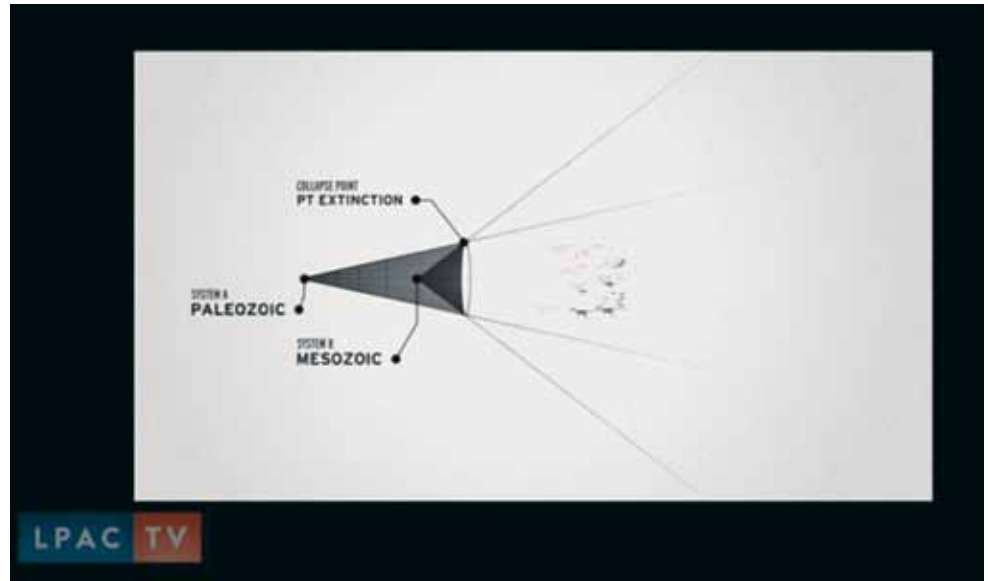
So you can see these sort of echoes of a future system. Two things are significant about this: One, is that these are echoes defined by a future state: *that it's actually a future state of the whole system which does not yet exist*, which hasn't yet come to prominence. It's being tried out in this earlier period. This is going to take us to something we'll discuss through the course of our discussion here—to a real texture of “what do you mean by physical time?”

And we're going to see echoes of it in this sort of causality, where the causality in the system is not what Laplace defined. It's not like dominoes, it's not that the cause for each event is the event which immediately preceded it. In fact, if you try to look at the events immediately preceding this research and development, you find no cause—even in the moment itself, there's no cause for it. Where we'll get to: that the very idea of a Laplacean moment, the idea that you can take some slice of time, and have it be completely determined, is not true. That exists nowhere in the actual physical universe: That's a mathematical fiction. In fact, the reason for the state at any given moment, we'll find, is only going to be found in a peculiar way, is going to depend in some way, on the much later state which is to follow.

## The Real Paradox

Now, at the same time, it *is* true that that later state which is to follow, is only permitted, facilitated, by the state which comes prior. So it gets us into a paradox, in any attempt to represent time simply linearly. There's a kind of a texture there that's required. And as we'll discuss later on, exactly that sort of a texture is the only kind of a physical universe that will permit human free will; but more specifically, human creative thought. That is the real paradox, the question, “What kind of a *physical* universe, what universe will permit human free will to exist, as a dominant feature, as a governing feature?” is going to require a complete overhaul of

FIGURE 4



what we've defined as time and space. And we'll have some first stabs at it, in the course of this discussion here, because we'll see that it's *essential* to really understand this process of development here.

So you see this development. This beginning period, you can treat as the apex of that cone, of that later system. The break here, at the KT boundary (Figure 3), where you see that only one of these trends continues, even though the research and development was done in all these unrelated areas, with feathers, *one* continues and then diversifies wildly, into all the types of birds we see today. That development corresponds to what we saw here, with the appearance during the Mesozoic of the system that becomes the Cenozoic system. And then, again, at that KT boundary, becomes the dominant system as it expands.

Now, that's going to give us the ontology of physical time, which is very different (**Figure 4**). This is something that Vladimir Vernadsky worked on, in some detail, the point that the time of mathematics and physics, is not the time of the actual physical universe. That this is a *severe* abstraction, and this was known. Most people who think seriously about it, realize that there's no mathematical representation of time that even corresponds to your most basic experience of time. The most basic experience that you personally have, is that there's a distinction between what you know as a future and the past. There's no way to signify that mathematically; even that *simple* fact about it is not simply signifiable by that distinction.

But then, there are *more important*, qualitative characters of our experience of time, which are going to be contained in human creative mentation, which we'll discuss a little later. But those will be important, because those are the ones that are going to be necessary to be understood for policymaking: questions of really defining, how do you know, right now, what policy direction the human species must take in order to ensure the sustainable survival of the human species?

Now, this is serious: I'll just take a quick, little diversion on that: that we want to have in mind some of the most interesting paradoxes, I think, of human development; one, that we've brought up before, but is the paradox of real human education, which is seriously paradoxical, when you think about it. If you recognize that the human species thus far, and into the future, depends on the development and introduction of concepts that did not exist prior—actual creativity, the actual introduction of something which did not exist prior—and you say that our continued existence as a species depends on that. So you depend on us being able to introduce an idea, which was not contained deductively, in anything prior. Then, what are you claiming that you're doing, when you're talking about educating youth, educating a new generation?

There's a lot of *chutzpah* involved in saying that you can successfully teach somebody to do something that you do not yet know how to do. There's a lot of *chutzpah* in saying that you're actually capable of having a new generation; that you can consciously take responsibility for a new generation, and ensure that that next generation will be able to introduce something that does not yet exist, that you're not giving them deductively. This is not animal training. There's something else being done here, which depends on the character of this process.

And again, it will have this quality, where it's not the moment, there is no Laplacean moment, which is capable of defining everything that comes after. Instead, there's something subsuming, that has a *very* different character.

So, we'll come back to that.

But first, I'd like to go through one specific arc, that will contextualize for us what we mean by "policymaking." So we can take a look at what we've done with the policy currently proposed by our political movement as the necessary next step for the human species, which is, NAWAPA—the North American Water and Power Alliance—a kind of quick case-study, to see how our over-

FIGURE 5



all arc of development here, relates to that, as a policy, if implemented.

And Oyang, you can take that.

## The Development of the Biosphere

**Oyang Teng:** Take it back to where you had the beginning of the Paleozoic, because I think that's the context for conceptualizing the process of not just growth, not just the lily pond growth in a linear way, but the actual development and transformation of the environment, to the point that what you call the "environment," becomes indistinguishable from the process of development.

You can see that if you go back: You take the first major expansion of the biosphere, from the oceans onto land. Take yourself back to a point, roughly 400, 450 million years ago. If you were hovering above the planet, and you looked down, you would see ocean, continents, you would see mountains; but what you wouldn't see, is green (**Figure 5**). There would be barren continents. If you zoomed down, if you got a little bit closer, you'd find you've got these vast kind of rocky plains and mountains and so forth; there might be little mats of algae, there might a couple of little lichens stuck to the rocks, but there wouldn't be much else.





LPAC-TV

*The first major expansion of the biosphere was the movement of life from the oceans onto land: “The creatures in the ocean had it good,” Teng pointed out. When they looked at the land, they would have said, “No, that’s too hostile, we don’t need to go there. There’s nothing there for us.” But go they did.*

There would be, really, a hostile environment, especially from the standpoint of anybody in the ocean.

The creatures in the ocean had it good, right? All the nutrients are just floating around, you’ve got currents that are bringing nutrients to you. You’re protected from the harshest forms of solar and cosmic radiation. You’ve got it made. Anybody looking at life out on land would say, “No, that’s too hostile, we don’t need to go there. There’s nothing there for us.”

If you think about the actual process that had been developing, through the Cambrian explosion, through that point about 540 million years ago, where you had this rapid expansion in the oceans, part of what preceded that, was a major, major pollution of the environment: the creation of a free-oxygen atmosphere. And that completely violated the entire structure of the planet at the time. It forced it into a new phase; and part of what it did in creating the ozone layer, for example—the initiation of free oxygen, the ozone layer—it began to open up the possibility that the land surface, which up till now had been a total, barren wasteland, all of that solar radiation just bouncing right off, almost nothing capable of living there, all of a sudden became the frontier for the development of the biosphere.

Now, what’s interesting, is that if you take a look at the process of movement,

from the oceans onto land, you get a sense of—the image that’s often used, you’ve referred to it as the “mold hypothesis”—is that you sprinkle a little bit of mold, and it’s the equivalent of leaving your dirty socks out, and eventually something, some kind of fuzz will grow over the surface of it, and then you have to toss it out.

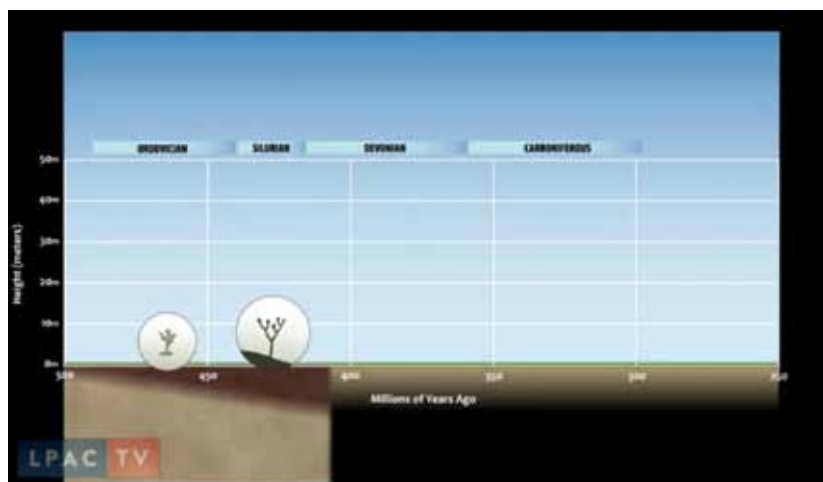
The colonization of land was much different: This was actually another serious violation of the existing environment of the time, starting with the first, modest land plants that come out, and begin to kind of colonize the coastal areas, where you still had a relatively moist environment.

The first major innovation was to begin to create the vascular system. So going from the very low-lying moss-type plants, which were easily dried out, easily

desiccated, they had really no internal plumbing, so to speak; they relied on the ambient moisture of the environment, they were obviously very limited in range.

Once you began to create the vascular systems that made it possible to actually channel water up through the body of the plant, and transpiring that out into the atmosphere, what you began to see—this was about 420 million years ago—was a slow raising of what’s called the “boundary layer,” which is the interface of the ground with the atmosphere (**Figure 6**). And there’s a very specific change that occurs as you begin to raise this boundary layer: You actually change the characteristic of the air flow inside of this boundary layer. So, if

FIGURE 6



you imagine, maybe 400 million years ago, you've got the beginnings of maybe ankle-high plant life beginning to sprout up.

Now, it wouldn't be completely obvious at the time, but this is a crucial sort of premonition of the type of process that would be necessary for the development of the biosphere on land, because, you began to have the beginnings of an actual hydrological cycle. As this boundary layer gets raised, as you change the characteristics of the air flow, you moisten the air flow *within* the boundary layer, it expands the capability for plant life to expand itself.

Now, part of what was happening at that time, was a growth in a new type of relationship among living species. Again, you have to consider, the land surface at that time was the most hostile environment you could imagine. You had constant drying winds; you had constant bombardment of UV radiation; you had to actually take everything that was given to you in the oceans, and essentially package that into the equivalent of a space suit, to be able to survive on the land.

And this involved a number of specific innovations, specific technological breakthroughs: One of the first would have been the development of a waxy cuticle, a waxy sort of covering to preserve the water content inside of your plants. The other would be the ability to support yourself in a gravity environment—you don't really have that problem in the oceans, you've got buoyancy. All of a sudden having to support yourself requires the creation of new materials, new materials that, as they allow you to expand higher, also force the development of root systems, to be able to draw water from deeper, to be able to stabilize the plants.

## A Transformation of the Planet's Environment

So, at the same time that you begin to have a steady rise, you also have a corresponding movement down (**Figures 7 and 8**). Now, this is key: What right did plant life have to alter the environment? And I think if you asked the rocks, they

would say, "Look, life before plant life was completely different." As the roots began to creep into the rocks, what you have is a cycling: The roots are actually taking the products of photosynthesis and channeling that down into the ground. What that does, is begin to break up the rock surface. You're not only breaking it up, but you're altering the chemical composition, you're altering the geochemistry. You're beginning to create new types of minerals.

The evolution of the mineral diversity of the Earth, really takes off, corresponding to the radiation of life on land, and we'll get to that in a second. But, as this process develops, you begin to have a total transformation in the environment of the planet. You begin to create soil, which had never existed before. The soil itself is a complex mixture of new minerals, new microbial communities,

FIGURE 7

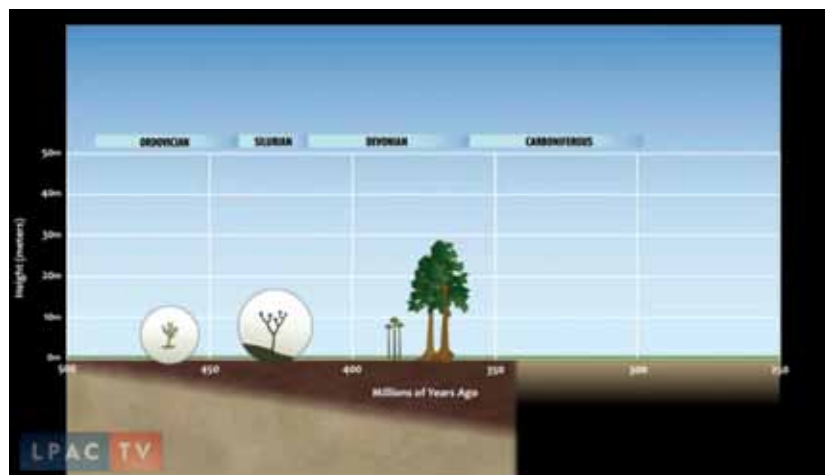
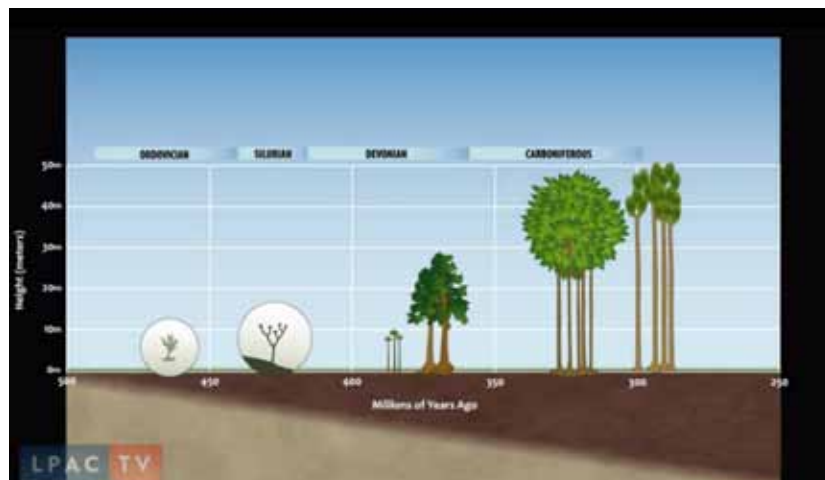


FIGURE 8



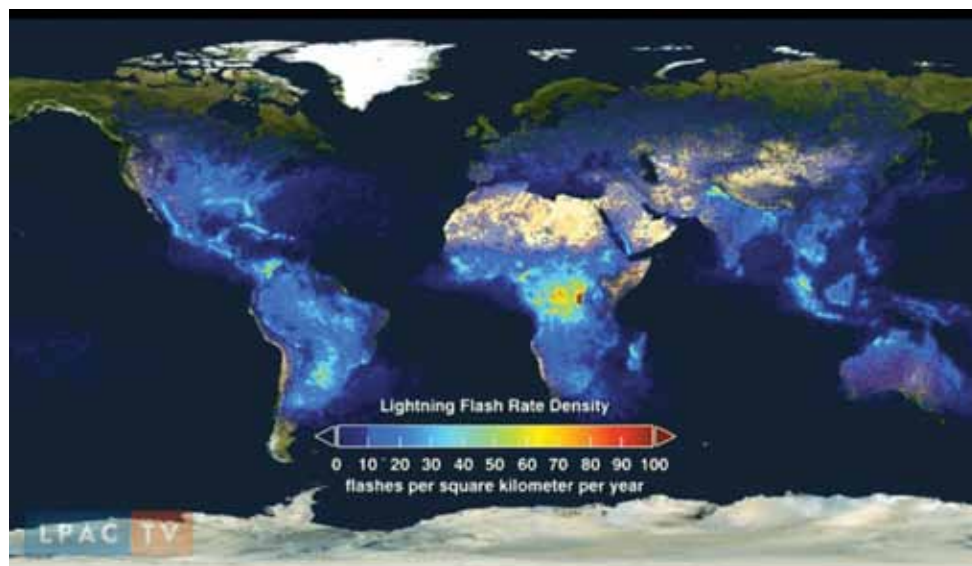
and this, combined with the interaction of the atmosphere, begins to create an accelerating flow of material between the atmosphere, the soils, and into the oceans, all mediated by the plant life that's growing, developing, and taking into itself—creating *inside* of itself the equivalent of an ocean on land. Now, there's a key difference—that the cycling of nutrients in the ocean is sort of a whimsical process: It depends on the movement of currents, and the winds, and so forth, to bring up nutrients from below.

As you begin to create the development of a real biosphere on land, you have an active flow, which is controlled by the machinery, by the plumbing so-called, of this system. The system involves an interconnection of plant life, of fungus, symbiotic fungus to connect the root systems of these plants; you actually have to create a whole interconnected, nested network of living organisms that are capable of drawing, into the system as a whole, the required flow of nutrients, that pass from the soil through the system on land, up into the atmosphere, and then back down into the soil.

A good image for this, is to take the idea of the water cycle, the rain cycle: It's usually discussed as just a sort of evaporation, and then precipitation, evaporation/precipitation. But it actually involves a much more active process. Like I said, with the creation of the soil, you create a new capability to actually maintain the moisture of the soil, to maintain the water-retention capability of the land. That now becomes a reservoir, which is drawn up through the root systems, is transpired into the atmosphere, and is recycled on land, which allows the actual growth, the spread of plant life further inland. So, if you imagine now, you go back into your spaceship, you're looking down, and if you had a time-lapse view of this, you would begin to see the layers of green at the margins of the continents beginning to move steadily inwards (Figure 3).

Now, that in itself, contains a whole set of what you referred to as “metrics” for actual anti-entropic devel-

FIGURE 9



opment. Number one, this becomes a necessary process for the flow of material, through the system as a whole. It is controlling, for example, the flow of material into the oceans. Key elements, like phosphorous, or carbohydrates, are now being modulated by the retention and the activity of plants.

But secondly, this colonization inward into the land, also involves a corresponding colonization *upward*, into the atmosphere. Not only is the boundary layer being raised, but the composition of the atmosphere, in terms of aerosols, in terms of microbes, and in terms of water vapor, is now creating a system, where you're creating new cycles, which are growing, developing on the land, and feeding the density of this process itself.

One example to consider is that one of the major limiting nutrients for plant life is nitrogen. Now, one of the major ways the biosphere creates nitrogen, is through lightning. Now, as the density of plant life increases, especially as you begin to get trees as they appear in the Devonian period, about 350 million years ago—this now, with larger trunk systems, broader leaves, deeper root systems, accelerating the weathering of the rock, increasing the uptake of nutrients and water from the soil, increasing the evapotranspiration into the atmosphere—begins to create the capability to have rapid movements of moisture into the atmosphere, and the development of storm systems. If you look at a satellite map of the planet (**Figure 9**), the places of the densest lightning formation are the places where you



FIGURE 10

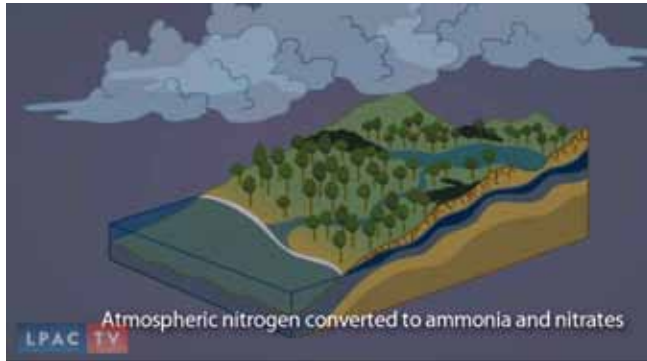


FIGURE 11

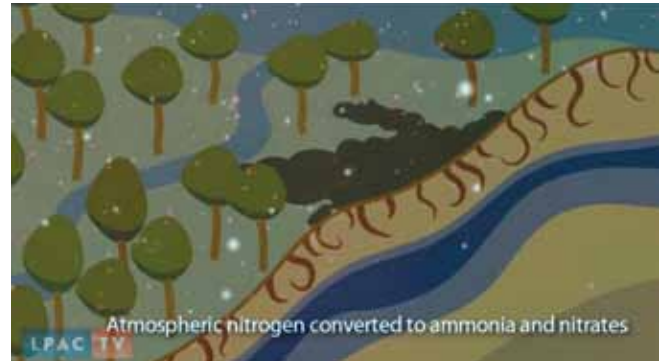


FIGURE 12

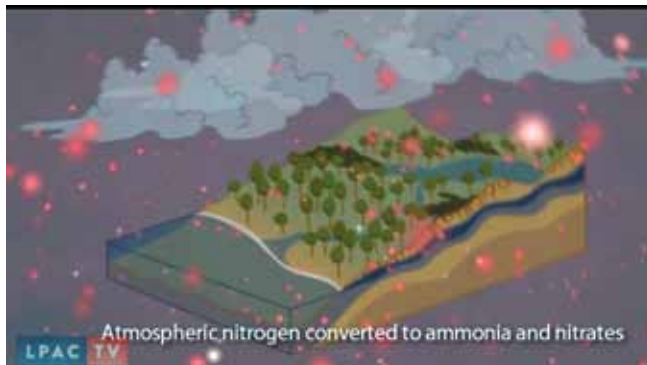
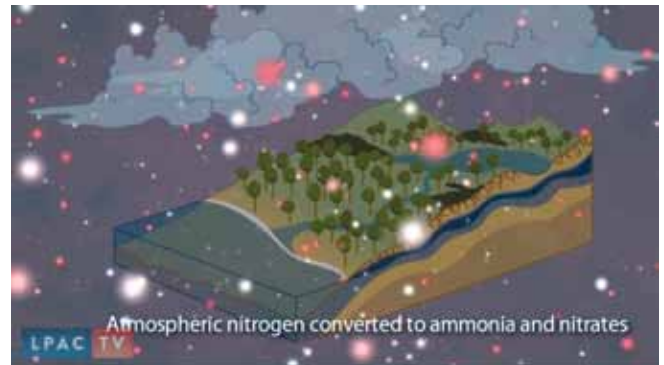


FIGURE 13



have the densest foliage, particularly in the Equatorial regions, where you have rapid changes of ground temperature.

