

# EIR

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Court Slams Obama for Violating Constitution  
Russian Military Prepares for Growing War Danger  
Return to Our Constitution: The Principle Involved

Creating a New Paradigm  
To Save Civilization



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#### ON THE WEB

e-mail: eirns@larouchepub.com

www.larouchepub.com

www.executiveintelligencereview.com

www.larouchepub.com/eiw

Webmaster: John Sigerson

Assistant Webmaster: George Hollis

Editor, Arabic-language edition: Hussein Askary

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(703) 777-9451

**European Headquarters:** E.I.R. GmbH, Postfach

Bahnstrasse 9a, D-65205, Wiesbaden, Germany

Tel: 49-611-73650

Homepage: <http://www.eirna.com>

e-mail: [eirna@eirna.com](mailto:eirna@eirna.com)

Director: Georg Neudecker

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

**Denmark:** EIR - Danmark, Sankt Knuds Vej 11,

basement left, DK-1903 Frederiksberg, Denmark.

Tel.: +45 35 43 60 40, Fax: +45 35 43 87 57. e-mail:

[eirdk@hotmail.com](mailto:eirdk@hotmail.com).

**Mexico City:** EIR, Ave Morelos #60-A, Col Barrio

de San Andres, Del. Azcapotzalco, CP 02240,

Mexico, DF. Tel: 5318-2301, 1163-9734, 1163-9735.

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# EIR

## From the Managing Editor

What does it mean to create a Renaissance? Literally, the word means “rebirth”—but of what? There must have been a devolution from a time in which a higher level of culture had prevailed. Such a rebirth took place in the early 15th Century, following the mid-14th-Century Black Death, which looked back to earlier flowerings of culture and art, such as that begun by Dante and his collaborator Giotto, around the year 1300, and even further back, to the work of Plato and his Academy. Filippo Brunelleschi’s revolutionary discovery of perspective, in the 1420s, made possible the breakthroughs in painting, sculpture, and architecture, as in the famous Duomo in Florence. Nicholas of Cusa, born a generation after Brunelleschi, extended this revolution into the sciences and philosophy, and indirectly prompted the voyages of Columbus.

Bringing about a Renaissance today was the challenge posed by the Jan. 26 Schiller Institute conference, whose coverage begins in our *Feature* this week. Keynoted by Helga Zepp-LaRouche, the conference was held in the historic Riverside Church in New York City, and was highlighted by beautiful performances of Bach’s “Magnificat” and other Classical music. A video-taped message from Rep. Walter Jones was also presented, and his call for support for two crucial bills was unanimously endorsed by participants.

Otherwise, we have lots of coverage of leading developments: In *National*, we cover the Federal Appeals Court decision, finding Obama in violation of the Constitution (yes, that is grounds for impeachment!); also, why it *does* make a difference whether we know the truth about what happened in Benghazi; and an investigation to be conducted by the UN Human Rights Commission of Obama’s killer drone attacks.

*International* covers important updates from Russia, Israel, and Italy, where one of the world’s oldest and most powerful banks is on the verge of bankruptcy due to derivatives trading. From our German bureau we print an exposé of the “fake” Glass-Steagall proposals. In the U.S., we report on an emerging revolt against the Fed’s hyperinflation policy, which Glass-Steagall will halt.

And from our Founding Editor Lyndon LaRouche: “Now Return To The Subject Of Our Constitution: The Principle Involved,” in *Science*.



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EIRNS/Stuart Lewis

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# Classical Beauty Will Move Mankind To Save Civilization

by Nancy Spannaus

Jan. 29—"It is through beauty that one proceeds to freedom," wrote the German poet of freedom Friedrich Schiller, as he sought to provide the inspiration the world needed to escape the barbarism that followed the failed French Revolution of 1789. That same message is today at the heart of the work of the international Schiller Institute, an association founded by Helga Zepp-LaRouche, as the Institute seeks to bring the world back from the brink of a New Dark Age that threatens human extinction, through thermonuclear war or devastating societal and economic collapse.

With this intention, the Institute sponsored a conference at Riverside Church in New York City on Jan. 26, on the theme "A New Paradigm to Save Mankind." The all-day meeting brought together approximately 300 people to hear presentations on the current strategic danger, and the Constitutional and artistic principles needed to defeat it. Several musical presentations, including a performance of Johann Sebastian Bach's "Magnificat," served as inspiring examples of the power of Classical art, including to many in the audience who had never been exposed to Classical music before.

This Schiller conference continues a process begun in Germany in November 2012, where the Institute brought together a broad array of international spokesmen, to put forward proposals for economic development that would provide the basis for a lasting peace. That conference initiated an ongoing process of international dialogue on the axioms underlying the current

world catastrophe, and the necessary shift in the concept of man required to create the modern equivalent of the Italian Renaissance. The Institute has set up a multilingual website devoted to continuing this dialogue ([new-paradigm.schillerinstitute.com](http://new-paradigm.schillerinstitute.com)), and plans frequent follow-up conferences on both sides of the Atlantic.

*EIR* begins its coverage of the Jan. 26 event with the keynote address by Helga Zepp-LaRouche, and the resolution passed by conference participants. Readers are encouraged to visit the Schiller Institute website ([schillerinstitute.org](http://schillerinstitute.org)) which will post the video presentations, including the music. In future issues, we will publish the other major contributions delivered at the event.

