

EIR

Executive Intelligence Review

February 8, 2013 Vol. 40 No. 6 www.larouche.com \$10.00

Lyndon LaRouche: There Has Been a Breakthrough!
Enact Glass-Steagall To Halt Financial Breakdown
Bruce Fein: What Is Mankind as a Species?

**Empire's Permanent War
Threatens Global Conflict**



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EIR (ISSN 0273-6314) is published weekly

(50 issues), by EIR News Service, Inc.,

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

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Canada Post Publication Sales Agreement

#40683579

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

EIR

From the Managing Editor

James Blaine, U.S. Secretary of State in the Garfield Administration, testifying to Congress about the 1879-81 “War of the Pacific” between Peru and Chile, placed the blame for the war squarely on “the English bondholders.” “It is a perfect mistake to speak of this as a Chilean war on Peru,” he said. “It is an English war on Peru, with Chile as the instrument.” (See *History*: “The Empire Crushes Peru’s American System Project.”)

Would that our State Department today had such keen insight!

We feature in this issue the London-backed drive for war on several fronts, in which the Obama Administration is fully complicit. Start with Jeffrey Steinberg’s strategic overview of Tony Blair’s marching orders for “long, messy” wars around the globe. Documentation includes quotes from Blair’s interview to the BBC; Russian Foreign Minister Sergey Lavrov’s speech at the Munich Security Conference, on the anniversary of the Battle of Stalingrad; the Russians’ commemoration of that battle and its meaning for them today; and a sample of the ranting against Syria and Russia in Munich. To this we add a dossier from our Melbourne associates on Australia’s role in Obama’s “Asia pivot”—which is to become virtually one giant, ever-expanding U.S. military base, targeted at China in particular. And controlled by the British.

The latest in a series of reports on the Schiller Institute’s conference in New York last month gives historical and conceptual background to these developments, with presentations by constitutional lawyer Bruce Fein, historian Cliff Kiracofe, and filmmaker Sean Stone on the clash between British imperialist ideology and the American System.

The financial dimension of this overall battle is covered in the clash between those striving to reinstate Franklin Roosevelt’s Glass-Steagall Act and drive the financier oligarchs into bankruptcy (see *National*) and those who are determined to maintain—and bail out—the current system at any cost to humanity (see *Economics*).

Finally, Lyndon LaRouche tackles the revolution in epistemology that scientists, political leaders, and citizens require, to bring about the desired political and scientific changes: “More on the Principle...: There Has Been a Breakthrough!” and “Mind versus Mere Brain: An End to Reductionism.”



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By Lyndon H. LaRouche, Jr.
Sense—certainly, as a method for seeking truth, has now officially been demolished, with the publication of this paper, whose purpose, LaRouche writes, is “to correct what had been the widespread, taught illusion, the illusion which works to the present effect of what passes among all too many, for a claimed knowledge of principle. . . . Actually, the claims made in support for such admittedly commonplace academic illusions as those, hang upon presumptions which have been entirely discarded by the greatest of all truly great scientific minds. . . .”

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Britain's Blair Demands A Thirty Years War

by Jeffrey Steinberg

Feb. 3—Former British Prime Minister Tony Blair gave an interview to BBC today, in which he called for a “generation of war” against al-Qaeda and other jihadist groups all over the globe. Blair compared the global war on terrorism to the 45-year Cold War between the West and the Soviet Union, and heaped praise on French President François Hollande for deploying French troops to Mali to beat back a jihadist insurgency that was purportedly threatening to take over the country’s capital Bamaka. His statement directly reflected the British Empire’s policy of “permanent war”—which, under current circumstances, is leading to thermonuclear confrontation with Russia and China, in an attempt to crush their sovereign independence.

Blair neglected to mention that both Britain and the United States have been fueling this permanent war, by allying with al-Qaeda and other Anglo/Saudi-backed jihadists in the overthrow of Qaddafi in Libya and in the ongoing effort to overthrow the Assad government in Syria. The former prime minister is the author of the doctrine of the “post-Westphalian” permanent global war doctrine, and has been a key controller of President Obama on behalf of the British Crown.

It is no coincidence that the escalation towards general war comes at a moment when the trans-Atlantic financial system is reaching a hyperinflationary breaking point. A decrepit financial empire is seeking to hold on to power, by spreading chaos and war among its potential challengers. (See *Economics* for our coverage of the exposure of massive derivatives losses at Italy’s Monte dei

Paschi of Siena bank and the German Deutsche Bank.)

Blair’s psychotic rantings resonated at the annual Munich Security Conference (Feb. 1-3). NATO Secretary General Anders Fogh Rasmussen delivered a Blair-esque speech in which he declared that NATO would deploy wherever Alliance interests were threatened. He declared that he looked around the globe and saw an “arc of crises stretching from the Sahel to Central Asia,” and vowed that NATO’s future mission, following the withdrawal from Afghanistan, would be global in scope, would deploy special operations forces, rapid reaction forces, and missile defense capabilities to secure NATO dominance.

In fact, as our story in this section on Australia and the “Asia pivot” documents, the NATO threat to crush national sovereignty and enforce a global financial dictatorship, extends to the Pacific Basin as well.

All told, the Munich Conference involved a gang-up against Russia and China, highlighted by a late night panel on Feb. 1 (see below), where an asset of multibillionaire British agent George Soros, Kenneth Roth of Human Rights Watch, held the Russian government accountable for the 60,000 deaths in Syria’s civil war based on Moscow’s support for the Assad government. The next morning, in a panel on the European security environment, Russian Foreign Minister Sergei Lavrov skewered the permanent war gang by asserting that the only legitimate military actions were those approved by the UN Security Council, and that the West was *supporting* terrorist networks in Libya and Syria, the very forces that have been carrying out a terror war against



EU Photo



Munich Security Conference

The imperial marching orders for permanent war issued by Britain's Tony Blair (left) are being implemented on the ground by, among others, Israeli Defense Minister Ehud Barak (above), shown here at the Munich Security Conference on Feb. 3.

the West and other regions (see below).

The conflict was out in the open, and the danger of rapid escalation is imminent.

Israel's Attack on Syria

As the Munich Conference was about to take place, Israel was engaging in an illegal military action inside Syrian territory, an action that Israeli Defense Minister Ehud Barak endorsed. On Jan. 29, Israeli fighter jets invaded Syrian air space to bomb at least two targets—a military research facility outside Damascus and a truck caravan that Israel claimed was carrying advanced Scud missiles to Hezbollah in Lebanon.

No evidence has been presented to verify the Israeli claim of Hezbollah rocket smuggling. Under any circumstances, the Israeli action was a flagrant violation of international law, aimed at escalating the two-year destabilization of Syria by NATO, Saudi Arabia, and Qatar. What is far worse, the Israeli bombings were the first direct military actions by an outside power against Syria since the start of the destabilization. Israel has threatened to carry out further attacks.

It has been confirmed that there are Russian advisors at Syria's advanced air defense sites, and if Syria attempts to shoot down incoming Israeli fighter planes the next time they attack, the situation could quickly escalate. NATO has already deployed Patriot missile batteries along the southern Turkish border with Syria.

Clearly, the Israeli attack means that the situation in

Syria indeed a hair trigger for general war, potentially drawing in NATO, Russia and even China. The immediacy of the threat of general war may have prompted the designated leader of the Syrian opposition, Sheikh Moaz al-Khatib, to offer for the first time to directly negotiate with the Assad government. At Munich, Iranian Foreign Minister Ali Akbar Salehi met with al-Khatib (see below).

But U.S. Vice President Joe Biden and UN Special Envoy to Syria Lakhdar Brahimi insisted

that the precondition for any arrangement to end the fighting in Syria, was that President Bashar al-Assad step down. This is not going to happen.

And Now Iran, Africa...?

As the conference was winding down, Iran and the UN Permanent 5 countries plus Germany announced that there would be a meeting to discuss Iran's nuclear program in Kazakhstan on Feb. 25. Outgoing U.S. Defense Secretary Leon Panetta also told NBC-TV that Iran has still not made a decision to build a nuclear bomb, echoing Vice President Biden's remarks in Munich that there is still "time and space" to negotiate a deal with Iran to avert military confrontation.

However, Israel's Barak shocked the Munich audience with a rant against Iran, in which he essentially declared that the time for talks has run out, that war is on, and no further attention would be paid to any critics.

The African continent is simultaneously set to explode. The French military intervention into Mali, fully backed by the Cameron government in Britain, is no quick in-and-out operation. Full-blown destabilization is spreading from Libya to Mali and throughout North Africa. Algeria, one of the few Maghreb countries to explicitly oppose the London-Paris-Washington overthrow of Qaddafi, is a prime target for Western-backed regime change, according to senior African diplomats. It is here in North Africa that Tony Blair's generational war is already underway.

Russia's Lavrov Denounces NATO Interventionism

Here are excerpts from the speech by Russian Foreign Minister Sergey Lavrov at the Munich Security Conference on Feb. 2.

...It is impossible not to notice the symbolism of the date of this meeting. Seventy years ago, one of the most frightful, bloody, and fateful battles of the Second World War ended: the Battle of Stalingrad. Hundreds of thousands of my compatriots gave their lives for the victory on the banks of the Volga, not only in defense of their homeland; they also fought for the sake of world peace, as did all of our Allies.

To prevent a recurrence of the tragedy of world war, efforts were also focused on diplomacy, which resulted in the creation of the United Nations. However soon afterward, the "Cold War" drew a dividing line across Europe, postponing for a long time the possibility of building a system of collective security, as embodied in the UN Charter. . . .

We must recognize that not in words, but in deeds, we are still very far from a truly collective Euro-Atlantic architecture, which would rest on a solid foundation of international law. There is still a desire for relations in Europe to be built around political-military issues—not on the principles of the OSCE [Organization for Security and Cooperation in Europe] and the NRC [NATO-Russian Council], but by promoting a NATO-centric security concept, as though there were no alternatives.

We believe that such a narrow bloc approach does not help, and it is difficult for us to understand it based on objective and rational considerations; it is unlikely to provide an orientation for policies in today's global world, where we face common threats. It is time to look comprehensively and thoroughly at the full range of relations in the Euro-Atlantic area and try to identify the convergence of ideas and remaining differences between us, including with respect to conflicts in other parts of the world that affect the security of us all.

If we look at the regions that are the most unstable

today—the Middle East, North Africa, the Sahel—it is hard to avoid the sense of some kind of curvature of space. Many questions arise about the approaches of some of our partners with regard to the "Arab Spring." Does support for acts of regime change justify terrorist methods? Does it make sense to fight those in one conflict that you are supporting in another? If you illegally supply weapons to a conflict zone, how do you insure yourself against those weapons being turned against you? Which rulers are legitimate, and which are not? When is it permissible to work with authoritarian regimes (whether secular or not very), and when is it permitted to support their violent overthrow? Under what conditions is it necessary to recognize forces that have come to power in a democratic election, and in what conditions should contact with them be rejected? What criteria and standards determine all of this? . . .

We hope that by 2015, when we mark the anniversary [of the Helsinki+40 process], we will have succeeded in developing a common agenda that does not reflect mutual recriminations, but the determination of all of us to concentrate on reaching our common strategic objectives, based on the principle of indivisibility of security.

The issue of BMD has become an important test of the match between real deeds and solemn declarations of commitment to this key principle. We are all at risk of losing yet another real opportunity to build a unified Euro-Atlantic space. Russia proposes a simple and constructive approach: to work out strict guarantees that the U.S. global BMD system is not directed against any member country of the OSCE, and clear military and technical criteria for evaluating compliance with the stated objectives of the BMD system: the neutralization of missile threats coming from outside the Euro-Atlantic region. . . .

It is also important to clarify the definition of NATO's mission in the new circumstances, not to interfere in this process, but so that we can understand it. Progress towards a genuine partnership between Russia and NATO is still hampered by attempts to exploit the idea of the Soviet threat, which has now been converted to the idea of a Russian threat. Phobias are very tenacious, and we see how the process of military planning incorporates this thesis. Even with the deficit in financial resources, there is increasing military activity in northern and central Europe, as if these regions face growing security threats. . . .

Commemorating Stalingrad

by Rachel Douglas

Feb. 3—Russia and the other countries that were parts of the Soviet Union have commemorated, during the past few days, the 70th anniversary of victory in the Battle of Stalingrad. Westerners, all too many of whom today either dismiss the Russians as a major strategic power, or seek to destroy it, would do well to pay attention to the importance the Russian leadership and public put on this anniversary of what all competent historians acknowledge as a vital turning point against the Hitler onslaught in World War II, which was won by almost unbelievable determination and sacrifice by the population of the U.S.S.R.

German Field Marshal Friedrich Paulus surrendered in Stalingrad on Jan. 31, 1943, and the remnants of his surrounded forces were taken prisoner on Feb. 2.

After five months of brutal, house-to-house fighting, their surrender brought an end to the farthest advance of the Wehrmacht into the Soviet Union. The order of Generalissimo Stalin for the fighting at Stalingrad was, “*Ni shagu nazad*”—“Not one step back.” The slogan for the battle was, “There is no land beyond the Volga.” The strategic city, now called Volgograd (but it officially resumed the name of Stalingrad for this week of commemoration), is situated on the western bank at the Volga Bend, where Russia’s mighty river turns westward, coming close to the Don River, before flowing back southeast into the Caspian Sea.

More than 2 million people were killed during the Battle of Stalingrad (Aug 23, 1942-Feb. 2, 1943). Russian national TV this week stated the figure as 2.5 million. An estimated 850,000 men of the invading German army were killed, wounded, or went missing. Of the over 1.15 million Soviet casualties, at least 40,000 were civilian deaths.

Changed the Course of History

The commemoration occasioned a Russian national TV news broadcast on Channel 1 two days ago, introduced by the anchorwoman saying, “Today in the

Kremlin, heroes were honored. Those invited to the Georgiyev Hall were people who changed the course of history.” The youngest of them are now in their late 80s, and most are over 90 years old. On Feb. 1, President Vladimir Putin received 300 of these veterans at the Kremlin. The broadcast showed him greeting a female veteran on her 90th birthday and reading aloud some recently discovered documentation of the 1942-43 heroic acts of a young officer, who turned out to be present—trembling at his advanced age, but on his feet and readily embracing today’s President of Russia.

On Feb. 2, Putin travelled to Stalingrad. He laid flowers at the famous Mother Russia (“The Motherland Calls”) monument on Mamayev Kurgan, a high point on the north side of the city, which changed hands several times during the battle. Mamayev Kurgan is the site of the grave of Marshal Vasili Chuykov, who as a general-lieutenant, led the Soviet 62nd Army at Stalingrad, neutralizing many of the invaders’ capabilities through his tactics of close-in fighting, called “hugging the enemy.” National television showed the skeleton of Pavlov’s House, a famous apartment building held by Soviet forces during the battle. It has been preserved as a memorial. Historic T-34 tanks were brought out of museums to roll through the streets of Stalingrad yesterday.

Among those taking note of the Stalingrad anniversary was the Russian-American Goodwill Association, whose director, W. George Krasnow, sent out a mailing on the importance of Americans paying homage to the Russian victory at Stalingrad. He quoted a column by Martin Sieff, who wrote in the *Baltimore Post-Examiner*’s online edition Feb. 2: “Communism is dead but Russian patriotism is not. And that is why in an era of growing differences and alienation between Russia and the United States, we need to remember the passionate intensity of that struggle, how much it contributed to our victory, too, and what it cost the Russian people. Russia remains a great, proud and militarily mighty nation that cannot be ignored. Global peace and security in the 21st century are impossible if we cannot cooperate with it. The Russian people cannot be ignored or underestimated.”

Russian TV today displayed a TASS release of Feb. 3, 1943, titled, “American press on the completion of the elimination of armed enemy forces at Stalingrad” and quoting the Associated Press headline: “Russians Win One of the Greatest Battles in History.”

Ranting Against Russia, Syria at Munich Meeting

Feb. 2—A panel yesterday at the Munich Security Conference on the wars in Syria and Mali turned into a wild rant by Syrian opposition leader Sheikh Moaz al-Khatib, making his first major international public appearance, followed by an attack on Russia by Kenneth Roth, director of Human Rights Watch (HRW), for blocking UN Security Council action to topple the Assad government. Moderator David Ignatius, the *Washington Post* columnist (and former CIA agent), went a long way to building the panel up to be a pro-opposition pep rally, asking lots of questions about supposed massacres by the Syrian regime, and asking al-Khatib to lay out what he wants from the United States, and what he would ask for when he met with Vice President Joe Biden on Feb. 2.

But the show was actually stolen from the war-mongers, when a young Syrian woman stated that she opposes the Assad regime, but that the opposition was doing nothing to negotiate for peace, and was letting Syrian people die, month after month after month. She repeatedly demanded of al-Khatib to explain why he refused to negotiate peacefully with the Assad government and instead escalated the war. She spoke after UN Envoy for Syria Lakhdar Brahimi, al-Khatib, and Roth.

At that point al-Khatib exposed himself as fanatical and inept, lambasting the international community for doing nothing to stop what he described as the child-killing, torturing Assad regime from murdering “65,000 martyrs,” without any admission of the brutal tactics of the for-

eign-funded jihadi opposition which actually killed a substantial number of the victims. He accused the international press of “measuring” the length of the rebels’ beards instead of counting the number of bodies killed by Assad, and for only talking about “terrorists,” instead of the crimes of the regime.

In a bizarre part of the speech (provided through translation), al-Khatib complained that the opposition is told they cannot use “chemical weapons,” but, he said, “leaving the regime” in power is *worse* than the rebels using chemical weapons.

At the same time, al-Khatib repeatedly referred to the opposition’s “generous offer” to sit at the negotiating table with the Syrian government to work out a transitional government.

The targeting of Russia was provided via Kenneth Roth, who blamed Russia for making the UN Security Council irrelevant by using its veto, and thereby prolonging the suffering of the Syrian people. Though HRW has previously exposed terrorist actions against civilians by the Syrian opposition, Roth downplayed this, preferring to be part of the roadshow trying to ram some kind of transitional government plan for Syria through the UN Security Council.



Munich Security Conference

Syrian opposition leader Sheikh Moaz al-Khatib meets with U.S. Vice President Joe Biden at the Munich Conference on Feb. 2.

Blair Says, More War

Feb. 3—In an interview with Sian Williams on the [BBC's Andrew Marr Show](#) today, former British Prime Minister Tony Blair, the Queen's representative who delivered the lies that justified the second Iraq War, laid out a "permanent war, permanent revolution" thesis. Not only did Blair praise U.K. Prime Minister David Cameron for his intervention into Mali, but he delivered a "don't go wobbly" message to President Obama about Syria.

The Mali intervention was crucial, said Blair, because al-Qaeda [which was created by London and the Saudis] is growing and must be fought wherever they are. And this is not a "go in and go out" type of war. Rather, Blair emphasized, "We are certainly talking about a generation. I think a better way to look at it is like the fight the West had over a long period of time with revolutionary communism."

Early in the interview, Williams gasped: "So you want to go into Syria too?" giving Blair the opportunity to lay out his whole plan for the next 30 years of war.

Speaking about the UN Security Council, he said, "We don't want to put all our eggs in that basket," referring to the fact that Russia will *not* change its view that the UN Security Council will not be allowed to overthrow Assad.

Here are further excerpts:

"If we engage with this [intervening in countries outside the NATO area, such as in Africa and the Middle East], not just militarily but over a long period of time, in trying to help these countries, it is going to be very, very hard, but I think personally the choice of disengaging is going to be even greater."

"We always want in the West, quite naturally, to go in and go out, and think there is a clean result. It's not going to happen like that. We now know that. It is going to be long and difficult and messy...."

"My point is very simple though: If you don't intervene, and let it happen, it is also going to be long, difficult, and messy, and possibly a lot worse. It's a very difficult decision.

"It will happen in many different theaters, it will happen in many different ways, *but the truth is that you have no option but to confront it*, to try over time to

defeat it" (emphasis added).

On the opposition to the Syrian government from al-Qaeda opposition, Blair said: "I do think that there are certain things we could do to strengthen the opposition and make it clear to Assad that in the end he is not going to win this, and he is not going to have a stalemate.

"It will end in defeat and it will end in his going, so the question is, is he prepared to do this on a basis that will allow us some chance to stabilize the country afterwards?..."

"I don't think you are ever going to go in the sense of British troops on the ground, but the question is what more you can do to help the opposition, and there are options there which are important to look at."



Unsurvivable

A dark, gruesome, but wholly true depiction of the threat of thermonuclear war, its consequences, and Obama's deployment of a major portion of the U.S. thermonuclear capabilities in multiple theaters threatening both Russia and China.

<http://larouchepac.com/unsurvivable>

British Empire Grooms Australia, Expands NATO, for War with China

by Gabrielle Peut and Robert Barwick

Feb. 1 (MELBOURNE)—Britain is intensifying its nuclear war threats to Russia and China, by pushing, in tandem with U.S. President Obama, for Australia and other nations of Asia to join NATO in a worldwide military alliance targeted squarely at China, in the same way that NATO has aggressively encircled post-Soviet Russia. U.K. Defence Secretary Philip Hammond and Foreign Secretary William Hague expressed this intention during their January trip to Australia for the annual Australia-U.K. Ministerial Dialogue (AUKMIN) meeting. The two announced elements of an imperial scheme to extend a global military dictatorship and permanent warfare into the Asia-Pacific region and the Indian Ocean rim.

Central to the British agenda for the Pacific are Barack Obama's provocative Asia Pivot to "contain" China, and an upgrade of the British-Australian military relationship. Britain has long groomed Australia as the base for pursuing its strategic interests in Asia.

On Jan. 16, Hammond declared to Rupert Murdoch's newspaper *The Australian*, that Britain unequivocally supported the U.S. Asia Pivot, which calls for shifting the strategic focus from Iraq and Afghanistan and onto the Asia-Pacific. Hammond made clear that, despite all assurances from Washington to the contrary, the British know the policy is targeted at China—and they applaud it: "We

should celebrate the fact that the U.S., the only power on Earth that is capable of rising to the challenge of growing Chinese ambitions, has been prepared to take on that challenge and that it has been prepared to make a strategic pivot in order to respond to China's growing economic and political and military power," he proclaimed.

Hammond's comment betrays the British hand in the Asia Pivot, which has put the region on a trajectory toward war. That hand has guided Australia, formerly a British colony, and still within the British Commonwealth, to offer its northernmost city, Darwin, as a base for 2,500 U.S. Marines, the so-called "tip of the spear" of U.S. military might. In the planning stages are fur-



DoD



Ministry of Defence/Harland Quarrington

U.K. Defence Secretary Philip Hammond and Foreign Secretary William Hague have announced a British imperial scheme to extend a global military dictatorship and permanent warfare into the Asia-Pacific region and the Indian Ocean rim.

ther upgrades to the ports of Perth and Brisbane, for use by the U.S. Navy.¹

For decades, Australia has hosted joint facilities with the U.S., such as the Pine Gap signals intelligence center; these are now being integrated into Obama's ever-expanding global Ballistic Missile Defence (BMD) system, which is targeted at China and Russia. In response to the Asia Pivot, Chinese officials and spokesmen have repeatedly, and pointedly accused Australia and the U.S. of a "Cold War" mentality. An unsigned editorial in China's *Global Times* of March 29, 2012 warned that Australia's participation in America's BMD system, along with that of Japan and South Korea, would force China to abandon its long-held nuclear doctrine of no first use of nuclear weapons.

Within Australia, the country's intensified integration into U.S./NATO plans has prompted leading figures to speak up against pursuing wars that can lead to a nuclear holocaust. As *EIR* reported Oct. 19, 2012,² former Australian Prime Minister Malcolm Fraser warned that Australia must not be drawn into a military confrontation with China, saying that "there is a danger that the U.S. is seeking to maintain supremacy, which could lead to war," and that it is "an absurd allegation that China may wish to curtail freedom of the seas in the South China Sea."