So, this now sets up a new structure in the atmosphere, a structure that's mediated through cloud systems, thunder systems, that now, through the creation of lightning, produce a key ingredient necessary for the plant life which is producing the flows of water that create that lightning, that contribute to that (**Figures 10-13**). Moreover, the lightning itself, as the thunder storms develop, is actually a mechanism for creating electromagnetic radiation, which, as experiments in recent decades have shown, is actually crucial for the regulation of plant life, animal life, and the biosphere as a whole.

So, what you're getting in this process, is not only a rapid expansion of biomass, in fact, much more biomass on a smaller amount of surface area, than you even get in the oceans, so it's a incredibly fertile process that explodes; but you're building into the Earth, new types of structures. You're essentially taking solar radiation and building that across the surface of the

Earth, across the surface of the planet, into the atmosphere, and into the soils, into the ground, an entirely new array of processes, and a new array of elements, a new array of minerals, compounds.

**Shields:** So, this makes, along with the no-empty-time point that we have on Laplace, we're really making a solid point for the idea of the non-existence of empty space.

**Teng:** Right.

**Shields:** Because you're showing that you've got the entire structuring of the oceans, the surface of the Earth, but then, this is the structuring of the atmosphere, both gaseous, in composition; but then, you're describing the electromagnetic structuring of that entire space. But also, if you include the fact that those Schumann resonances leak outward, outside of our atmosphere, you're talking about life structuring all of that so-called empty space that's outside of the planet. And that's a very different mental image than most people have. It's definitely completely opposed to what you get from the environmentalists, the idea of this sort of fixed, stable environment, that's just "there," and life lives inside of it.



## Expanding the Earth's Envelope

**LaRouche:** The space-time myth.

**Shields:** Yes, exactly! It polemicizes *exactly* against the idea that you've got some absolute thing called space and time that exists there. That's a fraud. *This* is the reality of it.

**Teng:** Right. And in this, you begin to develop a new metric for the energy-flux density of the system as a whole. What you've got, in increasing the inner connectivity of these various biogeochemical processes, out of that, you're creating new types of materials, but you're also building into the system, new potentials. The potential for speciation, for example, vastly increases, as you bring into the symbiotic relationships, as you bring the necessary interdependence of supposedly separate species into association, the ability to have a rapid speciation, all of a sudden, increases. And that's going to be important, as the energy of the system, the so-called baseline, that we've shown with the succession of cones and the rising baseline requirements, you see, in a very vivid way, the way that the baseline increases as life colonizes the land.

That baseline is maintained through specific technological innovations—the creation of wood, stronger materials for maintaining the plants, the development of roots, the development of leaves, these types of things; the development of the form of the tree, which, if you think about the morphology of a tree, it can be thought of as the way in which sunlight would sculpt an organism on Earth, to maximize its impact. The formation of the branches, the leaves, is optimized to absorb the greatest amount of solar radiation, and to increase the surface area of the planet through the development of these leaves.

In a sense, you're actually expanding the envelope of the surface of the Earth. You're expanding the envelope of biomass to increase its interface with the environment as a whole, in the same way that the creation of the soils, breaking it up into smaller particles, increases the interface of the atmosphere with the lithosphere, with the rock, mediated by this expanding range of actual living matter.

So, in the mind's eye, now you've got a spread over the surface, a spread up, a spread down, and the baseline that's implied in that. If you had to describe it, you would say, "Well, now, if I had to describe what constitutes the environment of the biosphere, what constitutes the environment of the planet?" The environment of the planet, itself, is the creation of the process of this biospheric de-

velopment, over the course of about 100-200 million years, bringing it to the point of the PT extinction.

At that point, you had built into the system new types of potentials, and you can break it down, in terms of new types of chemical potential, new types of biogeochemical flows, new types of actual movement and flows of material, all of which are refractions of the process as a whole. And then you'll see the full realization of the potentials, in the way that system is transformed in successive states.

**Shields:** That's important, because it also defines a whole class of animal life that is capable of existing in that period.

**Teng:** Exactly.

**Shields:** It's a single idea there. People would make the argument that, "Well, maybe this could happen by some sort of simple natural selection process. Maybe this isn't just adaptation. Isn't everything just tending towards becoming better in competing more?"

But instead, you see much less competition, and much more, what you're describing, collaboration with a very focused intent—it looks a little bit like a space program. The idea of having this concerted effort to take life in the ocean and then make it livable on land, where there's a totally harsh environment: the continents, at that time, with no atmosphere, being pummeled by deadly radiation; no water, nothing there, that was as hostile to life in the ocean as anything in space is to man right now. But you saw the intentional move to colonize that, to restructure that—that's something, where, again, it's a future state defining what happens in the past.

**Teng:** This idea of adaptation has engrained in people a sort of false conception of the way that evolution develops. Because it's not a passive adaptation to some random change in the environment. What you see, is life actually assimilating the hydrological cycle. You take something that maybe, before, was simply a function of evaporation off the oceans, and now, you're seeing that that process is consciously assimilated, and then, *focused*: It's actually channeled into very specific types of processes. It's channeled through the biomass into very specific, new types of species. The creation of the plant matter actually allows for the creation of complex animal life. You don't have that one without the sort of prerequisite density.

Now, if that's clear, then you have to say: Well, in the same way that life is able to assimilate the hydrological cycle, then you see a clear parallel, you see an

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*There is a universal process. It's not a microcosm process; it's not an interaction process of microcosms. It's an overall process which is a self-developing, a true anti-entropic process. And you look at the total energy-flux density represented by the whole system, from our record of the system, you find that anti-entropy is the dominant characteristic of the entire system. And the fact that you aren't able to maintain the rate of anti-entropy, means that your species is out of business.*

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—Lyndon LaRouche



NASA/ESA/The Hubble Heritage Team

analogue in that, in the way that humanity has increasingly begun to assimilate the hydrological cycle. And that's not something that's recent. You go back to the very beginning of recorded history—we have been channeling the so-called natural flows, into various irrigation systems, and so forth. Those are some of the oldest human structures on the planet.

### Universal Anti-Entropy

**LaRouche:** You're citing the question of universal anti-entropy.

**Teng:** Right.

**LaRouche:** That anti-entropy is the characteristic of the universe.

**Teng:** Exactly. And the idea of adaptation is a way to try to obscure that, instead of saying that what you're creating are the preconditions for the future state. The future state is not something that you necessarily—in fact, you *don't* know what it is, you can't define it before! What you know, is that the process is characterized by forcing existing conditions into a potential.

**LaRouche:** What we were discussing the other day about the universal system: The system works from the top down, and the top is moving upward. In other words,

a true anti-entropic system.

**Shields:** We're familiar with that in case of human creativity.

**LaRouche:** Exactly.

**Shields:** That we know that hopefully, for most people, when you're speaking a sentence, each word does not create the word that comes afterwards.

**LaRouche:** It's not so much the words, so much, because words are actually a derivative—

**Shields:** Yes, exactly!

**LaRouche:** But what you're dealing with, is the fact that the human mind introduces a factor of anti-entropy, which does not exist otherwise. And the animal species don't have it, only the human mind has that particular kind of anti-entropic potentiality.

**Shields:** Through the ability to work with ideas, as opposed to the derivative ideas.

**LaRouche:** Which goes back to what we were talking about at the beginning here: That human creativity, that is, anti-entropy, the rejection of entropy, the rejection of all this kind of crap we're getting now, *is the essential precondition for the existence of the human species. The environmentalist of today is an enemy of the human species!*

And now, in the case of the British and the old oligarchs, this process was a process of social control, where you had two antithetical parties, and one was the ruling class, the oligarch, and the other were the cattle. And the oligarchs would kill off the cattle, and prevent the cattle, human cattle, from developing. Because if the human cattle develops, it's no longer controlled by the oligarch. And that's your British system, that's the Obama system: Obama is the enemy of humanity, because he's the enemy of the principle of humanity!

**Shields:** And rigorously defined. The idea is, try to keep a fixed population, trying to keep a fixed set of rules for social operation, that's what an empire is.

**LaRouche:** But look at the effect of this. Look at what we're getting right now. We're getting the destruction of civilization in the United States. You have the whole series of destructions, since the killing of Kennedy. We've had a regressive tendency overall, with some spurts of progress in nuclei, but then, more and more aggressively, the destruction of those little nooks and crannies which still represented creativity. We're now on the verge of *willful human self-extinction*, which is represented by the Queen of England and her slave Obama. And by other people.

And in the case of Asia, as in China and the other Asian countries, now, you see a resurgence of an attempt at growth, because of the same kind of thing: You try to do one thing, that's not enough; you have to invent something else, acquire something else to make it grow, you have to take a population from a low level of productivity to a higher level of productivity, which is what's happening in Asia.

In Europe, you see exactly—the Trans-Atlantic region—*exactly* the opposite process!

Now, this thing in Asia is not that promising, but it's an exception to the downward tendency, which you're getting in the Trans-Atlantic region.

**Shields:** Right. At least the flavor is right. You see total collapse in the European side.

**LaRouche:** You're seeing exactly what Oyang's talking about, in this context: You're seeing an anti-entropic universe, characteristically anti-entropic; instead of trying to look at these things as causal in the small, that is, interaction, you look at this as a process which is determining what we call interaction. Which is the theme of what you were doing before. In other words, if you look at the process as a universal process, rather

than a building-block process, of building-blocks building building-blocks, which is what the ordinary explanation is, you see that the universe has a characteristic. And where you try to understand the galaxy, a phenomenon like we have now, there, you see a completely *contrary* process is universal.

**Shields:** Right, and the idea of trying to make the adaptation, the natural selection, free trade—the idea of free trade or the markets. Anybody who says the “markets are going to define economics”—these are all meant to obscure exactly that. They're meant to try and make a different argument.

**LaRouche:** Yes, but I was pointing out, with this thing, the case he [Oyang] presents, I think—I interrupted here, because it's so important to emphasize this: That there is a *universal process*. It's not a microcosm process, it's not an interaction process of microcosms. It's an overall process which is a self-developing, a true anti-entropic process! And you look at the total energy-flux density represented by the whole system, from our record of the system, you find the anti-entropy is the dominant characteristic of the entire system. And the fact that you aren't able to maintain the rate of anti-entropy, means that your species is out of business.

**Ben Deniston:** Right. It's a process that defines the species. The species are bounded by the process.

**LaRouche:** Well, it's more than that: That is, that the progress of the process is the condition for the existing life of the species.

**Deniston:** Which is the irony of all these mass extinctions.

**LaRouche:** Exactly: That what killed them was the failure to develop.

**Deniston:** That's when the biggest mass extinctions correspond to the biggest shifts in the whole system.

**LaRouche:** Yes, so therefore, you get this complementarity.

So, what you're looking at—I know Sky will deal with this later—what we're dealing with is the fact that this process itself is self-creative. And if you try to explain this in kinematic terms, you end up with nonsense. It's the process as a whole. A society, for example, is a similar process, a society that's progressive: It's starting from elements, adding other elements, acquiring them and you find progress.

Then you have the other kind of society, which goes to extinction. All empires go to a point of extinction! The British Empire is going to a point of extinction

now, and it's trying to save itself by eating the rest of the world. The United States is being self-destructed. The United States has become a self-extinction phenomenon under these influences. Since the killing of Kennedy, it's been in that direction.

## NAWAPA and the Biosphere

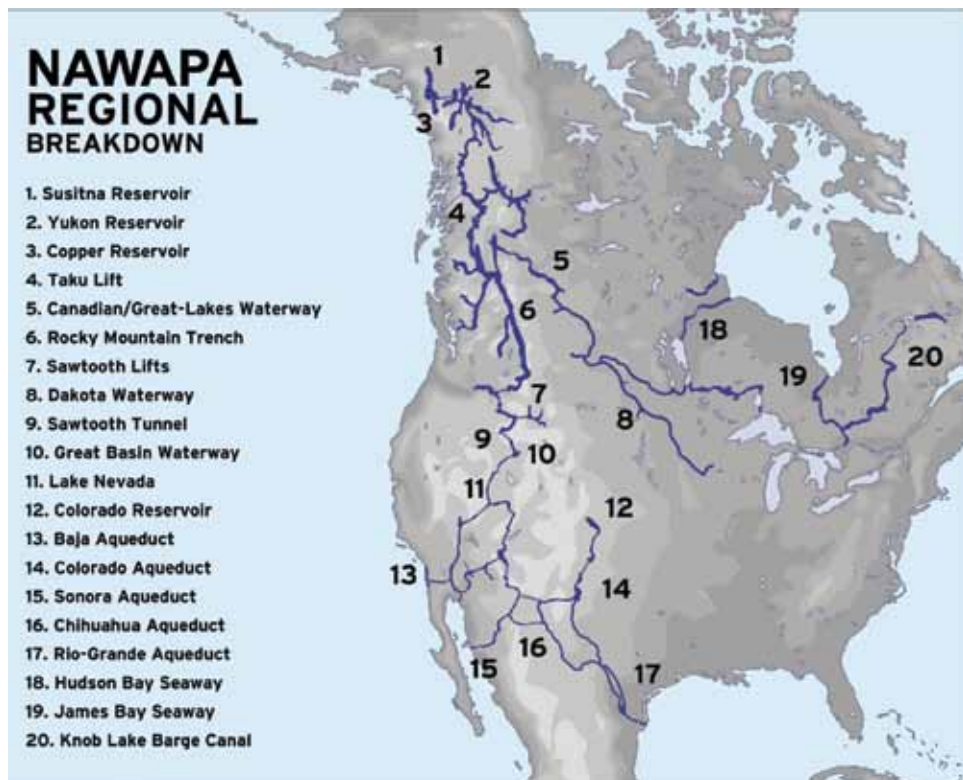
**Shields:** What's nice is, if you look at this overall arc, of what you're laying out, it does define some very clear policy directions. One thing that you've gotten, that you [Teng] can lay out now, is the actual role, the relationship of NAWAPA to this overall process of development that you just described. Because it's amazing, how clear it is that what we're talking about is advancing that same kind of approach.

**Teng:** Yes, if you take the process in human development, the refractions of that tend to leave similar kinds of fossils. The number of actual chemical compounds that exist, are known to exist, has increased geometrically, especially in the last few hundred years, since the Industrial Revolution.

**LaRouche:** That's the difference between man and the animal. We're a completely different kind of species than the animal.

**Teng:** Yes, and it would be evident to this creature viewing the planet from above. Take the hydrological cycle as a baseline, as you entrain certain flows of that. I mean, NAWAPA is really just the floor plan of where you have to go. It is, itself, 50 years overdue. But you take a quarter of the precipitation on the North American continent, a certain amount of that which is running off, 20% of the runoff, you bring down. Because, you realize that, just in the same way, for example, that life had to free itself from the caprices of the water cycle—look at the development of seeds: You're compacting a process, the fertilization; you're taking that which, under the spore system, had to occur in open puddles of

FIGURE 14



*The North American Water and Power Alliance would take some of the water that flows north from Canada and Alaska into the Arctic Sea and reroute it southward, to the desert areas of the United States and Northern Mexico.*

water, and you're compacting that now, into a protected seed, which has a greater investment of nutrients and energy density, but a greater potential to spread itself and increase the overall process.

We, similarly, have to free ourselves from the embedded problems in the rainfall cycle: Certain places get rain, certain places don't. There's no reason that we should be constrained within a system defined by that kind of process. But it's a question of taking us to a point, really, just a baseline point, from which we're going to have to develop.

NAWAPA is a seed crystal, as you take the continent as a whole, as you redirect the flows and create artificial rivers, and included in that, is expanding the power available for industrial processes and other things. That's only a seed crystal, the spark for creating that same process around the planet. And it links very nicely, across the Bering Strait, into Siberia. It links very nicely to the Aral Sea project, to projects in South America, across the Darien Gap.

So we have to similarly build into the system, the



crises, which are good! We build into our own process of development, the crises that we know we have to overcome. Life successively runs into crises which are not conscious in that sense. They require a change in the system, and a change in the system always involves the wiping out of certain species and the creation of new ones.

We deliberately drive our systems to points of crisis, but we don't have to wipe ourselves out in the process—that's the difference.

**Shields:** Compare that to the arguments of the environmentalist: The arguments that are leveled against NAWAPA as a project are specifically that. The argument is: "Well, this is how the system is right now; you can not change the way the system is right now, we're going to keep it here." You know, "This species is endangered, we're going to hold onto it. These water basins are not connected; we will not allow them to connect."

The argument is quite literally, that "we are going to attach ourselves, as much we can, to one state of this system. We are going to consciously choose to hold ourselves to this specific state of the system." Now, we know, that that system has to collapse at a certain point, the attempt to try and hold that system still drives it to a collapse point, like you said with empire.

The reason all empires collapse, the real corruption there, is, it's not as though the empire did something "bad." It's not as though the empire was successful for a while, and then did something wrong. The attempt to try to and hold that closed system there, and to prevent human creativity, to prevent the actual evolutionary development, the attempt to do that will drive you to a collapse point.

## Empire: An Entropic System

**LaRouche:** We have two things. One thing is to take into consideration, what is *intention*, as, what is a different kind of process than we would normally think of as intention. In all these cases, the intention of the universe, as we've just been discussing it, the intention of the universe is always to go to higher and higher states of organization. In other words, the universe is intrinsically anti-entropic.

Now, what happens if you have a system, which is not anti-entropic by exception, but the exception is entropy? Now therefore, if the system is anti-entropic, and you're trying to impose an entropic condition upon an anti-entropic system, what happens? You get a kill.

And what kills them is the anti-entropy. So that's the process we're dealing with, here.

**Shields:** And any closed system will be entropic.

**LaRouche:** Exactly. And this is the essential principle, which is what many famous people have talked about, in terms of—

**Shields:** Carnot?

**LaRouche:** Well, not just Carnot; I'm thinking particularly of Biblical figures, where the argument was that the process of creation of the universe—this is the old Biblical system—the process of the universe was limited, and it cut off at a certain point. And therefore, that causes the kills.

**Deniston:** The Aristotelean argument.

**LaRouche:** And you look at the characteristic of societies: All societies of the type we could call imperialistic or proto-imperialistic, have this characteristic. You have a society that moves in, like southern Mesopotamia, the Hittite area and so forth; they move in, at a certain point, and develop. Then, they come in, they impose a barrier, and the barrier then results in a collapse of the system. Every system we know of, human societal systems, tend to go through these kinds of collapses, and the collapse is based on trying to keep the same old, same old, same old. And the minute you do that, you find a destruction of the system.

The failure to progress, the failure to go to higher and higher levels of technology, expression of technology, is a killer! Take the Roman Empire: The Roman Empire came into existence, because other empires had been killed before, other oligarchical systems had been killed by self-induced destruction. The Roman Empire was a case of self-destruction! The Byzantine Empire that came up to replace it, was destroyed by self-destruction. The Chivalry system was destroyed by self-destruction.

And now we're getting into the British system, which is the fourth Roman Empire in effect, historically, which is now trying to absorb the United States, to crush *it*. Because the United States had been the greatest threat to the British Empire, or the fourth Roman Empire.

The fourth Roman Empire has been crushing the United States. Now, you find a coming back of China, a new development in Russia, developments in India and so forth, which are going to try to fight against this process. What's happening? The British Empire, in the process of destroying itself, is determined to destroy China and India, and Russia, among other points.

Russia is now in a re-growth pattern; it's not a very impressive one yet, but it's re-growth. China has major re-growth; it's coming up to a problem level. What we're talking about, in terms of development of the Trans-Pacific systems and so forth, what we're talking about now, is we give them a way of continuing progress. If we continue progress, they will survive, they will progress. If they try to consolidate their position, within a fixed framework, where you say some people in the system can cheat, they can eat up the other people in the system—now, what that does, is it becomes repression of the process, and then we go back into backwardness.

It's happened in the United States, repeatedly, in the political system. The political system on which the United States was created, has been destroyed by British influence, repeatedly. It's now self-destroying. You look at the legacy of Presidents, how many Presidents of the United States were crumb-bums? Just think of them! Just think of them, they were skunks, real skunks! And they always represented a British influence *inside* the United States, going through Wall Street and Boston and places like that, initially, which were British havens.

What's happening with agriculture? We have an irrational system of control of seeds by monopolies. The seed controls now prevent us from growing food! The whole system is now based on preventing a food crop! The international food cartel is determined to try to control population, prevent population growth. Monsanto is one of the worst criminals in this operation.

So what we have, is the general failure of society to recognize that the European system was wrong, that the oligarchical system is wrong. The zero-growth argument is wrong. The oligarchical system is wrong. That, as we have demonstrated in the United States development, and others have demonstrated, if you allow the human mind to be developed, and allow an anti-entropic tendency in society to work, society works! The human species works. If you try to *stop* that, and have a fixed system, impose a fixed system on a human population, it becomes degenerative. And *right now*, we are globally, especially in the Trans-Atlantic region, especially in the North Trans-Atlantic region, we are in an area of *self-destruction*.

And what we've had as our Presidents—two Bushes and this guy—this has been a force of the *willful self-destruction of the United States*. And you have the awesome spectacle of people who were decent citizens, so to speak, actually adopting an *idea, which ensures their de-*

*struction!* Could there be any worse insanity than that?

But we have an incumbent President who is not only clinically insane, but his policies are insane. Which is probably why they selected him for President. And we have that pattern in the world at large. We have the willful, so-called zero-growth policy: the willful destruction of the human species by the rulers of the human species.

You have resistance from China, which is saying, "No, we're going to grow again. China grew in the past, we're going to pick up everything around that's good and do that." Russia's going through an attempt in the same direction. There's an impulse like that in India. There are impulses elsewhere like that. Wherever there's an impulse like that, you find the British are organizing all the other clowns on the planet to gang up against nations which are actually trying to progress.

### The Wrong Way Down a One-Way Street

**Teng:** And the character of that progress, I think is important, is actually defined by commitment to nuclear power. Take the solar power policy: Here's a good example of going the wrong way down a one-way street, in terms of the rising requirements, the baseline concept. The distinction between the action of chlorophyll, particularly when it's now embedded in plant life, in what it's capable of doing with sunlight—taking the relatively low-energy-density impinging sunlight, and transforming it, creating a higher potential through the contribution of the water cycle, through the creation of complex sugars, carbohydrates, and so forth, and supporting the structure of this whole process, versus the process in a solar panel, which is actually degrading the energy, largely into heat, and a tiny whisper of electricity, which may have been sufficient for the dinosaurs, but when applied to the system now, if you take it to the logical extreme, in its systemic characteristics, you would actually be increasing the deserts.

You know, they want to cover the deserts with solar panels; you'd be lowering the overall net process of growth that's required by the system as a whole, and so, the Greenies, in pushing solar panels, are actually putting themselves toe to toe, opposing the actual growth of green plant life.

**LaRouche:** Right, it's suicide by another name.

**Deniston:** And the opposite of the process you just described, how life created the requirements for further spread inland, they would be creating the necessity for further desertification, desert development: It's the



EIRNS/James Rea

The character of human progress today, said Oyang Teng, is defined by the commitment to nuclear power. Here, anti-nuclear hysteria in Berlin on March 23, 2011. The sign reads, “Better active today than radioactive tomorrow.”

exact opposite of what life did itself! The result is the anti-Green policy in its essence.

**Teng:** Not to mention that it kills bugs, but that’s another thing.

**Shields:** As opposed to nuclear power plants, where you can grow other plants on top. It’s not the most important, but you can have a little garden on top of your nuclear power plant. No garden on top of your solar cells!

Yes, it’s clear that it’s the texture; what is the ontological texture of physically developing time? And it’s inherently paradoxical from any simple mathematical, even simple geometrical model. Because the idea of—what is a paradox of a self-developing system? Again, you laid out, in detail, some key elements of this in a series of papers, but you had a very dense form of it in your “Obama’s Armageddon [End-Game](#).”

**LaRouche:** I’ve got to finish one, which does a crucial thing on this!

## Cusa: There Is No Fixed System

**Shields:** Okay. It’s going to be a solid arc; I mean, this is going to form a text that people need *in detail*, because it is a real paradox: What do you mean by self-development? Very early on, Cusa, in his *On Learned Ignorance*, lays out the fundamental paradox in this:

You know, you get the simple, fundamentalist religious idea, well, God creates the universe. But, if you really take the thought, if, fundamentally, these physical processes really are manifesting creativity, mind, in a way that reflects the creativity of the individual human being, somehow the whole process does. How?

**LaRouche:** Go further than that: Take the *De Docta Ignorantia*. Now, this has a number of significances, but it boils down to this: You had the worst of the collapses of the Roman Empire, which was the Crusader period, the worst destruction imaginable, in the period from that, actually in the beginning of the century, about the

time of Cusa’s birth [1401]. What he developed in *De Docta Ignorantia*, was that essentially, the fixed system that we’re living within, or assume we’re living within, this fixed system does not work; it’s a failure. That’s the meaning of *De Docta Ignorantia*: that it’s what we *don’t know yet, because we haven’t created it yet!*

The entire system of all modern European science was actually presented by Cusa in that work. That’s what Kepler was, that’s why the British hate Kepler, and people like that hate Kepler. Because Kepler posed this question, and you find in physical science, that everyone who, like Leibniz, was *hated* for this reason; and you have only a minority of great leaders in science, who at various periods of opportunity, actually developed science in a positive way and society in a positive way—a very limited number of people.

Take the cases, for example, of Max Planck and Einstein. Some of their work, which was developed at the end of the 19th Century and beginning of the 20th Century, was held stagnant by people like Bertrand Russell and company, and these clowns. And we have come to the end of that, the destruction of 20th-Century civilization by the influence of people, of swine, like Bertrand Russell.

Now, we come to a point where you have people who are on the outside, like in China, a new current in



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*LaRouche said that the principle of Nicholas of Cusa's "De Docta Ignorantia" is "that science means synthesis; not the proof of what is, but the synthesis of what must become." Shields is on the right.*

Russia, and so forth, and are trying to move forward. And the British Empire, which is the Empire of Evil, and with its people like Obama, who's purely evil, an insane man! I don't know how evil you can call him; he's clinically insane, and somebody decided to make a clinically insane man President of the United States—that was not exactly the brightest idea that was ever concocted.

So that's the kind of situation. And the principle of the *De Docta Ignorantia* is exactly that: that science means the synthesis, not the proof of what is, but the synthesis of what must become!

**Shields:** Right, the opposite of deduction.

**LaRouche:** Exactly.

**Shields:** People have a lot of trouble with that. They say, "Well, isn't everything either deduction or induction?" But it's not creativity. The way Cusa defines it there is a completely different process.

**LaRouche:** You get this thing with Vernadsky. Vernadsky has a similar kind of influence, and he has a seminal influence, as Cusa did. A similar kind of thing, it goes to pure creativity. That's his definition. He understands these phases of existence of life, non-life; life and conscious life, consciously creative life, as being different qualities of *existence*. And that's the issue. Then the Communist Party of the Soviet Union killed itself, by rejecting what he represented.

So this is the issue, the same issue you [Teng] were describing in a different sense: It's the process of creativity, which is natural to the universe. The universe is natural.

## 'Pulling Up' Evolutionary Progress

**Shields:** If we look at some more of the qualitative changes through this period, you can get an idea that there are these metrics that are a shadow of this other process, and let you see that this character of self-development, this character of what the *Learned Ignorance* of Cusa describes, has an ontological character. It's not just how you think as a person—it is how you think as a human being—but also, he's describing there, something ontological about the so-called objective physical universe. I say "so-called," because that distinction is not as hard and fast as people like to make it.

**Deniston:** Well, in what we did last week, one of the ironies that we discussed, is the irony of the extinctions themselves, because you have the system determining the species; it's not the kinetic interaction of the species that's determining the overall process. You have something else pulling the whole thing forward, like you [Shields] discussed very well with the case of the feathers: the independent, repeated, attempts to bring in this new system.

But then, it's worthwhile just to make the point, to take one of the largest of these mass extinctions, the PT mass extinction (Figure 1). Not only was it one of the largest—the different estimates range up to 96% of all species that existed in the Paleozoic era were wiped out at that time—but it also represented one of the largest upshifts, across the board, from life on land, life in the oceans, plant life, fungal life. You had this rapid increase in the overall energetic activity of the biosphere, and we're going to do more to pull this out in consolidated form. Species come, species go, but underlying this entire process, has been this constant increase in the amount of total energy usage of the biosphere—more sunlight taken in, taken into higher and more complex forms; taken in, becoming denser and denser forms of energy. Total spread of plant life, where it can actually take in more total sunlight. And the increase—you see it in the metabolic rates, you see it in the consumption, the constant increase in the energy requirements of each species, and you see a qualitative increase, as we discussed, in what the different species can do.

**Shields:** And as you pointed out, as you look at the





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*Shields and Deniston pointed to the irony that the largest extinctions are the basis for the upshift of the whole life system; that in order for a single animal to do something that might look creative with respect to new evolution, it actually has to die.*

dominant species in each of these stages, you get a shift. You look at the change in the apex predator, and then the whole system is designed to support that so-called apex predator.

**Deniston:** And you see in the whole Mesozoic, in the first system, you have this amphibian-dominated system, moving to the reptilian-based system. But the point that we're getting at, is that there is a principle that underlies this succession of species. There's a principle that underlies the whole process, and that's what determines which species make it, and which species don't. And you see it very clearly. There are other examples of major extinction events, major shifts, but these two we've pulled out are very clear, because you have two of the largest mass-extinction events. But they also express two of the largest total upshifts in the energy of the whole life system, the whole biosphere.

So you have this irony: The largest extinctions, well, what are they? They're the largest increase in the upshift of the whole life system. And it's this that defines progress, not as just a "good thing"; this defines progress as an absolute necessity for existence.

**Shields:** Right, rigorously definable. As you say, you look at the whole—all the elements that you see as you shift from the Paleozoic to the Mesozoic. If you now continue the arc that you were describing, Oyang, with this sort of motion onto land, independence from the ocean, the degrees of independence, you see clearly, as you described the whole system, including amphibians, ferns—what do they have in common

compared to the later, the Mesozoic system? Through the reptiles, seeding plants? There's a whole other level of encapsulation that's there, encapsulation, independence.

**Deniston:** That's very interesting. You see it, paralleled, in these apparently totally different, seemingly different types of life. As you mentioned with the fern-based life, the ferns required nearby water and a moist environment to reproduce, because they released these spores, and they needed to intersect each other in the water to reproduce. The amphibian system, which also dominated during this same era, requires the water-based system to reproduce. You see this parallel characteristic, over this

first system that we've identified here.

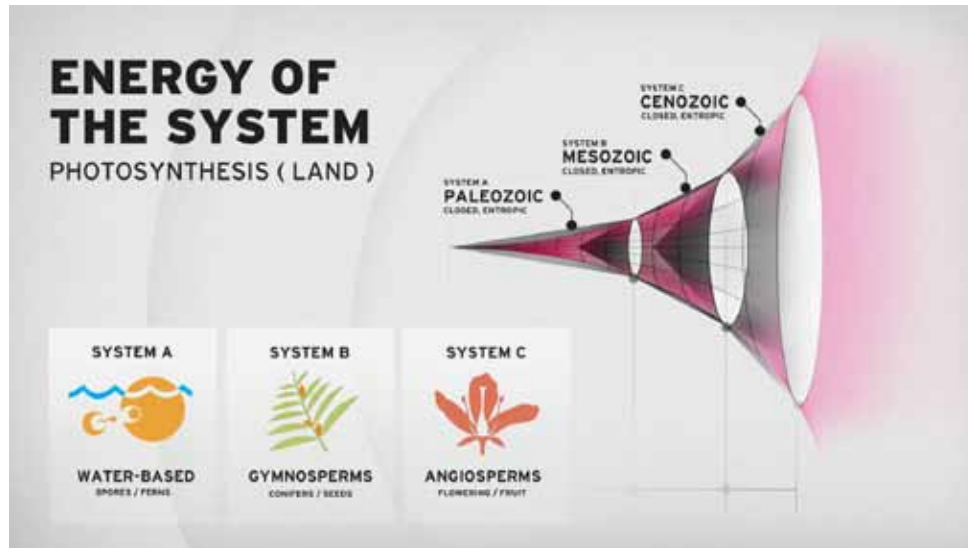
Then, with the shift at the PT, you had not only the development of seeds with the gymnosperms; again, they came in earlier, they began to develop, similar to the feathers case.

**Shields:** Can you give people an idea of the gymnosperms?

**Deniston:** Yes. People are familiar with conifers, the pine trees—you have the beginning of a seed form of plant life, as Oyang discussed. That then becomes the dominant form of plant life for this whole Mesozoic system (**Figure 15**). But then, in parallel, you have a similar change, which allows the plants to move further inland; they're not tied to the water cycle to reproduce, the same way the ferns were. Then, very similar, you have the same quality of shift with the animals as well, shift into reptilian-based system: The reptiles are no longer tied to the water system to reproduce. They have these enclosed eggs, with nutrients, and liquids, and whatnot needed to support the developing new organism. So they can move further inland. So you have this very stark, parallel development, as a whole system moves to a higher state.

And it totally destroys the whole kinetic conception—that it's just a sequence of one random change to the next—when you have these entire plants changing, animals changing, fungal life changing, ocean photosynthetic life changing, all corresponding to these system shifts. And I think we have to do more to present the full details in video form.

FIGURE 15



## The Past Is Created by the Future

**LaRouche:** We've got one key to that: What we've been saying in this hour and a half or so, essentially is, that the past is created by the future. Because, when you look at the way the process of evolution is determined, it's always determined from the top down. The idea precedes the discovery: This is something which I'm going to deal with on other occasions, much more rigorously, but that's the way it is.

What creativity is, it comes from the organization of the system, which organizes from the top down. The idea organizes the process; that's a crude way of putting it, but it does explain to us what the problem is, that the potential for development defines development. And the idea of a Creator, a religious notion of a Creator, is based on that: that you don't have individual, little "things" crawling around; what you have is a massive process, called the universe, and you have sub-universal processes, which are always located, not in time, as time is defined—Laplace would have a terrible time with that point!—but rather, the future is actually embedded within us, and it's the creativity of mankind, which makes this a question of *consciousness*: We can be conscious of the future.

Other forms of life, like animals, are not really conscious of the future. They're motivated, somewhat, in that direction, but they never actually create. They do innovate, they express an innovation. If you influence the animal, if can you train it, the animal will actually acquire behavioral characteristics which resemble

human characteristics, but the animal has not got human characteristics. You, by association with the animal, have induced a human-like characteristic of future-orientation, which no other species has.

But the whole system, itself, at the same time, is organized around future orientation.

**Shields:** And the irony: In order for that single animal to actually do something that might look creative, it actually has to die. In order to get the new creature, the new evolution, the

old animal vanishes.

**LaRouche:** Or species. Or a type of species, yes. But the point is, since the system *is* a system, the system is disposed to self-improvement. And so, everything in the system is absorbed by this self-improvement.

So instead of thinking, looking at progress as *pushed*, think of progress as *pulled*. And pushing is down, and pulling is up.

**Shields:** And then, you get the real fraud of all of these monetarists who try to argue, "Oh you should not plan economies, you should allow the markets to handle it, you should allow free trade to handle things."

## Economics and Creativity

**LaRouche:** That's a swindle, that's an absolute lie that people believe in. It doesn't work.

Look, I've been forecasting professionally—well, actually, 1956 is when I did my first forecast, and I was unique and I was the only one who made that forecast, and the recession hit at exactly the time I said it would. Ever since that time, all forecasts made by my so-called rivals have failed, and I've always succeeded. Now, admittedly, I've made only a few forecasts, about a couple dozen is all, but only made them when I knew what I was doing. Which meant that I did not always have the opportunity to know what I should be doing.

But every forecast I've made has worked, in exactly the terms I did it. The problem is, we get people who think in terms of a money-profit driver, and they don't realize that money itself is a faker. The reason why fore-

casting fails, is because people believe in money, or believe in a monetary system. That's why they fail.

Because, actually, wealth is developed, not by money; wealth is developed by productivity, by creativity. By the application and the realization of creativity, whether postponed creativity or some other form of creativity. Wealth in the sense we define wealth—we define wealth sometimes with animals, but we influence animals. Most of the animals of the planet exist only because man has maintained them as living forms. We raise cattle, we do all these kinds of things, we cause it.

And so, mankind has creativity, but what creativity is, is an apperception of the future potentiality. Which means it takes the form of the discovery of principles. And you find that a typical [economic] forecaster is intrinsically incompetent. I mean, I've been doing this for decades, and every one I've been up against, of the opposite type, has always been wrong! So why do they stick to the system? Because they they're committed to something. But what does it mean, their defeat, what do these bankruptcies mean? What does this collapse of civilization mean? It means the wrong policy of practice is going into effect!

Things are getting worse, much worse, since Jack Kennedy was killed; the actual trend in the U.S. economy, physically, has been down. It's been up and unevenly up and down, but it's been there: We have become worse and worse and worse, in terms of our economic prospects, since Jack Kennedy was killed, and especially since his brother was killed, because if Bobby had lived, he would have been President. If he'd been President, he would have attempted to follow his brother's—his and his brother's idea. We maintained some of what the Kennedy spirit was in the space program: He created it. He created other things—like NAWAPA was actually a creation of his.

So we had these programs which represented forward movement of civilization, especially in the United States. These were effectively killed, by what? By *lo-o-ng wars*! Ten years in Indo-China! Long wars. Russia got into a long war, a few long wars. Others got into long wars; we're getting long wars again, long wars in the Middle East. We're headed for a real killer warfare, global thermonuclear warfare, which is on our table right now!

So we can learn something from this, if we just look at this, this way: that the universe is characterized by creativity. Creativity comes first. The universe is always

going, higher and higher energy-flux density, that's its direction. That occurs as creativity. But we're moved by creativity—plants, everything, is moved by creativity, some sort of manifestation of creativity. Mankind's willful creativity is crucial for the civilization. And that's what's being suppressed now.

## Progress or Extinction

And the other side of this is fear: It's fear of the opposition that does not want creativity. Why has the Democratic Party given up on trying to get rid of this bum, this Obama? They've given up on this thing! If the Democratic Party carries out its policy, in the next months, the policy it has recently adopted for purposes of the election campaign, the United States is finished! If the Democratic Party policy right now, is carried forward, *the United States will be finished this year*. And those who are controlling the Democratic Party, who are leading it, even people who I know, who are intrinsically would be good people, are making that mistake *out of fear*, because they're afraid of taking on the British and taking on Obama.

And you have the Republican Party, the leadership there—Mitt Romney, *that's a disaster for the United States! An absolute disaster, unbelievable*. He's a real monster. He's not as insane as Obama is, he's just evil. But you don't have to be insane to be evil.

But that's the case in this case.

The problem is, we lack an insight into the intention which ought to be associated with the nature of humanity. And we see it in terms of this study—what we're doing here today, is merely touching the surface on this whole question. But this is where our decision is: This is what every American citizen out there really is confronted by, that decision, whether they wish to make it or not.

If they don't get rid of Obama, the intention of the British Empire, which has a puppet called Obama—. The British system is now on the verge of extinction, as in many kinds of Roman Empires before this, and similar kinds of empires before, have gone into an extinction mode, because they would not adjust to reality. That's what happened to the Roman Empire; the first Roman Empire collapsed, it degenerated! So then they got a new Roman Empire, the Byzantine Empire—degenerated! Then you got the Venetian system, called the Crusader system—degenerated! And then we had a renewal of that, with various attempts at a new empire, which ended up with the British Empire, which was

formed by the New Venetian Party of William of Orange, who came from the New Venetian Party from earlier.

So that's the kind of system, where we have a situation in which people are induced to behave like animals, that is, to go away from creativity, to go to conservatism, that is, not to be creative; and we're in a situation now, where the entire Western Hemisphere, the Trans-Atlantic region, especially the northern part, is now going to an *extinction mode*! Europe is in an extinction mode. The United States is in an extinction mode. And as long as you have Mitt Romney coming up and Obama behind us, or whatever, we're in an extinction mode.

And the question is, how many people in the United States have *both* the brains and the guts, to change it? And it's time for some attention on some of the science of this matter. Because what most people believe out there, today, from schools and so forth, they're absolute idiots: They have no conception whatsoever. Their education tends to be a *de-education*!

This is a crisis for all humanity right now, and it's an immediate crisis. Every week ahead is ominous. And we're on the verge of a *global thermonuclear conflict*. The submarines of the United States in the Pacific Ocean have enough thermonuclear capability to be used, which would mean a mass extinction on the planet, if that and other nations got into a rivalry on thermonuclear exchanges. And, we are, right now, under Obama, and under the control of the British monarchy, *we are headed for a human extinction phenomenon, called thermonuclear war!* And it can happen any time.