The New Citizen, newspaper of Lyndon LaRouche's co-thinkers in the Australian Citizens Electoral Council (CEC), editorialized in its October/November 2012 issue: "It is exceedingly important that such Australian opposition to these plans grow louder and more effective, as the plans, and propaganda for them, are stepped up." The issue, of which 365,000 copies have been distributed in a CEC organizing drive reaching government and military institutions throughout the country, featured new research into Australia's deep involvement in the war danger, with dossiers on former Deputy Secretary of Defence for Strategy and Intelligence Hugh White, and chairman of the Parliament's Joint Standing Committee on Foreign Affairs, Defence and Trade Michael Danby. (Those dossiers are excerpted below.)

1. These and related military programs in Australia were documented in "Australia Readies for World War; Tragedy, or Just Plain Farce?", *EIR*, July 13, 2012.

2. Mike Billington, "Will the British, Once Again, Provoke a Sino-Japanese War?"

Expanded NATO

In his interview with *The Australian*, Hammond discussed measures that will provoke China still further, namely, expanding NATO into the Asia-Pacific. Australia's military has been operating with the NATO-led Coalition Forces in Afghanistan since 2002, during which time a push for worldwide extension of NATO's operations has developed.

Media tycoon Murdoch, who had been a key booster of the Bush-Cheney regime, publicly called for expanding NATO, in his Nov. 2, 2008 Boyer Lecture in Australia. "Australia needs to be part of a reform of the institutions most responsible for maintaining peace and stability. I'm thinking especially of NATO," he said. "Though NATO was designed to prevent a land war in Europe, it is now fighting well beyond its borders. As we see in Afghanistan, not everyone is doing their share, and that is a problem too many people want to ignore. The only path to reform NATO is to expand it to include nations like Australia. That way NATO will become a community based less on geography and more on common values. That is the only way NATO will be effective. And Australian leadership is critical to these efforts."

A few months earlier, in June 2008, Australia had hosted Exercise Pitch Black, involving 3,000 personnel and more than 60 aircraft from the U.S., Singapore, Malaysia, Thailand, France, and the NATO flying unit known as the E-3A Component. Component Commander Brig. Gen. Stephen Schmidt said of the exercise, "This historic deployment to Australia is another example of our transformation into a world-wide deployable force."

A January 2009 NATO conference in Turkey "highlighted the importance [for NATO] of setting up cooperation ties with countries such as Japan and Australia," according to a Xinhua News Agency report at the time. Later that year, Australia and NATO formalized an agreement to exchange secret military information, which Australian defense officials told a parliamentary committee would allow for "a deeper strategic dialogue between Australia and NATO and increased cooperation on long-term common interests."

Australia's growing involvement with NATO took a jump ahead on June 15, 2012, when Prime Minister Julia Gillard signed a joint declaration with NATO Secretary General Anders Fogh Rasmussen for co-operation on common global security challenges, including terrorism and cyber warfare.



DoD/Jennifer A. Villalovos

Col. Liu Mingfu of China's National Defence University warned that the U.S. intends to "build 'a mini-NATO' to contain China, with the US and Japan at its core, and Australia within its orbit." Shown: Joint U.S.-Japan naval maneuvers in the East China Sea, Nov. 16, 2012.

During the January visit, Hammond urged his Australian hosts to maintain this close cooperation with NATO, emphasizing that NATO sought deeper cooperation with "trusted partners" such as Australia and its sister British outpost New Zealand. The Defence Secretary sketched a hypothetical future global role for NATO, whereunder, "We could see threats to international security from non-state actors arising within the Asia-Pacific region." In the case of "tensions in the Pacific that directly engage the interests of NATO countries," he said, "Australia and the U.S. will be the leading nations, in that you will be closest to the areas of tension, [and] other NATO countries may wish to contribute, show support in the way that Australia has done in Afghanistan."

Foreign Secretary Hague reinforced Australia's central place on Britain's Pacific agenda, in the 2013 John Howard lecture he delivered Jan. 17 in Sydney. In the very week when British Prime Minister David Cameron announced that Britain would hold a referendum on withdrawing from the economic basket-case of the European Union, his top diplomat was in Australia, em-

phasizing Britain's desire and efforts to engage with Asia. "Today Britain is looking east as never before in modern times—we've set our sights on far closer ties with Asian nations," said Hague.

Singling out Australia, Hague said, "Today the level of our foreign policy cooperation is unprecedented.... Australia is now the only country in the world with whom Britain has a formal agreement to share confidential diplomatic reports on a regular basis." He predicted Australia and Britain would have to face crises "side by side," nominating Iran and Syria as examples.

Australia: the Empire's 'Bridgehead into Asia'

Hague's description of the Britain-Australia relationship, coupled with Hammond's declaration at AUKMIN that Britain sought to make use of Australia's "footprint" in Asia, reflects the advanced stage of the British imperial strategy, unveiled in 1995, to build the Commonwealth—the collective of former and present British colonies—into the great economic and financial power of the 21st Century. This design was spelled out at a 1995 Chatham House (Royal Institute of International Affairs) conference in London on "Britain and the World," attended by members of the royal family; it was devised in the wake of the fall of the Soviet Union, when only a rising China stood in the way of unrivalled Anglo-American hegemony.

"Discussion Paper 60: Economic Opportunities for Britain and the Commonwealth," prepared by Australian academic Katherine West, called upon the London elites to make greater use of the Commonwealth nations, so that British economic and political power could encompass the Far East and Asia. Writing that Britain should de-emphasize the financially exhausted European continent, West urged a policy of "mutual exploitation" between London and the far-flung capitals of the Commonwealth—beginning with Australia, as a "bridgehead into Asia." The drive to transform the Commonwealth into the core of a new British Empire, she wrote, stemmed from "the experience of empire and the dynamics of *an informal financial empire that maintained its vibrancy long after the formal empire went into decline*" (emphasis added).

In keeping with the British-Obama war drive against China and Russia, the British “bridgehead” relationship with Australia is distinctly militaristic. At the Jan. 18 AUKMIN event, Hammond and his Australian counterpart, Defence Minister Stephen Smith, signed a new *Australia-United Kingdom Defence and Security Co-operation Treaty*, which, in the words of Smith, “provided for the first time, an overarching strategic framework for our bilateral defence relationship.” This description is astounding, given the extraordinary closeness of the relationship already.

The official communiqué reporting the AUKMIN talks and the new treaty revealed that the event focused on key elements of the present Anglo-American agenda against China and Russia, including a point on “Nuclear proliferation in the Middle East and North Asia.” Echoing the “weapons of mass destruction” lies on the eve of the Iraq War, the policy points play up the nuclear programs of Iran and North Korea as justification for the global BMD network, which is actually aimed against Russia and China.

Also contained in the AUKMIN documents were a joint call for President Assad in Syria to stand down, and Britain’s endorsement of Australian Foreign Minister Bob Carr’s proposal to claim that the need to protect medical facilities and workers in Syria would justify a limited military intervention.

The declaration avowed support for the principles of “open government”: “Australia values the leadership shown by the UK and others in the establishment of the Open Government Partnership, which Australia is currently considering joining.” Open Government is a euphemism for irregular warfare, again targeting Russia and China. The Open Government Partnership is a British government-directed operation, formed by Britain and seven other nations in 2011, but now expanded to include 57 member-nations representing 3 billion people. Chaired by British Minister for the Cabinet Office Francis Maude, it enjoys both government and private funding, including from foundations that were previously involved with the Open Society projects of megaspeculator George Soros, in support of the various so-called “color revolutions” since 1999, especially in the former Soviet area. The AUKMIN emphasis on this Open Government operation signals prospects for this type of irregular warfare to be directed against Asian targets, ultimately China.

AUKMIN also emphasised “cyber warfare,” as did Prime Minister Gillard a few days later, focusing her defense speech at the Australian National University on tensions allegedly caused by the rise of China and cyber warfare. Gillard announced a new Australian Cyber Security Centre in Canberra, to be completed by the end of 2013, which will be an “important hub” of collaboration with “international partners.”

Backlash, and Solution

In the immediate wake of the AUKMIN talks and Gillard’s defense speech, the Jan. 23 *Sydney Morning Herald* quoted senior Chinese Col. Liu Mingfu of China’s National Defence University, warning Australia not to side with the U.S. and Japan in the dispute over islands in the South China Sea, and explicitly referring to the possible use of nuclear weapons. Focusing his comments on America and ignoring the guiding hand of the British, Colonel Liu nonetheless nailed the strategic agenda, which he identified was to “build ‘a mini-NATO’ to contain China, with the US and Japan at its core and Australia within its orbit,” the *Herald* reported. “America is the global tiger and Japan is Asia’s wolf and both are now madly biting China,” Liu said.

At the same time, Chinese officials have emphasized that there is a pathway to peace: economic development. The Jan. 15 *Australian Financial Review* (*AFR*) reported criticism by China’s ambassador to Australia Chen Yuming, of Australia’s hosting of 2,500 U.S. Marines in Darwin as “Cold War-style.” Chen added that “there was too much emphasis on the strengthening of military alliances in the Asia-Pacific region and not enough on the pressing economic difficulties which meant countries like the US, China, Europe [sic] and Japan had to work closely together.” He urged all countries to avoid moves which risked damaging “trust-building measures in the region,” because the greatest priority was collaborating to strengthen the global economy: “In today’s world the top priority of all countries is development; we face multiple challenges and it is important for all countries ... to focus on economic development and growth,” the Chinese ambassador told *AFR*. “China and Australia need to address their own domestic problems in economic growth. The key word in today’s world for all countries should be economy and it should be development.”

Empire's Man Prepares For War with China

The Oxford-trained former Deputy Secretary of Defence Hugh White has likely done more than anyone else in Australia to promote policies leading to a thermonuclear war with China, while posing as a full-time campaigner to avoid it. White argues that the U.S.A. must neither withdraw from the Asia-Pacific region, nor seek to dominate it as in the past, but should take a third way: accommodate the “rise of China” a part of a “concert of powers” in the Pacific. White compares his “concert” with the 1815 Congress of Vienna, the post-Napoleonic diplomatic disaster that set Europe on a century-long course of manipulated conflicts within a “balance of power,” which White considers a success.

White also holds, however, that his “concert” is unlikely to come about. Thus, the massive defense buildup that he describes as intended to establish Australia as a “middle power” within the concert, is far more comprehensible as a component of Anglo-American preparations for a full-scale nuclear showdown with China.

White advocates acquisition not merely of the now planned 12 attack submarines for the Royal Australian Navy, to replace its six aging Collins-class subs, but double that number; and double the planned 100 Joint Strike Fighters. In his words, the objective is to develop “air and naval forces that can effectively deny our air and maritime approaches to substantial hostile forces out to several thousand miles from our shores, and project significant force beyond that.”¹

And who might the target be? Hugh White was the lead author of Australia's Defence 2000 White Paper, which asserted that Australian “air and naval forces had

to be able to operate effectively in coalition operations against the region's major powers like China.”

White's insistence that China “stop its complaints” against the U.S. global ballistic missile defense program, in return for the unlikely U.S. “accommodation” of China in the region, gives the lie to his peacemaker image. The BMD plan is part of global showdown preparations: It rings Russia and China with anti-missile radars and batteries for the purpose of enabling a thermonuclear first strike by developing the capability to knock out a retaliatory response.²



Hugh White

Anglo-American Imperium: The Cheney Doctrine

On March 21, 1983, U.S. President Ronald Reagan announced his Strategic Defense Initiative (SDI) for anti-missile defense. As conceived by its author, U.S. economist and statesman Lyndon LaRouche, the SDI was to be a joint U.S.-Soviet program not only to eliminate the escalating danger of thermonuclear war, but also to unleash a scientific renaissance as the cornerstone of a global economic recovery—the basis for truly durable peace. The Soviets rejected the SDI, launched a forced-draft military buildup, and the U.S.S.R. collapsed eight years later.

With the apparent disappearance of Russia as a superpower, British-owned elements in the U.S.A. revived the notion of ballistic missile defense, but this time as a means of securing permanent Anglo-American world domination. In 1992, then-Defense Secretary Dick Cheney developed a Draft Planning Guidance for coming decades. It stated: “Our strategy must now refocus on precluding the emergence of any potential future global competitor.” Use of military force, including nuclear weapons, was included. An outraged then-Senator, now Vice President Joe Biden, commented that it was “a plan for ‘literally a Pax Americana,’ an American empire.”

The Pentagon's Office of Net Assessments (ONA), which drove the campaign for the Cheney doctrine, had argued since 1977 that China would soon emerge as the chief threat to the United States. The ONA maintained intimate relations with Australia's own ONA, the Office

1. “Australian defence policy and the possibility of war,” *Australian Journal of International Affairs*, Vol. 56, No. 2, 2002, p. 262.

2. “Why War in Asia Remains Thinkable,” speech at IISS-JIIA Conference, Tokyo, 3-4 June 2008.

of National Assessment, the nation's premier intelligence body.

Hugh White has been involved in designing Australia's "defence" doctrine in accord with the Cheney Doctrine since 1992, when he entered the Australian ONA as head of its Office of Strategic Analysis. His whole career gives the lie to the notion that showdown with China is an American scheme that White is resisting with his "concert"; he has been pushing an adversarial relationship with China for two decades.

White has described his 1992-93 stint at the ONA and work in the Defence Department's International Policy Division in 1993-95, as a search for Australia's position in the post-Soviet world. With the U.S.S.R. gone, the remaining obstacle to Anglo-American plans for world domination was China. Most Australians would not sign on to preparations to fight China as a national priority, so White has promoted a massive military build-up as vital for Australia's own defense, up to and including the possibility that Australia "might contemplate fighting China alone . . . [a] question [that] has exercised me since the mid-1990s when we began to wonder about the consequences for Australia if China just kept on growing."³

Australia's 'Defence' Doctrine: Made in Britain

In a 2008 paper, "Strategic Interests in Australian Defence Policy: Some Historical and Methodological Reflections," White described basing Australia's so-called "defence doctrine" explicitly upon that of the British Empire: "During the early 1990s some of us working in Defence began exploring this problem of defining Australia's wider strategic interests in the post-Cold War world. Our attention was caught by Lord Palmerston's famous line about 'Britain having no permanent friends and no permanent enemies, only permanent interests.' We started to look at how Britain defined these permanent interests, and what we might learn from them. For centuries British policy was guided by a view of its strategic interests which had hardly changed from the time of Elizabeth I until after World War II, articulated and implemented by men like Burleigh, Marlborough, Walpole, Pitt, Wellington, Palmerston and Churchill."

British imperial concepts should be applied to Australia, White argued, because Britain, like Australia,

was an island nation. It had organized "concentric circles of defence," ultimately to embrace the whole world: first, guard the English Channel; next, control European ports from which invasion fleets might sail; and, finally, "align with weaker powers to preserve a balance of power among Europe's major states and ensure that none became dominant. These precepts have determined British strategic policy for centuries."

Asked White, "How might we apply the principles of Pitt and Palmerston to Australia in the 21st century?" His answer was an Australian version of the British imperial concentric circles theory: first, "defend the Australian continent"; then, deal with the "near neighbours"; and, finally, tackle the Asia-Pacific version of the "dominant power on the European continent"—China.

White boasted that British imperial doctrine had been transformed into Australia's national strategy: "The ideas that we adapted from Pitt and Palmerston underlay the development of the short account of Australia's wider strategic interests provided in the 1997 *Strategic Policy Review*, and the revised, extended and more detailed description given in Chapter Four of the 2000 White Paper."

The idea was to justify a massive Australian defense build-up for an Anglo-American showdown with China. In a recent essay, White wrote: "Howard's *Defence White Paper*, released in 2000, clearly acknowledged that China's rise constituted a major change in Australia's circumstances, and that Australia needed to take a wider view of its national interests and expand its military capabilities. The possibility of war with China now influenced major force-planning decisions for the first time since the Vietnam War."⁴

Unhappy with a less than complete adoption of his perspective, White, in 2000 resigned his Defence post, but secured Defence Department funding to found a new think tank, the Australian Strategic Policy Institute. (Today, he is Professor of Strategic Studies at the ANU college of Asia and the Pacific.) Its purpose was to continue his crusade for "projecting power" many thousands of miles beyond Australia's shores.

A Giant U.S. Base

The announcement of the permanent deployment of a contingent of 2,500 (initially) U.S. Marines to Darwin occasioned much debate over whether a "U.S. base"

3. "Could Australia Fight China Alone?," *The Interpreter*, Lowy Institute online publication, Sept. 27, 2011.

4. "Power Shift. Australia's Future Between Washington and Beijing," *Quarterly Essay*, Issue 39, 2010.

were being established in Australia. In reality, the U.S. presence in the country has already expanded so dramatically over the past two decades, that Australia is practically one giant, ever-expanding U.S. military base, targeted at China in particular. This process began in the mid-1990s, under Hugh White's supervision. As Deputy Secretary of Defence for Strategy in 1995-2000, he oversaw the negotiations and deals struck with the U.S.A. and the U.K. toward this end.

The New Citizen of June-July 2012 showed that the British called the shots in this process, though the U.S.A. was the more visible partner. "The Australian relationship with the UK is even more intimate than it is with the U.S.," observed Greg Sheridan in *The Australian* of Dec. 27, 2007. And the 1997 Defence Efficiency Review, which strengthened White's position in the Defence Department, was headed by a top British Defence Department official, Dr. Malcolm McIntosh.

As closer ties with the U.S.A. and U.K. unfolded in exercises like Tandem Thrust, the 1997 first-ever U.S. Marine training exercise in Australia, expert Desmond Ball testified in 1997 Parliamentary hearings that not only had *Australia* requested the exercise, but that, "As recently as May 1997, Australia was sharply criticised in China's leading English language daily newspaper for being used with Japan as a US pincer to pin down China. . . . There is a lot of rhetoric in this Chinese position but . . . it does contain a germ of truth. . . . The exercise did not easily fit credible contingencies in the defence of Australia."

Who Is Hugh White?

White was born into an old British oligarchical family, from which a son had migrated to become a grazier in southern Queensland. Since at least his time in the Philosophy Department at Melbourne University, White was groomed by the Cambridge and Oxford Universities-centered priesthood that has managed the British Empire for centuries. That priesthood propagates an imperial view of people and the world, in the tradition reaching back to Babylon. Its precepts were bluntly expressed by Thomas Hobbes: that human life for the great majority of mankind outside the ruling oligarchy is "nasty, brutish and short," and society is but the "war of each against all."

Oxford traditionally produces "managers" for the Empire, with the Oxford PPE degree—Political, Philosophy, and Political Economy. Despite endless squabbles amongst these men and their epigones—such as

those who trained White at Melbourne University, and then Oxford, where White, in 1978, won the coveted John Locke Award in Mental Philosophy—are all fanatical "reductionists," who reject the existence of "universals," whether universal laws of the physical universe (as opposed to "statistical correlations"), or principles of human society such as truth, justice, and the reality of a Common Good within nations and among them. Instead, they argue, only isolated particulars have reality: those of the mind such as the "atoms" of formal logic, and isolated "facts" in the "outside world," knowable only by sense certainty.

These people especially hate Christianity, as not only "wrong," but disruptive to rule by an empire. Typical was the outlook of White's early mentor, Melbourne philosophy department head and Trinity College graduate Douglas Gaskings. An Australian who spoke with a British accent, Gaskings denied the reality of the human mind in favor of the physical brain alone, holding that ideas or beliefs were merely "brain states." Gaskings boasted that he "had rejected Christianity since he was three." White's own "set of habits of mind" were developed under such philosophical tutelage, as he told an audience in February 2011.

This philosophy gave rise to the "British school of international relations," centered at Oxford and the International Institute of Strategic Studies (IISS), an institution that, since the 1950s, has focused on managing the balance of thermonuclear terror. White calls himself a disciple of one of its leading figures, Hedley Bull, saying that his own "balance of power" proposal for Australia and for Asia "was foreshadowed by Hedley Bull in 1972."⁵ The Australian-born Bull was number two at the IISS for decades, and headed British Prime Minister Harold Wilson's Arms Control office. His Hobbesian world view is captured in his magnum opus on "international relations," *The Anarchical Society*, a work White lauds, even as he admits that Bull "once wrote that balance of power systems are not designed to prevent war, but to prevent hegemony, which they do at the cost of occasional, big wars." Such a "big war" today would, as White well knows, be thermonuclear.

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5. "Strategic Interests in Australian Defence Policy: Some Historical and Methodological Reflections," *Security Challenges*, Vol. 4, No. 2, Winter 2008.

Project Democracy's Road to Nuclear War

Michael Danby, the chairman of the Australian parliamentary Joint Standing Committee on Foreign Affairs, Defence and Trade, accused former Prime Minister Malcolm Fraser of “hysteria,” for sounding the alarm that Australia’s defence build-up puts the nation on a course toward nuclear war. Danby pontificated, “No rational examination of the foreign policy of the US under Obama or Australia under both prime ministers [Julia] Gillard or [Kevin] Rudd could lead anyone to believe Canberra or Washington had sought or encouraged nuclear confrontation with China.”

An honest examination of Danby’s own international political activity reveals him as one Canberra-based figure who has pushed events in exactly such a direction. In the systematic Anglo-American efforts to encircle Russia and China, the British-founded “Project Democracy” component is an ever-expanding campaign of “color revolutions” and “regime change,” done under the flags of “democracy and human rights.” Such ostensibly non-violent schemes, directed against nuclear powers China and Russia, whose leaders grasp them as threats to national sovereignty, serve to intensify a global showdown, and increase the likelihood of a particular hot spot suddenly zooming to full-scale nuclear war.

As with his nominal opponent Hugh White (see previous article), with whom Danby has conducted a public squabble, charging that White is selling out to China and seeks an “Asian Munich” (as in British Prime Minister Neville Chamberlain’s notorious appeasement of Hitler)—all roads lead back to London. Danby serves on the steering committee of the World Movement for Democracy (WMD), founded in 1999 as a spin-off of the British-guided U.S. National En-

dowment for Democracy. Thus he is a leading proponent of the Project Democracy road toward nuclear war.

Danby is also an International Patron of Britain’s Henry Jackson Society, founded at Peterhouse College, Cambridge. The manifesto of the Jackson Society gives the British imperial game away: “The British Moment: The Case for Democratic Geopolitics in the Twenty-first Century,” by Brendan Simms, a professor in the History of International Relations at Cambridge’s Centre of International Studies. Named after the late U.S. Senator Henry Jackson, who opposed détente with the Soviet Union, the HJS advocates a “forward strategy” to spread “liberal democracy across the world” through “the full spectrum of ‘carrot’ capacities, be they diplomatic, economic, cultural or political, but also, when necessary, those ‘sticks’ of the military domain.”¹

The Jackson Society achieved notoriety in 2011 when it emerged that the opposition Syrian National Council’s plan for carving out “safe havens” for insurgents in Syria, which the U.S. and British would then move to secure militarily, as had been done in Libya, was actually written by Society staff. Simms boasted about operations in Libya, in an article on the HJS’s website: “Democracy Can Be Dropped from 10,000 Feet.”

Even while NATO and the U.S. were waging their illegal war to overthrow Libya’s Muammar Qaddafi, Danby, in June 2011, railed that Syrian President Bashar al-Assad was a far more important target: “Speaking to British MPs in Westminster Hall, US President Barack Obama devoted just a few short sentences to Syria. But he did give Assad a clear warning: either make the transition to democracy or ‘get out of the way’ . . . The close relationship between Syria with [sic] Iran makes it an ever more significant test of the Arab spring than Libya, Tunisia, Yemen or Bahrain.”

Claiming that the Syrians are secretly developing nuclear weapons, Danby concluded that “Australia has



Michael Danby

1. Neil Clark, “Cameron is no moderate,” *The Guardian*, London, Oct. 23, 2005.

a direct stake in ensuring that the current regime in Syria is removed as soon as possible.”²

‘Sanctions Are Never Enough’

Danby has also vehemently advocated a U.S./Israeli strike against Iran. In his article in *The Australian* of Dec. 14, 2010, “Iran’s Nuclear Plans give West a Tough Choice,” he and co-authors Peter Khalil (a former Rudd foreign policy advisor) and Carl Ungerer of the Hugh White-founded Australian Strategic Policy Institute (ASPI) lied: “The international community . . . share an inescapable view that Iran is pursuing an offensive nuclear weapons program,” adding that “sanctions are never enough,” and that “the only credible alternative” to Iranian domination of the region, with or without nuclear weapons, “is to use military force” and “accept the short-term pain and consequences” of a war, rather than “live with the longer-term strategic challenges of a nuclear-armed, regionally dominant, militarily aggressive and emboldened Iran.” What’s more, according to the title of Danby’s article in the Feb. 11, 2010 *Wall Street Journal*, the world should “Blame China for Iran’s

Nukes.”

Like the Project Democracy crowd at large, Danby demands not only war against Syria and Iran, but regime change in China, as well, and does so not only in his bellicose rhetoric, but also by his actions. Danby’s alternative to what he calls “a Canberra ‘Munich Moment’” is to overthrow the current Chinese leadership, using Project Democracy methods to achieve “a process of China transforming into a non-belligerent liberal democracy.”³

Danby also chairs the All-Party Parliamentary Group for Tibet. In July 2009, he led the first-ever Australian parliamentary delegation to meet with the Dalai Lama in Dharamsala, India, where Danby gave a speech demanding, “Let freedom reign in Tibet.” The Chinese government angrily charged Danby with interfering in China’s internal affairs, as it did again the following month, when he organized a visit by a Uighur leader to the Melbourne International Film Festival. Anglo-American intelligence agencies have long supported the secession of Xinjiang Province in China’s west, agitating among its large Uighur population. Danby has also been a leading member of the Australia-Taiwan Parliamentary Friendship Group. In March 2005 China passed an anti-secession law, declaring that should Taiwan secede from China, its action would be met with military force.

In 1986-93, this great democrat was editor of the *Australia-Israel Review (AIR)*, founded by Robert Zabłud, a devout follower of the fascist Vladimir Jabotinsky. Israeli founding father David Ben-Gurion famously referred to Jabotinsky as “Vladimir Hitler,” but Danby has defended him as a “much-misunderstood center-right Zionist ideologue.” One of the *AIR*’s major financial supporters has been multi-billionaire Frank Lowy (whose Lowy Institute has been home base for Visiting Fellow Hugh White). Danby and Lowy share their admiration for Jabotinsky with the son of Jabotinsky’s long-time personal secretary—Israeli Prime Minister Benjamin Netanyahu, who has recently been leading a crusade for a war with Iran, with its likely escalation into thermo-nuclear war.

Excerpted with permission from [The New Citizen](#), October 2012.

3. *The Australian*, Sept. 16, 2010.

Planetary Defense

Leading circles in Russia have made clear their intent to judo the current British-Obama insane drive towards war, by invoking the principle of Lyndon LaRouche’s Strategic Defense Initiative (SDI). Termed the Strategic Defense of Earth, the SDE would focus on cooperation between the U.S.A. and Russia for missile defense, as well as defense of the planet against the threat of asteroid or comet impacts.

The destiny of mankind now is to meet the challenge of our “extraterrestrial imperative”!

Available from [LaRouchePAC](#)

LAROCHE WEBCAST

Enact Glass-Steagall Now, To Halt Financial Breakdown

by Nancy Spannaus

Feb. 5—Thanks to the efforts of LaRouchePAC organizers, Washington, D.C. is abuzz with discussion of reenacting Franklin D. Roosevelt’s Glass-Steagall Act, as embodied in Rep. Marcy Kaptur’s HR 129, the Return to Prudent Banking Act. Only eight Congressmen—seven Democrats and Republican Rep. Walter Jones—have signed on as co-sponsors so far,¹ but intensive constituency pressure, ranging from phone calls to lobbying delegations, portends a rapid groundswell of support, as soon as Congress returns to anything like a full-time schedule.

Considerable effort is also going into getting a bill echoing Kaptur’s HR 129 introduced into the U.S. Senate, where there is considerable support, but a maddening lack of courageous leadership willing to take on the anti-Glass-Steagall President, and Wall Street.

Meanwhile, citizen activists are working to build pressure on Congress through seeking to pass memorials for HR 129 in their state legislatures. As of now, such memorials have been introduced in the Kentucky Senate (SCR 16), the Virginia Senate (SJR 273), the Montana House (HJR 4), and the Rhode Island Senate (S 10), and there are commitments to introduce others

in at least a half dozen more states. The Montana resolution has already been debated, and tabled in committee, but the sponsor is committed to continuing the fight.

The memorialization process, which was well underway in 2012 in many small towns across the country, is also being picked up by labor unions. The Greater Northwest Ohio AFL-CIO passed Resolution 5 in favor of HR 129 on Jan. 30.

LaRouche Reinforces the Agenda

Thus, when Lyndon LaRouche took the podium on Feb. 1 for his weekly LPAC webcast, he was addressing a viewership which was already on mobilization. What he added was the sense of urgency, and the outlines of the radical changes in the economic and financial system, which must be made immediately if the world is to avoid a devastating breakdown, even nuclear war.

“Glass-Steagall, we re-enact immediately, totally without any variation, Franklin Roosevelt’s Glass-Steagall law,” LaRouche stressed. “Now, that will mean that we will be essentially wiping out a lot of firms’ financial interests which are intrinsically worthless already. What’s happening is, we’re bailing out worthless institutions, and stealing from the people, and stealing from the economy to do so. So, there should be no defense, at government expense, or bailing out any more of these swindling institutions. They don’t produce

1. The Congressional co-sponsors of HR 129 are, in addition to Marcy Kaptur (D-Ohio): Walter Jones (R-N.C.); James McGovern (D-Mass.); James Moran (D-Va.); Michael Capuano (D-Mass.); Eleanor Holmes Norton (D-D.C.); Peter Welch (D-Vt.); and Lloyd Doggett (D-Tex.).

anything, except debt. They don't produce any payments of debt. They don't help the economy. They stop the feeding of people. *Everything is wrong about this system.* And especially since the repeal of Glass-Steagall earlier.

"The time of reckoning has come, and Glass-Steagall is the key, in part, to the solution. . . . But it's a necessary step, because without it, we can't survive, we can't survive as a nation; we're headed toward Hell.

"For example, as I've indicated before, all of western Europe, all of South America, or virtually all of it, most of Europe in particular, is now in a process of collapsing. Spain; Portugal; now Italy; Greece, and so forth. It's on the road, and it can't go much longer on this road.

"Glass-Steagall solves a problem, because what it does is, it essentially takes the U.S. government out of the business of bailing out speculators. So, we stop the flow, and make no promise to bail out any these banking institutions of the relevant type. They simply will be allowed to go their own way, as long as they don't get in our way. We have to do that now, because once this thing were to blow, I don't think anybody could fix it. In other words, if this thing were to blow, and the assumption was that we had to save the economy by more bailout, that would mean the destruction, the physical destruction of the U.S. economy and European economies.

"Now, reform is being discussed in Europe, but it could not occur initially in Europe. It could only occur initially from the United States, despite the current President of the United States, which would mean that he would have to be put under control even as President. And simply by enforcing some of our basic laws, that would do it.

"But the basic thing is, we *must* have Glass-Steagall."

Rebuilding the Economy

"We're also going to institute other measures," LaRouche continued. "Now the problem here is this: We are so bankrupt; we as the United States and all nations of western Europe. Take the case of the Rothschild in-



LPAC/Chris Jadatz

Thanks to the efforts of LaRouchePAC organizers, Washington is abuzz with talk about reenacting the FDR-era Glass-Steagall Act. Here, LaRouchePAC campaigns for Glass-Steagall at a labor rally in Philadelphia, August 2012.

terests. The Rothschild interests have gone under [LaRouche was referring to the recent troubles of Banco Santander, one of the premier banks of the Rothschild Inter-Alpha Group—ed.]; so that aspect of the trans-Atlantic region is no longer really a viable one. So what we are going to have to do in the United States—and everything that could happen to benefit Europe or some other places, will have to come from an initiative from the United States. Because only we have the built-in system which could do what has to be done right now.

"If we can save ourselves, we can then use what we're doing for ourselves to save nations of Europe and other places. But if we go the other way, we'll never make it. That means we've got to go ahead with an immediate Glass-Steagall reform. But the Glass-Steagall reform has certain limitations on what it can do by itself. It will do exactly what it's refined to do, and anyone who says it's not true, is simply stupid or a liar, one of the two.

"Glass-Steagall works; it's the only thing that does work right now. But it won't solve all your problems. Why? Because after we clean up the banking system of the United States, there won't be much left for anyone to eat. You'll have this banking system that works, but it will be very small in terms of its capabilities.

"Now therefore, we're going to have to add another provision, which is not strange to our system. We're

going to have to actually create a new kind of system—a credit system. A credit system uttered under the powers of the United States. And that credit system will then be used to create credit for *production*, and for related things. So, the Federal government is going to create credit, and utter credit based on a supervisory process.

“We are going to say: is this worth investing in? Will this work? If it will work, how long will it take for them to do this job on a credit system, in order to come into a balance of their operations on their own books? If they can do that, and if the thing they are proposing is useful for the United States, the United States government, under its power to utter credit, should award credit under supervision, to firms which will conduct things which we know are useful to the recovery of the U.S. economy and its improvement.”

The Role of NAWAPA

LaRouche then added: “This does mean the immediate installation of NAWAPA [North American Water and Power Alliance], the water system. And this has several aspects which are highly relevant.

“First of all, we have been robbed and raped; our western lands have been raped. The water levels have subsided. Why? Because the farming processes are based on drawing down the reserves of water supply inside the system. Therefore, what happened is, the land level subsided; the ability to grow crops economically subsided; and now we’re into a general breakdown crisis.

“So therefore, we are going to have to have a water system, a water-management system, which coordinates with the need to generate more production of food. The one institution and project which can do that, is NAWAPA. By extending NAWAPA as one of our credit projects, we can generate a tremendous number of jobs. We can begin to restore the productive potential of our agriculture system, especially from the Mississippi to the West Coast. And then on the same basis, we can rebuild an actually productive system.

“Now, what’s happened recently is that the growth in production has stopped, and therefore we’ve replaced production by bailout. And bailout produces nothing; it drives us into hyperinflation and bankruptcy. So therefore, we need a combination of several projects, federally backed projects specifically.

“One: general projects for responding to the need for the application of credit to the actual physical

growth of production and general welfare. We also need to deal with special cases like NAWAPA, which is a major project, which will restore the physical potentiality of the western portion of the United States, Alaska, Canada, and also northern Mexico.

“This is going to be a big investment; it’s going to be a Franklin Roosevelt-style investment, but on an even larger scale, because that is what is required. And by our doing that, we will then enter into agreements with other countries, as across the Atlantic, and with these agreements, we will work on the same basis of building a transatlantic credit system like that we create for the United States. It would be theirs and ours; it would be their sovereign right, it would be ours. But we would cooperate in the same kind of system to restore stability to the system.

“Now, there is a lot more to say on this, but that’s the general option. We must do this *right now*. I don’t know what the deadline is, but I’m not going to wait for the deadline. I’m saying, as of now, the trend is, we either do this, or we’re not going to make it at all.”

The full webcast can be found at www.larouchepac.com.

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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What Glass-Steagall Will Do

EIR Economics Editor Paul Gallagher engaged in this dialogue with LaRouchePAC organizers on Jan. 24, 2013.

Q: In our intelligence update today, we received very interesting reports, particularly from Europe, indicating that there may be a blowout in the European banking system, particularly that in France, and I wondered if you could say something about how close you see us being to a crash, and how would you compare the current situation in terms of the imminence of a blowout to where we stood in 2007-08.

Gallagher: Well, first of all, the signs that a crash is imminent, or that the potential for it is very strong, is something that you've already been discussing. This Lanny Breuer [outgoing head of the Justice Department Criminal Division] episode with the HSBC bank and his fear—refusal on principle, perhaps, but also fear—of prosecuting it, is a very clear indication. No one with any familiarity with this case doubted that HSBC had committed some very serious crimes over an extended period of time.

It had been documented by the Senate Permanent Subcommittee on Investigations. That committee had referred it to the Justice Department, and effectively called for the bank to be prosecuted. To step back from any prosecution was an extraordinary step, and Breuer acknowledged—sort of blurted out on a couple of occasions—that he just couldn't do it. That he wouldn't do it, and he couldn't do it.

If he had prosecuted the bank, he would have wound up almost necessarily removing its license to do business in the U.S. as a bank. Remember, HSBC is Europe's largest bank, but its speculative operations in the United States are immensely important to it. Cutting off that license for banking business would probably have been fatal to it, and what Breuer was clearly thinking of,



EIRNS/Stuart Lewis

Paul Gallagher

was an all-out banking panic and crash following from that, and thought that it was better to let the criminality go unpunished than to get into his fears of this kind of crash. But it indicates the overhang of this crash, which is there.

Similarly, there is the fact that the banks in the United States and in Europe are not lending; they are manifestly *not* lending. The Federal Reserve has printed nearly \$3 trillion since early 2008, and some members of the Congress and some of their aides who are kind of pro-[Fed chairman] Ben Bernanke, have been sent a line that this isn't true in Europe, that

the Fed has helped us out by all this printing, whereas the European Central Bank has been tight. They were a little bit surprised when we informed them that the ECB has printed a great deal more money than the Federal Reserve has, has a much bigger asset book as a result, although presiding over a net smaller economy, and one that is shrinking fairly dramatically.

So, they're not lending.

Monte dei Paschi

Then you look at situations like the Monte dei Paschi bank in Siena, in Italy, which is right now near the precipice of a failure, and consider that this is the oldest bank in the world, and one of the biggest in Europe. The bank was formed in 1472.¹ Derivatives are bringing it down. Derivatives contracts and dealings with banks in Europe and Asia on the derivatives market, are suddenly hitting it with huge losses and putting it into a situation to fail. The consequence of that won't be funny.

But, aside from the signs, you have to look at why

1. See Claudio Celani, "Italy's Monte dei Paschi: A Four-Century-Old Nemesis Casts Its Shadow Over Upcoming Elections," *EIR*, Feb. 1, 2013.

we are close to that. There is a hyperinflationary policy on the part of the world's major central banks,² which of course has been justified by saying, in every case—Swiss, Japanese, ECB, Federal Reserve, Bank of England—that this will make the banks lend money again. If we print trillions of dollars and buy securities from them, to give them lots of liquidity and capital, they will lend. The printing of something like \$11 trillion in five years, by those five major central banks, has resulted in the fact that we are now, in the United States, at a record low level of lending. That is, the share of banks' deposits which are lent out is at a record low of about 70%, and the sheer amount, the absolute volume of lending, in addition to the share of it, is nearly 6% lower than it was two years ago, and still shrinking.

In Europe, the situation of those banks is far worse. The ECB has printed a great deal more money than the Federal Reserve has, and those banks are not only *not* lending into the economy, they are virtually not even lending to each other. The focus on France is certainly possible, because the French banks have been the most aggressive in the last decade in lending and speculating on the debt in Greece, Spain, and Portugal, in particular, the countries whose debt has collapsed in the last two years.

In the case of Greece now, in particular: Greece is in multiple levels of default. Portugal is in at least one level of default; Spain is very near to that. The major bank exposure to all that debt is in France, which puts a great focus on the possibility of a crash there, and our friend [former French Presidential candidate] Jacques Cheminade is somewhat in the middle of that right now, with the French government trying to figure out what the hell to do in February about separating the banks, and how much to separate, and whether to go with Glass-Steagall, and Jacques being interviewed both privately, and publicly in the media, on this.

It's a sign of how close things are in France. There are just huge volumes of bad debt on the books of those banks. The reason that all the money that's been printed for them has not been loaned by them is that they are using those trillions to hedge in various ways against the bad debt on their books, and this is quite clearly acknowledged. In fact, Bernanke himself has acknowledged in Congressional testimony that the banks are

withholding trillions from lending because of their fears of what's happening, and what's about to happen, to the various forms of toxic securities on their books. This is a downward spiral with the European economies contracting at a significant rate, even more than the United States. At some point, the downward spiral hits the bottom and blows up.

One other thing: Aside from simply hiding this money, that is, putting it back with the Federal Reserve as reserve deposits, the banks are also acting to blow up, again, this very same bubble that we all learned about in 2008—the collateralized debt obligations bubble, the residential mortgage-backed securities bubble, the commercial mortgage-backed securities bubble, the various derivative bubbles, including credit default swaps. They're not quite back up to the size of 2008, but they have very very rapidly leapt up close to that again, and been joined by other bubbles like the student debt bubble, the bubble in U.S. Treasury debt itself, which is another subject. So, this really puts them on the edge.

Derivatives: The Biggest Crime in the World

Q: The next question is to somewhat prepare people for some of the activity when you go to your legislator, or talk to someone on the phone, or your community banker, about the question of Glass-Steagall, because one of the differences between Glass-Steagall and what has been presented around the phony Glass-Steagall, Dodd-Frank, is the toleration of what are known as derivatives.

My question simply is this: The way that derivatives are presented—and if there are farmers on the phone, I'm sure you've heard this from the standpoint of hedging on various commodity futures. Banks justify purchasing these instruments by claiming that these are a hedge, and since they are just simply two parties involved taking different sides on whether a commodity or an instrument is going up or down, then why is there any particular risk? Why does that argument not actually hold?

Gallagher: I think the most fundamental response to that is the fact that the vast majority of our commercial banks, 6,000 or so, really 99% of our banks and bank holding companies, have no exposure to derivatives whatsoever. They simply don't do that as part of their business, and nothing could be clearer since these are, in most areas of the economy, the backbone of lending. Nothing could make it clearer than that: that

2. See Paul Gallagher, "Fed Policy of Hyperinflation Sparks Revolt," [EIR](#), Feb. 1, 2013.



Moving industrial production jobs out of the U.S., into areas of much lower labor costs, even into modern facilities, like this electronics factory in Shenzhen, China, lowers the productivity of the entire world economy.

derivative exposure is not necessary to a bank under, say, market conditions, nor to other financial interests.

There's such a thing as "forwards," which in many occupations need to be bought, and need to be managed because of the unpredictability of prices over the period of time when you're producing. But that's not what derivatives are, and the derivatives exposure of the overwhelming majority of commercial banks and holding companies in the United States, is zero. Contrast to that what I just referenced in terms of the Monte dei Paschi bank in Italy, this huge bank which may fail because of derivatives, as AIG did, as Lehman did, and so forth.

The best book on derivatives that I've ever read was written almost 20 years ago now, by a Morgan Stanley derivatives trader named Frank Partnoy, who got out of that business because he was convinced he would go to jail if he stayed in it.³ He gave a really unvarnished account of what derivatives are and how you make them. And his basic definition was that derivatives are sold in order to cover up losses and make losses appear to be gains for short periods of time.

Nothing could be clearer in the Monte dei Paschi case than that they got into a hole, have now made that hole five times as big by buying derivatives on a mass scale in order to make their loss appear to be a gain for a short period of time, and disaster struck. It's exactly what Lehman was doing when it failed. That's what

3. Frank Partnoy, *FIASCO: Blood in the Water on Wall Street*, 1997.

AIG was offering to major banks in the United States and Europe when it failed.

Then look at the Libor inter-bank rate manipulation; look at the destruction wrought to the cities and states across Europe and the United States by the interest-rate derivatives which were sold to them by the major banks, and which have them in a vise grip, and that bankrupted many of these cities.

It's a form of crime, is really what it is, which the book by Partnoy really makes graphically clear. It's by far the largest form of crime in the world.

And this exposure is simply not necessary under Glass-Steagall regulation of an orderly, clean commercial banking system. There's no necessity for it. Zero.

A Credit System vs. Globalization

Q: I'd like to go into a slightly different area which raises the underpinnings of what we refer to as a credit system. Oftentimes we hear of a cumulative deficit of investment into physical infrastructure. Less frequently, the deficit is also referred to in terms of the training of a new generation of skilled operatives in areas like machine tools.

My question is, in a credit system, how do such actual, shall we say, physical manifestations play a role? In other words, how exactly should we be defining value in an economy? How does that actually work, for example, in terms of a credit system?

Gallagher: We're saying, as Hamilton did, and as was realized in the First and Second National Banks, and as Lincoln definitely did with his Greenback policy—we're saying that the issuance of Federal credit, and combining the Federal credit with private capital which gives it more leverage, that whatever the precise form of national banking or national credit issuance that takes, what makes it work is that this is a vehicle for making sure that that credit goes into the most productive areas that economic growth can offer, and the core of those areas involves modern infrastructure, when infrastructure is being really transformed.

Actually, as long as 30 years ago, *EIR*'s economics section did econometric modeling of this question, and found that increases in productivity resulting from investments in modern infrastructure on a large scale exceeded the level of increases in productivity from any other source within the economy as a whole.

Another way of looking at it is that the quality of energy, the flexibility and reliability of electrical energy, for example, the quality of the heat—how high the heat of an energy source is, the energy density and power density of it—matter much more to the productivity of the industrial processes that it's going into, than does its cost, its cheapness. Nuclear has tremendous advantages, irrespective of its cost, which is why the power companies even to this day, with no plants having been built, or almost none, for so long, still want to own nuclear power plants. Because of the superior quality of that form of energy.

It's the principle of infrastructure investment. If you look at the last century in the United States, and the older generations of really skilled productive workers that we have in the labor force still today, or retired from the labor force but still active in various ways: Why do they have that level of general industrial and technical skill that came from the new infrastructure-building programs of the Franklin Roosevelt administrations? It also came from the Manhattan Project and the development of a completely new potential infrastructure of power, of scientific applications, of medical applications.

It came from Kennedy's space program and the training in that. It came from the fact that unions were being organized in the same 30-to-40-year period—from the 1930s to the '70s—and those unions were providing a higher standard of living, and they were also acting as a conduit for training of younger generations of workers. They have virtually disappeared now. We're down to 10% of the workforce in unions, and they're disappearing at an accelerating rate as we move completely into a really de-skilled and de-employed work force, which is scrambling just to survive.

A point was made quite a number of years ago by Lyndon LaRouche, a very important point about globalization and infrastructure: that if you take an economy which is characterized by a high-productive, high-technological level of modern infrastructure, as for example, the United States economy of 35 years ago; if you then start to move a lot of industrial production jobs out of the United States or a similar country, into areas

of much lower labor costs, which we obviously know happened; and even if you build very modern industrial plants in those low-wage countries to which you're moving the jobs—and again, we know that happened, they didn't build old shacks in Singapore and in Vietnam and in China; they built new infrastructure, new industrial plant. But even if you do that, and you're removing them from the higher infrastructural-productivity economy, the result is that the infrastructure itself is left to decay, it's neglected, it's not reinvested in; and the productivity.

As LaRouche put it in a kind of shocking way, what this does is lower the productivity of the whole world. The entire world economy sinks in its productivity, because you have moved industrial production away from the most modern infrastructure to areas where it is lacking. And you can make the shiniest new labor-intensive plants you want, and the productivity will still go down.

So, when we talk about a credit system, we mean one that will cause that mobilized credit—both public and private—to be in a manageable way put into revolutionizing our infrastructure, from water management to speed and flexibility of transportation, and the integration of the whole continental United States and the whole continent with high-speed transportation, weather protection, and so on. These things are what will make that capital productive, and therefore profitable.

It's always the way that national credit systems of this kind have worked. They do not dissipate the credit involved. They produce more wealth than the credit that's put into them. So that's an idea of it.