Some of us have delayed that war from happening; some of our chiefs of staff and so forth, have contributed to delaying that process. But the process has not been taken away. *And the Democratic Party's collapse, to submit to and support Obama, is an act of willful mass suicide!* Not only of the party, but of most Americans. If they don't change their habits, they're going to find out how dumb they've been.

**Shields:** I think that's a good, solid point to end with.

But again, we're going to have a lot more of sharp-



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*"My Democratic friends," said LaRouche, "have foolishly decided to back off from opposing Obama, on the basis of partisan considerations. They're making a fatal mistake." Shown are LaRouche PAC activists at a demonstration in Phoenix, Ariz. on Jan. 25, 2012.*

ening this, but the need right now, to evade extinction, I think is absolutely clear. The steps we're going to be making clear.

**LaRouche:** Well, we're already on the course on this thing, right? The point is, we know how to deal with this, from a standpoint of policy. And if we change this policy, we can solve the problem. The capability still exists: We've got to stop this war from happening. We've got to get rid of Obama, out of office. He's clinically insane, and he can be thrown out of office for being clinically insane! And he *is* clinically insane! There's no doubt of it.

The British control over Europe is breaking up, because what happened is, that some of us had the guts—and I've made my effort in that direction as well—had the guts to cause the postponement of what was intended to be the countdown into thermonuclear war, which was supposed to occur right after the killing of Qaddafi. So, various forces, including people in our own country, caused a delay of that process. As a result of that delay, the European system, which was going to be gobbled up axiomatically, by the British Empire, through the euro operation: The euro operation is now disintegrating!

And my friend Jacques Cheminade's relative suc-



cess in his appearance as a Presidential candidate for France, typifies that (see article in *International*). There's a breakup in process. The French and the Germans are no longer allied for the euro—they can't be allied for the euro! The euro system is hopelessly bankrupt! The U.S. economy is hopelessly bankrupt, financially, now. Without the combination of Glass-Steagall and a reform in our monetary system, we're out of business soon.

And all these idiots are out there, contending, like this crazy Mitt Romney, a greedy bastard, who wants all kinds of greed satisfaction, but he has *nothing* useful for the human race. Obama's worse than that. And so, you've got a Republican Party, you've got a Democratic Party, you've got an election year, and there's no competence shown by the leadership of the Democratic Party, no competence shown by the leadership of the Republican Party.

*Woe to the United States*, unless we do something about this!

And so, those Democrats in particular, I don't think you could get a good Democratic vote, or a good Republican vote; I think there are good Republicans out there who might become candidates, or are; and the

Democrats as well. I don't know how it would come out that way, but we could, theoretically, compose a Presidency: Just put this garbage aside. Obama, garbage! We don't want any renewal of that! Mitt Romney, garbage! We don't want him, either, he's almost as bad. But if we don't do that, this nation's not going to survive. And we have to do it, this year.

And my Democratic friends, for example, who foolishly have decided to *back off* from opposing Obama, on the basis of partisan considerations, *they're making a fatal mistake*. A potentially fatal mistake. It could kill many of them, because I know what's sitting out there. *If Obama were President—I know what Hitler did in Germany, would be at the first, relatively mild, compared to what Obama would do. And any American who'd vote for Obama, must be one of the most stupid or most frightened people on the planet, or cowardly on the planet.*

That has to happen. Right now!

Continued in this direction—Democratic Party in this direction, Republican Party in this direction—this nation is finished, civilization is finished, unless a change comes. They ain't so smart as they think they are.

## Breaking the Ice on Arctic Development

LPAC's Michelle Fuchs reports on two sides of a potential global perspective for Arctic development: One, Russia's planned Arctic City, dubbed "Umka," which will be modelled on the International Space Station; and two, the planned expansion of the River Shannon Estuary, which will make Ireland a lead player in deep-sea science.

(27 minutes).

<http://larouchepac.com/node/20614>

# Brits, Obama Push World War Against Russia and China

by Jeffrey and Michele Steinberg

Feb. 7—If there were any doubt that the real targets of the Syria regime-change campaign being waged from London and Washington are Russia and China, last week's confrontation at the United Nations Security Council should have erased any last confusion.

On Feb. 4, Russia and China cast their second vetoes of a Security Council resolution demanding the removal of President Bashar al-Assad from power. While the final wording of the resolution did not include a call for foreign military intervention, as was the earlier case with Libya, the essence of the draft, nominally introduced by Morocco, but actually drafted in London, Paris, and Washington, was that Assad had to go.

Prior to the vote, Russia had introduced its own resolution, proposing mediation between the Assad government and the opposition, and Russian Foreign Minister Sergei Lavrov had informed the other Security Council members that he would be leading a Russian delegation to Damascus on Feb. 8, in an effort to open direct talks between the Assad government and leading oppositionists. Rather than wait for the Russian diplomatic mission, Britain, France, and the United States forced the Feb. 4 vote—and the fully anticipated Russian and Chinese vetoes.

Within moments of the Russian and Chinese votes, a vicious barrage of attacks were launched against the two permanent Security Council member-states. The U.S. Ambassador to the United Nations, Susan Rice,

joined with her British and French counterparts in delivering blood-curdling attacks on Russia and China, accusing them of defending a brutal dictator, and charging that any future bloodshed in Syria would be on their hands.

Throughout the debate, the only person to make mention of the Arab League monitors' report on their month-long visit to Syria, was Syrian Ambassador Dr. Bashar Ja'afari. That report (see accompanying article) made clear that a significant portion of the violence, attributed by the Western media to Assad, has been carried out by armed rebels. Among the actions by the foreign-funded and armed opposition, and documented in the report, were the bombing of power grids, gas pipelines, government buildings, public transportation, and foreign journalists.

Hours after the Security Council debate and vote, the Russian and Chinese embassies in Tripoli, Libya were attacked by Syrian and Libyan hooligans. Dozens of Syrian embassies around the world were also targeted for violent protests. In Sydney, Australia, a pro-Assad activist was shot as he left his home.

## World War III

There is much more at stake in the events described above. As published recently in the Russian-language edition of China's *People Daily*, Russia and China have been drawn together in an alliance for survival, against the increasing provocations from London, and from the



Syrian Ambassador Dr. Bashar Ja'afari was the only speaker at the UN Security Council meeting Feb. 4 who reported that a significant portion of the violence in Syria, attributed by the Western media to President Assad, has been carried out by armed rebels.

British puppet in the White House, President Barack Obama.

According to a senior U.S. intelligence source, both Russia and China have concluded that the Anglo-Americans and their French allies are seeking to establish absolute control over the strategic oil supplies in the Persian Gulf—and that means that both Russia and China must be kept out. For China, in particular, this is an existential issue, given China's growing reliance on energy supplies from the Persian Gulf. At the present time, China is the number one importer of Iranian oil, and China's largest source of oil is Saudi Arabia.

The identical assessment was presented in great detail in the Russian edition of *People's Daily* of Jan. 31 by Dai Xu, a senior colonel in the People's Liberation Army (PLA) and a prolific commentator on the events of the day.

Dai described the present strategic situation in terms of the new U.S. policy directed against China, where the announcement of the policy—the military pivot to Asia<sup>1</sup>—was soon followed by “provocative moves with its ally, the Philippines.” At the same time, the U.S. deployed three carriers to the Persian Gulf, and the EU imposed new sanctions on Iran, attempting to constrain

that country militarily, politically, economically and diplomatically. The policy, Dai continued, is also aimed at Russia, with the U.S. preparing itself for a “Russian Winter,” and making its “preferences known with regard to the expected presidential campaign of Vladimir Putin.”

In the face of the U.S. policy, Russia, somewhat unexpectedly, sold anti-aircraft missiles to Iran and fighters to Syria. “In the American strategy, the conquest of the Eurasian land mass is the fundamental field of activity,” Dai wrote.

Presently, the ongoing policy of isolating and surrounding Russia and China is the final strategic target, he said. Therefore, there is a need for Russia and China to work together to restrain the actions of the U.S. in pressur-

ing weaker countries to follow their lead. “One might say that the convergence of China and Russia is the inevitable result of the strategic pressure from the U.S., as well as the choices the two sides make in the interest of their own survival. Only together do they possess the strength to withstand the U.S. moves.”

Russia and China both possess nuclear weapons, making it more difficult for the U.S., even at the head of NATO, to move against them militarily. Dai noted that this may well lead to a new Cold War.

The PLA assessment was taken one step further in a Feb. 6 interview by the Russian daily *Kommersant* with Deputy Defense Minister Anatoly Antonov. Antonov announced a planned expansion of Russia's nuclear weapons arsenal, in response to emerging threats from the Obama Administration and allies.

“New challenges emerge, including missile and nuclear proliferation,” he began. “Look at how unstable the situation in the Middle East is. That's why Russia's military doctrine envisages the use of nuclear weapons in specific cases. I do not rule out that under certain circumstances we will have to boost, not cut, our nuclear arsenal.”

Antonov cited the Obama Administration's refusal to negotiate with Moscow over the deployment of a U.S. missile defense shield over Europe. “The situation is dismal in this area. The U.S. continues to boost its missile defense potential in Europe and other regions.

1. See William Jones, “Obama's Asia Deployments: ‘World War III Could Start from Here,’” *EIR*, Feb. 3, 2012.

The European segment of the U.S. missile defense demonstrates aspirations to shift the strategic balance of forces in Europe. After the Cold War, U.S. strategic weapons—and missile defense is a strategic weapon—are getting closer to Russia's borders."

Both the United States and Russia have many nuclear attack submarines, equipped with vast arsenals of nuclear weapons. Over half of the entire U.S. nuclear missile force—over 2,000 warheads—are submarine-based. Russia's submarine force has almost 600 nuclear warheads. Either country has the nuclear firepower to wipe out mankind several times over.

This is the real dimension of the so-called Iran and Syrian crises. London is hell-bent on provoking a thermonuclear war, aimed at wiping out both the Asia-Pacific region and the United States as the priority targets.

There is no other way to interpret the events of last weekend at the United Nations in New York. There is no legitimate reason for the level of provocations being targeted against Moscow and Beijing by London, Washington, and Paris—except that they are

out to provoke an all-out strategic confrontation, using Syria and Iran as pretexts.

For London, the motive behind such a berserker drive for thermonuclear World War III could not be more obvious. The entire trans-Atlantic financial and monetary system is hopelessly bankrupt, and time is running out on any efforts to postpone the day of reckoning. According to a senior U.S. intelligence official who stays on top of the European financial crisis, the Inter-Alpha Group-led European private banks will need at least EU5 trillion in zero-interest bailout loans before the end of the year in order to avoid meltdown. This means that the combined U.S. Federal Reserve and the European Central Bank will be carrying out a monetary hyperinflation beyond Weimar Germany's Autumn 1923 blowout.

For London, the prospect of a trans-Atlantic hyperinflationary explosion, while the Asia-Pacific region continues to enjoy relative prosperity, is unacceptable. The Queen believes that genocidal war is preferable to the loss of City of London power.

## 'Risking Global Nuclear War'

Feb. 7—The state-owned *Russia Today* website today went straight to the strategic point in its coverage of the latest Western moves against Syria. We quote the relevant sections from its article "Show-down in Syria: All Roads Lead to Tehran":

"It seems today's foremost geopolitical problem is that the forces running the United States, United Kingdom, France, and Israel are increasingly out of control. They have no qualms in *risking global nuclear war* if that's what it takes to achieve their political, financial—even Messianic!—objectives" [emphasis added].

"In recent days, there has been horrific violence in the Syrian city of Homs, as more than 200 people have died in gunfights and bombings. For the Western mainstream media, all the blame lies with Bashar al-Assad's government, with President Obama spelling out the official line: Assad must halt his campaign of killing and crimes against his own people now. He must step aside and allow a democratic transition to proceed immediately. The Western allies'

strategy of encroachment on Syria and Iran seems to run in parallel and sequentially. Its logic is: if Syria falls, Iran will follow."

The article added that, "there are the legal authorities of Syria, and there are armed terrorist throngs taking advantage of genuine social grievances and unleashing violence throughout the country, which in turn triggers police repression."

It cited the Syrian news agency, SANA, pointing out that armed terrorist groups exploded two explosive devices behind the building of the Technical Services in the al-Dablan neighborhood in Homs. Terrorists also shelled with mortars several quarters in Homs, while others broke into houses in Idleb Governorates. A number of citizens escaped from an armed terrorist group to a mosque in Rastan City, where the armed terrorist group burnt the mosque, killing and injuring some of the citizens. "Why doesn't the Western media report this," *Russia Today* asked.

It concluded: "Think of it: if Mossad, the CIA and MI6 are suspected of assassinating Iranian nuclear scientists on the streets of Tehran in veritable exercises of blatant state-sponsored terrorism, couldn't they be doing this on a much vaster scale inside Syria?"



# Media Blackout on Arab League Report

by Michele Steinberg

Feb. 6—The French journalist killed in Syria was “killed by opposition mortar shells”; the Syrian opposition has carried out “the bombing of a civilian bus, killing eight persons and injuring others, including women and children”; there is an “armed entity” in the opposition that kills civilians and provokes the Syrian government to use force to stop the opposition’s killings. These are direct findings from the “Report of the Head of the League of Arab States Observer Mission to Syria for the period from 24 December 2011 to 18 January 2012,” which was delivered to the Arab League leadership around Jan. 20, but *withheld from the UN Security Council* in the debate over the resolution to remove Syrian President Bashar al-Assad that was vetoed by Russia and China.

The body-count reports carried in the media, and reported at the UN, about Syria are British-crafted lies and exaggerations, coming right out of London through the Syrian Observatory on Human Rights—a British monarchy creation that was funded by the murderous Bush-Cheney regime beginning in 2006, and which has continued to receive U.S. funding under Barack Obama.

On Jan. 31, at the opening of the UN Security Council’s debate on the resolution to overthrow Assad, the Syrian Ambassador to the UN, Dr. Bashir Ja’afari, confronted the Security Council members and the Arab League about why the members had not been given this Arab League report that details bloody actions by the Syrian opposition army.

According to SANA, the Syrian news agency, Dr. Ja’afari “voiced astonishment over the Arab League’s deliberate disregard of the Arab Monitors’ report . . . especially the points which highlight the destructive role of armed groups in attacking the Syrian citizens and security forces.” Instead, the Arab League violated its own charter and went to the Security Council, instead of to its leadership body. He also questioned the French government’s “cool response to what the Arab Monitors’ report

said, that the French journalist, Gilles Jacquier, was killed by mortar shells from the opposition in Syria.”

And in a direct hit against the covert military operations being run against Syria from British-controlled Persian Gulf puppets, Dr. Ja’afari cited reports “that Qatar and Saudi Arabia finance the smuggling of arms to Syria.” He also called on “other neighboring countries to stop hosting the armed opposition, which bomb oil refineries and gas pipelines and explode railways, on its territories.”

Just a few excerpts from the 30-page report, of which 9 pages are direct field reports from the Arab League monitors, indicate that there is extensive evidence of civilian attacks and fatalities committed by the Syrian opposition that the Western media have been covering up, and even worse, that the nations leading the call for the ouster of Assad—Britain, the United States, and France—have deliberately ignored. The Obama-British monarchy alliance is committing the same massive fraud on the UN and the world community that it committed in the drive to launch an unjustified war against Iraq in 2003.

The full Arab League report exposes the British-Obama lies, and can be read at <http://www.innercitypress.com/LASomSyria.pdf>.

Quotes follow:

- “In Homs and Deraa, the Mission observed armed groups committing acts of violence against Government forces, resulting in death and injury among their ranks. . . . Some of the armed groups were using flares and armour-piercing projectiles.”

- “The Observer Mission witnessed acts of violence being committed against Government forces and civilians that resulted in several deaths and injuries. Examples of those acts include the bombing of a civilian bus, killing eight persons and injuring others, including women and children, and the bombing of a train carrying diesel oil. In another incident in Homs, a police bus was blown up, killing two police officers. A fuel pipeline and some small bridges were also bombed.”

- “It should be noted that Mission reports from Homs indicate that the French journalist was killed by opposition mortar shells,” despite counter-accusations that the government killed the reporter. The Syrian government is conducting an investigation, the report says.

- It is a lie that foreign reporters are barred from Syria; the report lists over 107 foreign journalists and news agencies that have been operating in Syria for months.

# No One Will Survive World War III: Prevent the Suicide of Humanity!

by Helga Zepp-LaRouche

Feb. 4—The fuse is lit for a Third World War: According to David Ignatius of the *Washington Post*, U.S. Defense Secretary Leon Panetta “believes there is a strong likelihood that Israel will strike Iran in April, May, or June.” The German media, after months of scandalous silence on this issue, reports that Berlin is afraid that the West could be drawn into a conflict with incalculable consequences. It must be stated more clearly: If Israel carries out a strike against Iran, Iran will launch a counterstrike that, according to its own statements, will also hit American installations; this will then, ultimately, lead to the deployment of British and American military operations against Iran.

That would be just the trigger for thermonuclear war, with the United States, Britain, and NATO on the one side, and Russia, China, Iran, Syria, and other allies on the other. If just a fraction of the available thermonuclear weapons were used, any form of human life on the planet would be extinguished. It is clear to any sane person that only the insane would risk the extinction of the human species in this way.

## The Voices of Insanity

Underlying Panetta’s concern is the message that Mossad intelligence chief Tamir Pardo brought from Israeli Prime Minister Benjamin Netanyahu, during Pardo’s recent visit to Washington. Israel claims that by June at the latest, Iran will have moved its nuclear facilities underground, to bunkers out of reach of conventional weapons. At the World Economic Forum in Davos, Switzerland last month, Israeli Defense Minister Ehud Barak had said that Iran was on the verge of “drifting into a zone of immunity,” in which it would only be possible for the United States to knock out or seriously damage the Iranian enrichment facilities.

According to informed sources, Pardo’s intervention was a direct response to statements by Chairman of the U.S. Joint Chiefs of Staff Gen. Martin Dempsey,

who had warned Israel, during his visit to Tel Aviv over a week before, against conducting a unilateral military strike against Iran. This, after repeated statements from American intelligence agencies that Iran has not had a military nuclear program since 2003. The Voice of America reported on Feb. 3 that the U.S. National Intelligence Estimate of October 2011 came to the same conclusion as it did in its 2007 report, namely that Iran is not currently pursuing a military nuclear program.

This assessment is shared by Defense Secretary Panetta, Director of National Intelligence James Clapper, and the former head of the National Intelligence Council, Thomas Fingar. Moreover, a team of inspectors from the International Atomic Energy Agency (IAEA) that visited Iran at the end of January, expressed its satisfaction with Iran’s readiness to cooperate.

Yet a veritable chorus of speakers at the recent annual Herzliya Conference in Israel called for a war against Iran “before it is too late.” Defense Minister Barak and others referred to the report of the IAEA of Nov. 8, 2011, which alleged that Iran has an active nuclear weapons program, but mentioning exclusively Western intelligence sources. Numerous American neocons were listed as speakers at the conference, such as former CIA director James Woolsey; Danielle Pletka of the American Enterprise Institute, one of the chief propagandists for the Iraq War; and people from the British intelligence community who were conspicuous in the buildup to the Iraq War; they were joined by the head of the green Heinrich Böll Foundation in Germany, Ralf Fücks, and by Cem Ozdemir, the co-chairman of the Alliance ’90/Greens party.

Suddenly, even if very late in the game, some in the German political establishment have evidently realized that we are becoming hostages to Anglo-American-Israeli war plans, which could ultimately threaten the

existence of Germany. Although the federal government is still pursuing diplomatic solutions, Chancellor Angela Merkel has also repeatedly stressed that the protection of Israel is a “German *raison d’état*.” Wolfgang Kubicki, the Free Democratic Party leader in the Schleswig-Holstein State Assembly, warned that a military strike by Israel against Iran would be a war of aggression under international law. It should be obvious that there is no way out of this dilemma within the existing geometry.

### **Irregular Warfare Has Already Begun**

Irregular warfare already began long ago against Iran. The computer virus “Stuxnet” put the control system of several Iranian nuclear facilities out of order, and set back the nuclear program for months, while also four Iranian nuclear scientist were killed in the past two years, for which Iran blamed Israel and Great Britain. In addition, the strengthened sanctions have dramatically worsened the economic situation in Iran, which, as always, is to the detriment of the civilian population. And since sanctions, if effectively carried out, ultimately lead to military action, it is an illusion to think that sanctions are an alternative to war; they are rather the first step toward it. Horst Teltschik, the former head of the Munich Security Conference, fears that an Israeli military strike against Iran would turn the entire region into a flashpoint—“a nightmare,” he said.

The nightmare will be of short duration. An Israeli attack on Iran, which will inevitably lead to retaliatory strikes by Iran on Israel, and on American and British military installations in the region, will certainly lead to acts of war from this side, and just as inevitably Russia and China will become embroiled in the confrontation, leading inevitably to the use of thermonuclear weapons. Even if only a small fraction of the thermonuclear weapons that are already concentrated in the region on aircraft carriers, battleships, and submarines, were used, the human species will most likely be wiped out.