Glass-Steagall and the Fed

Q: This is Karl Anthony Cooper from New Jersey. Could you please crisply relate Glass-Steagall's restoration to halting the Federal Reserve's \$50 billion-a-month purchase of failed mortgages and mortgage-backed securities? This is important for communicating with my local Congressman.

Gallagher: This is important. The policy that the Federal Reserve has carried out—these purchases, under Glass-Steagall, would have been, *prima facie*, illegal. The Fed would not have been allowed to deal with the units of banks in most cases that have sold these securities to it, and the securities themselves, the quality of those securities themselves, are ineligible for Federal Reserve lending, let alone purchase.

In other words, ineligible, even as collateral for

Federal Reserve lending under Glass-Steagall regulations, particularly under the one which is called Section 23A of the Federal Reserve Act, but which is actually an amendment to the Federal Reserve Act by the Glass-Steagall Act. In other words, it came from Glass-Steagall, and it's not only part of the Federal Reserve Act, but that, in particular, would bar any of these purchases.

It would also bar the transfer of derivatives in huge nominal values from the investment banks to the insured commercial banks, as for example, Merrill Lynch derivatives were transferred onto the books of Bank of America's commercial bank, and therefore, implicitly subject to Federal insurance. All of this, as [Dallas Fed President Richard] Fisher is making clear, [FDIC Vice Chairman and former Kansas City Fed President Thomas] Hoenig is making clear, and other bankers are making clear, you cannot do it under a Glass-Steagall regime.

And, in fact, once it's enacted, it's very much in the spirit of that, to demand that the Federal Reserve turn around and do what's called a "put-back," that is, make the banks buy those securities back. Not dumping them

on the market, but make the banks buy them back at the same value that the Federal Reserve paid for them. That, right now, would be, in terms of what they're holding, in MBS [mortgage-backed securities], about \$1.6 trillion. Make them buy it back at that value. That's what a put-back is called, because they were illegitimate purchases of securities that did not qualify for Federal Reserve deposit window support. So there you get a nice reduction in the burden of the Federal debt, as a result as well; but the Fed could not, should not, cannot be doing this.

One of the critical things in passing Glass-Steagall, is to stop this \$85 trillion-a-month bond-buying/money-printing dead in its tracks.

Q: I'm here in Burlington, Texas. My question is a little more general in scope. I understand the three-point plan—Glass-Steagall, National Bank, internal infrastructure, all of that—and I'm just wondering why the subject of protective tariffs hasn't been added to your plan, being a key part of the American System; and is that something that you will be pushing for in the future? I understand that the infrastructure development will foster levels of production within the United States, but without the productive tariffs, a lot of other industries will be left out in the cold, and still having to compete against slave-labor wages in China. And I was just wondering if that was something that you guys were going to try to fight for on the Hill, to get rid of these free-trade agreements and that kind of stuff?

Gallagher: Just to take one minute on it: It has always been part of the American System. LaRouche has been around for a long time fighting for the American System, you have to remember, and he has fought for tariff protection. And there's no change in that in his view, and in what we put forward, for example, with steel right now. But, at the same time, you have to recognize in terms of U.S. industrial production, the cat has long since been out of the bag; most of the horses have long since left the barn.

At this point, what will bring the economy back is infrastructural investments and productivity. By itself, tariff protection is really not going to produce very much. It's got to be a principle that we have in the course of a recovery. It's not the engine, it's not the engine at all now, simply because it's, in a certain sense, too late. You've got to have industries again in order to protect, and as we build them up, we will.

NAWAPA 1964



Released on Thanksgiving 2011, the LPAC-TV documentary "NAWAPA 1964" is the true story of the fight for the North American Water and Power Alliance. Spanning the 1960s and early '70s, it is told through the words of Utah Senator Frank Moss. The 56-minute video, using extensive original film footage and documents, presents the astonishing mobilization for NAWAPA, which came near to being realized, until the assassination of President Kennedy, the Vietnam War, and the 1968 Jacobin reaction, killed it

... until now.

<http://larouchepac.com/nawapa1964>

Oligarchy Spins Confusion Over Glass-Steagall

by Helga Zepp-LaRouche

Feb. 1—Given the increasingly obvious disintegration of the trans-Atlantic financial system and the European single currency, on the one hand, and the growing international support for a return to Franklin D. Roosevelt’s Glass-Steagall Act on the other, the bankers who want to cling to the casino model of high-risk speculation are getting more and more hysterical. One has the impression that the defenders of globalization have hired an army of PR firms to organize a propaganda campaign against a two-tier banking system, and to spread confusion about it.

A classic example of how the public is misled by the media is an interview with World Savings Bank President Heinrich Haasis in the *Esslinger Zeitung* on Feb. 1. The article is headlined “The Saver, Not the Taxpayer, Pays for the Crisis,” and Haasis explains, in a somewhat abbreviated way, that the European Central Bank’s (ECB) low-interest-rate policy, which is what the governments want, has led to “galloping inflation.” Inflation for ordinary households is much higher than the official rate of 2.4%, because electricity prices this past year rose 13%, and heating oil, rents, and food have become more expensive, so that the real inflation rate is higher than the official one, he says. When a World Savings Bank head talks about “galloping inflation,” that is shocking and the real news value of the interview!

Obfuscation

But what do Stern.de and the numerous financial blogs do in reporting this? A news brief with the head-

line: “Haasis: Two-Tier Banking System ‘Misses the Main Point.’” This is a clinical case of deception by “fallacy of composition.” Here is the excerpt from the interview:

Q: “What do you think of the deliberations about a two-tier banking system?”

Haasis: “I think it is a dog and pony show. People want to prove that they are doing something. The truth is, it misses the main point. During the crisis, people said that no bank should be so large that it can blackmail a state. But that is precisely what is not being regulated. Now they explain that 34 banks worldwide are ‘important to the system,’ and therefore they guarantee their continued existence. Now they are separating out proprietary trading, which is beside the point.”

Since Haasis is obviously referring to the confetti debate in Germany about banking separation, he is of course right: The whole discussion about variants of an alleged two-tier banking system—from the Vickers Commission and “ring-fencing,” with two separate lines of business but under one roof; to the so-called Volcker Rule portion of the Dodd-Frank Act, which is 848 pages long and has so many regulations that it could end up with 30,000 legal addenda—leaves loopholes as wide as a barn door for high-risk speculators. Indeed it is a dog and pony show.

The Real Glass-Steagall

Someone in Haasis’s position must, however, be 100% aware that there is a completely different discus-

sion going on about bank separation, which is anything but a show, but is making the profit-hungry investment bankers' hair stand on end. And that's the very real bill introduced into the U.S. Congress by Marcy Kaptur (D-Ohio) and Walter Jones (R-N.C.), H.R. 129, for the reintroduction of the real Glass-Steagall of Franklin D. Roosevelt in 1933. The appeals by



Deutscher Sparkassen- und Giroverband
Heinrich Haasis

Thomas Hoenig, deputy chairman of the Federal Deposit Insurance Corp. (FDIC) and former head of the Federal Reserve Bank of Kansas City, and Richard Fisher, current head of the Federal Reserve Bank of Dallas [see *EIR*, Jan. 25, 2013], who advocate ending any protection for investment banks, are not for show, but get right down to business. Fisher's recent speech at the National Press Club in Washington is currently an especially hot topic in the Congress and the Senate, as well as throughout the country.

The same applies to the call for the right kind of Glass-Steagall by former Italian Economics and Finance Minister Giulio Tremonti, who is currently running in the Italian elections; the impending vote in the Icelandic Parliament; the widespread opposition in France to President François Hollande's watered-down Bank Act, which is calling instead for the original Glass-Steagall, and similar initiatives in many nations.

Haasis contributed to the confusion himself by his unclear formulations, but that is no excuse for the media manipulation.

Why is this so important? Because this is an absolutely typical example of how they try to dumb down and manipulate the population by every means at their disposal.

The Crisis

The reality, however, is that despite all the manipulations and scenarios, we are on the brink of a crisis that will make the collapse of Lehman Brothers in 2008 look like a child's birthday party. The small country of Cyprus, with 800,000 inhabitants, has just asked for a bailout package of EU17 billion—and that with only

EU1.5 billion in exports, EU6.5 billion in imports, and a maximum of EU2-3 billion in potential revenues in the case of the sale of state property. Norbert Barthle, budget spokesman for the Christian Democratic caucus in the German parliament, rightly fears "contagion" and systemic risk, but fails to mention that Cyprus was hit by the murderous and incompetent policies of the Troika [IMF, EU Commission, and ECB] toward Greece.

Besides all the known criminal activities in the financial sector (manipulation of the Libor rate, money laundering, tax evasion, the CO₂ certificate swindle, and cheating one's customers, just to name a few), it has now come to light that the oldest surviving bank in the world, Monte dei Paschi in Siena (founded 1472) and Deutsche Bank had used new bets and falsified balance sheets to cover up massive losses in derivatives trading (in the case of Montepaschi, also through government bonds)—a matter that is now being investigated by prosecutors and Monti, and that could bring a premature end to the careers of Italian Prime Minister Mario Monti and ECB President Mario Draghi. [See *EIR*, Feb. 1, 2013.]

The apparently complete lack of any shred of a sense of justice in the banking sector is an additional extremely important reason for the immediate introduction of Roosevelt's original Glass-Steagall Act, which was accompanied by the well-known work of the Pecora Commission, which put the Wall Street bankers responsible for the crash behind bars. It is not only the saver who is paying for the crisis; it is also the taxpayer and every citizen.

Signs of a Strategic Shift

It is a hopeful sign, however, that in some other extremely important areas, there are efforts underway to return to the rule of law. These include:

1. The decision of the U.S. Court of Appeals for the District of Columbia on Jan. 25 that President Obama's "recess appointments" violated the U.S. Constitution's expressly prescribed separation of powers. The court emphasized that the significance of the judgment goes far beyond the specific issue at hand, and concerns all matters relating to the separation of powers among the Executive, Legislative, and Judicial branches. Thus the drive for a "unitary executive" that has been gathering strength from the younger Bush to Obama, has been blocked in a way that could only be reversed at a high political price.

2. The investigation by UN Special Rapporteur on

Human Rights and Counter-Terrorism Ben Emmerson into the U.S. program of targeted assassinations by combat drones. One might come to the conclusion that these killings are war crimes, he said.

3. The lawsuit filed by Noor Khan, son of Pakistani tribal leader Malik Daud Khan, against British intelligence agents whose false information was used for a U.S. drone attack in Pakistan's North Waziristan that killed dozens of civilians. John Bellinger, former legal advisor to the U.S. State Department and National Security Council, repeated in a comment on an article in the *New York Times* of Jan. 30, the same concern that he had already expressed in October 2011 in the *Washington Post*: "Will drone strikes become Obama's Guantanamo?"

4. The finding of the UN Human Rights Commission (UNHRC), that Israel's settlement policy in the West Bank is a violation of the fourth Geneva Conven-

tion, including war crimes, and that Israel must begin with the immediate and total withdrawal of these settlements.

What is the common denominator of all these events? At a time when international humanitarian law as well as national constitutions and the rule of law itself are in the greatest danger, these efforts to maintain justice are extremely important.

But implementing the original Glass-Steagall two-tier banking system is the essential first step. It must be followed by a Hamiltonian credit system for the reconstruction of the real economy.

Help us mobilize for this program. And don't take what the media says at face value: Ask what the intention is!

Translated from German by Susan Welsh

Monte dei Paschi Affair Could Bring Draghi Down

The role of Mario Draghi as a failed supervisor in the Monte dei Paschi di Siena bank (MPS) is offering several factions in Europe a common ground to seek an early political demise of the the current European Central Bank (ECB) chairman and, with him, the hyperinflationary policy of saving the euro "at all costs."

Thus, European media jumped on the allegations being raised in Italy, that when Draghi was head of the Italian central bank (2006-07), he failed to act when MPS cooked the books, in order to cover for losses produced by high-risk derivative contracts. Exemplary of the media assault on Draghi is a Jan. 31 Reuters report which challenges his credibility to become the single banking supervisor for the Eurozone, citing a question raised with the EU Commission by European Member of Parliament Mario Borghezio, and allegations publicly made in Italy by former Economy Minister Giulio Tremonti.

"For now," Reuters concludes, "Tremonti and Borghezio are exceptions, as few politicians see any advantage in attacking the non-partisan chief of the ECB, which has bought Italy's government bonds

and helped to save it from bankruptcy. But after a triumphant 2012, in which he won much praise for his steps to tackle the Eurozone debt crisis, Monte Paschi is giving Draghi an uncomfortable new year."

The German daily *Die Welt* went so far as to write that MPS "could cost Draghi his job."

In response, the pro-Draghi faction is closing ranks. The German government issued a statement expressing confidence in him, and Italian State President Giorgio Napolitano attacked prosecutors and media for not "defending Italian interests" (!). Draghi himself travelled to Milan on Jan. 28 to meet Finance Minister Vittorio Grilli, who was expected to speak in front of a joint parliamentary committee the next day. Grilli had previously stated that the government had been aware of the problems at MPS for a year, and that the Bank of Italy (BOI) was responsible for supervision. After the meeting with Draghi, Grilli said that the BOI had exerted "thorough and effective" supervision.

However, the central bank shot itself in the foot, when it declared that, as a result of the "effective" supervision, it had forced MPS head Giuseppe Mus-sari to resign in 2011. This is a confession of guilt, as the BOI should have informed state prosecutors!

Meanwhile, two more investigations into MPS, in Trani and Rome, brought by consumer groups, have been opened. Prosecutors in Siena have added racketeering to the other charges.

MORE ON THE PRINCIPLE. . .

There Has Been A Breakthrough!

by Lyndon H. LaRouche, Jr.

January 23, 2013

With the initial publication of my January 22nd “The Principle Involved,”¹ a true physical-scientific breakthrough had already been implicitly established for the benefit of the work of our association (among many others, too). Implicitly, hopefully, at a minimum, no longer shall our association be placed under the veritable tyranny of a worship of the myth of an allegedly “self-evident” species of sense-perception. We had thus enjoyed what had been a breakthrough for those among us actively involved, and, therefore, now, a potential breakthrough for a wider body of our organization as a whole. With that step forward for science, a potentially qualitative advance of the cause of physical science, lurks on the doorstep of a large body of those available now, notably for those who had been, for the moment, the still unsuspecting. That subject came up as if just yesterday, in the course of Monday’s meeting of our Policy Committee,² and the carry-over into Tuesday evening.

The history leading into today’s subject on that just stated account, may be fairly described as follows.

The actual first beginning of my introduction to the subject which I had presented to our Policy Committee, on Monday afternoon, takes me back in memories, to my youthful, originally oral protest against that already proven fraud of Euclidean geometry, a fraud against which I had published my stern objection to the hoax at the center of the doctrine of “Plane Geometry (Euclidean Geometry),” a hoax whose roots were an experience to be traced by me, personally, back to the beginnings of my secondary-school education.

My objection had been continued there, but in contrast to a fraudulent

1. See [EIR](#), Feb. 1, 2013 or [Lyndon LaRouche PAC](#).

2. LaRouchePAC Policy Committee [meeting](#), Jan. 28, 2013.



LPAC-TV

LaRouchePAC's intensive organizing for LaRouche's economic and scientific policies, embedded in his Glass-Steagall-plus program, has created the possibility for a true recovery in the United States, and by extension, worldwide. Top: Washington, D.C., January 2013; below: Philadelphia, August 2012.



LPAC/Chris Jadatz

scandal (directed against me, in particular) through the remainder of my secondary-school experience. It continued over the course of later times, since the outbreak of World War II, and beyond, especially since my first serious, and enduring encounter with Bernhard Riemann's habilitation dissertation, in 1951. A bit later, the emphasis in my work as an adult executive engaged in economic forecasting, presented me with proof of the systemic fallacy of all efforts at economic forecasting by statistical methods in particular. My success in forecasting what became the suddenly precipitous collapse of the U.S. market-economy at the close of February 1957, was a crucial event in this respect. The stunning success of my later forecast spanning the end-outcome of the 1966-1971 interval's plunge into the great August 1971 collapse of the existing monetarist system, came, thus, to define what was, in effect, the birth of a sweep-

ing improvement in my effective definition of economic forecasting.

I could not have been surprised, nonetheless, by what I have learned, step by step, and more and more, since that first class-room experience on the subject of "Plane Geometry." What had been certainly learned by me, again, and again, and yet again, has been occupied with the subject of official corruption, that as known to me throughout that much of the course of the ninety-plus years of my life, since the period of my secondary education and beyond. The record since that period, thus far, of sly, or not-so-sly, but actually fraudulent evasions at high levels, as also as much at lower, had only been made clearer than ever in times before, as now, by those familiarly sly evasions of all semblance of actual truth, respecting the matter of President Barack Obama's orchestration of the most flagrant of frauds in the matter of the cover-up by the President and his accomplices uttered respecting the new "9-11" of Benghazi on September 11, 2012.

This result has had deepening consequences for the most significant of recent historical develop-

ments, notably since that new "9-11," to this present time, as from the close of 1971, and earlier, to the present moment. Now, matters have touched upon what might be termed as "the present time." Nonetheless, all such taken into account, it must be said, given the actual circumstances of this matter, that "a lie is a lie which is, itself, a lie," as in this case presently at hand.

It is now way past time to make some still, presently, extremely important facts, clear, at last. On that account, there are several points which must now be presented for the present moments. Some relevant officials, such as Secretary Hillary Clinton, might be screaming their virtual cry of "Forget them; Let me out of here, alive!" Others are therefore left behind, as some others among us are, to defend the truth against the frauds now momentarily (at least) bequeathed to us.

There are crimes against the truth "left out," which

speak, in the end, with a voice which can not be stilled, except at the price of the greatest imaginable risk, even personal risks, even those risks which are to be also presented to the culpable prevaricators.

I. The Search for a Truth

The customary body of belief associated with ostensibly educated opinion on the merely asserted subject of a scientific account of history, is now ripe to be discarded. That point came up clearly, and was also forcefully demonstrated in the course of the discussions of our Policy Committee, this Monday just past. The

What if sense-perception, as commonly defined, produces a crude and distorted sort of product of what is commonly accepted as the alleged elementarity of the emotional experience of sensing?

members of the Policy Committee followed my argued point, which I had detailed in what had been the most recently published item (until this present report), uttered a short time ago. I had named it under its present title: “The Principle Involved.”

My rush to produce this new, additional report on the same matter, now, has been presently required, for the reason, specifically, to correct what had been the widespread, taught illusion, the illusion which works to the present effect of what passes among all too many, for a claimed knowledge of principle. That is to say, in other words, that for such folk as those, that which many among them call “the truth,” actually echoes a fraud, on the particular, commonplace fraud which is the presumed notion of the perjured evidence of an alleged report of what had been merely asserted sense-perception. Actually, the claims made in support for such admittedly commonplace academic illusions as those, hang upon presumptions which have been entirely discarded by the greatest of all truly great scientific minds, for example, as those since, specifically, the publication of the **De Docta Ignorantia** of Cardinal Nicholas of Cusa.

For those familiar with both the extraordinary genius of Cusa, and also Cusa’s most famous contribu-

tion to the foundations of a competent notion of modern physical science, that by Johannes Kepler: The central pivot of that crucially added process of the specific discovery by Kepler, had been a continuation of a larger range for the great discovery of a principle which was a realization of the principle of Nicholas of Cusa’s **De Docta Ignorantia** (in particular). This has been a unique achievement, for all true modern science, although it has also been *often misrepresented (on ontological premises)*, by others. Nonetheless, it remains today as Kepler’s central principle of *vicarious hypothesis*, a notion which is a congruent, ontological practice, with the physical-artistic principle of *metaphor*.

The contrary outlook presented by Cusa’s and Kepler’s adversaries, when the subject is presented in my own fashion, there, pertains to an illusion given by Kepler’s opponents, the presumption that mere sense-perception is, ontologically, the alleged reality underlying what is, actually, wrongly presumed to signify a simplistically crude and false notion of a “God-like verity” wrongly attributed to what has been merely a crude, reductionist’s misconception of a physical science. It is not the notion of God which is to be placed in question, but, rather, that which has failed, this far, have been the attempts to define mankind’s practical relationship to the universe in the dubious terms of blind faith in an essential validity of what is, actually, a merely blind faith in an axiomatic authority of “sense-perception.”

That critical view of what is, regrettably, commonplace “wisdom,” therefore, need not risk being argued “too much.” We need not apologize endlessly for other people’s excessive confidence in what have been merely highly popularized misconceptions. Therefore, let us try to proceed directly from the more secure quality of evidence supplied by truly Classical artistic principles. Turn, on this account, to a more reliable, proven evidence, as available from the case of Johann Sebastian Bach. I present that point as now follows here.

The Search for a Real Truth

I introduce the readers’ preparation for a re-examination of a widespread incompetence inherent in a devotion to those varieties of “physical” misconceptions employed in the dubiously explained meaning of what is called “physical science.” Keep in mind that piece of mine which had just been presented under the title of “The Principle Involved.”

I mean, in brief: “Let us consider: What if sense-

perception, as commonly defined, produces a crude and distorted sort of product of what is commonly accepted as the alleged elementarity of the emotional experience of sensing?" The key to locating the intrinsic fallacy of such proclaimed, but increasingly dubious certainties, is to take into account that which is the fraud against that particular kind of selection of evidence. It is, essentially, a selection which excludes, that systemically, as the most important evidence bearing on human belief: the role of those passions which guide many persons' interpretation of sense-perceptual experiences; and is, therefore, a misreading of the proper meaning of the whole of the experience on which we should actually depend.

I mean by all that said here, this far: the entirety of the human experience, is not composed of the merely questionable, so-called "objective facts" of mere "data;" but, rather, that the whole experience, including that of our own passions, and the consequent conclusions with which we must struggle, is such that we might not put aside an evasion of the strongest evidence which must be rightly conceded to be emphasized on that account.

What should I, and you, mean by both "the whole," and "the strongest evidence"? Is that not the passions which have steered the hearing and seeing of the evidence? Then, what sort of trash are we peddling, if we attempt to put across such a fraudulent suggestion, by means of ignoring the true meaning-in-practice of the role of those passions? Are there not the honorably true passions presented in the books of Bach's **Preludes and Fugues**, for example? How dare any among you, then, to exclude the consideration of that part of those passions which steer to what you claim to have been steering to, as your dishonest choice, when what you have chosen is your choice of misrepresentation of your meaning, even those common to yourself?

Simply said, without respect for the usual "spin" of many politicians and their like, such beliefs as I have condemned as that errant form of practice in the pages of my own recent statements, I have condemned because they were actually lies, "lies crafted as pretexts," as lies which are employed for creating a fraudulent mask of your lies, for example, lies which might have sought to be hidden from a justified, even urgent condemnation.

Perhaps, I should suggest a more careful reading



"For now we see through a glass, darkly; but, then, face to face; now, I know in part; but then shall I know even as also I am known" (St. Paul's Letter to the Corinthians). Shown: "St. Paul at His Writing-Desk," Rembrandt van Rijn (1629-30).

(or, re-reading of an English representation) of the Christian Apostle Paul's **I Corinthians** 13, a work which has been a crucial feature of the third song of Johannes Brahms' **Vier Ernste Gesänge**: "For now we see through a glass, darkly; but, then, face to face: now, I know in part; but, then, shall I know even as also I am known." Indeed, it is a commonplace truth, that a most significant part of all communications, has been the still prevalent presumption, that both speaker and hearer were frequently liars by nature, on precisely this account of mere belief in "sense-certainty."

The essential challenge which follows from what I have now argued here, this far, is the evident proof of doubt for a belief in what has been merely a cult of sense-perception as such. The root of that error, should be recognized as the substitution of the belief in objects as such, rather than the process of transformations which our general experience of our Solar system (and beyond) treats as the subject of the inclusive potential of adduced universal transformations, as the primary subject-matter to be examined.

II. Man or Beast?

As I have emphasized this following point, repeatedly, in earlier reports, there is a fundamental, but, still presently, actually little known universal principle which defines, rigorously, the essential distinction of man from beast. Only mankind can experience secured knowledge of the essential distinction of human from beast. There are two aspects of this distinction which must be emphasized the most emphatically. First, that mankind is the only known species capable of foreknowledge of the human species' ability to come to know the future: an essentially willful ability which transcends the power for increase of the power of insight into sense-perception of an actual future development of the quality of our species. Second, the firm evidence to the effect, that mankind is the only known species which can actually change the essential nature of the processes of human existence. The two principles are, from a net social standpoint, essentially one and the same in their specific quality of effect.

Those powers are already well known as to the effects in fact; what is usually lacking, is a consciousness of the specific qualities of that specific pair of plausibly contrasted abilities for effects.

To introduce the discussion of the matter in the relatively simplest manner of illustration: Whereas knowledge of the actual physically efficient principles which are required for man to realize such foreknowledge and apply the actuality of experiencing the future exists, yet the awareness of that knowledge has been known only to a relatively tiny ration of the human population of a nation as a whole: the persons who can actually experience the occurrence of such development, or apparently not.

However, despite such difficulty, mankind has demonstrated, in the past, as in the United States or large portions of western Europe, a conscious ability to experience explicit and efficient insight into the knowledge of what can become developed as a change in the character of the future. Inevitably, that means that the knowledge of the preconditions necessary to actually generate the principles of change specific to the future, has been limited so far, historically, to a relatively rare fraction, even sometimes in populations, a relatively rare, almost non-existent knowledge of an actually realizable experience of a precrafted change in the future. The discovery of an efficient principle leading to a progressive revolution in the human condition, had been well-known in the most progressive of modern human societies; but it is

one thing to know (as the members of a society) that a future change in the social process has occurred, and another to foresee an already predetermined potential capability for a highly valuable such change.

For example, in the course of my career as a professional within the domain of management consulting, or the like, I have made a number of forecasts of economic changes which had been realized within a reasonable range of my forecasts. A number of identified forecasts have been made by me since the first made in 1956 for February-March 1957, and notable, specific cases, later.

This ability exists among some range of comparable cases on this account. This is a known ability of some members of society. My own recognition, as during my first relevant experience with the referenced opening day of the class in "Plane Geometry," made me aware of this factor of experiencing a principle of knowledge of the relative future, that of the kind which led to similar experiences later, and, eventually my adult experience of this ability for forecasting, as during the 1960s and 1970s. However, there are apparently few known types of cases, which are clearly known as well-definable such cases of the "more gifted" sections of the populations.

It has come to be my conclusion on that account, that a destructive tendency in rearing and environment of children and pre-adolescent students, tends to "repress" and even "kill off" the potential among the relatively younger generations. It is also evident, that the desired potential has been increasingly rare, as I had observed such trends as increasing among young Americans since about 1966-67. Observation strongly suggests a correlation between the assassination of President John F. Kennedy and his brother Robert, and an accelerating rate of decadence under successive adolescent and young-adult generations of the late 1960s and beyond.

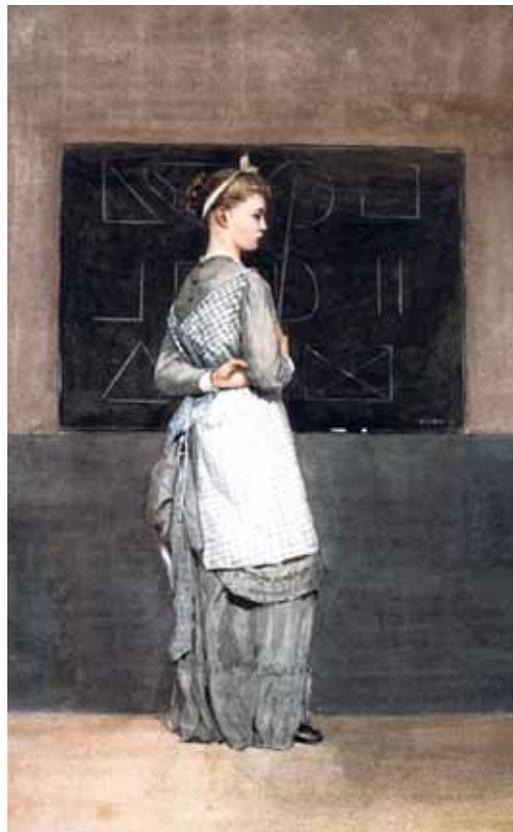
The conclusion which such an intellectual-moral experience of the trend of decline, even increase of potential insanity or quasi-insanity among subjects over the course of the 1966-2013 interval implies, is cause for an embittered view of the moral degeneration of successive generations since about the time of the Kennedy assassination. There has been evidence of a trend of decline since the approaching retirement ages from among the World War II generation, but what I have observed, has been essentially notable since the coming into adulthood within the generation which came to

maturity as the so-called “68ers.” Or, said in other terms, later than “the NASA generation.” My relevant observations on this account, are within a current age-group of relatively proud, rather well-educated, and still better-educated U.S.A. young adults between the ages of about twenty-five to thirty years. The worst intellectual performance, respecting creative abilities, is, probably inevitably, among the so-called “greenies.”

That experience of mine, in particular, shows a trend of general development defined by the accelerating intellectual degeneracy, even near outright insanity, or increased rates of similar other factors among the so-called “environmentalists.” What remains under consideration are the causal factors of adaptation, or else inherent factors of the cases exhibiting such retrograde behavior. The question is: which factor is actually predominant, the adaptive mode, or something inherent (e.g., some embedded degree of actual proneness to manifest insanity)?

The Crucial Option

“Chicken or egg?” Does a mental sickness cause the quality of moral-intellectual collapse, or does society create that sickness? Clearly, when all is considered, it is society which is the stronger factor expressed as the pattern which I have just identified; it is society which creates its own monsters. It is not society as such which creates the monsters; it is history, as in the case of the history of our United States, which is the source of the reigning economic and related “forces” which generate the potential for shifts in one, or the other direction of evolution of the society as a whole. One crucial fact of relevance is the effect of the mass-insanity of the French Revolution’s direction from the then recently new-born British empire, centered on the role of Lord Shelburne



“It has come to be my conclusion . . . that a destructive tendency in rearing and environment of children and pre-adolescent students, tends to ‘repress’ and even ‘kill off’ the potential among the relatively younger generations.” Shown: “Blackboard,” Winslow Homer (1877). The teacher looks as bored as her students undoubtedly are.

in the shaping of the rise of the British Empire, which guided the British empire’s shaping of the roles of Presidents John Adams and Thomas Jefferson in steering the way to the wrecking of the policies of the George Washington Administration, and which laid the basis for the role of the traitor Aaron Burr in creating and steering the Presidency of Andrew Jackson and his successor, Martin Van Buren, in turning over the control to the New York-centered British banking interests under the trend of control over the pre-Abraham Lincoln Presidency.

Since the defeat of the British-controlled emergence of the Confederacy which was associated with the traitor Aaron Burr and his British financier successors operating within the vicinity of New York City, the same evil British influence had repeatedly regained control of the fate of the U.S. economy and its politics. The same British influence has reigned explicitly under the George H.W. Bush family and that empire’s Barack

Obama. We had lost control of our national sovereignty under President Harry S Truman, regained that sovereignty to a large degree under Presidents Dwight Eisenhower and John F. Kennedy, and had lost it during the 1970s, and lost it again under George H.W. Bush, and lost it almost utterly under the British puppets, Presidents George W. Bush, Jr. and Barack Obama.

The recurrence of lost sovereignty under such British-controlled American Presidents, has brought us now to the brink of a terminal state of our nation’s affairs, a state of virtual treason put above our Constitution in rank. The price of that sin of consent would probably mean the earliest extinction of our nation.

The consequent, crucial issue, is that of regaining our nearly lost sovereignty. Treason or stupidity? We have now reached the point that there is no longer much difference. I choose to remain a patriot.

An End to Reductionism

by Lyndon H. LaRouche, Jr.

January 25, 2013

What is the actually crucial distinction of the mere human brain, the distinction supplied from that of the actually noëtic powers of the human mind? In practice, it is expressed as the potential ability of the living human mind, that to experience an actually forecastable, and also powerful, future option for mankind. There exists a precise distinction.

So, it happened that, during the years of an opening day for beginning a secondary school course in what was named “Plane Geometry,” I had briefly proffered what I already knew, from experimental experience, to be the true essential principle of a physical geometry. I stated the relevant principle as I had already come to know it from my previous fascination with the observation of that high-rise construction which I had observed in progress at the Boston Navy Yard.

However, following my remarks, from the same day’s teaching by the geometry class on that subject, I had known, promptly, that what I had presented briefly, was not what was coming to be taught in that course, even if the teacher were a very well-meaning, dear friend of my mother. In fact, I was right in what I had said, but that other view which the class was prepared to believe, was in error. The text and the class was right insofar as it were merely in accord with what was taught there as “Plane Geometry;” whereas I was right in rejecting Euclidean geometry, then, and, in fact, forever, now as then.

Thenceforth, for me, from that day onward, the opinion of that class, and of much of what I have experienced in similar settings, were much better rejected, a view which I had continued during the remainder of my life to date this far. I know, more and more, even forever, that I had been correct, and that the conventional so-called original teaching of geometry remained wrong. It remained so, in fact, up to the present date, and, one can be certain, in matter of fact, ever after. The greater

benefit on that account, has, finally, been my own, through to the present date. I was right, and they and their like, are, for the most cases, apparently still wrong.

Indeed, the clue to the solution of what some might still consider the point of that case, is the fact that all of my opponents on that issue, were then, and as others have been, are still wrong: that fault of theirs would “happen” because they had trusted what they had been preconditioned to believe, which was what they had been taught, and they would probably have remained still wrong to the very end. They, I must say, were somewhat like “customary slaves,” who did not wish to actually know the meaning of the fact, that what they had been taught to firmly believe as whatever passed for their own trusting opinion, was merely what they had been taught to believe: as what their masters had taught them to believe in whatever opinions they had been successfully conditioned to submit to.

That sets forth exactly what remains the greatest danger to the continued existence of our own United States, for example, still to the present time. I have often wished that they could have freed themselves from what were merely conditioned beliefs. Perhaps, a later generation might do better.

That much said thus far, there are much deeper, and more urgent subject-matters which must be presented, and also understood at this present time. Such topics are my subject in this report.

I. The Subject of the Human Mind

The issue, thus identified in essentials, is, actually, the following.

There are two principled qualities of natural distinctions of mankind from inferior species.

The less reliable distinction, is that represented by belief in what one has already experienced as taught opinion; the other, urgently needed choice, is foreknowledge of what one is about to experience, as in contrast to what had been merely believed up to the present time.

True human knowledge, as distinct from that of those such as the customary beasts, is found out, uniquely, with what is truly a uniquely human ability for foreseeing of the future. That latter, future source of such a current knowledge of a truth, is to be found as lodged within the ability to forecast important aspects of mankind’s actual future. That choice means,

for example, products of the domain of the efficient forms of Classical artistic composition, the domain of what is to be learned explicitly from the experience of the future.

That distinction is, in fact, a fruit of persisting experience of practice of a rare, but nonetheless true foreknowledge, a quality of preconscious insight into the future. By knowledge of the future as expressed in the greatest original artistic compositions in the form of works of poetry, or of only truly Classical expressions of music, drama, visual arts generally, and, above all else, what both science and history combine to present for the potential human advantage: it can not permit a mere repetition of experiences from the past as such: it must be the actual future.

For example, take the cases of such as Nicholas of Cusa, and of the greatest scientific minds among his followers, including Johannes Kepler most notably, or a Gottfried Leibniz, or among presently relatively rare, most-accomplished Nineteenth-century Classical scientific minds, including such as Bernhard Riemann, and such pre-World War I geniuses as Max Planck, and Albert Einstein. As for the substance of physical principles, so it is for all true principles of the human mind, as for all great Classical artistic composition: that it is the human genius, alone, which inhabits the shaping of the future progress in the development of the human mind. Such, and that alone, never deduction, is the true distinction of a truly human foresight from that of what is otherwise the mere sensing which occurs among the beasts. The distinction lies exactly beyond mere sensing as such.

However, it is also true, that among some human individuals, there are those who are sometimes consistently human in their quality, but many others, who often behave under the influences of “practical” motivations like those among beasts.

Hopefully, in some more widespread, hopefully early development of our actual future, our people will be given over more frequently, more generally, to a more consistent influence of the nobler, truly human qualities, which will appear as a thoroughly distinct devotion to mankind’s willful and true future benefit.

If most among us were to continue to evade that obligation, the powers for evil which have become insistently more threatening during recent decades, now threaten a self-inflicted destruction of our human species. It is the power for the practice of an otherwise traditional destructiveness built into much of our popula-

tions’ current disposition, which now does, presently threaten the immediate self-destruction of our human species.

For example, as in the case of the British empire, the award of access to much greater destructive powers, is the only essential difference, now, between those general effects of depraved beasts bringing extinction upon themselves, and the merely self-adopted authorities of such an agency as the British empire of today.

Only a superior rule of foresight into principles of truly Classical composition, principles which are committed primarily to the secured future of mankind, such as that attributable to the commitments of exemplars such as Riemann, Planck, and Einstein, could now assure the survival of our human species. There are many good people, but if goodness is without command of the powers to create the physical means of humanity’s continued existence, even the sweetest of temperaments could not defend humanity as such.

II. The Actual Power of Reason

The notion of what might be identified as actually human reason, confronts us with two distinct kinds of leading options. The one is that of what may be fairly classified as intrinsically non-human options, those of the so-called “beasts,” in particular. The contrasting state, in respect of matters of universal principles otherwise, is that of the human species. Only the human species has shown the willful ability of any species to increase its willful powers in and over the realm of existences within mankind’s reach.

That distinction of the unique right of the human species, alone, is expressed by the tendency of mankind to increase its own species’ power to increase its efficient quality of its promotion of increase of energy-flux density, and that done as a willful characteristic of its species. This quality of mankind, as distinct from that of all other known species, presents the unique essence of the very existence of our own species.

We, the human species, has the inherent right to defend itself by any required means necessary to defend mankind from any intrusion on mankind’s unique right to defend its position against threats presented against it. The right of unbounded expansion of the power of the human species must be recognized as a natural law inherent in the unique nature of our human species.

Fighting the Politics of Empire: America's Tradition

Last week, we began our coverage of the Schiller Institute's Jan. 26 conference in New York City, on the theme "A New Paradigm To Save Mankind," with the keynote speech by Helga Zepp-LaRouche. We continue in this issue with three presentations on the ideology of British imperialism, American patriots' historical fight against it, and the struggle today to reverse the crisis and prevent a new dark age.

The speakers are constitutional lawyer Bruce Fein, historian Cliff Kiracofe, and filmmaker Sean Stone.

The conference, attended by about 300 people, continues a process of international dialogue begun in Germany in November 2012, where leaders from many countries put forward proposals for economic development that would provide the basis for lasting peace and cooperation. The dialogue is taking up the axioms underlying the current world financial crisis and the danger of global war, and the necessary shift in the conception of man required to launch a new renaissance.

Audio files for all speeches and musical performances at the conference are currently posted at the [Schiller Institute](#) website, and videos will be posted there as they become available. The Institute's multilingual [website](#) also provides ongoing coverage of this and other Schiller Institute conferences on both sides of the Atlantic.

Bruce Fein

What Is Mankind As a Species?

Bruce Fein is a constitutional lawyer and civil libertarian who served as an associate deputy attorney general under President Ronald Reagan (1981-82). He drafted an article of impeachment against President Obama, which appeared in [EIR](#), March 23, 2012. The following is the transcript of his speech to the Jan. 26 Schiller Institute conference in New York City.

Thank you for attending this important session. As Henry V said before Agincourt: "We few, we happy few, we band of brothers."

Now our task, I think, is more challenging than the one that confronted Henry V, but before we get into the details, I want to warn the audience that all of the effusions that hosts make toward speakers are not made under oath. So, you need to put that calculation in.

The issue that we have, it seems to me, to address first, is what is mankind? What distinguishes the human species from other animal species? And of course, the

issue is obvious for anyone who has devoted even 10 seconds to watching Snooki or Honey Boo Boo, because that is at the Cro-Magnon stage of Darwinian reverse evolution, or something of that sort.

My definition of mankind, that distinguishes the species from any other, is the thrill of the search for truth, without ulterior motives. And I repeat that: It's the search for truth without ulterior motives. And truth here is not like searching for Newton's laws of motion, but truth in determining what, between ashes to ashes, and dust to dust, is virtue? What makes life worth living? What gives it dignity? What we could call tolerance, acknowledgement, and honoring due process, restraining our ambition to dominate others, to satisfy our appetites, as opposed to living an adult existence, where virtue and knowledge and restraint are the *summum bonum* of life. Not wealth, sex, money, domination, and power—creature comforts.

So that, in my sense, is the critical question that confronts mankind. It's have we forfeited a characterization of being men and women, as opposed to a subhuman species that craves the thrills of killing other members of the species or animals, that devotes most of their time to envying those like Lady Gaga, or Mike Tyson, and other wretches that are icons in the popular culture?

Remember, this is not a new question. Mark Twain wrote, over a century ago: The main difference between a dog and a man is that if you rescue a dog and feed it, it does not bite your hand.¹

And moreover, I think it's misplaced to think that the challenge of maintaining mankind's human element, as opposed to permitting it to surrender to the appetites, is at all novel to this generation. I take you back to Ecclesiastes: "What has been, will be again; what has been done, will be done again; there is nothing new under the Sun."

I think all of our investigations alert us to the fact that the DNA in the species has remained unaltered



EIRNS/Stuart Lewis

Bruce Fein

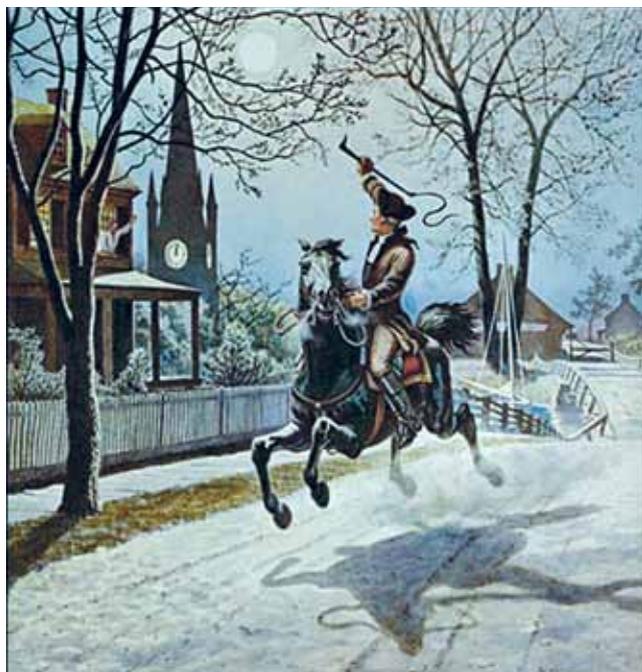
from the beginning of time. It knows no geographic boundaries, it knows no religious boundaries, it knows no gender boundaries, or gender-orientation boundaries. And so, this quest that, in my judgment, is the essence of life, to subordinate the appetites to the higher virtues of wisdom, knowledge, and restraint, has confronted every generation from the beginning.

Socrates and the American Revolution

Now, in terms of full disclosure, I think that I'll give you an alert to my background. I was born in Cambridge, Massachusetts, and my first

acquaintance with the outside world was with Lexington and Concord, Old North Bridge, Paul Revere's ride, William Longfellow's "Listen, my children, and you shall hear/ Of the midnight ride of Paul Revere./ On the eighteenth of April in '75;/ Hardly a man is now alive/ Who remembers that famous day and year."

I've never played or wanted to examine a video game. I've never smoked marijuana, taken wine. I get a thrill out of reading Ralph Waldo Emerson's "Concord Bridge": "By the rude bridge that arched the flood,/"



Paul Revere's midnight ride: "Hardly a man is now alive who remembers that famous day and year."

1. From "Pudd'nhead Wilson's Calendar," in Mark Twain's novel *Pudd'nhead Wilson*: "If you pick up a starving dog and make him prosperous, he will not bite you. This is the principal difference between a dog and a man"—ed.

Their flag to April's breeze unfurled,/ Here once the embattled farmers stood,/ And fired the shot heard round the world."

That gives me a thrill. And the guiding force in my life, and what I suggest is the answer to whether we can save mankind, was really reading at a very early age "The Trial of Socrates," where he subordinated life itself to defending the idea of a free mind, searching for truth: What is virtue, what is moral, and what is not?—by taking the hemlock, as opposed to confessing and yielding that defense of freedom. *That* is what, to my mind, is thrill. *That* is the high-water mark of life.

As opposed to, today you walk around Washington, D.C.—it's not unique to the Capital of the United States—who are the people that are celebrated and honored on the statues in Lafayette Park, across from where President Obama sits in the White House? Lawyers, right? And people who have achieved fame by killing other people. You won't find Rodin's "The Thinker" any place displayed in the corridors of powers in Washington, D.C. If we read back to the Greek-Trojan war, what were they fighting over? Not morality—they're fighting over a woman, Helen of Troy. That's what drove the conflict.

And the persons who are celebrated, and the heroes, even in the Iliad and the Odyssey—Hector, Odysseus, Agamemnon—these are warriors. Achilles. These are warriors. Nestor is sort of in the background. The thinker is not given respect, is not given honor amongst all these other heroic figures who are on pedestals.

And that, in my judgment, is the greatest danger to mankind. Because if a species is thrilled by dominating and killing others, it does not have a long shelf-life. And this problem has existed from the moment mankind began to traipse around the world. You can read the Old Testament, the New Testament. I've read 20,000 books—every political history since the beginning of time—and the narrative always is the same: You have a culture, because of the DNA, that instinctively is thrilled, the kind of chemistry, the kind of excitement, that we are hard-wired for, is the excitement that comes out of domination, control. Go to the Moon, climb the



U.S. National Archives

The first battle of the American Revolution, at Lexington, Massachusetts, April 19, 1775.

mountains, kill somebody, dominate others. We have to be *big*. We have to look at the whole world. We can't let anything happen without our ability to control or manipulate it.

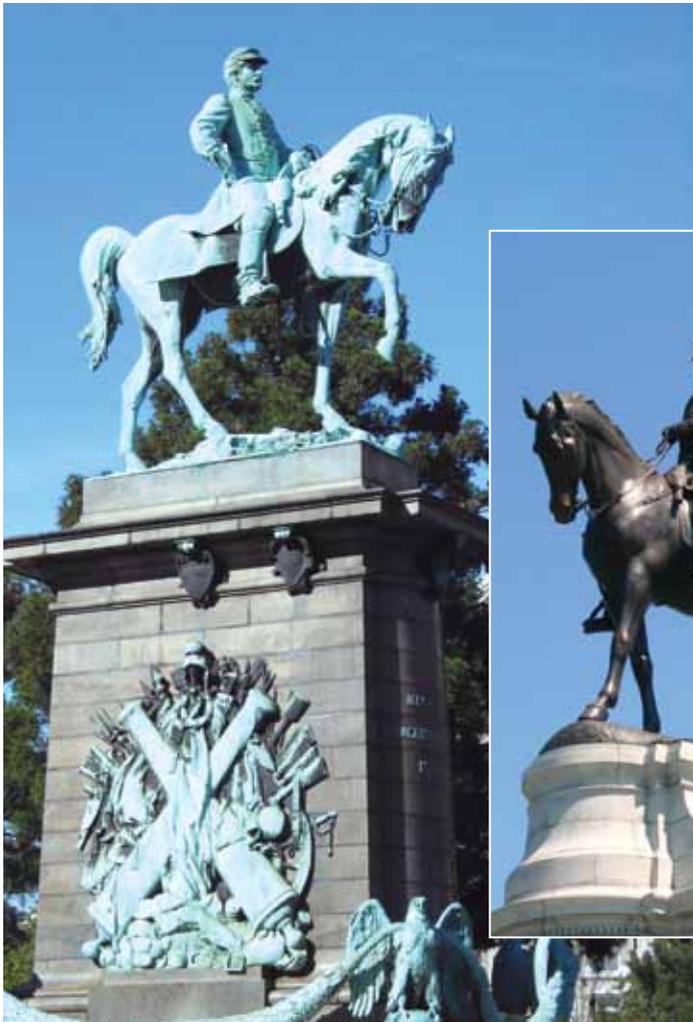
And that example occurs more prominently in countries that have empire status, the ability, because of military power, to intervene elsewhere, with relative impunity. It's less pronounced in places that are tiny, and don't have the ability to coerce and dominate others. And that's why it was at the outset of the United States, when we were a small country, 13 states—we didn't have a huge military, maybe six frigates; the British had 845, sailing all around the world, and fighting wars everywhere, like we are today; the Boer War, the three Afghan wars, the wars in Burma and elsewhere—where we displayed, in my judgment, a proper humility.