The dilemma in which Germany finds itself, is dramatically aggravated by the situation in the United States, because President Obama is following in detail the script of the British government, which also called the shots during the Iraq War. Obama has indeed continued, and even escalated, every point of the Bush/Cheney Administration’s policies against which he had campaigned in 2008. Among his numerous viola-

tions of the Constitution, are his war of aggression against Libya which was not approved by Congress; the targeted assassination of people around the world, including U.S. citizens; the indefinite detention and deportation of people without due process; an excessive government by decree with the elimination of the separation of powers; and the massive use of drones with acceptance of “civilian collateral damage.”

At least for the moment, the Democratic Party has completely capitulated and refused to put up a rival candidate against Obama. Given the disastrous spectrum of the remaining Presidential candidates on the Republican side, who just try to outdo one another in militaristic propaganda against Iran, Cuba, and other countries, America finds itself on a course toward a third world thermonuclear war, which ultimately means its own extinction. The recognition of this fact is the reason that American military figures, both active duty and retired, have repeatedly tried to stall this war drive in recent months.

### **Financial Crash Leads to War Danger**

The deeper reason for the threat of a third world war lies, however, not in individual national interests, but in the fact that the global financial system is faced with immediate disintegration. The breakup of the Eurozone is a matter of a few weeks at most; the banking systems of Europe and the United States are hopelessly bankrupt. In addition to the EU500 billion granted by the European Central Bank (ECB) in December 2011, the European banks alone need another trillion euros by the end of February, for a total estimated at EU5 trillion by the end of this year. At the same time, the swap agreement between the Fed and the ECB has led to an extensive carry trade, by means of which virtually unlimited liquidity is pumped into the system. The ECB and the Fed have become money-printing machines, a situation which could very quickly turn into a hyperinflationary explosion.

The threat of war is the result of the determination of the British Empire, i.e., the financial forces behind globalization, not to allow Russia, China, India, and other Asian countries to prosper while the trans-Atlantic region collapses.

Germany will only be able to overcome its potentially fatal dilemma if we free ourselves from imperial ways of thinking, which express themselves in Germany in the sentence, “There’s nothing we could do anyway.”

The reason for war—the economic crisis—can only be overcome if we put a stop to the casino economy. Germany must take the initiative in introducing a two-tier banking system, along the lines of U.S. President Franklin Roosevelt’s Glass-Steagall system, by which commercial banks would provide loans for the real economy, and the estimated \$1.5 trillion in outstanding derivatives contracts would be canceled.

The two-tier banking system is just the first step; it must be linked with a return to sovereign control over our own currency—thus a new D-mark—and the replacement of the monetarist system with a credit system (see box), which facilitates the rebuilding of the world economy in cooperation with other sovereign states. We must focus on the common aims of mankind, such

as raw material and energy security for the next hundred years, overcoming poverty on Earth, and the colonization of space. For all these things, we need a new science orientation and a vision of how the next stage of development of mankind can look. It means a rejection of any green ideology, whether it be applied to energy policy, Europe, or Russia and Iran.

The slate of six LaRouche Congressional candidates in the United States, French Presidential candidate Jacques Cheminade, the BüSo [Civil Rights Solidarity Movement, the LaRouche party in Germany—ed.], and many allies in many countries stand for this alternative. Join us!

*This article was translated from German.*

## What Is a Credit System?

*This is an excerpt from Lyndon LaRouche’s webcast of Sept. 30, 2011. The full text is in [EIR](#), Oct. 7, 2011.*

Credit, you know, is a funny thing. Because, when you’re talking about credit, you’re not talking about peanuts. You’re talking about an investment by more than one generation. All of the great projects which we need now, as in the past too, are projects which require multigenerational investment. They require the incurrence of debt, a debt which spans generations. And one of the great things that we have to master in this respect, is what is the nature of human beings, or what should be the recognized nature of human beings and their adopted purpose in living?...

The point is to have a purpose in life which transcends death. And this is only possible through the creative powers of mind of the human individual. And therefore, this leads to what? It leads to something that no animal knows: credit. Credit! Because the things we invest in are the things we create, things which transcend the death of people, of individuals, the investment of a life in a transition to a new life which is a continuation of the old, even though the persons who were succeeding one another have died.

So therefore, the idea of credit is not a physical or financial conception. The idea of credit, first of all, is *human*. And no species known to us, other than human beings, knows what credit is! It doesn’t exist for anything except for human beings, to our knowledge.

Therefore, we design a monetary system, or a financial system, based on a system of credit, which means the development of one individual, who transmits something which is of use to a second generation. And this is not a process of continuation; it’s a process of development. And the unit of development is what we should call “credit.”

Now, this was something that has been understood for a long time by some people. But this system, this concept of credit, is unique as a worked-out system, to the United States. The Massachusetts Bay Colony, for example, was a system of credit. The system authored in the founding of our Constitution was a system of credit. And the system of credit is not a monetary system; it’s not a cash collection! The system of credit is the transition, and the continuation, of the activity of *a life*, through the transmission of a continuation of an effort, an intended effort, to a second life, and a life beyond that!

Credit is history: Credit is *human* history....

People die, but humanity must never die. And once we have that concept, we’ve got it right.

—Lyndon H. LaRouche, Jr.



# Cheminade Presidential Campaign In France Begins To Break Out

by Nancy Spannaus and Christine Bierre

Feb. 4—In a development with the potential to badly disrupt the British Empire’s plans for war and dictatorship, on Jan. 31, Lyndon LaRouche’s co-thinker Jacques Cheminade announced that he had gathered the 500 signed commitments from elected officials required for ballot status to run for President of France. The first round of the French Presidential elections is scheduled for April 22.

Cheminade’s re-emergence as a Presidential contender, after his 1995 race brought the wrath of the French political establishment down on his head, has caused shock waves throughout the country. As the candidate has repeatedly emphasized in the interviews he’s given since the announcement, his warnings of the grave financial crisis on the horizon, during the 1995 campaign, have given him enormous credibility among some political circles and growing sections of the population.

Pressed by the media to respond to why he, and not other candidates who are better known nationally, has gathered the 500 signed commitments, Cheminade stressed again and again that it was this credibility, combined with the realization by the mayors of many small or medium-sized towns who are supporting him, that the heavy austerity imposed by the government on the municipalities in recent years was due to that crisis.

## The ‘System Candidates’

The leading contenders are incumbent President Nicolas Sarkozy and Socialist Party candidate François Hollande.

Sarkozy, who has occasionally gone into rhetorical flights of fancy against financial speculation, is in reality implementing a policy drafted by the City of London, both in France and in the European Union, in collaboration with Germany’s Chancellor Angela Merkel. The Franco-German duo has been instrumental in imposing on the EU a hyperinflationary bailout policy for all the bankrupt banks, and crushing austerity on the populations of all EU nations, in the name of balancing the budgets “to save the euro.” Often inviting comparisons



EIRNS/Julien Lemaître

*Presidential candidate Jacques Cheminade campaigns in Paris, Nov. 22, 2011. He was subjected to a vicious campaign of slander and judicial assault during his 1995 campaign, but today the climate is different—so far at least. People remember him as the man who told the truth about the oncoming financial crisis.*

to Napoleon, Sarkozy has also embraced an imperial foreign policy, writ large in France's role in regime change in Libya, including the illegal murder of Qaddafi, and now in Syria. A number of financial scandals have also contributed to the incumbent President's low popularity.

While Hollande has made waves by making a kind of two-tier banking system and attacks on speculation a major part of his platform, he has refrained from advocating a full separation of investment from commercial banks, as a Glass-Steagall standard would require. He is also neither contesting nor promoting a reform of the euro system, currently on its deathbed. Quite the contrary, Hollande advocates a stronger role for the supranational European Central Bank and the emission of euro bonds as a way to solve the crisis of indebtedness of banks and governments. Furthermore, his program aimed at zero deficit in 2017 only calls for EU23 billion in actual spending for new housing and financing for small and medium companies. He is proposing an austerity budget where every expense would be covered by a cut elsewhere. Nowhere is the candidate pledging the concrete steps necessary to launch a full-scale, great-project based recovery, based on restored national sovereignty and a vision of planetary economic development.

The race, however, is still wide open, since Sarkozy's popular support is stuck at 24% in the polls, and while Hollande is the "frontrunner," only 31% of those polled support him. Two other contenders are being presented by the "system" as alternatives, to control the race: Marine Le Pen, president of the National Front and the daughter of the party's first leader, the anti-immigration extreme right-winger Jean Marie Le Pen, credited with 20% of the vote; and François Bayrou, the head of the Christian Democratic MODEM, who has risen, once again, to national significance, with 14% favorable opinions in the polls.

Marine Le Pen has gained popularity by attacking the euro system, but she proposes to replace it by incompetent "national" monetarism which does not contest the autonomous role of the central bank. As for Bayrou, while claiming he wants a renaissance of French industry, he is running on a balanced budget program which entails EU100 billion in public spending cuts and new taxes over the next five years.

Indeed, as a cartoon published in *Le Canard Enchaîné* perfectly illustrates (see picture), all the main

candidates, including Le Pen and Bayrou, are "system" candidates, offering different versions of monetarism, and the only outsider of stature is Jacques Cheminade.

## A Real Alternative

This is why Cheminade's campaign is creating such a stir. His program, inspired by LaRouche, is the only one that could bring an end to this crisis. His is the only competent proposal to re-establish economic and financial sovereignty by retaking control of monetary emission, through the creation of a national, publicly controlled, bank. He is also the only candidate calling for a total overhaul of the monetary system, establishing a Glass-Steagall-style separation between commercial banks on the one side, and insurance companies and investment banks on the other, and calling for a parliamentary commission of investigation of financial crimes, modeled on the 1930s U.S. Pecora Commission, which would lead to a controlled bankruptcy of the toxic financial instruments polluting the banks. In terms of foreign policy, Cheminade denounces the current Western military drive against Russia and China, and any attempts to use the Middle East as the cockpit for war. He would bring France back to the policies of President Charles de Gaulle, of mutual development in Europe from the Atlantic to the China Sea.

Cheminade's campaign staff organized a media and Internet blitz on Jan. 31, the day that Cheminade announced that he had collected at least 500 signed commitments for the race, and was therefore on the road to qualify to participate in the elections. He made his announcement during several media events, including a 10-minute primetime morning interview on Radio Monte Carlo (with 800,000 listeners), a press conference in Paris to release his campaign book (*A World Without the City of London and Wall Street: A Great Construction Site for Tomorrow*), and an appearance on a top national evening talk show, Canal + Grand Journal.

The journalists on the evening show were flabbergasted that Cheminade had succeeded in gathering the signatures, especially when allegedly major candidates, such as former minister Christine Boutin (on the podium with Cheminade that evening) and Le Pen have not been able to gather them. Much of the media later picked up on that issue, such as Europe 1 radio, whose early morning report started with, "Oh, Marine Le Pen will not be happy today ... while she is still

trying to assemble the commitments of elected officials for the presidential elections, Jacques Cheminade announced that he has them already.” Going back to Cheminade’s presence in the race in 1995, the journalist concluded with a loud: “Jacques is back” (in English!).

Cheminade summed up the situation with respect to his rivals at the conclusion of the Radio Monte Carlo show, saying, in paraphrase: The late French President François Mitterrand “promised to fight the financial world; he capitulated in the middle of the battlefield. [Then-President] Jacques Chirac, at the Halifax [G7] summit, denounced speculation as ‘financial AIDS’; he capitulated in the middle of the battlefield. Sarkozy, in his Toulon speech, also claimed he would fight speculation; he capitulated in the middle of the battlefield. Now, François Hollande says he wants to take on finance, but calls for the separation of ‘banking activities’ only, while in reality what is required is a strict separation of banks themselves and a new Pecora Commission.”

The well-planned Cheminade media offensive was accompanied with his campaign’s outreach effort all over France. In Paris, 25 organizing squads reached the financial districts in La Défense and Issy les Moulineaux, the Foreign Ministry at Invalides, and the major train stations of Montparnasse and Saint-Lazare. In the Paris region, over 25,000 copies of a leaflet, “Who Is Afraid of Cheminade?” have gone out, out of 250,000 in distribution nationally. Another 25,000 were distributed in Rouen, Nantes, Rennes, Lyon, Toulouse, Bordeaux, Toulon, Nice, Macon, Montélimar, Lille, Metz, Nancy, Poitiers, Chaumont, Mulhouse, Strasbourg, Marseille, Saint-Etienne, Clermont-Ferrand, and Grenoble.

The task now is for the Cheminade campaign to go from pledges, which he now has in hand, to actual signed documents. The official documents will be given to the mayors on Feb. 23 and are due to be handed to the Constitutional Court no later than March 16. Once the Court certifies the candidates, the law calls for state funding of close to EU150,000 to jump-start the campaign, and equal publicity to all candidates, in private and public channels, throughout the official election period.

## The Scandal of 1995

Also contributing to Cheminade’s comeback is the reaction to the abuse against him in 1995, when the

electoral laws were not only broken, but political corruption resulted in the decision of the Constitutional Council (the highest judicial authority in the land), on flimsy political pretexts, not to reimburse Cheminade’s campaign expenses, as all candidates have the right to, in proportion to their results. The state demanded that Cheminade not only pay the equivalent of 4.7 million francs<sup>1</sup> of campaign expenses from his own pocket, but also repay the FF1 million (equivalent to EU150,000) in government funds advanced to his campaign, leading the candidate, whose personal resources are quite limited, to financial ruin, and the state to seize all his belongings!

Finding no fault with either his expenses or receipts, in the smallest budget in the election campaign, the Council invented a motive to refuse to reimburse him, charging that the absence of an interest rate on the loans that had been contracted to balance out his campaign budget at the end of the election, meant that they could be interpreted as “donations,” at a date in the campaign at which any further contributions were forbidden. The Council decreed that “the absence of a stipulated interest constituted an advantage on behalf of the candidate.”

As the Cheminade campaign pointed out in August 1996, “The argument seems all the more legally and politically surprising, when taking into account the fact that at least two others among the major candidates had overtly exceeded the authorized baseline for [expended] sums by 10 to 30 times, without any grievance being raised against them. Add to this secret, remarked on by the press, the fact, also of public notoriety, that the campaigns of other candidates were fed by ‘secret funds’ from Matignon [the prime minister’s office] and commissions on defense contracts (protected by the judges as ‘defense secrets’) as well as from other, even less honorable sources in real estate and ‘African business.’”

Indeed, the campaign expenses of the major candidates in that Presidential election campaign (Jacques Chirac and Edouard Balladur), went way over the allowed ceilings, but were accepted. This was confirmed by investigating magistrates and by a number of leading figures, journalists included, over the course of 2011.

Between 1996 and 2010, Cheminade’s property

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1. The euro had not yet been adopted in 1995. It officially went into circulation on Jan. 1, 2002.

seized was seized by the government, including his bank accounts, and a lien was placed on his apartment, which the government renewed in February 2010. On the eve of the 2012 Presidential campaign, the state again demanded from Cheminade the “modest” sum of EU171,325.46 (the original EU150,000 plus fines accumulated since).

## The Truth Will Out

The scandal became even greater in 2011, as an affair known as “Karachi-gate” revealed that candidate Edouard Balladur had deposited more than FF10 million in large denominations in his account, money that the judges suspect had come from kickbacks on arms sales to Pakistan and Saudi Arabia. Investigating magistrates recently indicted two former close collaborators of Balladur at that time, Nicolas Bazire, then-chief of staff of Prime Minister Balladur, and Thierry Gaubert, adjunct to Balladur’s budget minister, one Nicolas Sarkozy, who also served as Balladur’s campaign spokesman and campaign manager. Both are accused of having transported suitcases full of cash from Switzerland to finance Balladur’s campaign. Similarly, the clan war at the heart of the French state revealed that Chirac’s campaign had been financed out of suitcases of cash from Africa.

The fact is, as the newspaper *Libération* demonstrated in October 2010, that the rapporteurs of Constitutional Council, those in charge of ascertaining the validity of the campaign accounts of all the candidates, knew of the fraud in Balladur’s and Chirac’s accounts. But Roland Dumas, a former Mitterrand crony known for his corruption, who had been named to preside over the Constitutional Council, compelled the rapporteurs to doctor both their accounts in order to make them appear “valid,” but decided to invalidate those of the candidate whose campaign had spent the least money—Jacques Cheminade.

Dumas himself admitted his discrimination. On May 11, 2011, the host of the national TV program “Face the French” (*Face aux Français*), Guillaume Durand, asked Dumas why he invalidated the accounts of Cheminade and not the others, to which Dumas shrugged, “Well, Cheminade was rather clumsy, while others acted more legit...!” The flagrant injustice against Cheminade has been the object of more and more media coverage in France in recent months, not least because one of the members of the Constitutional Council then, Jacques Robert, de-

cided to reveal most of the damning facts to the news media.

As the crisis deepens, as France and Europe as a whole are on the verge of total collapse due to the financial crisis, French patriots in positions of a certain prominence are more and more deciding that it is time to do what Cheminade has long been fighting for: return the nation’s destiny to its sovereign control.

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## Interview: Jacques Cheminade

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# ‘Incompetent Oligarchy’ Is Destroying France

*The following interview was conducted on Feb. 3 by Christine Schier of our Wiesbaden bureau.*

**EIR:** Jacques, I would first like to say that all your friends abroad, in the U.S., in Germany, Italy, Scandinavia, were very happy to hear that you had announced you had 500 pledges from mayors to endorse your candidacy for President. This should provide a crucial flank in the overall strategic situation, as your program and warnings go out in the media.

**Cheminade:** Well, this is only the beginning; we should not be too euphoric about it. But what’s interesting is that the reactions are not of the same type that they were in 1995 [when Cheminade ran for the Presidency for the first time]. There are some persons who are trying to launch defamatory accusations, but many people react immediately by supporting us. They recognize that I was the victim of a terrible injustice in 1995, and that the time has come to let me speak out, because I was the only French political leader who announced that a crisis would break out in the next 10 to 12 years, and 12 years later, it did.

The mayors appreciate that very much. They gave me their pledge, officially called a “presentation promise,” because they see that I was right, and the others were wrong. Moreover, they saw that the young activists who came to see them were very determined, had a good deal of humor, and were actually defending a cause, rather than repeating phrases or things that had been dictated to them.





EIRNS/Julien Lemaître

*Presidential candidate Jacques Cheminade campaigns in Paris, Nov. 22, 2011. He was subjected to a vicious campaign of slander and judicial assault during his 1995 campaign, but today the climate is different—so far at least. People remember him as the man who told the truth about the oncoming financial crisis.*

They were creative, and respected the mayors. They did not approach the mayors as simple “machines to produce signatures,” but as human beings with whom they wanted to conduct a real republican dialogue.

## A ‘Buzz’ in the Media

We have had quite a lot of media coverage, although it shouldn’t be overestimated. On Canal Plus, for example, a well-known journalist, Jean-Michel Apathie, said that my candidacy was totally useless, and he repeated it several times, but that completely discredited him. He was strongly attacked afterwards. Many people were disgusted with how rude he was, and they thought I did very well in responding to him. They liked the fact that I called into question the “incompetent oligarchy” which has put France into financial receivership, with the help of the “state nepotism structures.” There was a buzz about that on Internet. In fact, the Internet is changing part of the campaign.

There were also attacks, for example from a Socialist Senator, Patrick Mennucci, who said on RMC [Radio Monte Carlo] that I was anti-Semitic, from the far right, and that I regretted the death of bin Laden. It was so stupid that people can only laugh about it. But I asked [Socialist Presidential candidate] François Hollande to have Mr. Mennucci withdraw his accusations, because they are false. And this morning, the same RMC allowed me to answer, and for five minutes, I demolished the slanders of this moron. A journalist

from the radio said that he himself had been affected by the rumor, then checked out our website, and saw absolutely nothing related to anti-Semitism or right-wing extremism.

**EIR:** Are the journalists generally interested in the solutions you propose in the current crisis? Or are they trying to silence the debate?

**Cheminade:** I have been asked what the difference is between what François Hollande proposes and my proposal, because he is also calling for a separation of banking activities. But he proposes that those activities remain under the same roof, while I say they must be different banks, under a law of the type of the Glass-Steagall Act, or what we had in France after the Liberation.

I have been asked who else in France thinks that way. I answered, Maurice Allais, for example, yesterday morning. It was one of his most constant proposals, and he approved of my approach, and that of Mr. LaRouche. Some counter that Lyndon LaRouche is a heretical figure. I say, I’m glad he is! Anyone who attacks the financial oligarchy and the City of London is labeled, by all those who follow their policy line, a heretical figure. This is to be expected, because we are in the midst of combat, and no holds are barred when it comes to us.

I added that, in terms of the political movements in France, I am at the intersection of the Social Christians of Brittany’s “Democratic Abbots,” and of Marc Sang-

nier; the Gaullism of June 1940 and de Gaulle as a representative of the Free French during the Resistance; the socialism of Jean Jaurès, and to a certain extent of Léon Blum, who supported de Gaulle during the Resistance; and also of the Radical Party, in particular the current around the solidarism of Léon Bourgeois, which is very different from that of other countries. Bourgeois said: We have a debt towards the generations of the past, which we have to pay for the sake of the future generations. I would add, a debt to the future, but not to the investment banks, the institutions of Wall Street and the City [of London], who brought us the crisis we are in.