The fighting creed was one addressed by John Quincy Adams, sixth President, but then Secretary of State, in 1821, in his [address](#) to Congress: We "do not go abroad in search of monsters to destroy." The glory of a republic is liberty. The glory of an empire is domination and control.

And he said, we could become, if we wished, the dictatress of the world, but our policy then would migrate from a policy of freedom, to a policy of domination and conflict. And he thought that would be the *end* of the American experiment. Whereas we could be different than other nations, through separation of powers.

Due Process—Out the Window

And today, that idea, of course, has been lost. Even the killing of Osama bin Laden—you have foolish



We don't put philosophers on pedestals in the United States, but "people who achieved fame by killing other people." Shown are a statue in Washington, D.C. of sometime Union Gen. George B. McClellan (above), who sabotaged the Union war effort, prolonging the war; Confederate Gen. Robert E. Lee in Richmond, Va. (inset).

cheers, like we'd won a football game at the Superbowl or something. Not that Osama bin Laden is someone who should be emulated, but it's a tragedy, not a source of celebration, that a man could turn into such an evil creature.

And also with the failure to even ask the question, have *we* done anything that has provoked this kind of terrible, horrible, repugnant response? Maybe *we* are provoking other people to react, because we have troops in 180 countries, 200,000 troops stationed abroad, and we intervene wherever we wish. We promulgate the doctrine that might makes right. Therefore, if we wish to use a predator drone to target anyone for assassina-

tion, and even our own citizens, we can do it in secret; we can do it without accountability; we can play judge, jury, prosecutor, executioner, and that satisfies due process.

In *our* eyes it may, or in the White House, but nowhere else in the world, is that viewed as a satisfaction of due process of law.

And why does that matter? Why do our floutings of due process of law, so insouciantly, create a threat to mankind?

In the history of civilization, due process has been the most important single idea dominating everything else, including Newton's laws of motion, the force of gravity, the Heisenberg uncertainty principle—all the physical understandings of the universe. Because due process is the first time that the human species has recognized: *I* could be wrong. I need to listen to the other side. That's what due process is about. Events are multi-dimensional,

not uni-dimensional. Other people may see them differently. We need an impartial decision-maker to decide how to resolve competing ambitions and tensions. We can't trust ourselves with a conflict of interest.

That humility—I could be wrong. The most important idea in the history of mankind, because it is the fanaticism that believes the world is all prime colors, there's no *chiaroscuro*, no grayness—that's what leads to combat, and fighting. People simply believe that they have ultimately discovered the truth, and anyone who disagrees then, is the enemy. Instead of thinking, no, in mankind, we're all in it together.

Remember John Donne: "send not to know/ For whom the bell tolls,/ It tolls for thee." We are all part of mankind, and we want *everyone* to be a winner. We don't want to divide up the world into geographic boundaries, into sects and sexes, and wish that some are subordinated, and some are superior: we want *everyone* to win. *Everyone* to have a fair chance in life. *Everyone* to enjoy justice and due process of law. We

don't gloat. We don't taunt people because they've fallen down, or they were born into circumstances that are less advantaged than our own.

And this idea among the species, that we're all tribes—and it's like I say, the metaphors that are used, the metaphors of a game, a football game in the United States, the blue team and the red team; the quarterback or the line backer. Is this for kids playing in a sandbox, and deciding whose castle gets to survive the other? That's infantile, juvenile thinking, that the species should grow out of it at about age 12, just before the teen age. And now, people aged 50, 60, 70, still revel in this idea that politics and life is like a game.

No, it isn't. It's higher, if it's to have any more meaning than simply survival for the sake of survival.

Are We Still Mankind?

And so, when we ask, what is needed to save mankind, it's not a question of whether or not the species can survive in the sense that we have respiratory functions. It's not extinct in the sense that the dinosaurs became extinct. We still have the species that looks like human beings; but if it doesn't move and be motivated by the adult virtues of knowledge, wisdom, and restraint, it isn't mankind anymore. The name may remain the same, but the substance has been removed of all meaning.

And, I think that, as we examine our own lives, the destiny of the species, the destiny of the country, it's wrong to believe that there's some kind of end point, there's some kind of problem, there's some kind of single silver bullet that will solve the miseries, the deficiencies, infirmities, ailments, pathologies, of mankind.

Because it's my judgment that the entire exercise is one where *process* is more important, the process is the result. It's the way in which we look at life itself. How we treat other people. With dignity, thoughtfulness, standing up for our principles, disagreeing but not being disagreeable, treasuring due process, having certain things that we will fight and die for, including self-defense, if they go against fundamental principles. But largely recognizing we could be wrong.

Our way of life may not be quite as agreeable to others as it is to ourselves. We permit other people then to go their separate ways. The spirit of charity, forgiveness, self-criticism, restraint—we could be wrong. Not the kind of arrogance and sanctimony that

we see every day in the United States, more prominently than elsewhere, because we can get away with it, without feedback, or the deterrence that other countries that are smaller could not.

And it's that process of life which is the heart and soul of mankind.

Do you remember the famous words of Hamlet, Shakespeare? "What is a man/ If his chief good and market of his time/ Be but to sleep and feed?/ A beast, no more./ Sure, he that made us with such large discourse,/ Looking before and after, gave us not/ That capability and godlike reason/ To fust in us unused." And that's perhaps Shakespeare's most famous play. And he's asking there: What *is* the purpose of our time on Earth, before we go to our afterlife?

And that, it seems to me, is what mankind is all about.

Well, how then do we at least ameliorate what we can see in our daily lives, all the huge subtractions, what are called the sub-optimal lives, that the masses exist, and live, and thrive, and thrill in? You know, Thoreau wrote in *Walden*, the masses of people live lives of quiet desperation. I'm not sure they're lives of quiet desperation, but I do think you all, in this audience, and we at the podium here, have an obligation as leaders, to try to encourage and inculcate in those, the large majority who are, I think, by nature, inclined more to follow their appetites than be thrilled by Socrates taking the hemlock to defend freedom of the mind; by leadership and example, and living lives that are irreproachable, to extract or excite the better angels of their nature, so that they can join and raise this country to its republican status, that it enjoyed at the outset, despite its many deficiencies.

No More Acephalous Leaders

And here I want to examine one, in my view, of the paradoxes, if you will, of certainly the United States, and some other countries, that now I describe as acephalous—leaderless. Non-leader leaders.

And that is, as I examine the audience today, in some respects, it represents a triumph of the idea of equality, far superior to that that existed in 1776, when the shot fired was heard round the world. Because people of different color are here, people of both genders are here—that wasn't true in 1776. If we held a meeting like this, it would all be white male, probably Anglo-Saxon Protestants, in the room. Others would be in some kind of subjugated status.

And the idea of equality under the law has made enormous strides, from centuries ago. It made enormous strides despite the fact that at the outset of the quest, it looked as daunting as someone standing at the foot of Mount Everest, and saying, “My Gosh, it’s a long way up. Will I ever get there?”

Boston, near Cambridge, Massachusetts, was the place where William Lloyd Garrison, in 1831, began his *Liberator* magazine. Mr. Garrison was called an abolitionist—that was called an extremist position then, because all of the economic forces and the political forces were in favor of slavery; at least certainly in the South, it wasn’t going to be eliminated. He maligned slavery as a covenant with Hell. And initially, he was tarred and feathered, and driven out of Boston; but he persisted. And I don’t need to recite every step along the way, but the last publication of the *Liberator* was in 1865, when the 13th Amendment, which you may be acquainted with if you watched the movie “Lincoln,” was ratified, and eliminated slavery.

But I can tell you that, when he began, he was ridiculed as a hopeless dreamer. “You’ll *never* get there, Mr. Garrison.”

And for you women in the audience, you may recall 1848, Seneca Falls. Elizabeth Cady Stanton, Susan B. Anthony, and others: We really need to get the vote. Which was something that Abigail Adams had urged on John early on, when the Declaration of Independence was under consideration, but it was with futility at the time. And it was almost 70 years before the 19th Amendment was ratified, and enfranchised women. Along the way, Susan B. Anthony was arrested for the audacious crime of seeking to vote. My, what a challenge that was to orthodoxy.

And similarly, the initial quest to end religious persecutions began when it looked totally and completely futile. And many lost their lives at the stake, Bruno



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Our metaphors are all about football! “Is this for kids playing in a sandbox, and deciding whose castle gets to survive the other? That’s infantile, juvenile thinking!”

being one, but only one, of those who perished in the quest for religious toleration.

So, we cannot be daunted by what is obvious to all of us who have not been sleeping like Ichabod Crane, that we confront a crisis, like all generations, as to vindicating our identity as human beings, not as animals and savages, who find thrills in satisfying and gratifying our appetites, in an instinctive quest for domination and control and creature comforts.

So, what does that mean? It seems to me, we have to get away, in the United States, from this idea of the superfluity of leaders, in order to lead mankind away from the precipice of destruction. We don’t have a long shelf-life if we don’t change. Because the ability to destroy ourselves is much more potent today than it was at the outset, when slaughters were limited, simply by the primitive nature of the weapons. Whereas today, a crazed, fanatical political system that keeps people at the top who crave domination, can destroy the whole world very quickly.

We in the United States have this paradox. As these commendable things occurred, in the destroying of those elements or vestiges of a caste, that kept women, certain religious, ethnic, racial groups, in subjugation—we now have a much more equal society, under the law, than ever before.

We have also developed what I call a culture of the lowest common denominator. It was thoroughly expectable. Because ideas and talent generally are rallied to those places that are the source of economic wealth and political power. And then, in order to obtain wealth and political power today, it's generally viewed as very prescient to appeal to the lowest common denominator. And without wanting to sound elitist, which is viewed as something like a curse-word today, like the n-word—even though Thomas Jefferson, centuries ago, could speak of an aristocracy of merit, and not be laughed at—if you use the word aristocracy today, ugh, gosh! This is somebody who wants to take us back to pre-Biblical times!

The Majority Is Usually Wrong

But the fact is, and it's a truth that can be extrapolated from observing all political societies for 4,000 years, that there are only a relative few outside the bell-shaped curve, who have that talent of leadership, to appeal to the better angels of our nature. But today, because we have such an egalitarian culture, there's an implicit, if not even a subconscious belief that, well, wisdom and correctness will emerge by spontaneous combustion from the majority—like the majority can vote what the speed of light is, or the majority could vote on Newtonian physics.

But that's simply wrong. Simply because the majority believes in something, or insists on something, that probably is a good earmark that it's *wrong*. At the one time, the majority believed in witches, the Salem witch trials. For centuries, the majority believed in the geocentric theory of the universe, and Galileo went to house arrest because he had the audacity to suggest that was wrong. But today, the majoritarian culture brings to the fore people who appeal and seek to gratify the idea, “Well, I'm a hockey mom,” “I'm Joe the Plumber,” “I'm just like you, so you should elect me to office. I don't really need to know anything. In fact, it's dangerous to know anything.” Ask Rick Perry—you should get D students, that's what we really want. Or Sarah Palin—we don't need newspapers. Thinking is bad! Only elitists think.

Socrates wouldn't have had a second before Mr. Perry and Sarah Palin!

They're unfortunately just the tip of the iceberg. It's something that pervades our entire political culture. We need to get a people who will respect and honor leadership for what it is. People who actually

would vote for George Washington, or would vote for Socrates, to be the leader, and recognize that they need tutelage. Not because they're less equal under the law, but again, because of the bell-shaped curve. Most people are not equipped to be leaders, who inspire others to follow their highest principles, to get a thrill out of the search for knowledge, truth, without ulterior motives. That's not something that's hard-wired into our system.

And if you survey the world today—and I suggest it's been true from the outset, and calculate what I call a Human Misery Index: oppression, privations, and otherwise—the vast majority of the Human Misery Index is composed of human beings slaughtering, oppressing, killing, subjugating, intimidating other human beings. A tiny, tiny percentage is caused by tsunamis, asteroids, hurricanes; and though we don't want to rule them out completely, they're tiny.

And that's what we need to change, if we're to rescue mankind. And I say, it's not like there will be an end point where we'll say, “Aha, we've achieved the promised land,” and let's hope we don't have to wait 40 years like Moses. But it is the process, the knowledge, and struggle. Yes, we may fail in our lifetimes, but that's the only kind of life that's worth living. That's how I want to live, because of what it says about us as a people, and we as individuals, about what we will be remembered for.

And I want to close by making a reference to Thucydides' speech upon Pericles' death. He was exhorting people not to crave the highest and best sepulchre, some Napoleonic mausoleum, some Lenin-like mausoleum that will sit in Red Square forever. He says the sepulchre we all ought to crave, is to live in the lives and hearts forever, of those living, and those yet to be born.

And that's what is needed in order save mankind. *That* thrill of what life is about, needs to be inculcated in the children, in the teenagers, in the adults. And if that is done, in my judgment, all the ills of mankind will soon fade.

And even with regard to poverty, what Seneca said, a man who covets more wealth, even if he's Mike Bloomberg, is very poor. A man who's satisfied with meager possessions, is very rich. That's what King Lear discovered, when he lost his kingdom and castle to Goneril and Regan, and discovered Cordelia. He became rich, even as he lost all his possessions.

Thank you.

Empire or Republic? The American Foreign Policy of John Quincy Adams

Professor Kiracofe teaches history at the Virginia Military Institute and political science at Washington and Lee University; he served as a senior professional staff member, 1987-92, of the Senate Foreign Relations Committee. Here is an edited transcript of his remarks to the Jan. 26 Schiller Institute Conference in New York City.

I extend my thanks to the members of the Schiller Institute, to Helga, and to Lyn, for being such an inspiration over all these years. . . .

My assigned task today was to talk about American history, and a little about John Quincy Adams [1767-1848], and to put some of our present foreign policy into historical context, so we can compare and contrast.

First, I was really interested in the points that Helga was making in the first panel about a “paradigm shift.” And one of the things that occurred to me as I listened to her was this idea: “Paradigm shift”: Well, let’s recover some of our values. And Bruce Fein was very inspirational in that too, in his awesome remarks (see above). *Recovering some of our values*, so that we can go forward creatively.

And when we’re going forward creatively, I also agree that we also have to change the world. And from my international relations point of view, foreign policy-diplomatic point of view, I’m interested in the international system, and in transforming it. I don’t like the system we have now. So we want to transform the international system. That’s what we need to do.

Part I: An American Perspective

Before I go into some historical background, I want to make three main points:

1. John Quincy Adams believed in a foreign policy of peace through diplomacy and international law, and he believed in a policy of development, economic and social development, through international *cooperation* and commerce. And commerce in a big sense: interchange of goods and services, ideas, and cultural interaction. A bigger definition of commerce than we might normally make, like trade.
2. John Quincy Adams opposed intervention into the internal affairs of sovereign states. As it was pointed out in the first panel, he wasn’t interested in going forth and seeking monsters to destroy—intervening in the affairs of sovereign states abroad.
3. John Quincy Adams op-

posed imperialism.

Those are the three things I think are most typical of John Quincy Adams’ legacy, in terms of key principles, key values, which should be incorporated into American foreign policy today.

Now, I’m going to sketch out a traditional American understanding of our foreign policy and ourselves within the world. Then I’ll talk a little bit about John Quincy Adams, himself, his background. And then, thirdly, I’ll wrap up and bring the historical context all the way up to fairly recent times.

So, a traditional American perspective on our nation’s history would highlight the goals of sovereign in-



Dr. Cliff Kiracofe

EIRNS/Stuart Lewis

dependence, social and economic well-being, and also the dangers of encirclement, civil war, and division. In this regard, allow me to make four points:

1. Our Colonial period, from 1609 to 1776, demonstrated that we were not at all “isolated” from world politics. Never have been. In fact, it was a challenge to maintain our security given that we in our small colonies hugging the Atlantic Ocean were encircled by formidable imperial powers: France and Britain to our north, and Spain (and later France) to our west and south. European politics, diplomacy, and war had a direct impact on our security and well-being. We have never been *isolated* from world politics. So I want us to dispense with any notions of being isolated. We want to *engage* the world in a constructive and positive way. We want to *transform* the international system.

2. The Seven Years War, from 1756 to 1763, in which the British Empire nullified French power to our north, resulted in our increasing vulnerability to British imperial power by eliminating our potential French ally in Canada. Thus the road was cleared for an ever-increasing imperial restriction of our rights, and for the limitation of our economic and geographic potential by the imperial power, Britain. This was, of course, the cause of our American Revolution, or part of the cause.

3. American success in the War of 1812—again, the British Empire was trying to stifle us through military means—put a check on British designs to reverse the results of our American Revolution. As a consequence, we were able to populate and develop our country to the point where we stood as the third industrial power in the world by 1850, behind the British and the French empires.

However, for some years, reactionary circles in Britain and France sought a way to break up our American Union, and thereby nullify the economic threat the United States posed to these two empires.

4. Britain and France conspired in a design to “divide and rule” our republic, by separating the North from the South, via the mechanism of a Civil War. The French placed Austrian Archduke Maximilian on the throne in Mexico; and the British, playing various sides, aided the Southern slave power—and that’s what we used to call it in the old days, the slave power, which was what it was. And in one scenario, Texas would have been taken away from our Republic, our Union, and served as a “buffer state,” and a kind of little toy of the British.

Owing to President Lincoln’s leadership, and to the victory of the Union military forces, however, this design failed, and our Union, thank God, was preserved. And I think the recent Spielberg movie [“Lincoln”] was fabulous, refreshing our minds and our memories of what we were struggling for back in that period of time.

Part II: John Quincy Adams (1767-1848)

Now let me turn to John Quincy Adams. Just to give us a sense of his background and preparation, and the quality of our diplomacy in the early years of the Founding Fathers.

John Quincy Adams was the son of President John Adams. And, from an early age, he was educated for a life of public service. He accompanied his father, who was an American envoy to France (1778-1779), and to the Netherlands (1780-1782). We were trying to negotiate a loan from the Netherlands at that time.

So, young John Quincy was accompanying his Dad, and thereby learning first-hand about international affairs and diplomacy. He studied at the University of Leiden in the Netherlands, and learned the Dutch language as a consequence. And, of course, we can remember the great humanist Erasmus [1466-1536] who had a relationship to the University of Leiden.

With this experience under his belt, young John Quincy Adams then accompanied Francis Dana as our envoy to St. Petersburg, Russia, in trying to secure the recognition of Russia to our fledgling Republic; he served for three years as a secretary to the mission. As a consequence of this activity, he begins to learn some Russian, and also forges that deep interest in U.S.-Russian relations, *positive* U.S.-Russian relations.

Then, during this time, he traveled to Sweden, Finland, and Denmark. He learned French and Dutch, and became familiar with German and other European languages. Returning home to the Boston area, he graduated from Harvard, earned a Masters Degree, and went on to study and practice law.

Now, here’s where the diplomacy begins to come in on its own account: In 1793, President George Washington appointed young Adams, at age 26, as minister to the Netherlands. Back in those days, we didn’t have ambassadors, we had ministers—that was the highest rank. Next, President Washington, in 1796, appointed

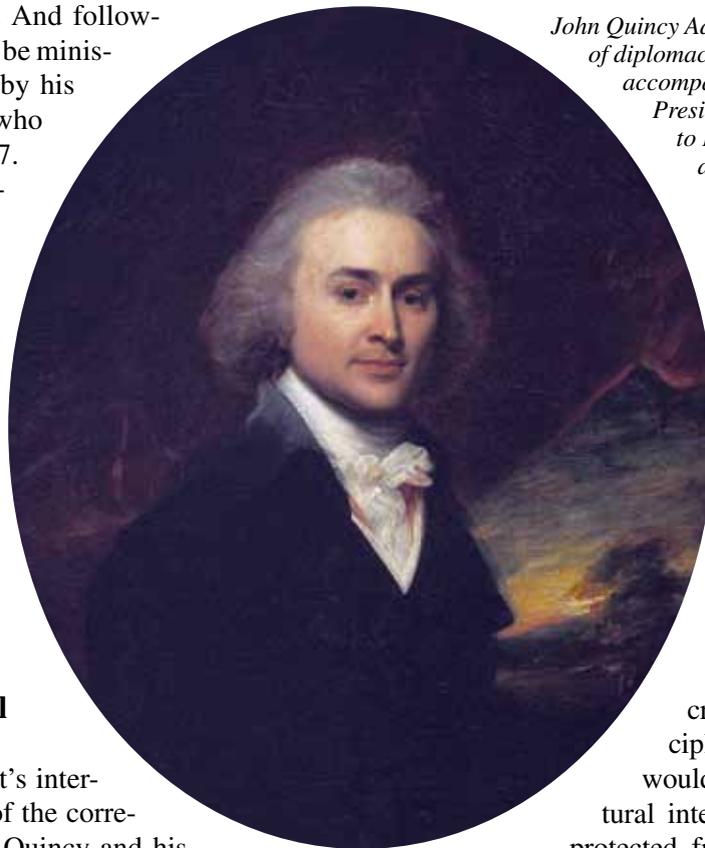
him minister to Portugal. And following that, he's appointed to be minister to Prussia, in Berlin, by his father John Adams, who became President in 1797. So we can see the development of this very young John Quincy Adams, within the sort of maelstrom of European power politics and imperial dynastic politics of the day, and also developing deep cultural relations with various European circles, which we would call today, progressive circles.

Washington's Farewell Address

Now, following that, it's interesting to note that some of the correspondence between John Quincy and his father found its way to President George Washington, when he was drafting his famous "Farewell Address." So, some of the famous concepts and values which were in this all-important document, incorporated some of the thoughts and concerns and concepts of John Quincy Adams, the young diplomat in the Netherlands. The thrust of young Adams' argument was that the United States must remain independent from European affairs and endless intrigue.

President James Madison appointed John Quincy Adams, in 1809, as our first full-fledged minister to St. Petersburg, where he served until 1814. He was aware of the Napoleonic Wars, and then later, negotiated the Treaty of Ghent, which ended our War of 1812 between the British Empire and the United States. He was then sent to London as minister from 1815-1817.

Returning to the United States, President James Monroe appointed John Quincy Secretary of State, a Cabinet position he held till 1825. Adams' masterful diplomacy gained Florida, parts of the West, a treaty with Spain, etc. Mutual respect, mutual benefit, of course, are part of these diplomatic concepts from this old, traditional period of time. And also, he was the author in many ways of the Monroe Doctrine, which



John Quincy Adams assimilated the principles of diplomacy as a young man, accompanying his father, the future President John Adams, on missions to France and the Netherlands; and later as secretary to the American envoy to St. Petersburg, Russia. (Portrait by John Singleton Copley, 1796).

simply meant that we wanted to restrict the European imperial powers from messing around in our New World, from undermining the potential independence of South American states. And the idea of the Monroe Doctrine was to create a community of principle, under law, where we would have commerce and cultural interaction, and we would be protected from intervention by European imperial powers.

I want to make a comment while I'm at this point, about other young Americans who went to Europe during this period, to study history, in particular, and I guess it's appropriate for the Schiller Institute: The locus of study for these young Americans was at the University of Göttingen in Germany. And a number of our early diplomats, people who became diplomats, studied at this particular university in Germany, *not* in England.

Prof. Arnold Hermann Ludwig Heeren taught there in the departments of philosophy and history. And I want to point out that many of our young persons who studied there, studied under him, and went on to become American diplomats, including George Bancroft, who was the first American to earn a PhD degree. And who did he earn it from? The University of Göttingen. And who was his professor? Professor Heeren.

Professor Heeren wrote fascinating books on European history, and also ancient Greek history. And his innovations in European history included his focus on the economic and financial dimensions of the European state system. So this gives you an idea of the culture we had in the early 19th Century of American di-

plomacy; respectful of international law, the concepts of [Hugo] Grotius [1583-1645]; also of [Samuel von] Pufendorf [1632-94], and a Swiss writer on international law, [Emmerich] Vattel.

There was a concept of the United States as a republic, moving in the international community, wherein international law was important. And where international law was a consideration to be sure, moral and ethical. And this stems from the 1648 Westphalian settlements; and this ethos of a European state system, actually became transformed into an ethos of a global international system under law, if we read Grotius or Pufendorf, in particular.

Part III: Imperialism Grips the American Foreign-Policy Elite

Now, moving from that, does present-day American foreign policy resemble *anything* that John Quincy Adams and the Founding Fathers would have wanted and approved? Of course not. That's the simple answer. Washington today is caught up in the policy of imperialism launched in 1898 by the Spanish-American War.

By "imperialism," I will just basically use Prof. [John A.] Hobson's classic discussion of imperialism in his classic book, *Imperialism*. This is the idea of the domination—which Bruce Fein referred to—of various geographic parts of our planet through military means, overt military force, or financial means—economic imperialism, finance capitalism.

And I would correct Lenin and Marx: We've had 200 years of experience, or 150 years or so of experience, since Marx and all those guys. It's not the means of *production*; it's the means of *finance*. It's the means of finance. That's the issue, when we start talking about the international financial picture

today, and the fascism creeping through Europe today, the technofascism in Europe. This is *finance*.

Now, as a result of the 1898 war against Spain: That's the beginning of our imperial faction in our politics. We didn't have these characters before. They were *lurking around*, kind of subservient to the British Crown, doing bad things here and there, but we never had this whole movement toward imperialism, until 1898, the Spanish-American War. As a result of that war, in the national election of 1900, imperialism was a major campaign issue by the Democratic Party! They were accusing the Republican Party of imperialism, and they [the Democrats] didn't like it. So, imperialism, in the political discourse of the United States, in terms of foreign policy, is nothing new. It's in the Democratic Party platform of 1900.

So, let's think about that too. Keep that in the back of our mind.

Now, shortly thereafter, the Democrats under Woodrow Wilson fell into the policy themselves, or factions of the Democrats. So we can say that we have had an imperial faction in both parties since 1898. We've also had—which Lyn staunchly represents—an anti-impe-



A Catalan newspaper lampoons "Uncle Sam's" folly in the Spanish-American War (1898).

rial faction in the United States. So, we've had this back and forth now for well over a century, between these competing goals and competing visions for the United States.

Now, I will make six points, and then conclude, allowing some time later for questions, and I'd be delighted to answer any questions on contemporary policy.

1. After our Civil War, a different approach to the U.S. was set into motion by the former colonial power, the British Empire. In the context of the rise of Germany, and thus, Anglo-German imperial rivalry, the British sought to enlist the support of the United States through elite circles susceptible to British influence of one kind or another.

At the same time, certain elite circles in the United States were encouraged to develop an *imperial outlook* favorable to London, rather than maintain the traditional outlook of a strong and independent republic. Not an empire! A strong and independent *republic*.

A Wholly Unnecessary War

2. In the United States, the "imperial faction," in 1898, launched a wholly unnecessary war against Spain, and thereby obtained the Philippines as a colony. The British quietly supported this action, as London calculated it would cut against expanding German influence in the Pacific, and would promote closer relations between the British Empire and elites in the United States. Such relations would be useful, in British calculations, in the coming European war, which eventually broke out in 1914.

And I just said 1898: The ascendancy and dominance of the American imperial faction followed the Spanish-American War of 1898. Which was sort of set up in the 1890s by the British, French, and Russians, the Triple Entente to contain Germany. I want us to bear that "containing Germany" in mind. Because, who are we containing these days? China, right? Or trying to.

The ascendancy and dominance of the American imperial faction followed the Spanish-American War of 1898, and as I just mentioned, "imperialism," as United States foreign policy, became a national political issue during the national elections of 1900. Those who opposed imperialism were labeled "*isolationists*" in the press controlled by the imperial faction. "Oh, they're isolationists; they don't want to be imperialists." Non-interventionists might be a better



Gen. William Odom, former head of the National Security Agency, said, at the time, that the decision to go to war against Iraq was the greatest strategic blunder in U.S. history. Shown: flag-draped coffins returning from Iraq.



YouTube

phrase, not isolationists. Anti-imperialists might be a better phrase.

3. The Democratic Party soon fell to the "imperial faction" under President Woodrow Wilson. We can all remember [Col.] Edward Mandell House [1858-1938], and a number of other advisors to President Wilson, in this kind of direction.

4. After the end of the Cold War, caused by the dissolution of the Soviet Union in 1991, the United States had an *historic* foreign-policy and national-strategy choice to make. Our imperial faction, then dominant, proposed the vain, and unsustainable, policy to become the global hegemon in a so-called unipolar world which they sought to create. Traditional patriotic circles proposed we peacefully coexist as a strong republic, and responsible great power, within an emerging *multipolar* world respecting sovereignty, international law, common development; these giant projects that are so fantastic, that we've seen today. A world of peace and development.

5. The Bush Administration's unnecessary and disastrous Iraq and Afghan wars will cost the United States an estimated \$5 trillion by 2020. That's not even mentioning outlying years after that. So we just shot \$5 trillion. As Gen. Bill Odom, former head of the Na-

tional Security Agency [NSA], said at the time, the strategic decision to go to war against Iraq is the greatest strategic mistake in the history of the United States. That's Gen. William Odom, the former head of the NSA, which is much larger than the CIA, or any of these guys—it's like really serious! And here he's saying this is the greatest strategic mistake our country has ever made; and he's a general, or was; he passed away, unfortunately.

The imperial faction learned *nothing* from the failure of its unnecessary and costly wars in Korea and in Vietnam. In fact, there is a marked continuity in policy and personnel from the old anti-communist "China Lobby," to the Korean War, to the Vietnam War, and now to the wars in Iraq and Afghanistan, to the present policy of "managing the rise of China."

I'll just say parenthetically, really quickly, before I wrap up: Back in 2001, I was at the State Department for a few days of briefings on U.S. foreign policy, as this new [Bush] administration was coming in. And a lot of the luminaries were there; and we heard from a number of top folks from State, briefing us as to what's to come.

I'll never forget one of the presentations by Dick

Armitage, who was a high muckety-muck, and he was giving us a kind of walk-around-the-world strategically. And he said, what we've got to focus on now, is, we've got to manage the rise of India and China. I'm thinking to myself, just a minute; what's this guy talking about? What is his head wrapped around? We, the United States, are going to be "managing" the rise of a billion or so Indians, and billion and a half Chinese, and we're going to be managing, and telling them what to do, and how to fit into the international system that we created, and all of that? And that's not to mention the Iraq War.

6. Nothing has changed under Obama.

That's it.

Thank you.

Sean Stone

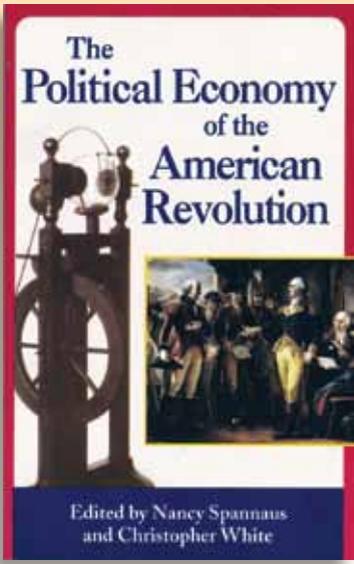
A New Dark Age or A Renaissance?

Sean Stone is a filmmaker, screenwriter, and actor, whose most recent production is the film "Greystone Park" (2012). He was an editor of "The Untold History of the United States" (2012), a documentary TV series directed by his father, Oliver Stone.

The issue of discussion today that [moderator] Dennis Speed posed is, "Is it a new dark age, or a new age of civilization; a new dark age or time for a renaissance?"

That, I think, has been the fundamental history of our planet, as long as humans have been here, as Lyndon LaRouche knows very well. And I've always been an admirer of his work, because of his understanding of a very long lineage. There's a lineage, as many of us know, of those humanist thinkers—in the Platonic tradition, let's say—that has always valued the place of man, somewhere between angel and animal, whose mission, God-given, is creativity; whose inherent nature is being created in the image of God. We are creative beings who have a power to uplift emotionally, spiritually, and physically, ourselves and our fellow man. And it's a generational process; that ideally we are progressing historically.

MOST AMERICANS have been deceived as to the economic system which uniquely built the United States. This book presents the core documents, today often hard to find, which defined the political economy of the American Revolution, ranging from the time of Leibniz, to Franklin, and Alexander Hamilton's famous reports.



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And in opposition to that impulse—which I think is innate—we have a select group that we might call elites, or oligarchs, or imperialists, who believe in the nature of empire—which is to say, slavery. No one really likes to consider what slavery means any more, because we feel like we’ve gone beyond it. And yet the nature of slavery is *money*; it’s monetarism.

The American System vs. British Imperialism

The empires are always predicated on the value of money, as opposed to the value of humans. People will tell you money in our culture now is supreme; if you have money, you can do things! If you have money, you can make a life! And yet they don’t recognize that what we’re living in is a debt trap. It’s been foisted upon us by a financial system that is in opposition to everything that a humanist stands for, because humanists realize that in the world we’re living in currently, we young people have no future. We are looking at no prospect for ever emancipating ourselves from the debt slavery that we’ve inherited.

That’s the point we stand at now. So from the point of view of a young person, you can easily be a pessimist and say, “We’re going into a new dark age, and we’ll begin to cannibalize ourselves in order to survive.” But that’s not my belief.

Everything begins with ideas. The American Revolution began with ideas. It was a very small group of people who achieved the American Revolution, and the American Revolution carries on to this day in the form of the American System. The American System of economics is predicated on the humanist tradition, because the American System says the value is not in the money that’s owned by the bankers, or the central bankers, and that’s issued to you in debt, and as a result, everything you create is created as a continuation of that debt. The American System says the value is in what you can create. The value is in the technology that you create to make your life easier; to offer hope to mankind. True hope! Not Obama’s hope. The actual sense of hope being, for example, dreaming of the stars, dreaming of man’s mission to travel the stars, to become intergalac-



Sean Stone

EIRNS/Stuart Lewis

tic in our consciousness. To improve our standards of living. Because as anyone who has traveled the world knows, as your standard of living increases, your ability to produce things and to acquire increases.

So, you have to recognize what’s essentially happened over the 20th Century. We’ve been sold the notion that, by cheapening the costs of production, we’re actually enhancing our ability to create; that we are evolving, by evolving free-trade techniques. This is an essentially British imperialist philosophy.

When you go to a school like Princeton, and you take an economics class, they tell you there’s Adam Smith’s version of free trade, and then, in opposition to that, there’s Karl Marx’s form of communism. They never really tell you that both Smith and Marx were trained by the same British elite—Marx at the British Museum in London, and Smith as an agent of the British Empire, notoriously such. So they’re creating a false paradigm of free trade vs. socialism/communism. And as a result, we’re at a point where people of average means look around and say, “Our system has failed. Capitalism has failed.” But they don’t recognize that what was buried was the American System.

The American System, if you want to read up on it, I would suggest beginning with Henry Carey’s writings. Because philosophically, spiritually, morally, economically, this is the most rational point of view you can have: that there is a harmony of interests among all people. There’s a harmony of interests in the sense that the people you pay as your laborers, the people that you want to have a decent standard of living, are your consumers.

If you go to the policy of free trade, for example, and you drive down the working class’s wage standard and you drive down the standard of living, those people resort to a debt system—what people call credit, but it’s essentially a debt system. In order to afford something that they used to be able to afford within their own purchasing power, they become debtors. But we say,

“We’re making profit! This is the only way we can compete!”

So what you’ve created now is a mentality of survival. It’s a mentality of animals, essentially, competing for survival as opposed to cooperating. The debt-slavery mentality creates a culture in opposition to the Classical culture that we’re discussing today. Because the debt-system mentality, the enslavement of mankind, the bestialization of mankind, turning man into an animal, essentially creates a culture of sensationalism. It creates a culture of desiring instant gratification and instant success. It creates a culture that doesn’t have time to appreciate the evolution of work through progress. All good work takes time. All Classical culture, Classical creation, Classical art, was predicated on a notion of investment of time to think, to analyze, to assess.

‘We’ve Lost Our Moral Compass

I’ll give you a perfect example. 9/11 at the time of the attack—whoever may have perpetrated it—was considered a tragedy. It *wasn’t* a tragedy. It was a shocking incident; it was a moment of awakening in the American psyche. Regardless of who perpetrated the attack, there was a moment of realizing that we were not alone in the world; that we were part of a global community; that we needed to start recognizing who, in truth, were our enemies, and who were our friends, and how we were going to elevate the people of the world in actually a positive sense, as opposed to what becomes now, a tragedy. 9/11 becomes a tragedy now, ten years later, because we used that incident to perpetuate wars that have augmented the amount of bloodshed, chaos, destruction—culturally, internally, as much here as abroad. That’s the tragedy of 9/11.

We’ve come to the end of our history. The moment when Obama allowed the assassination of American citizens, regardless of whether on foreign soil or domestic—the moment that he executed that authority, we ended our history as Americans. Because the Constitution that provides protection for due process, that same due process that we honor in every Classical conception of politics, of economics, of living—was abrogated. It was violated and destroyed. The fact that the director of the FBI can be asked now, by a Congressional committee, whether the U.S. government has the right to assassinate American citizens on U.S. soil, and he can’t give an answer, shows you their disrespect for humanity.



Creative Commons/Metal Chris

“The culture of sex, violence, and death imperils the future of my generation as we stand at this turning point.” Shown: the Maryland Deathfest (2010), an annual event described as the largest “extreme music” festival in the United States.

Not to say that America is the only country in the world; not to say that we are necessarily the shining pillar on the hill; but to say that what we honored, what our Founding Fathers honored, in the system of the Constitution, giving a balance of powers between the Executive, Legislative, and Judicial branches; with the conception of a republic being predicated on the people—that was lost. The American people have forsaken their right. They’ve given it up, without a thought!

Last year I did a little piece, called “Impeach Obama 2012,” which went viral, through Alex Jones, and with the support of Dennis Speed here. It was only a ten-minute piece; without malice, it was not intended as malice, but simply to elucidate certain points that

Obama had violated constitutionally, that deserved attention and potentially impeachment. (And by the way, people know that impeachment doesn't mean the removal of the President; it simply means that you have to take accountability and responsibility.) But rather than this video gaining millions of viewers, as I'm sure Lady Gaga's last video did, this video gained less than half a million viewers.

You might say we're in a new dark age. That's what it would look like statistically. But so long as the idea of the American Republic exists, so long as the ideas enshrined in our Constitution—. Remember, the preface of our Constitution says that Congress is there for the benefit of the general welfare. That principle is a humanistic principle. So long as we remember our fundamental humanity, so long as we stop to reflect upon the consequence of our actions, there is still hope for this country.

As I said, it's not that America is the exceptional country, as Madeleine Albright tried to claim, as though we were exempt from international—not law exactly, but exempt from any kind of moral repercussion. No! But if we don't recognize that we are an exemplar by our actions, we can never attain again that heroic status which we had a moment of achieving, from the '40s, '50s, and '60s, until the assassination of Kennedy—both Kennedy brothers—and Martin Luther King.

King is a wonderful example of how we've lost our moral compass. It's great that we honor him; recently, for example, we celebrated Martin Luther King Day. But rather than focussing on the fact that this man went from being a leader of civil rights, to being a motivator of the anti-imperialist agenda here, a man who came out saying, I can no longer stand simply for social equality at home so long as my government is the greatest purveyor of violence in the world—rather than remembering him in that light, we limit him to being someone who was only in favor of empowering African Americans to have the right to vote, and the equality of races.

So you see, we've even diminished Martin Luther King's tremendous efforts to put an end to this militarist, imperial mentality.

That's why we're asking this question at this moment: Is this a new dark age? Are we going to forget everything that was given to us by our ancestors? Everything that creatively has inspired us as human beings, to compel us to go forward, to cooperate, to

build together? Are we going to forget that, or are we going to utilize those ideas that are passed down generationally, to inspire our new renaissance?

Because we are at that moment. This is the moment now, there's no turning back. There's no saying, four years from now, "Well, we should have gone the other way." American citizens will be assassinated. People will be gunned down in the streets, as we see with these horrible massacres. But rather than asking ourselves, "Why is this happening? What sickness is in our society? What sickness is in our government, in ourselves?" Because *we* are our government. We the people *are* the government of the United States. Until we recognize that fact, we will continue in our ignorance, our sensationalist mentality, animalistic behavior, of worshipping a culture of sex, violence, and death, which does imperil the future of my generation as we stand at this turning point.

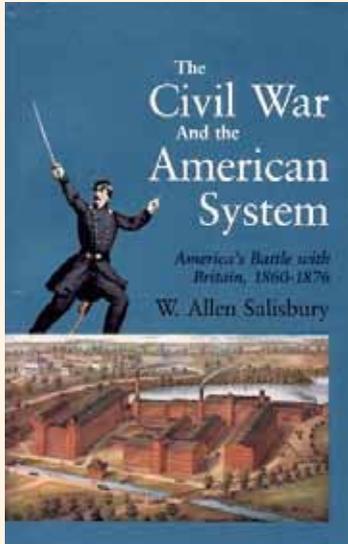
So, I leave you more with the positive note: Remember where we come from; remember who we are, so that we can take back our future. We're not going to forget. This will not become a dark age. It will become an age of illumination.

The Civil War
And the
American System
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THE WAR OF THE PACIFIC

The Empire Crushes Peru's American System Project

by Cynthia R. Rush

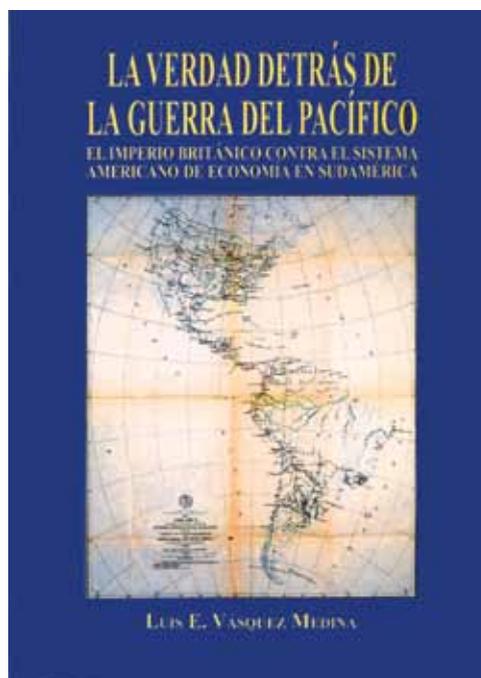
La Verdad Detrás de la Guerra del Pacífico: el imperio británico contra el sistema Americano de economía en Sudamérica

by Luis E. Vásquez Medina
Lima, Peru: Arquitas EIRL, June 2012¹

Jan. 16—In his groundbreaking book (in English, *The Truth Behind the War of the Pacific: the British Empire Against the American System of Economics in South America*), historian Luis Vásquez Medina, the founder in Peru of statesman Lyndon LaRouche's political movement, has already rattled his country's academic and political establishment.

In this seminal work, the result of years of exhaustive research, Vásquez polemically debunks the predominant reductionist anglophile historiography, and its Marxist "anti-imperialist" variant, which have portrayed the 1879-81 War of the Pacific as merely a regional raw materials grab by competing British and U.S. commercial and financial interests, through which Peru lost its nitrate-rich province of Tarapacá, and Bolivia lost Antofagasta, which also left it a land-locked nation.

1. Available in [pdf](#) form at larouchepub.com (click on "Buy Publications").



Using original sources, often-ignored, if not deliberately suppressed by many so-called historians, Vásquez demonstrates that, far from being a regional conflict, the War of the Pacific, like the 1861-65 U.S. Civil War before it, was part of the global strategic confrontation between the British Empire's oligarchical system, based on free trade and economic plundering and oppression, and the American System of Political

Economy, and the system of sovereign republics it fostered.²

The Empire's war of extermination against Peru, using the Chilean client state it had thoroughly bankrupted and subjugated by no later than 1860, had, as its sole purpose, the dismantling of every last vestige of the extraordinary American System-inspired economic, scientific, and industrial development program that four nationalist Presidents—Ramón Castilla (1845-51, 1855-62, and briefly in 1863); Rufino Echenique (1851-55); José Balta (1868-72), and Manuel Pardo (1872-76)—had implemented in the country between the mid-1840s and the late 1870s, *in alliance with the collaborators and cothinkers of Abraham Lincoln, and John Quincy Adams before him.*

The purpose of writing this book now, wasn't just to set the historical record straight, Vásquez explains. It's important to know who the real enemy was, "because the British Empire is still around today and is a threat to the entire human species. Its oligarchic financial system is not only manipulating local wars in all corners of the globe; it is also on the verge of unleashing a global confrontation that will sink the world in a Malthusian hell, all in the fanatical pursuit of preserving its power. The enemy that South America faced in 1879 is the same one we must confront today."

Burying the American System

The Leibnizian alliance between Peruvian and American nationalists transformed the physical economy of a backward, largely indigenous, agricultural nation, and produced a stunning example of the success of American System methods. The cultural and scientific optimism it sparked spread well beyond Peru, to Bolivia and the rest of the region, attracting experts as well as laborers from around South America who wanted to participate in this extraordinary project.

Less than a decade after the war had crushed Peru, the American System project that President José Manuel Balmaceda tried to create in Chile, was violently crushed by the same British networks that leveled Peru's magnificent accomplishments. As Vásquez explains, the reasons were the same, "the

battle between two powerful systems—the American System on one side and British imperialism on the other." Chile's alliance with Britain in the war against Peru did not save it from the incredibly bloody toll that the 1891 "revolution" against Balmaceda took on Chile.

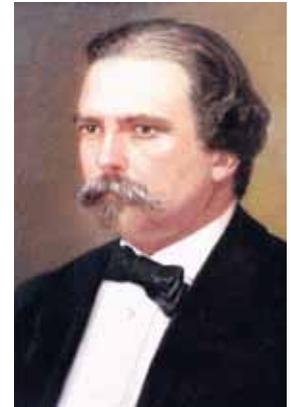
London could never abide any challenge to its bestial British East India Company doctrine, which viewed human beings as cattle, and nations merely as sources of loot. It mercilessly squeezed Peru with financial blackmail, threats of military conquest, and assassination. José Balta and Manuel Pardo were both murdered under circumstances which pointed to British authorship and the role of the City of London's local asset, Nicolás de Piérola.

The Peruvian nationalists were intent on using the export revenue from the country's vast deposits of *guano* (bird droppings which became an extremely valuable strategic asset internationally in the form of fertilizer), and later nitrates, key components in the production of explosives and munitions, to finance their ambitious industrialization program and lift the nation out of underdevelopment. London demanded these receipts be used instead to pay the usurious loans into which British and European financiers had roped Peru, beginning in the earliest days of the republic.