At first, I did not have a chance to bring these issues up; the journalists mainly want to know why I'm running, and how I got the mayors to sign. That is the big question being asked: how I got the signatures, whereas Marine Le Pen doesn't have them. There's a cartoon which was published in the Feb. 2 *Nice Matin* and *Var Matin*, which shows Marine Le Pen looking into a mirror, asking: "Mirror, my beautiful mirror, tell me that I'm the most desirable candidate." And the mirror answers, "Even Jacques Cheminade is more successful than you!"

There's a tremendous buzz around this issue—that I managed to get the signatures, and the others didn't. I explain that it's because of our young activists, and their qualities, because I had forecast the crisis that was coming, and also because of the international character of my campaign, the opening in which domestic policy and foreign policy, international policy are a unity; it's not limited to simple crisis management.

So that is immensely commented upon, everywhere. On political blogs, there have been many attacks against the people who have interviewed me. I must say, that one interview was very honest and fair, on RMC Matin, by Jean-Jacques Bourdin, and again on Feb. 2 on LCI TV. On France Culture, there was one

program which brought up the question of cults, and I threw them back on their starting blocks through actual quotes of the Miviludes (the official anti-cult agency in France), which said that there is absolutely nothing of substance behind the accusations against me.

## The Future of the Euro

**EIR:** On economic policy, is your position on the euro unique compared to the other candidates?

**Cheminade:** Yes and no. It is not, insofar as Marine Le Pen has a line which is similar to Dupont-Aignan. They are both against the euro. But what I say is that the

euro is already destroying itself in any case, so what we need is a great project for the future. And that's where the really major difference comes in. It's on the issue of productive credit, and great projects for the future. We need a Glass-Steagall to clean out the "Augean stables," to begin with, and we need productive state credit. In that way, Europe becomes meaningful, and can be integrated into a world of great infrastructure works.

But for that to happen, we have to repeal Article 123 of the Treaty on the Functioning of the EU, and repeal the French law of Aug. 4, 1993, which abrogated the law of Jan. 3, 1973,

which prohibits the Banque de France from advancing credit, or from buying the debt of the Public Treasury in order to finance economic development. And the law of May 12, 1998, which prohibits the Banque de France and Board members from taking orders from the government, or from any other authority.<sup>2</sup> So



*National Front (NF) candidate Marine Le Pen saying to her mirror, "Mirror, my beautiful mirror, tell me that I'm the most desirable candidate." The mirror replies, "Even Jacques Cheminade is more successful than you!" From the websites of *Nice Matin* and *Var Matin*, Feb. 2, 2012.*

2. The 1973 law forced the state to borrow from private financial institutions taking interest on the loans, whereas the Banque de France, a state bank, did not take interest. The 1998 law turned the Banque de France into an entity independent from the state, with the task of ensuring monetary stability and not economic development. And the Treaty on the Functioning of the EU prohibits central banks from loaning interest-free money to the member states.

the Banque de France has become a central bank, instead of a national bank.

In France, there is now a big debate on the issue of a national bank. There are a number of articles on leaving the euro, but I insist that it should be a positive exit from the euro, and not for the fun of it.

There's another important point: the attacks against Germany. People say, "Merkel is Germany." I reply that that has nothing to do with my vision of Germany, which is that of Schiller, of Heine, and of Helga Zepp-LaRouche.

Interesting is that my campaign, as Lyndon LaRouche pointed out, is producing in Europe a rift in the agreement on going for austerity and rigor. And from that standpoint, it is useful that François Hollande attacked the world of finance, even though the attack is limited. He denounced austerity, but he did not back that up with the measures to be taken, as I do. So I find myself in a position of *avant-garde* of all this.

People ask, "How could this guy, who only received 0.28% of the vote in 1995, gather 500 signatures, while Marine Le Pen, Hervé Morin, Dominique de Villepin, and Christine Boutin don't have theirs." What is our secret?

A clip came out on the first channel TF1, which lasted 40 seconds, in which they completely changed what I had said, but it comes out effectively, because it shows Marine Le Pen lamenting, in front of the Senate, "Oh, I only have 340 signatures, it's awful." And then it shows me, when I was asked how come we got the signatures, and I answer, "Because we're intelligent," and then I burst out laughing.

So, all of this is going on. For the moment, I haven't been able to develop the real issues too much, except for the Glass-Steagall and state credit. When I bring up the danger of war, everybody is astonished, in the world of the media.

So, we're not yet in the heat of the race, but we've come out of the starting block. We've got our foot in the door, and now we have to get the most important part out: that is all of the ideas.

### **'A Community of Principle'**

**EIR:** We understand that your candidacy has been heartily endorsed by Lyndon and Helga LaRouche. Would you describe your relationship with these two political figures?

**Cheminade:** It is a longstanding relationship that

has inspired my intellectual and political life. The first thing that opened for me a new vision on what was happening in the '70s of the 20th Century is what Lyndon LaRouche had to say on economics and culture. He was then the only one who foresaw that ultra-liberalism in economics, under the rule of the financial oligarchy, promoting the looting of labor and tangible production to the benefit of short-term profits, was supported and driven by a destructive counterculture, based on an emotional "short-termism." His understanding of the fight of the British Empire against the American Republic, and of what Benjamin Franklin and Alexander Hamilton really represented, gave me a key to understanding where I was, together with the writings of Allen Salisbury<sup>3</sup> and Graham Lowry.<sup>4</sup>

At the same time, our work on science and art, from Riemann and Leibniz to the German Classics in music and the Italian and Northern Renaissances, defined for me a new track in my mind, not in opposition to what I was before, but as an outreach into a new realm. The present work of the "Basement" scientific team, which leads us into the future through the exploration of the past, creates for me an opportunity to find new friends in the past and in the present, like Sky Shield, whom I enjoyed meeting in Europe, or our team of young candidates to whom I never have actually talked, but who are closer to my fight here, than many others more available to my senses.

As for Helga Zepp-LaRouche, I owe her for having led me to explore Friedrich Schiller and Nicholas of Cusa, without whom I would never have been what I think I am.

Journalists keep asking me here if I am the representative in France of Lyndon H. LaRouche, seeing that as a sort of functional or bureaucratic link. I answer them that unfortunately they are silly and cannot understand what a relation of a true human mind to other human minds could be, and that even when we don't talk or see each other, there is something beyond, which is a community of principle. That community of principle is a joy forever.

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3. W. Allen Salisbury, *The Civil War and the American System: America's Battle with Britain, 1860-1876* 2nd edition (Washington, D.C.: Executive Intelligence Review, 1992).

4. H. Graham Lowry, *How The Nation Was Won: America's Untold Story* (Washington, D.C.: Executive Intelligence Review, 1988).

# Tremonti Returns, Launches Glass-Steagall Offensive in Italy

by Andrew Spannaus

Feb. 5—Two months after Italy's elected government was ousted to clear the way for an imposed, technocratic cabinet, led by City of London favorite Mario Monti, former Economics Minister Giulio Tremonti has returned to the public scene, promoting a Glass-Steagall reform of the international financial system. Tremonti, who had been under attack for years by the forces pushing precisely this type of bankers' dictatorship on Italy, has now stepped up his intervention through the release of a new book, entitled *Emergency Exit* (*Uscita di Sicurezza*), and a series of interviews on television and in print media that have raised the fight for real financial reform to a new level.

Throughout his political career, Tremonti has sought out ways to judo the rules established by the free-market ideologues of the European Union, whose demands for cutting public spending and blocking state intervention into the economy have prevented Italy—and many other countries—from taking action to reverse the post-industrial course of their economies which began over 40 years ago. With the budget constraints of the EU Stability Pact, and the constant pressure and attacks from the powers that run the international financial markets, it has been impossible to carry out comprehensive infrastructure-building plans, or make the necessary investments in science and technology.

Tremonti has made various proposals for independent entities to finance infrastructure, offered plans for great projects, and programs for the development of Italy's impoverished South, the Mezzogiorno.



Wikimedia Commons



Former Italian Economics Minister Giulio Tremonti has returned to the political fray with an explosive new book, whose title in English is “Emergency Exit,” that condemns the globalist policies that have destroyed not only Italy, but all of Europe. The text below the title says: “Putting the state above finance, the law in place of chaos, the common good above the profit of the few.”

As the acute phase of the global financial crisis approached, he also began to openly advocate for a New Bretton Woods-style reorganization of the system, through numerous public interventions, while both in and out of government. In June 2007, he participated in a conference in Rome with Lyndon LaRouche, sending



a clear signal to the elites by praising LaRouche's ideas for economic development through great projects as delineated in the LaRouche-promoted Eurasian Land-Bridge proposal.

Tremonti also constantly picked fights with the Governor of the Bank of Italy—now head of the European Central Bank (ECB)—Mario Draghi, whose public role increasingly became that of blocking any positive initiatives that might come out of the government of Silvio Berlusconi, based on the actions of the saner forces inside his governing coalition.

Yet, while in power, Tremonti maintained a pragmatic approach towards the European Union and its destructive economic policies: Despite publicly calling for real action to reorganize the system, he generally stayed within the confines of the EU architecture, seeking change within the system through proposals such as issuing supranational Eurobonds, rather than pushing for an effective return to national sovereignty.

For a time, this pro-European Union bent even led to talk of him taking over as Prime Minister in Italy, but it's no surprise that the financial establishment's plans for Tremonti's future were quite different, and by the end of 2010, he was under siege within his own party, and managed to stay on as long as he did, only because of fears of further instability if he were to resign.

## Emergency Exit

Now, however, out of office once again, Tremonti has upped the ante. His new book *Emergency Exit*, released in late January, at a price of only EU12 (about \$16) to achieve maximum circulation, describes the genesis of the economic and financial crisis in terms that are almost unprecedented for a major institutional figure in the Trans-Atlantic region.

The starting point is the transformation of the economy over the past 20 years, in the name of globalization. The author clearly identifies the character of this process: the elimination of national sovereignty. "Globalization," he writes, has led to "the growing and dominant power exercised by finance over politics, where finance has the capacity to mobilize and concentrate massive interests"; as well as its ability to dominate the culture ideologically; the credibility given to it by the mass media, in which the financial markets are "systematically presented as new, super-efficient substitutes for old politics."

The roots of the current crisis are in globalization; in computerization that has allowed for an "enormous and

strategic portion of the economy" to circulate on the Internet and create computerized trading and "magical" financial wealth; "and lastly, from marketism, the ideology that subverts the old liberal political order and has theorized and legitimized the universal dominion of the market first, over the State, and then over everything else."

The book then goes through the explosion of financial derivatives, presenting charts showing the ratio between derivatives and global GDP, demonstrating "the inversion and disassociation that have been created in the relationship between the real economy and the financial supply."

Tremonti's conclusion is as follows: "Thus states have lost their sovereignty and finance has taken over. We now have princes without currency and currency without princes or principles. But all of this has not only been an exchange of sovereignty, a shift of power between states and markets. It has been, and is, a vertical ascent on the scale of global risk."

On the whole, Tremonti's presentation of the crisis is one you might expect to find in the pages of *EIR*, or among the growing number of economists who recognize the true nature of the crisis, rather than in the pages of a book written by a leading institutional figure of recent years. A final excerpt from this portion of the book gives the flavor of the precision with which he treats the situation:

"What to date has been seen in Europe and in certain states is only the beginning of that which, if we don't recognize it, if we don't resist, will take shape in a growing transfer of power outside of the scope of republican democracy, into an unwritten—indeed, it no longer even needs to be written—*Ermächtigungsgesetz*. The law for full emergency powers inspired by Carl Schmitt, and with this emergency—I repeat—of a new form of fascism: financial fascism, white fascism."

## The Solution

Where things get muddled a bit, is when Tremonti goes through the actions taken by the EU to deal with the crisis. Once the speculative attack on the public debt of European countries began, starting with the catastrophic collapse of Greece, he writes that the actions taken at the extraordinary summits of the EU heads of state and government, and then of the finance ministers, between May 7 and May 10, 2010, represented an important step in the right direction.

Although some participants in those meetings were

already speaking about how a return to national currencies could be implemented, the result was that a “new European architecture” began to take shape, based on the ECB, the European Financial Stabilization Facility (EFSF), and a “new” Stability and Growth Pact. Tremonti writes that this represented “the announcement of the beginning of a more united and coherent Europe, to transmit externally, on the financial market, a positive message, both in economic and political terms.”

He speaks of the “political message” sent by European leaders, as more important than the technical measures conceived. The problem, he continues, came at the G7 summit in Deauville, France, when uncertainty was introduced by talk of the possibility of Greece being expelled from the Eurozone. At that point, the mechanisms of speculation were set into motion, and the debt spiral became inevitable.

Here, Tremonti gives lip service to the common refrain among weak-kneed—or otherwise motivated—politicians throughout Europe, that the European debt crisis was actually facilitated by the weakness of the ECB, i.e., that the central bank only deals with inflation, rather than performing a role similar to that of the Federal Reserve in the United States, as the lender of

last resort. The notion is that the power of an interventionist central bank will stop the speculators in their tracks, and avoid the massive costs of succumbing to the speculative markets.

Unfortunately, as any observer can see, such a line of reasoning is not only short-sighted, as it fails to address the systemic aspects of the crisis, but it actually plays right into the hands of those who wish to increase the powers of the ECB, precisely the institution which Tremonti himself accuses, in the same book, of creating a new form of “financial fascism”! However, sources close to Tremonti insist that his view is that of a “Europe of the nations,” as opposed to supranational power concentrated in EU institutions.

In the concluding portion of *Emergency Exit*, he indeed returns to a strong call for serious reform, dedicating several pages to the Glass-Steagall concept, and the need to separate the real economy from financial activity. He calls for banning speculative financial instruments and creating a “New Alliance” in the tradition of Franklin Roosevelt’s New Deal, with large-scale public investment, and a fundamental shift from the disastrous policies of recent decades.

He proposes to: “repeal current laws and return, in

## LPAC-TV Weekly Report



Each Wednesday afternoon, Lyndon LaRouche sits down with LPAC-TV Weekly Report host John Hoefle and two guests from the “Basement” scientific team and/or the LaRouchePAC editorial staff, for an in-depth discussion of the most important issues of the week, be they political, economic, strategic, or scientific.

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letter and in spirit, to the glorious old bank laws modeled on the Glass-Steagall Act of 1933, to separate the productive economy from the speculative economy.... This means separating ‘the wheat from the chaff and the darnel [weeds], production from speculation, as it was for centuries. It means beginning to defend and stabilize public budgets. On the whole, to launch an economic and social system that is different, not only more ethical, but also more effective than the monetary system that is currently coming down and dragging us with it; if we don’t resist, if we don’t react, if we don’t change.”

Tremonti discusses the need for firewalls that separate the casino banking system from ordinary financial activities, preventing any sort of bailout of the speculators, and “canceling all of the laws that, starting in the 1990s, in the U.S. and in Europe, liberalized [derivatives].” The book also includes an appendix with the key points of the Glass-Steagall Act, and Tremonti has been very vocal in promoting this concept in his recent public appearances.

### Bankers’ Nightmare

As we have reported, there is widespread and growing resistance to the brutal austerity measures being implemented by the technocratic government led by Mario Monti, former EU Commissioner for Competition, and President of Italy’s leading Business University, the Bocconi in Milan (not to mention, European chairman of the Trilateral Commission, and member of the International Advisory Board to Goldman Sachs, lest anyone be unclear of his pedigree).

The majority of the political parties have embraced the blackmail from international institutions and financial markets, and are supporting whatever comes down the pike from the bankers and professors who are now able to ram through deregulation just as they have always dreamed.

The population, however, is moving in a decidedly different direction. Protests are expanding rapidly, from taxi drivers to truck drivers, factory workers to farmers. There are cuts in pensions, tax hikes on gasoline, measures to allow for corporations and large-scale distribution to take over any sector of the economy where people are still able to make a decent living. Even Italy’s lawyers have realized that the government wants to remove their independence and make them work for large corporations!

The goal is for the financial markets to rule supreme, in an attempt to finally break through the resistance to

massive deregulation and privatization that has characterized Italy in recent years. After the initial round of looting in the mid-1990s, an unstated resistance to predator capitalism had taken shape here. Now, the fight is coming out into the open.

Tremonti’s denunciation of the true character of the global economic crisis, and his offensive for Glass-Steagall, can be a major factor in the coming period; in fact, the former Economics Minister is known to have ties to factions in other European countries, such as France, that could move in a similar direction. In addition, Movisol, the LaRouche movement in Italy (see box), is working with some Italian Senators to introduce a bill to establish a Glass-Steagall separation of commercial banks and investment banks, as both an immediate boon to Italian industry and families, and more importantly, an example for others to follow. The time is ripe for the population to latch on to big ideas of this type, and force the saner elements in the institutions to take a stand for the common good.

## A United Front vs. the Government of Banks

*The following call, titled “For a United Front of all Protests against the Government of Banks!” was issued by Liliana Gorini, chairwoman of the Italian LaRouche movement, Movisol, at the end of January.*

The year just began, and Italy is already in the midst of desperation and protests against the horrendous effects of Prime Minister Mario Monti’s austerity package. The minister of “Economic Development” Corrado Passera declared that “rarely has a government managed to do so much in just three months.” He is right: It managed to bring the gasoline price up to EU1.80/liter; to ruin taxi drivers, small shops, truck drivers, and fishermen; to cause small entrepreneurs who can no longer find credit from banks to commit suicide; to empty supermarkets and shops as a result of strikes. And now it plans a labor reform which includes abolishing the cost-of-living escalator, claiming that “there are not enough resources.” An unprecedented result, for sure.

The ECB [European Central Bank] rejoices. It wanted the ruin of Italy, and got it. There are no resources for a cost-of-living escalator, but surely there

are always resources to save the banks and speculators. And it is not by chance that Monti's first pilgrimage was to the City of London, to win the "trust" of those speculative markets which created the large spread between Italian state bonds and German Bund [state bonds], and which are ruining not only the Italian economy, but also the Trans-Atlantic one. In order to defend the euro, they are killing the real economy all over Europe, as the American economist Lyndon LaRouche, the only one who had foreseen the present crisis already in the '90s, has recently repeated often. . . .

And when the legitimate demonstrations of taxi drivers, pharmacists, and small shops hit by Monti's liberalizations started, the government accused them, with unheard-of arrogance, of being a "lobby." As if a "lobby" were a fisherman who can no longer afford to buy the gasoline for his boat, or the taxi driver forced to take a mortgage on his mother's house in order to buy a license, rather than a Goldman Sachs speculator who wagers on the BTP [Italian government bonds], sucking resources out of the real economy, and driving it to disaster.

How does it happen that the government of former Goldman Sachs advisor Monti has no plans to take measures against financial speculation? How does it happen that the ECB expressed itself more than once against banking separation, that famous Glass-Steagall Act [Franklin] Roosevelt passed in 1933, which would finally end the power of great finance, Wall Street, and the City of London? How does it happen that the political parties supporting the Monti government, the PdL, UDC, and PD, demand "more powers for the ECB" and support this dictatorial, Brüning-style government, instead of supporting the lawful demands of demonstrators?

## The Movisol Proposal

The Italian Solidarity Movement, Movisol, fully supports the lawful demands of taxi drivers, truck drivers, fisherman, and of all trade unions that are fighting this unjust austerity package, and has proposed to them a "united front" of all protests, on the following programmatic points:

- The immediate adoption, internationally, of the Glass-Steagall Act, which means the banking separation adopted under Roosevelt in 1933 and proposed in the U.S. Congress now by the Democratic Congresswoman Marcy Kaptur [Ohio]. Banking separation would withdraw unlimited guarantees offered by gov-

ernments to the banking system, keeping such guarantees only for regular banking, and leaving the speculative sector to its destiny. This would put an end to continuous bailouts and austerity packages, and would free resources for investments. Banking separation is opposed by President Obama, but Italy must demand it forcefully, threatening to adopt it by itself. Derivatives, short-selling, and CDS do not have to be to merely taxed, but prohibited. And banks have to start giving credit again to industry, agriculture, i.e., the real economy.

- A contingency plan to exit the euro and go back to a national currency, as such plans exist in Germany and France. Nobody forces us to die for the euro. Argentine President Cristina Fernández de Kirchner demonstrated that there is a future after the IMF and its conditionalities: In contrast to Europe, Argentina has a rate of growth of 7%.

- Great infrastructure projects such as NAWAPA, the Eurasian Land-Bridge, and Transaqua, which will relaunch the real economy and employment.

- A Marshall Plan for the development of the Mediterranean, including a return to the policy of Enrico Mattei,<sup>1</sup> of direct relations with oil-producing countries, in order to reduce the price of oil, which has increased as a result of spot-market speculation, and also the taxes on gasoline.

To the various categories of those who are on strike, to demonstrators, to ordinary citizens worried about the future, we say: You are not alone. The programmatic platform outlined above is at the center of the election campaign of six LaRouche candidates in the U.S., and of Presidential candidate Jacques Cheminade in France, whose proposal for bank separation was picked up also by Socialist Party candidate François Hollande. Similar proposals are being discussed in Germany and Denmark. If the various categories on strike will unite around a common platform, they not only will force the government back to the negotiating table, but they will also isolate violent elements who are more or less consciously trying to discredit legitimate protests.

As the great German poet Friedrich Schiller said, in his play *Wilhelm Tell*, "*Eine Grenze hat Tyrannennmacht*" ["There is a limit to the tyrant's power"]. It's time to put an end to the ECB dictatorship in Italy.

1. Mattei was the founder of the Italian state energy company, ENI, following World War II, and a leader of the Christian Democratic party. He was assassinated in 1962 when his plane blew up in midair—ed.