To enforce its dictates, the Empire repeatedly tried to bludgeon Peru into submission. In 1849, when Peru tried to restructure an 1822 loan on which it had defaulted in 1825, British Prime Minister Lord Palmerston responded with the warning, accompanied by the deployment of warships to the port of Callao, that the defense of the interests of British bondholders McClean, Rowe & Co. was considered to be a "matter of state" for Her Majesty's government. Faced with the "Palmerston Memorandum's" threat of invasion, the government was forced to agree to a ten-year contract with the London House of Anthony Gibbs & Sons, making it Peru's chief financial agent in Europe, as well as the sole agent for marketing Peru's valuable *guano* deposits in Europe.

In 1860, President Ramón Castilla, an outstanding military leader and advocate of a strong independent state, defied the Empire and wrested control of the *guano* industry from the House of Gibbs and Sons, and created the Peruvian-controlled National Consignees Company in its stead, whose ideological leader was the

2. For more on the history of the Ibero-American republics, see Anton Chaitkin, "The American Republics' Fight for Sovereignty, Since 1776," *EIR*, Oct. 3, 2003, pp. 45-59.



The four American System-inspired Presidents of Peru: Ramón Castilla (1845-51; 1855-62 and briefly in 1863); Rufino Echenique (1851-55); José Balta (1868-72), and Manuel Pardo (1872-76).

future President Manuel Pardo. As President, the Colbertian Pardo continued to assert Peru's right to control its export revenues, first creating in 1873 the state Nitrate Monopoly of Tarapacá—site of Peru's extensive nitrate deposits—and then fully nationalizing the nitrate industry in 1875.

Bolivian President Gen. Hilarión Daza was inspired to emulate Pardo's actions in 1878, when he attempted to establish a state nitrate monopoly in that country.

But the imperial usurers were unrelenting. Peru was forced again in 1868 to hand over its financial sovereignty to the French House of Dreyfuss, which was linked to Britain's Rothschild banking interests. Later, the treacherous W.R. Grace & Co. acted on behalf of British bondholders to sabotage Peru's efforts to obtain weapons during the war, and then imposed the infamous "Grace Contract" on the nation to secure its submission to the financial vultures in the postwar period.

Economic Sovereignty: a *Causa Belli*

Vásquez documents that for the British Empire and its oligarchical allies on the European continent, any attempt to defy the City of London and achieve economic sovereignty, particularly if modeled on the American System, was a *casus belli*. Dating back even to before Ibero-America's 1810-25 wars of Independence, the Empire resorted to every form of political, economic, and military treachery—assassination included—to ensure that no republican forces would

ever succeed in modeling their new nations on the United States.

Vásquez highlights perverted intelligence chieftain Jeremy Bentham's determined cultivation of Chilean "Liberator" Bernardo O'Higgins, whose admiration for Great Britain was so great that he proposed creating a British-Chilean empire that would "ban the flag of the United States from the Pacific." O'Higgins corresponded with Bentham for years.

While backing the slave-owning interests of the Confederacy in the U.S. Civil War, the Empire and its allies in the Holy Alliance launched a series of coordinated military assaults throughout Ibero-America—a blatant violation of the Monroe Doctrine—to smash any nationalist forces, particularly those that collaborated with Lincoln and allied networks.

In 1862, British, French, and Spanish forces invaded Mexico to forcibly collect the debt on which the renowned republican leader Benito Juárez had declared a moratorium. France's Napoleon III then occupied the country militarily to overthrow Juárez, a close Lincoln ally, and install the Hapsburg Emperor Maximilian in his place.

In 1864-66, Spain, backed by the British Foreign Office and France, attempted to reconquer Peru, Ecuador, Bolivia, and Chile militarily.

One of the most savage examples of imperial bloodlust was the London-orchestrated 1865-70 "Triple Alliance War" of Brazil, Uruguay, and Argentina against Paraguay, a genocide financed by the same Baring

Brothers and Rothschild banks that would bankroll the War of the Pacific a decade later. The British-directed “Alliance” forces brutally demolished what was then one of the most advanced expressions in South America of American System economic policies, forged by Presidents Carlos Antonio López (1840-59) and his son Marshall Francisco Solano López (1859-70). Heavy industry, infrastructure, and scientific and educational facilities were leveled, and three-quarters of the male population exterminated.

Peru Defies Imperial Blackmail

For a period spanning 30 years (1845-76), Presidents Castilla, Echenique, Balta, and Pardo fought to free Peru from the death grip of British finance, and build an independent sovereign nation in alliance with a unique group of foreigners dedicated to the republican worldview.

Central to this grouping were the American politicians, entrepreneurs, engineers, and former Union military officers, who were heirs to Abraham Lincoln’s legacy of defending the U.S. Republic from British-led subversion and attempted dismemberment. Railroad entrepreneur Henry Meiggs’s name stands out among the many hundreds of American experts who were involved in Peru’s American System project.

The European scientists and engineers who participated were steeped in the teachings of German philosopher Gottfried Leibniz and French economist Jean-Baptiste Colbert, many of them graduates of France’s Ecole Polytechnique. Among those who began to arrive in the early 1850s under President Echenique, was the Polish engineer Ernesto Malinowski, a graduate of the Ecole des Ponts et Chaussées, who, for 25 years, was instrumental in the founding of new educational and scientific institutions, and building infrastructure, most importantly, railroads.

Malinowski’s bold plan to build a trans-Andean and transcontinental railroad, inspired Meiggs, who was hired by President Balta in 1868 to begin that task. So crucial was Malinowski to the development of Peru’s infrastructure that he was named chief engineer of the nation. By 1856, he had outlined a plan to build a national railroad grid of at least 16 lines. Like American engineer Alfred Duval, who had surveyed large sections of northern Peru between 1852-60, Malinowski and Meiggs envisioned a rail line that would unite Piura in the north, to a navigable point on the

Marañón River and then connect with the Amazon River to create a transcontinental link to the Atlantic Ocean.

By the eve of the war in 1879, despite imperial pressures, Peru had become a continental leader in science, culture, engineering, and medicine, and had progressed toward creating a national banking system. The port of Callao was the site of the most advanced machine-tool center on the subcontinent, allowing it to produce the artillery Peru would later use in the war against the British artillery supplied to Chile.

Vásquez cites the work of the brilliant Peruvian engineer Jorge Grieve, whose economic analysis of the prewar period 1869-76 documented in exhaustive detail that Peru was “a nation advancing toward a process of industrial development,” with an expanding economy, constantly increasing rates of energy (coal) consumption, diversifying exports, and increased mechanization of agriculture and raw materials extraction. Economic growth was such that Peru actually had a shortage of labor.

In an undated interview with *The New York Sun*, John G. Meiggs, brother and collaborator of Henry Meiggs, reported that even in 1876, when his brother’s work was still moving forward, Americans’ interest in Peru’s future was so great that “we received hundreds of letters every day from people in the United States, anxious to travel to Peru to work with Mr. Meiggs.”

‘A Railroad to the Moon’

Pardo’s Presidency saw the greatest rates of economic development and railroad construction, exemplified by Henry Meiggs’s extraordinary effort to build the trans-Andean Peruvian Central Railroad.

Much earlier, in his 1860 work, *Estudios sobre la provincia de Jauja* (Studies on the Province of Jauja), a manual on physical-economic planning, Pardo argued that a U.S.-style railroad program could help create a “new Peru—” populating the remote interior, building new towns and cities, creating a strong internal market, and integrating the nation through expanded communication and transportation that would help raise living standards.

In addition to the three main rail arteries he initially proposed, Pardo suggested joining “the three central lines by means of the fourth, and decide if in ten years, a revolution will not have occurred in Peru, a revolution at once both physical and moral, because the loco-



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The Polish-Peruvian engineer Ernest Malinowski (right) developed a bold plan to build a trans-Andean and transcontinental railroad, which inspired the American railroad builder Henry Meiggs (left), who was hired by President Balta in 1868 to begin construction. Shown: The railroad bridge across the Verrugas Canyon, built by Meiggs.



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motive—which like magic, changes the face of the country through which it passes—also civilizes. And that is perhaps its main advantage: populations are put into contact. It does more than civilize; it educates. All the primary schools of Peru could not teach in a century, what the locomotive could teach them in ten years.”

The law, passed by Congress in 1868, introduced by Manuel Cisneros, a member of Pardo’s Civil Party, stated that “the nation declares the construction of rail lines, especially those from the coast to the interior of

the country, to be of an interest superior to any other, for its moral and political future as well as for its material prosperity.”

The purpose of the Peruvian Central Railroad that Meiggs built was to link the port of Callao with the trans-Andean city of La Oroya, passing through the capital of Lima. The link to La Oroya would provide access to the inter-Andean central *meseta* of the Jauja Valley, the country’s breadbasket, and to the country’s premier mining region of Cerro de Pasco.

Because of British financial pressures and Meiggs’s untimely death in 1877, the project was abandoned. But the portion that was completed still stands today as an unparalleled engineering marvel and monument to Meiggs’s courage and inventiveness. With a continental workforce, Meiggs laid 87 miles of track inland from the Pacific Coast, conquering some of the world’s most challenging geography—the track reached 15,865 feet

above sea level at its highest point—through Meiggs’s development of the innovative “V-switch” technology which tamed the Andes mountains.

The London *Times* ridiculed Meiggs’s rail plan as “the railroad to the Moon,” sneering that Peru was suffering from the “tragic illness of railroad fever.” But the Empire was alarmed, not only at the railroad-building program, but also at the fact that the Peruvian nationalists had provided Meiggs with the opportunity to build large public works projects, to research and plan for industrial exploitation of Peru’s

vast mineral resources, and most especially, offered him and his allies the chance to establish a monopoly for the exploitation of *guano* in the North, a project that would directly challenge the control of Gibbs & Sons.

Of particular concern to London were Meiggs's plans to work with American engineers and businessmen to develop a great steel-producing and ship-building industrial complex in the northern city of Chimbote, which would be "a new Manchester."

A War of Extermination

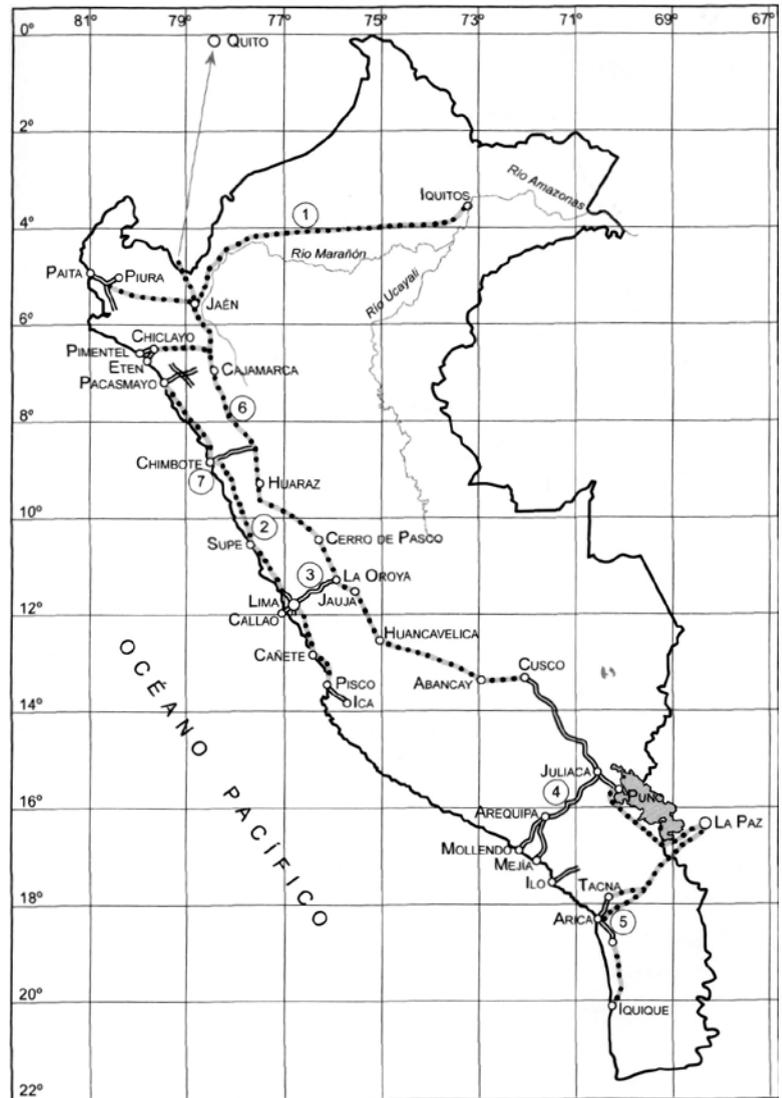
The ostensible reason for Chile's April 5, 1879 declaration of war against Peru and Bolivia was a set of alleged treaty and demarcation violations committed by both nations. In reality, the *casus belli* was the entire American System project. When Manuel Pardo nationalized the nitrate industry in 1875, followed by a debt moratorium in 1876, British bondholders demanded blood. They got it two years later, in 1878, when Pardo was assassinated, just as he was planning another bid for the Presidency.

As soon as the Anglo-Chilean invaders had seized the Bolivian province of Antofagasta and Peru's Tarapacá province, a representative of the British bondholders arranged for immediate shipments of *guano* and nitrates from Chile to ensure payment of the bondholders' debts. The House of Gibbs oversaw the shipments, and payments were made through Barings Bank.

But London had really begun planning for war as early as 1870, when it started to arm and modernize Chile's Navy. During the war itself, it supplied British naval officers and technical personnel to man Chilean ships, while deploying seven of its own warships to patrol the area between the port of Callao and Valparaiso to the south to more closely monitor the vindictive and bloody assault on Peru led by "Chilean" Adm. Patricio Lynch.

Lynch (who later joined forces with "Nitrate King" and speculator John North, who took control of the seized Peruvian nitrate region), was born in Chile, but spent most of his adult life in Britain, fighting its colo-

FIGURE 1
Map of the Peru Railroad Plan 1879



The London Times ridiculed Meiggs' rail plan as "the railroad to the Moon," sneering that Peru was suffering from the "tragic illness of railroad fever."

nial wars in the Royal Navy. He was a veteran of the Empire's First Opium War against China, during which he participated in the slaughter of untold numbers of defenseless Chinese.

Lord Palmerston found Lynch's performance on behalf of the Empire so admirable that he personally deployed him back to Chile in 1848, where he rose through the ranks to become the officer appointed to wipe Peru off the face of the map. He did so with such

bloodthirsty zeal that he appalled even some of his own countrymen.

The fact that London rejected U.S. efforts to mediate an end to the war, on terms that would have been both beneficial and even generous to Chile, while sparing Peru any loss of territory, underscored that the Empire's only goal was Peru's annihilation. U.S. Secretary of State James Blaine worked closely with President James Garfield to bring the war to an end, an effort that was aborted following Garfield's British-directed assassination in 1881. Garfield's successor Chester Arthur, and Blaine's replacement, Frederick Frelinghuysen, together sabotaged any possibility of stopping the Anglo-Chilean genocide against Peru.

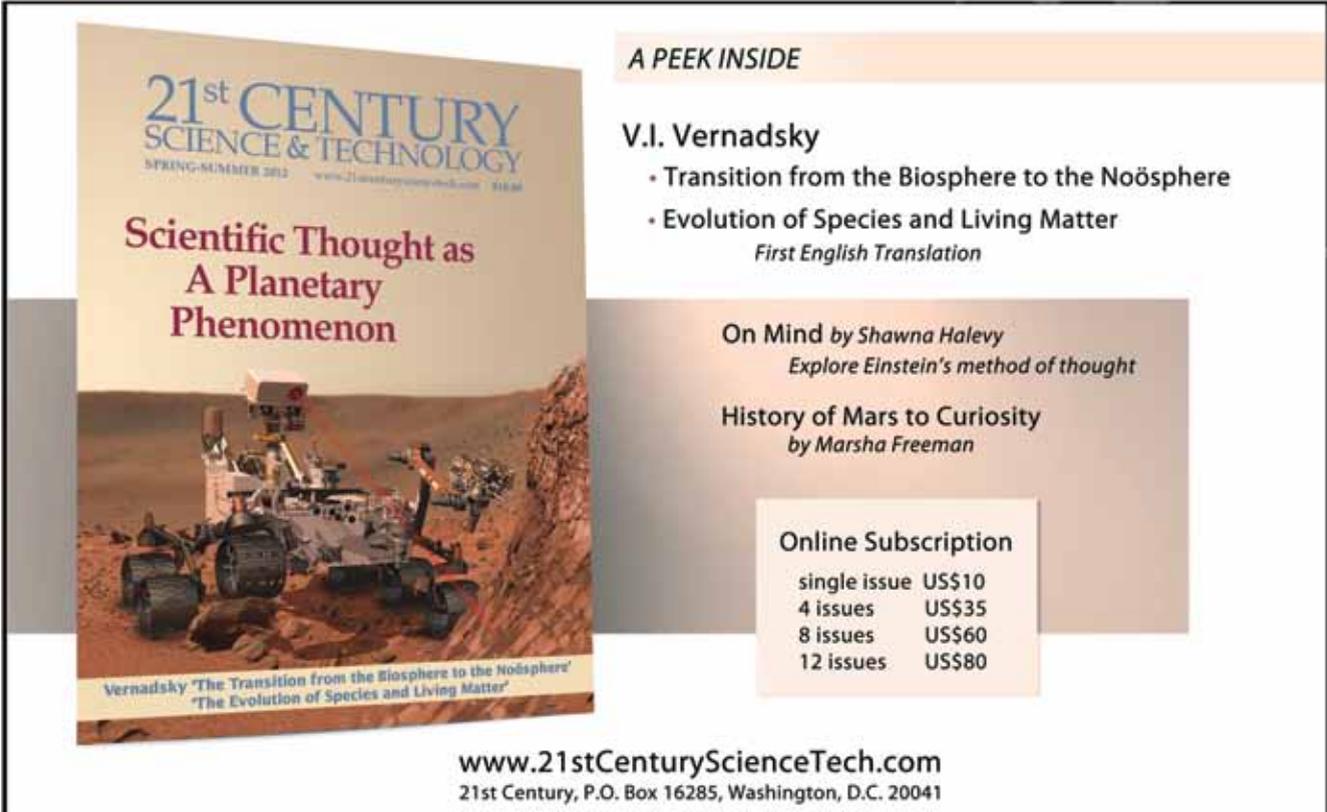
The invading Anglo-Chilean forces preserved the railroads that Meiggs had built, only because they were needed to facilitate the British model of raw-materials looting imposed after the war. Otherwise, Lynch made sure that every last expression of industrial, scientific, and cultural progress was demolished—sacking Lima's National Library, smashing physics and chemistry labs at its universities and medical schools, stealing instruments from the Mining School's laboratories, and valu-

able works of art from national galleries. Statues and sculptures which once graced Lima's avenues were shipped out to Santiago, as were the doors of the National Cathedral.

In northern Peru, Lynch showed the same genocidal proclivities which had earned him Palmerston's admiration in China, killing defenseless populations, smashing sophisticated machinery at several sugar refineries, and destroying numerous ports. He took special aim at Chimbote, at which significant industrial development had occurred as per Meiggs's and Malinowski's plans.

Blaine, would later testify in Congress about what had happened in Peru:

"The ... English bondholders ... put up the job of this war on Peru.... England sweeps it all in.... The ironclads that destroyed the Peruvian Navy were furnished by England.... It is a perfect mistake to speak of this as a Chilean war on Peru. It is an English war on Peru, with Chile as the instrument.... Chile would never have gone into this war one inch but for her backing by English capital, and there was never anything played out so boldly in the world as when they came to divide the loot and the spoils."



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The Constitution vs. Obama

Will leading U.S. institutions finally move to prevent President Barack Obama from continuing to rip up the U.S. Constitution, and to lead the U.S. into dictatorship and war? This is a question of the most vital interest to *all* nations, not just Americans, and it's immediately on the agenda now.

Over the last two weeks, there have been some significant indications that such action against Obama is underway.

First, there was the U.S. Court of Appeals for the D.C. Circuit, which ruled Jan. 25 that President Obama had violated the U.S. Constitution in a manner that would "eviscerate" the separation of powers. If this ruling is not overturned by the U.S. Supreme Court, it has the potential to lead to the impeachment of a President who has increasingly asserted Hitler-like powers, at the expense of, particularly, the Legislative branch of government.

Closely related to this ruling is the issue of Obama's unconstitutional assertion of his right to go to war without Congressional approval, an action he took in Libya, with ongoing devastating results, is now beginning in Mali, and is threatening to take in Syria. While the courts refused to rule on a Congressional legal challenge to that violation of law, the issue is alive and well, as shown by the introduction of HCR 3 by Rep. Walter Jones (R-N.C.) early in this Congressional session. Jones is actively campaigning for HCR 3, which declares that any Presidential initiation of military action (short of actual self-defense) taken without Congressional approval, constitutes an immediate impeachable offense.

The most recent blow against the Obama juggernaut is the set of concerted actions challenging his drone warfare policy. Internationally, the United Nations Human Rights Council is scruti-

nizing the policy, questioning whether it does not indeed represent a violation of international law. Nationally, Obama is finally being challenged on his assertion of the right to kill even American citizens, without any due process of law, through drone strikes anywhere in the world.

On Feb. 4, eleven U.S. Senators, eight of them Democrats, issued a letter demanding that the White House release secret memos justifying its policy of killing Americans in the name of fighting terrorism. While maintaining an appearance of decorum, the Senators issued a not-so-veiled threat that, if the White House refuses to release the Justice Department Office of Legal Counsel's memo on this subject, the Senators will block the confirmation of two of the President's Cabinet appointees, John Brennan as CIA Director (one of Obama's closest cronies in deciding who should be killed), and Defense Secretary nominee Chuck Hagel. Brennan's hearing is scheduled for Feb. 7.

Then, on Feb. 5, NBC News dropped a bombshell, by publishing a White House memo, unclassified, but hitherto secret, which justified its kill policy. The 16-page memo, allegedly produced to try to satisfy requests from Senators last Summer, has made it abundantly clear that the rationale for the "kills" is nothing other than Presidential power, unchecked by any legal process, judicial review, or Congressional oversight.

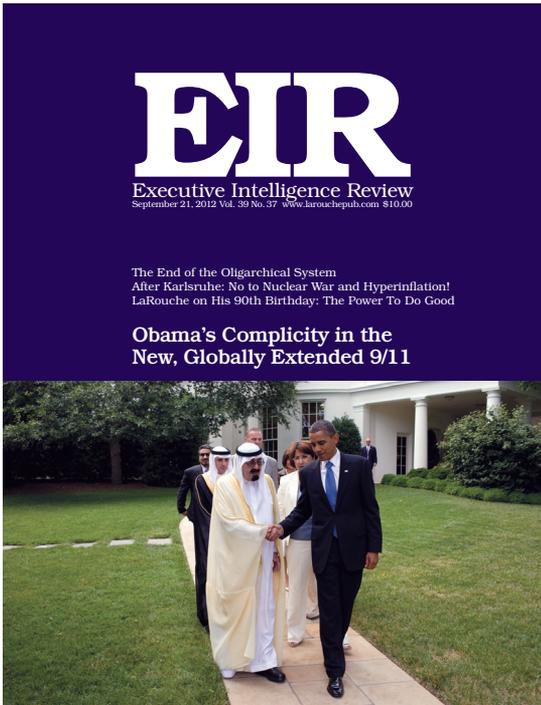
Many Americans, including top leaders, have known for years what Lyndon LaRouche had the temerity to publicly assert: that Obama is a would-be Nero, prepared to impose a Hitler-like dictatorship at home and abroad. So far, party politics and cowardice have prevented effective action to remove him from power.

Is this now, at the 11th hour, about to change? We must make sure it does.

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