# Brutal Austerity Killing Greece Won't Rescue the Euro

by Dean Andromidas

Feb. 4—The pound of flesh demanded by Europe's financial oligarchy, which has wrought suffering on Greece of a kind not seen since World War II, will still not save the British Empire's financial system, including the euro. Despite the ever-increasing levels of austerity and taxation being forced on the country, it has become manifest to the entire world that the so-called Greek bailout has not only failed, but a new bailout aimed at rescuing the first one will never come into being.

In a move seen as unprecedented, Archbishop Ieronymos, Greece's highest religious authority, issued an impassioned denunciation of the austerity policies being forced on Greece by the infamous Troika—the European Commission, European Central Bank, and International Monetary Fund.

"Homelessness and even hunger—phenomena seen during the [Second World] war—have reached nightmare levels.... A sense of patience among Greeks is running out, giving way to a sense of anger, and the danger of a social explosion can no longer be ignored," Ieronymos wrote in a letter (posted on his website) to Greek Prime Minister Lucas Papademos. The Archbishop went on to say that "pensions were cut while day laborers are in despair and insecurity has found a nest inside every single Greek household.... It seems clear now that our homeland's drama will not finish here but may take on new, uncontrollable, dimensions. We must all understand the feeling of insecurity, desperation and depression in every Greek home. This, unfortunately, is

continuing to cause suicides among those who can no longer stand the drama in their family and the suffering of their children.

"There are, at the moment, demands for even tougher, more painful and even more unfair measures along the same ineffective and unsuccessful lines as in our recent past," Ieronymos continued. "There are demands for even bigger doses of a medicine which is proving deadly.... And what is likely to follow are more painful, more unjust measures in the same hopeless and unsuccessful course of our recent past.

"There are demands for commitments that do not solve the problem but only put off temporarily the foretold death of our economy. Meanwhile, they put our national sovereignty up for collateral. They mortgage our wealth but also the wealth we could obtain from our land and seas. They mortgage freedom, democracy and national dignity," he concluded.

## The Sins of the Troika

In the days preceding the Archbishop's denunciation, the Troika presented a document, according to a report in the Greek daily *Kathimerini*, putting forward new demands to its puppet Prime Minister Papademos, including 150,000 sackings in the public sector by 2015; cuts in health-care spending, including reducing pharmaceutical purchases by the state health system by no less than EU1 billion; and the closure of state agencies. The austerity measures also include cuts to pen-





Creative Commons/ap(alpha)s

*The Troika's bone-cutting austerity demands in Greece have impoverished the nation and done nothing to solve the economic crisis. Here, a mass demonstration against the cuts in Thessaloniki.*

sions, a further increase in taxes, and EU2.2 billion in spending cuts this year, and a reduction of social security contributions by 5%.

On top of the loss of tens of thousands of civil service jobs, while those still working have seen their salaries and pensions cut by 25-50%, the Troika is now demanding an across-the-board 25% cut in private-sector wages and pensions, while reducing the minimum wage to below the already meager EU750 euros a month. The latest government statistics put Greek unemployment at over 18%, with youth unemployment exceeding 45%.

At the end of January, the German government called on Greece to cede its sovereignty over tax and spending decisions to a Eurozone "budget commissioner," as a precondition for a second EU130 billion bailout. The new commissioner would be named by the Eurozone finance ministers, and would oversee "all major blocks of expenditure" by the Greek government, according to the Troika document. "Greece has to accept shifting budgetary sovereignty to the European level for a certain period of time."

The document further states, "If a future [bailout] tranche is not disbursed, Greece cannot threaten its lenders with a default, but will instead have to accept further cuts in primary expenditures as the only possible consequence of any non-disbursement." Athens

would also be forced to adopt a law permanently committing state revenues to debt service "first and foremost." While not officially adopted at the Jan. 30 EU summit meeting, there is no evidence that the Troika's demands were taken off the table.

## Horror Stories

In the past month, the Greek media has run one horror story after another on the growing misery of the Greek population. *Athens News* recently reported that the mayor of Athens, Yiorgos Kaminis, as well as the Archdiocese of Athens and the Ministry of Health, presented a joint report to the Parliament on the dramatic

increase in "the new homeless—middle-class people, including entire families—who have been thrown onto the streets. Most of the people looking for temporary housing at the 52 locations across the city were unable to pay their taxes. Others, because of loss of jobs and income, have been unable to pay their social security taxes, and have been cut off from access to health care.

In January, the president of the Greek hospital doctors union, Dimitris Varnavas, gave a press conference, in which he reported, "The National Health System has collapsed in the most official and disastrous manner." Staff and equipment shortages have made the delivery of basic care impossible in hospitals across the country, and especially on Greece's many islands, as a result of budget cuts, lay-offs of personnel, and a dramatic increase in the use of public hospitals by those who can no longer afford private medical treatment.

As in the Nazi occupation, hunger stalks the nation. According to the Hellenic Statistical Authority (Elstat), retail sales of food and beverages collapsed by 15.6% in October, and by more than 20% in November; sales of fuel, including heating oil and gas, decreased by nearly 18% in November; apparel and footwear purchases dropped by more than 19% in November, and by nearly 30% in October.

In January, a spokesman for the Teachers Federation



Wikimedia Commons

*Prime Minister Lucas Papademos has dutifully carried out the Troika's diktat for tens of thousands of layoffs and across-the-board budget cuts, which have left the population in a state of desperation.*

of Thessaloniki exposed, on national TV, that no fewer than 500 primary school children in Thessaloniki come to school hungry, adding that the children are not only from poor families, but include the so-called "middle classes," now dubbed the "new poor." This was only the latest of many such reports, which have finally forced the government to admit that primary school children at 18 state schools, 11 in Athens alone, have shown signs of malnutrition, with cases of children fainting in the classroom. In a pathetic response, the Education Ministry announced it will provide "mini-meals" for the hungry children.

The Greek people have become so desperate, that some are forced to give up their children. The charity SOS Children, which runs homes for abandoned and abused children, reports that it has received 700-800 requests for help from families since the beginning of 2011. Prior to the financial crisis, the most common reason for families and local authorities referring children to their care was child abuse. In the past year, nearly 100% of new referrals are the result of a financial crisis in the family. The organizers expect the situation to become even more difficult over the coming months.

Andrew Cates, the chief executive of SOS Children UK, said that while "it is common in impoverished regions in Africa and other parts of the world for parents to abandon their children because of poverty, it is very

unusual to see desperate families unable to continue caring for their children in parts of Europe but now it is happening."

The employers' associations and the GSEE, the nation's largest union, agree that further wage cuts are unacceptable. In a Feb. 3 letter to Papademos, they wrote that private sector employees had suffered a 14% loss in income due to austerity. "The country has been living through unprecedented recessionary conditions for the past four years, with no recovery in sight for 2012 and 2013. Competitiveness at the national level is influenced far more than by wage costs, by factors such as excessive bureaucracy, overregulation, state interference, the tax system, corruption and an anti-business mentality."

## Looking East for Survival

As of this writing, political leaders in the coalition government headed by Papademos have refused to accept the latest austerity demands of the Troika. Acceptance of these demands is the prerequisite for the next tranche from the first bailout fund, without which Greece will default on EU14.5 billion coming due on March 20.

The apparent resistance comes as the entire bailout strategy moves toward inevitable collapse, as it becomes ever-more manifest, even to politicians, that the mountain of debt can never be paid. Even with the so-called "haircut" (devaluation of debt) that Greece is negotiating with the bondholders, its debt will only be reduced from 165% of gross domestic product to 120%, which is the amount it stood at in 2010, when it had to accept the first bailout.

Some political forces are already looking for options outside the sinking Trans-Atlantic region.

At the end of January, the head of the New Democracy party, Antonis Samaras, traveled to Moscow to meet Russian political and economic leaders, including Prime Minister Vladimir Putin. Commenting on his meeting with Putin, Samaras was quoted in the *Athens News*, "My meeting with the Russian prime minister, Vladimir Putin, took place in a very good climate and was exhaustive on all issues. He showed particular interest in and a willingness to assist our country. We also spoke of the problems in Greek-Russian relations and we examined ways to overcome them."

The talks included topics on energy cooperation, and Russian interest in investing in the Greek economy, which the Troika demands be privatized, particularly in major infrastructure projects, such as ports, airports, and possibly railways. Putin placed particular emphasis on construction of the southern portion of the South Stream natural gas pipeline, which is being accelerated, and will start before the end of 2012.

Samaras held meetings with Gazprom's chief executive Alexei Miller, who expressed interest in investing in Greece's public energy sector, including building power stations in western Greece that could be fueled by the South Stream pipeline. Samaras also met the chief of staff of the Presidential Administration of Russia Sergei Ivanov, and the Russian Orthodox Patriarch Kirill.

In the week following Samaras's visit, Putin slammed European policy towards Greece during a speech at this year's Troika Dialog Russian Forum 2012<sup>1</sup> in Moscow. Pointing to the fact that one of Greece's biggest problems is its membership in the Eurozone, Putin said that Greece has been "deprived of the ability to devalue its own currency, because it has no national currency."

In an apparent reference to an investigation by a Greek prosecutor into allegations that the Greek statistical bureau, on orders of the European Commission, manipulated budget statistics, Putin added, "Greece was deprived of the ability to develop its economy internally," because in 2008, it was suddenly burdened with a deficit that should not have existed. "They began measuring amounts in the deficit that were not supposed to be measured. This made the situation unbearable, and the spreads skyrocketed, leading to economic disaster."

Putin described the euro as a "weight" that was tied to Greece's feet. Since Greece did not have any liquidity, and could not print any currency, "it had to directly reduce social spending, which was a crude, direct solution by the parliament and the government. Of course, devaluation would also mean that people would suffer, but it's not a direct slashing of social spending. Here, it was direct and steep."

Putin said the only way to improve Greek competitiveness was through investments in its industrial sector

and real economy, to make a sudden leap forward, to re-equip the whole economy and industry. This is impossible without investments, and in this situation, it is also impossible to attract investments. So Greece has landed in a vicious circle. "The issue is not that the Greek people do not want to, or do not know how to work," Pputin said, but the fact "that there is an insufficient technological basis for effective utilization of a highly skilled labor force. This is where the stumbling comes from."

The European financial oligarchy's policy for Greece is nothing less than genocide. It has put Greece at the bottom of the dying Trans-Atlantic system where, at best, its destiny is to serve as a source of cheap labor, but in reality, its economy, and its people will be left to die. In a different reality, in the future offered by implementing a Glass-Steagall financial reform, and building a new credit system in cooperation with Russia, China, India, and other nations of Asia and the Pacific, Greece, with its strategic location in the eastern Mediterranean, can become the entry point into a new Europe that is oriented to the development of Eurasia, the Middle East, and Africa.

## Lyndon LaRouche On Glass-Steagall and NAWAPA:

The North American Water and  
Power Alliance



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

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

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1. The Russian Troika Dialog is not to be confused with the EU/IMF/ECB Troika. It is described on its website as: "one of the oldest and largest investment houses in the CIS [Community of Independent States]."



# U.S. Cattle Herd Is Smallest in 60 Years

by Marcia Merry Baker

Jan. 31—The U.S. cattle herd inventory is now at the level of 1952—60 years ago—when such numbers began to be kept by the U.S. Department of Agriculture (USDA). Today's inventory stands at 90.8 million animals, down 2.1% from last year, according to the USDA's twice-annual cattle numbers report, released Jan. 27; the inventory in 1952 was 88 million. The U.S. population then stood at about 156.5 million, and the world at 2.6 billion; today, the figures are 311 million and 7 billion, respectively.

Despite the huge gains in yields of beef per animal over these 50 years, the current decline in the size of the herd means a fall in U.S. beef output for 2012 over 2011, and the dynamic in play is for severe shortages ahead. This was abetted by the beef cartel exporters sending 20% more U.S. beef abroad in 2011, than in 2010.

Beef cattle operations in the Southern High Plains—Texas and Oklahoma—in particular, are being drastically taken down, as conditions of extreme drought persist, with lack of water for livestock and irrigation, and lack of fodder. This situation results from both long-term, anti-infrastructure policies in effect, and from President Obama's do-nothing, starvation policies emanating from the expiring British Empire money-markets system.

Over the past year, 1,052,000 beef cows were eliminated from the four-state Southwest area: Texas (down by 13%, losing 660,000 cows); Oklahoma (down by 14%, losing 288,000); New Mexico (down by 11%, losing 53,000); and Kansas (down by 4%, losing 51,000).

Only one inch of rain fell last year in parts of the Texas ranchlands, instead of the normal 25 inches. "Flee or slaughter" is the watchword. Thousands of cattle operations have had to radically downsize and sell off stock, or sell out completely and quit. The slaughter rate is killing off the breeding herd.

Lacking emergency response from Washington, ranchers have tried to hang on, with support

from church-run "haylifts" from out of state, and other fallbacks. But this is nowhere near enough to deal with the situation.

The wealthiest ranchers, such as the 150-year-old Four Sixes Ranch in King County, Texas, have re-located their herds 1,000 miles to the north, or even to select sites in Mexico that only money can buy. Four Sixes is the largest ranch in Texas, flush with old oil money, and was able to move at least 4,000 top Black Angus animals, out of its total herd of 6,500, to ranch operations in North Dakota, Montana, and other points north, on land leased for five years. Convoys of 18-wheelers trucked the cattle through the night.

However, these unique contingencies won't provide for the food supply. What is required are large-scale emergency measures: Save breeding stock, mobilize for hay and water, support extra planting.

## Corn for Livestock

The livestock feed prospects are dire. U.S. corn is continuing to go into ethanol at the rate of 40% of the annual harvest. This crimps domestic livestock feed supplies (despite usage of distillers' by-product), and corn for export.

In Argentina, the world's second-largest corn-exporting nation after the United States, accounting for 20% of the world corn trade, the current crop is also stressed by drought and heat, and is expected to come in at the lowest yields in eight years. Large areas of sown crop are being used for silage, or will be abandoned. Instead of a hoped-for 28 to 30 million metric tons of corn harvest, there may be barely 20 mmt this year.



Cowboyhat Cattle Co./Steve Parrett

*A Texas Longhorn steer*

# LaRouche ‘Call to Arms’ Against British War Threat

by Nancy Spannaus

Feb. 7—American statesman Lyndon LaRouche took to the airwaves at LPAC-TV last night (<http://larouchepac.com/webcasts/20120206.html>), to issue a deadly serious “call to arms” to American patriots, against the imminent threat of the British detonation of thermonuclear World War III, through the empire’s puppet Barack Obama.

“Nobody’s paying attention to reality,” LaRouche said. “We have two threats: the economic collapse, a chain reaction collapse in the trans-Atlantic system which will take over the whole world; the other thing is a thermonuclear war, which will leave maybe nobody alive on this planet, at least no human being, alive on this planet when it stops.”

To stop this war, LaRouche emphasized, Obama must be removed from office *now*, not in November. He explained:

“If we don’t remove him from office, if you allow this thing to go to the vote in November, you’re going to find, assuredly, before November, you’re going to see the attempt to launch a thermonuclear war, by London and by Obama. You will see mass killings, orchestrated by Obama, against U.S. citizens, as is already being done in various parts of the world. People are being killed, in violation of the Constitution; American citizens are being killed in violation of the U.S. Constitution by this President, who is acting along exactly the road of Adolf Hitler, in this respect, and nobody’s doing anything about it.”

## **Preemptive, and Thermonuclear**

From the outset of his presentation, LaRouche spelled out with great specificity, the scenario for total war. He said:

“And the way it’s supposed to go is this way. The Israelis are supposed to start a strike against Iran. Now we don’t know how deep that strike is going to be. It could go down 200 feet, for example, one of these kinds of attacks. And this would be enough to trigger a war, because Iran has relationships with other countries, including Russia and China; and it’s known in Russia that if that war starts, the intention is to launch a thermonuclear attack on Russia, and on China, from the United States and Britain.

“The major force that would be used for that, in the war, would be a full-scale thermonuclear attack, coming as a technical surprise, leading into a general preemptive thermonuclear attack on the United States, in return for a thermonuclear attack by the United States on Russia and China, from Britain and the United States.

“Such a war is always going to be preemptive. When you get to the magnitude of thermonuclear warfare, if you look at what our navy represents, in terms of thermonuclear warfare capabilities, launchable from the Pacific against China, and against Russia. That means it’s a first-strike war, which is a knock-out blow, which is what’s intended. And therefore, Russia has a similar view of what the realities are.

“However, one thing is true: If Obama were not the





White House/Pete Souza

*Once Obama is removed, LaRouche said, the war threat can be stopped, and the first steps toward economic recovery can be taken.*

President of the United States, or were kicked out of office in the near term, then we would probably avoid thermonuclear war, because, without the United States' thermonuclear capabilities, such a war could not be successfully struck."

The best way to remove Obama, LaRouche emphasized, is to apply Section 4 of the 25th Amendment, which provides for removing a President who is unfit to fulfill his duties as President—which the insane, Nero-like Obama most definitely is.

## The Remedies

In addressing why the British, who control Obama, are pursuing this war, LaRouche went in some detail into the economic breakdown crisis of the trans-Atlantic system. The British monetary empire is totally bankrupt, but intent on maintaining its power, LaRouche said, even if it means destroying the bulk of the human race.

Thus, once Obama is removed, the first steps to be taken are economic. First, we have to recognize that the United States, as well as Europe, is totally bankrupt—and that the trillions of dollars of debt out there will *never* be paid. "We have to declare a form of bankruptcy," through the application of Franklin Roosevelt's Glass-Steagall. Otherwise, nothing is going to work.

However, LaRouche added, it will not be sufficient today to just apply the Glass-Steagall standard, which will wipe out the gambling section of the banking

system. We are too bankrupt; the debts are too big, and the shortages are too great.

Therefore, we must go back to the Constitutional system of Alexander Hamilton, and dump the treasonous legacy of Andrew Jackson, who killed the Bank of the United States (see next article). "That means that we will have, under a Federal credit system, sufficient credit available, with projects like NAWAPA [the North American Water and Power Alliance] and other major projects of that type, sufficient growth in productive employment to save the United States."

And, "if we do it in the United States, continental Europe will also have to make a change similar to our own."

Then, "we have to also go back to Franklin Roosevelt's intention for the post-war period. That is also necessary. Roosevelt planned to use the Federal Reserve System, under *his* direction, to bolster an arrangement for recovery in Russia, China, and other countries, as well as in Europe. And to bolster a recovery of this part of the world. What he was going to do is essentially create a fixed-exchange-rate credit system, international credit system."

## Give Our Leaders Some Guts

Most political leaders and institutions in the United States are too terrified to face this dual reality, LaRouche emphasized. That's why he, as a senior statesman at nearly 90 years of age, had to stand up to tell the truth, and lay out what must be done. If we can get rid of Obama, reject the genocidal Green imperial policy, and revive the policies implicit in FDR's Administration, we can survive.

"So that's where we stand. That's the vision of our future which we must have. We must understand this war. We must defeat the plan for thermonuclear warfare, which is on the table. Those who deny it are stupid or liars. It's there: It probably is going to happen. It will happen one day, when suddenly it will happen. It will not happen as a trend—suddenly, it will happen! The trend, the accumulation of the potential for the unleashing of this horror is there, it's building up. And you won't get a chance to argue about it, unless you do something about it, *now*!

# Think Like an American— Restore Hamilton's Bank!

by Anton Chaitkin

*Look back, from our present national disintegration, into the defiantly optimistic thinking of the Americans of the 1776 Revolution. They foresaw their grandchildren prospering, with power over nature beyond all prior experience.*

*Understand them by reading the prophecy of Benjamin Franklin, in the accompanying box.*

The founding Americans' passion for improvement could bring a profound result for prosperity, but only if the Revolutionary country could control its own economy against the global power of the British Imperial enemy.

## Franklin on Man's Future Powers

As an experimental scientist, 130 years before the first electric generating plant, Benjamin Franklin wrote to Cadwallader Colden, Oct. 31, 1751 (<http://franklinpapers.org>):

"There are no bounds . . . to the force man may raise and use in the electrical way; for [charge] may be added to [charge] and all united and discharged together as one. . . . The effects of common lightning may be exceeded in this way. . . ."

And during the Revolution, in a letter to Joseph Priestley, Feb. 8, 1780 (<http://franklinpapers.org>):

"[With the] rapid progress true science now makes . . . it is impossible to imagine the height to which may be carried . . . the power of man over matter; we may perhaps learn to deprive large masses of their gravity, and give them absolute levity for the sake of easy transport."

Acting for their grandchildren's survival, the Founders set up the Bank of the United States to guide the economy and foster the necessary fundamental change.

This founding nationalist framework of our first Treasury Secretary Alexander Hamilton, disputed by Thomas Jefferson and his allies, was nevertheless retained by them; when it expired, they revived it.

Britain's American political agents made Andrew Jackson President, and with populist noise, he took down the National Bank, ceding control to the Money Power centered in London.

Later, Franklin Roosevelt, and again later, Abraham Lincoln, revived the founders' vision and rallied the nation to renewed strength.

But the irrational British-origin imperial money system returned to power. That system is now collapsing, and our existence is threatened. If we wish to live, we must think like Americans again, and reject the populist lies about Andrew Jackson and the National Bank which have now become deeply embedded in the popular mentality. To climb out of the depressed, anti-industrial stupor of the last half-century, and again reach for the stars, we will have to finance the ascent by re-establishing Alexander Hamilton's Bank of the United States.

## Our Predecessors' Roadmap Out of Extinction

The American Revolutionary breakaway from the British system was dangerous. The Empire kills its challengers, if it can. A decade after winning independence, the new nation announced the strategy to overcome its potentially fatal weakness.

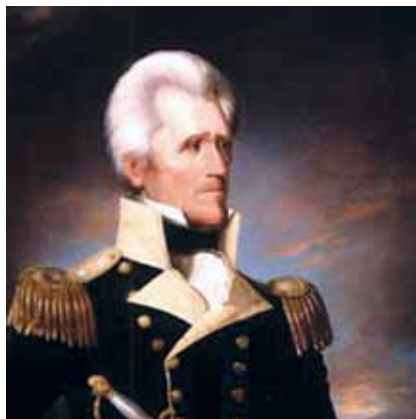
America was bankrupt and economically exhausted from eight years of war, with no manufacturing industry. Britain financed the exports of crops from the American slave plantations; Britain supplied America's tools and clothes. The British still occupied military

posts on U.S. frontier lands. The Empire might still gain the leverage to dismember and swallow the upstart nation, and the Founders knew it.

President George Washington's Treasury Secretary Alexander Hamilton shaped a sovereign credit policy and government action plan to equip the population with vast new productive powers.<sup>1</sup>

Hamilton reported to Congress in 1791, that a national bank would expand credit and steer it to productive investment. Without this guidance, imperial financiers would suck all credit into chaotic gambling. Hamilton reported further on the manufacturing program of national sovereignty; that new industries would spring up, protected by tariffs from imperial trade war, and furnished with new canals, roads, and other modern infrastructure (internal improvements).

Washington and the Congress approved Hamilton's proposed Bank of the United States, over opposition from advocates of the semi-colonial status quo. But Thomas Jefferson, James Madison, and their young friend James Monroe warred against Hamilton, postponing for a time the adoption of serious protective tariffs and the construction of transport facilities. These men would later reconsider their hostility to Hamilton's measures.



*This portrait of Andrew Jackson appears on the Rothschild family website with the caption, "A painting of President Andrew Jackson of the United States, by R.E.W. Earle, 1836. This painting was a gift to Nathan Rothschild. N.M. Rothschild & Sons acted as European banker to the United States government until 1843."*

## The Poverty of Public Opinion

The political fight over the Bank of the United States broke out as a contest between two conflicting ideas of man's destiny: Hamilton's, and that of the plantation owners.

Back in the mid-1780s, Thomas Jefferson, then the U.S. Ambassador to France, had corresponded with his fellow Virginia plantation-owner James Madison on how to rectify the poor condition of the mass of men. They thought of dividing up existing wealth, instead of raising productive power to benefit all, with new wealth, new property.

Jefferson wrote to Madison (Oct. 28, 1785) that he

had met with a wretched Frenchwoman, a day-laborer making only a few pennies a day. She could not pay her rent or feed her children because she often had no employment. Jefferson thought that "unequal division of property" caused this kind of mass poverty in Europe. Property was concentrated "in a very few hands.... These [landowners] employ the flower of the country as servants not labouring [productively]. They employ also [handicraft] manufacturers, tradesmen, and ... labouring husbandmen [peasants]. But ... the most numerous of all [are] the poor who cannot find work." They are idle, though "willing to work, in

a country where there is a very considerable proportion of uncultivated lands ... kept idle mostly for the sake of [aristocrats entertaining themselves by] hunting game."

Jefferson called for legal changes to give land to the poor; to break up this feudal order in which the "laws of property have been so far extended as to violate natural right."

Madison replied (June 19, 1786), that "the misery of the lower classes" would abate with a subdivision of property. But Madison thought that large-scale poverty is man's inescapable fate, caused by—overpopulation!

He wrote, "A certain degree of misery seems inseparable from a high degree of populousness. If the lands in Europe which are now dedicated to the amusement of the idle

rich, were parceled out among the idle poor," this might somewhat help the miserable.

But Madison thought it could not overcome the uselessness of surplus people. He was schooled in the British oligarchs' philosophy of John Locke: that governmental authority exists to protect existing property rather than to improve man's condition. He envisioned only the small population and few productive occupations needed to supply the needs of the mostly rural economy he knew. Break up the estates, and "would there not remain a great proportion unrelieved?"

Madison wrote that a limited number of productive workers could feed and clothe themselves as well as the non-producers—the idle rich, domestic servants, soldiers, merchants, sailors, and those who produce luxu-

1. Nancy Spannaus, "Alexander Hamilton's Economics Created Our Constitution," [EIR](#), Dec. 10, 2010.

ries or trivialities. What is to be done with the people not needed to thus supply the existing society? Distributing property might free up wealth; preventing wars could stop wasted expense; but surplus workers would still multiply. The familiar, static, rural society would surely continue.

And although Jefferson and Madison were American patriots, plantation thinking tugged them into conflict with Hamilton's action policy of 1791. Slaveowners complained that Hamilton's program would "change our way of life," and Jefferson and Madison were deeply conflicted. They owned slave plantations, but resented feudal oppression; they wanted freedom of thought and speech.

The two Virginians had earlier supported the Hamilton-originated Bank of North America, which coordinated governmental and military finances in the Revolutionary War. They had supported taxing imports for government revenue. They favored transportation improvements, on a small scale. But now, with the new U.S. government going into motion, they opposed the use of these policies and instruments to break the country out of backwardness and neo-colonial dependence.

In the Summer of 1791, the black slaves on the French Caribbean island of Sainte Domingue (Haiti) rose in revolt. White refugee survivors from the chaos flooded into the American South. Shock and fear solidified slaveowners' hostility to giving the nation the power to "change our way of life." Jefferson and Madison respected Southern popular (and electoral) opinion.

By contrast, Hamilton, a lifelong opponent of slavery, worked with Haiti's black revolutionaries to sustain their regime. They eventually defeated invasions by both the British and Napoleon's army, establishing the second independent republic in the Western Hemisphere.

### Political Parties: It's Not that Simple

Jefferson and Madison led a faction fight against Hamilton's nationalism, slandering him as "pro-British." Hamilton proposed to continue trading with Britain, but on American terms. He explicitly attacked British free-trade propaganda from Adam Smith; we would outflank the flood of cheap British imports with protective duties.

Jefferson and Madison demanded, instead, trade provocations that would have put the English in high gear for renewed war to crush America. As the French Revolution became a bloody nightmare, Jefferson and

Madison called for joining the French side in the European war. Meanwhile, they opposed creating an American army or navy!

Washington and Hamilton, his colonel during the War for Independence, who had led the charge against British lines at Yorktown, were not "chickenhawks" for foreign adventures. They sought war-avoidance, and military and industrial strength, so the U.S. could survive infancy and defend itself. In the midst of severe factional warfare, both Jefferson and Hamilton were driven to resign from Washington's Cabinet.

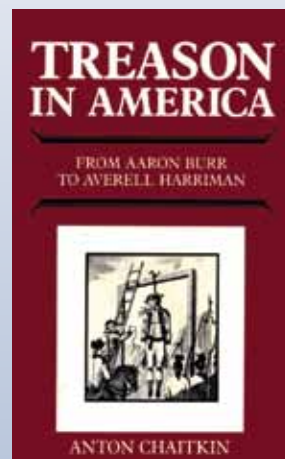
America's internal brawl allowed the British hand to meddle, using Anglophile New England merchants, importers of British goods with fortunes from shipping slaves and opium. These New England Tories claimed to support Washington and Hamilton against the "atheistic" Jefferson, and called for an American alliance with the British Empire. The Boston traitors increasingly controlled and gave an Anglophile tilt to the "Federalist" party, arrayed against the Jefferson-led "Democratic-Republicans," in the first American party system.

The confused second President, John Adams of Massachusetts, signed laws (the Alien and Sedition

## Treason in America

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Acts) to jail critics of the Federalist regime. Patriots and nationalists such as Franklin's protégé Mathew Carey joined the Jeffersonian party. Hamilton himself published an attack against Adams that split the Federalist party and led to Jefferson's 1800 election as President.

President Jefferson did not take down the Bank of the United States. Yet neither did he use national credit or other powers to develop industry, and he derided the attempt to build the Erie Canal as 100 years ahead of its time. But when the embattled Napoleon Bonaparte could not defend his Caribbean and North American holdings, the patriot Jefferson jumped at the chance to cheaply acquire the Louisiana territory, doubling the size of the U.S.A.

### Enter Aaron Burr, from Below

Out of government, Hamilton countered British intrigues aimed against the Union. He exposed the Boston Federalist combination with Vice President Aaron Burr for northern secession; Burr killed Hamilton in a duel, and then proposed to British Ambassador Anthony Merry that he would break off the new western part of the U.S.A. and ally it with the British Empire.

Burr needed boats to move his private army downriver to Louisiana, and got the boats from Andrew Jackson, a shallow, hot-tempered frontier debt collector and petty oligarch who had long been indifferent to the permanence of the nation that emerged from the American Revolution. The Spanish Crown had awarded Jackson a Mississippi slave plantation as a reward for his role in attempts to put the American West under Spanish control.

President Jefferson procured Burr's arrest. Jefferson summoned Jackson to be a material witness, an unindicted co-conspirator, in Burr's 1807 Federal treason trial in Richmond, Virginia; there, Jackson addressed a crowd in the Capitol Square outside the trial, denouncing Jefferson as a tyrant.

Burr was acquitted because the evidence of his collusion with the enemy only came out later, with disclosure of the British ambassador's report back to London on Burr's offer. Still sought on homicide charges in Ohio and New York, Burr fled to England, and put him-



*Alexander Hamilton combatted British intrigues against the Union, such as the Boston Federalist alliance with the treasonous Aaron Burr (right), which was actively promoting Northern secession. Burr killed Hamilton in a duel (shown here, in a print from the time).*



self under the wing of British intelligence leader Jeremy Bentham.

Burr returned quietly to New York in 1812, just before the outbreak of the second U.S.-British war. He was a shadowy Wall Street lawyer, mentor to New York schemer Martin Van Buren, and advisor to British-guided South American revolutionaries.

After Jackson was acclaimed a military hero in the Battle of New Orleans, the British toy Burr would begin the project of elevating the manipulable Jackson to the Presidency. We will review below the Jackson ploy, which had great urgency in British eyes, as the American North and South were uniting for nationalist economics and industrial breakout.

### The Hamiltonian 'Era of Good Feelings'

Late in 1814, with the outcome of the war with Britain still doubtful, Mathew Carey's book *The Olive Branch* first appeared in 100,000 copies. Subtitled *Faults on Both Sides, Federal and Democratic. A Serious Appeal on the Necessity of Mutual Forgiveness and Harmony to Save Our Common Country from Ruin*, the book was read by virtually every political citizen. Carey blasted the Jeffersonians' free-trade policy blunder, and irrefutably exposed the Federalists' treasonous combination with the British enemy.

The charter of Hamilton's Bank of the United States had expired in 1811, leaving no national currency and causing wartime financial disorder. Carey called for immediate chartering of a second Bank.

President Madison and former President Jefferson, cautiously re-emerging as the nationalists they had



been at the time of the Revolution, strongly praised Carey and welcomed his book.

In 1816, twenty-five years after asking Washington to veto Hamilton's original bill, Madison supported and signed the act to reestablish the Bank of the United States. James Monroe, who had himself aided Jefferson and Madison to defame Hamilton, was then elected President as a nationalist, in 1816. Monroe put his former secretary and intelligence officer Nicholas Biddle of Philadelphia, on the board of the revived Bank. In 1823, Monroe made Biddle the Bank's president.

Biddle used the Bank to organize the first phase of U.S. industrialization, financing factories and mines, restraining speculators, and shielding the economy from attacks by Wall Street bankers. In less than a decade, Biddle and his planning partners—Mathew Carey, protective tariff Congressional sponsor Henry Clay (the Bank's lawyer), President John Quincy Adams, and strategists at the West Point Military Academy—created America's coal and iron-forging industries, built the new, U.S. Army-engineered railroads, and sponsored a network of canals that populated the Midwest as an agro-industrial powerhouse.

The new coal industry typifies America's rush to industrialization under the patronage of the Bank of the United States. Biddle and Carey jointly directed lobbying for Pennsylvania state construction of a multitude of canals to convey mined coal to industrial cities. Anthracite coal production for the market rose from zero in 1819, to 8,000 tons per year in 1823, to 1 million tons 14 years later. The opening of the mine-to-market Reading Railroad, whose fiscal manager was Biddle himself, helped drive anthracite production up to 3.5 million tons in another decade. Use of bituminous (soft) coal grew in industrial and transport channels established by anthracite, and eventually replaced it in markets generally.

The British Empire was not amused with these developments, and the activity of their agents, such as Aaron Burr, shows it.

## The Jackson Scam

Back in 1815, following Monroe's firm leadership of the war cabinet during the second conflict with Britain, almost all Americans supported Monroe to succeed Madison in the Presidency. But to the British Empire's strategic calculations, it was intolerable and potentially fatal that the South backed President Monroe's nationalism, and specifically, that South Carolina's John C. Calhoun promoted Biddle's U.S. Bank, protective tar-

iffs, and Federal railroad construction.

Burr wrote (Nov. 20, 1815) to his son-in-law, former South Carolina Governor Joseph Alston, that Monroe's expected nomination by Jefferson's party must be prevented; that Jefferson had taught a cabal of Virginians schemes to keep political control of the United States; and that "the moment is extremely auspicious for breaking down this degrading system." The remedy?

"...There is a man in the United States of firmness and decision. It is your duty to hold him up to public view: that man is *Andrew Jackson*. Nothing is wanting but a respectable nomination, made before the proclamation of the Virginia caucus, and Jackson's success is inevitable."

The universally despised Burr cautioned that his own hand should not be seen as behind this project: "I could wish to see *you* prominent in the execution of it. It must be known to be *your* work" (emphasis in original).

Monroe was in fact elected President for two terms; but the Burr machine was in place for the patient incubation of the Jackson egg. Burr's lieutenant Samuel Swartout, who had arranged for Burr to live with British intelligence strategist Bentham, had returned to the U.S. in 1812, and became Jackson's political aide.

In 1823, Burr's New York understudy Martin Van Buren went to Virginia and arranged a new "Democratic Party." He allied anti-nationalist Virginia plantation owners with New York financiers, with the explicit goal of making plantation slavery, not industrialization, the dominant American economic force.

When John Q. Adams succeeded to the Presidency in 1825, in a tightly contested race, Burr's man Swartout convinced Jackson to crash into the national headlines, charging that Adams had made a corrupt bargain with Henry Clay to win election.

The Van Buren Democrats now presented Burr's old co-conspirator Jackson as the people's man for President—a political hoax from two opposite directions: The North saw and voted for a "Protectionist" Jackson, while the Southern voters saw and chose the "States' Rights" Jackson; and the mob rhetoric elected him President in 1828.

Van Buren, as Secretary of State, Ambassador to Britain, and Vice President, drove Jackson into paranoia against "his enemies" at the Bank of the United States, claiming that the bank, which was the bulwark of a stable currency and source of credit for industrialization, was serving as the financier of the opposition to him. After waging his 1832 re-election campaign on the

basis of these false claims, the enraged Jackson removed the Federal deposits from the Bank and vetoed its re-charter by Congress. He bargained with Southern secessionists to take down the protective tariffs and stifle the emergence of a U.S. steel industry. He blocked further Federal support for canal-building.

In fact, Jackson's supporters in Great Britain knew that the elimination of the Bank would deliver a body blow to the U.S. economy. The Bank would have to call in its loans, over the remaining years of its charter, tightening credit, as Sen. Daniel Webster pointed out in the Senate debate over overriding Jackson's veto. On the other side, Senators such as Thomas Hart Benton of Missouri claimed the elimination of the Bank would help the small farmer—but the alternative pushed by Benton, who was called "Old Bullion," was nothing less than the credit-crippling British gold standard.

Biddle tried to protect the charterless Bank by reining in credit. The Bank of England jumped on its chance, precipitously withdrawing credit from the United States, and paralyzing the Midwest in particular. The resulting catastrophic crash of the American economy began just after Van Buren succeeded to the Presidency in 1837. Unemployment and hunger ruled the cities.

The United States now reverted to semi-colonial status. King Cotton made up two-thirds of all U.S. exports by 1840. It enriched Wall Street brokers; was exchanged in England for cheap-labor manufactured goods; and gave London control of U.S. credit and markets. Slave labor, which is inimical to scientific modes of agriculture, destroyed Southern soil, pushed plantation interests to try to grab the American West, Mexico, the Caribbean, and Central America. Civil War was thus ensured.

## London's Enduring American Populism

It is American political culture's most peculiar and astonishing lie, that Andrew Jackson "kicked the bankers out of power." Soon after it was known in Europe that Van Buren had been elected President in 1836, the Rothschild bankers' trainee and cousin August Belmont set out for America. Belmont landed in New York on May 14, 1837, a few days after the panic and bank runs began. He set up a Wall Street agency to supervise the American interests of the British and Austrian Rothschilds, buying up interests and properties drastically devalued by the Jackson-Van Buren depression.<sup>2</sup> Belmont took control of Van Buren's Democratic Party, making it the center of treason and Southern secession.

To rescue the failing nation in 1861, President Abraham Lincoln organized a vast Federal credit issuance for production and for military victory over the slaveowners; an unprecedented continent-spanning rail network copied in many admiring countries; tariffs that created the world's greatest steel industry; scientific education and free land for farmers; and free public colleges. Hamilton's program, revived under Lincoln, gave America a population so productive and inventive that the U.S.A. shot into the leading place among the world's powers.

Yet the Bank of the United States remained closed. London and Wall Street, at length, gained supremacy over American finance, industry, and the Federal government itself.

Our present survival depends on a new leap forward out of collapse and paralysis. If we close the imperial Federal Reserve and reinstate the Founders' Bank of the United States, we will repair the damage done by Jefferson's error and Jackson's treason.

2. Andrew Jackson appointed the Rothschilds as official European financial agents of the U.S. government.

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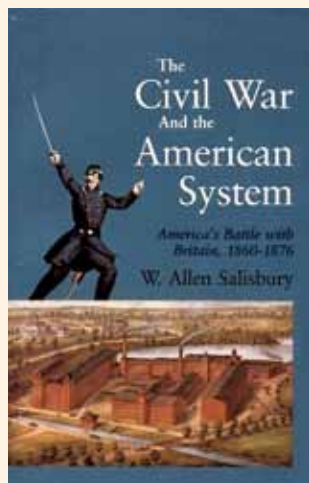
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### *Needed: A Science-Driver Program*

How will the United States, and the rest of the world, ever get out of the desperate breakdown crisis into which we have sunk? The only solution is the adoption of what Lyndon LaRouche has dubbed a science-driver program, specifically, the adoption of crash programs like the North American Water and Power Alliance (NAWAPA), Arctic development, and a Moon-Mars colonization project.

Sound too ambitious? Then your problem is that you don't understand the ABCs of economics, real physical economics.

Physical economics is a very rare area of knowledge these days, to be sure. But back in the days of Leibniz and Benjamin Franklin, for example, there was an educated elite who understood the principle of driving the limits of man's knowledge by aiming for breakthroughs in developing man's power over nature. Thus, in Leibniz's case, his development of the steam engine would herald a revolutionary upshift in the entire economy; in Franklin's, the breakthrough was focused on electricity.

In both cases, these great minds were concentrated on discoveries which would revolutionize productive activity, allowing man to use higher and more dense forms of energy (or power), and thus attain both a higher, more human living standard and higher potential population density for all mankind. And they knew that such discoveries were not optional; they were necessary.

The only major example of such a science-driver principle which most Americans (and others) have familiarity with today is the space program, pioneered by the Russians, and the United States under President John F. Kennedy. Kennedy's decision to set the objective of putting an American on the Moon within a decade led to a mobilization of mental and physical resources

which brought about scientific breakthroughs that represent the last major boost of real productivity into the U.S. economy, which has otherwise gone into negative territory over the last 40 years.

Effectively, what we have to do today, is to pick up where President Kennedy left off. We have to relaunch the space program, with the objective of colonizing Mars, as JFK intended, and take up the huge terraforming water project called NAWAPA, which Kennedy himself approved almost 50 years ago. The only one of the science-driver programs which economist LaRouche has proposed which JFK did not anticipate (as far as we know), is Arctic exploration, which, due to planetary and galactic conditions at the time, was a lot less susceptible of exploration.

Back in the 1960s, projects like these inspired a whole generation, some of whose members are now the repositories of almost the only engineering and scientific competencies we have. Subsequent generations have lost that excitement, and have been dumbed down accordingly. Who can we blame? Start with the Green ideology, brought to you by way of none other than the British monarchy.

Which brings us to another benefit of the science-driver program: It is a major weapon against the Greenies! Science-driver programs demand more people, while the Greens want fewer. Science-driver programs call for more energy-intensive living, while Greens want you to freeze in the dark. Science-driver programs stimulate your mind, while the Greens want to deaden it.

The reality is, of course, that we don't have a choice. Either we plunge headlong into crash programs such as those described above, or we are headed into a Dark Age of unfathomable dimensions. So, dump the Greenies and Obama, and let's get to work.

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