## In Defense of the Constitution

The first panel featured a series of speakers on the topic "In Defense of the United States Constitution and International Law." Following Zepp-LaRouche's keynote, Bruce Fein, former Associate Deputy Attorney General in the Reagan Administration and a noted constitutional lawyer, addressed the current growing danger of a thermonuclear confrontation between the U.S. and Russia, from both a philosophical and historical perspective, under the title "What Is Mankind as a Species?" a video message from Congressman Walter Jones (R-N.C.) was then played (see below).

Prof. Norton Mezvinsky, president of the International Council for Middle East Studies in Washington,



EIRNS/Stuart Lewis

*Helga Zepp-LaRouche delivers her keynote speech; with her on the panel (left to right): moderator Dennis Speed, Prof. Norton Mezvinsky, and former Deputy Attorney General Bruce Fein.*

D.C. and professor emeritus at Central Connecticut State University, next spoke on “The Destructive Effects of Religious Extremisms.” LaRouchePAC Base-ment Team member Michael Kirsch, the principal author of LaRouchePAC’s NAWAPA XXI report and author of the recently published pamphlet “How Andrew Jackson Destroyed the United States,” concluded the panel with a discussion of the principles by which First Treasury Secretary Alexander Hamilton created the U.S. credit system, and called on the participants to restore such a system today.

## Defeating a New Dark Age

The second panel began with a performance of the “Magnificat,” by the LaRouche chorus and orchestra. It was followed by a variegated set of presentations on American history and Classical culture.

Prof. Cliff Kiracofe, who teaches history at the Virginia Military Institute and political science at Washington and Lee University, discussed “The Principles of John Quincy Adams,” who most succinctly defined the foreign policy of the republican American System. Filmmaker Sean Stone, director of Greystone Park (2012), then addressed the British destruction of American culture, which is now dominated by the ideology of empire.

Dr. Mark Shelley, an physician from Port Allegany,

Pa., elaborated on how that British evil is destroying medicine in the United States, creating a crisis in the U.S. health-care system through “commodification” which goes against the patient’s welfare.

The Classical cultural counterpoint to the political presentations was provided by two individuals who touched the audience deeply with music. Elvira Green, a mezzosoprano, formerly with the New York Metropolitan Opera, and now an artist-in-residence at North Carolina Central University, described her path to learning that “Classical Music Is the World’s Music.” She

concluded with the Negro spiritual, “I am a Pilgrim of Sorrow.”

Lynn Yen, executive director of the Foundation for the Revival of Classical Culture in New York City, then introduced Fang Tao Jiang, a Chinese soprano of international acclaim, who told her personal story of finding Classical music as a source of beauty and truth, in the wake of her mother’s untimely death. Beauty is the truth, and the truth will endure, she said. As Schiller said, it is through beauty that man proceeds to freedom.

At the request of Helga Zepp-LaRouche, she concluded by singing an aria by Puccini.

## Classical Music

The final panel of the day was devoted explicitly to the role of Classical music in uplifting mankind. It began with a performance of Beethoven’s Sonata for cello and piano, Op. 102 #1. Then came remarks from Lynn Yen, and the Schiller Institute’s John Sigerson, who discussed the science of the Verdi tuning. He illustrated his argument by having the chorus perform the chorus “Va Pensiero” from Verdi’s opera “Nabucco,” at the A432 Verdi tuning, and then at the popular A440 tuning.

The balance of the panel was devoted to open discussion of the day’s deliberations.

# A New Paradigm To Save Mankind

*Schiller Institute founder and chairwoman Helga Zepp-LaRouche gave this keynote address to a conference sponsored by EIR and the Schiller Institute, on Saturday, Jan. 26, 2013, at the historic Riverside Church in New York City. We include here a selection from her slide show.*

Ladies and gentlemen, dear members and friends of the Schiller Institute, I think we all assemble here today, in the full knowledge about the extremely grave situation mankind finds itself in. And at this point, it is not clear if this mankind will have a future or not. The reason why I'm saying this, is because we have the coincidence of several existential crises, which each would be sufficient to pose a question about the survivability of the human species.

First, the most dangerous and immediate one is naturally the possibility that the crisis in the Middle East, and now spreading quickly to Northern Africa, has become a new Balkans, what the Balkans were before World War I, which is like a combination of alliances, which once you have a trigger, one more step beyond what it is now, could ignite World War III. And this time it would be a thermonuclear war, because as everybody knows, for example, a strike against Iran would absolutely, immediately trigger a thermonuclear Third World War. It could even be a situation starting with the toppling of the Assad government, or even just continuous chaos as we see it right now, with the spread of al-Qaeda in the Middle East and Northern Africa.

Now, if it would come to this thermonuclear war, it is a very good likelihood, that nobody would be left; that you would have a thermonuclear Winter, in which the people who die in the first hours could boast of being the happy ones, compared to those who die later. The problem is that this is no longer in the minds of people; but



EIRNS/Stuart Lewis

*Helga Zepp-LaRouche, Jan. 26, 2013*

remember that President Kennedy, during the Cuban Missile Crisis, said exactly that. And now, with the arrival of much larger weapons arsenals, the power of extinction has absolutely increased.

Now, the second major, potentially existential crisis, is the fact that the entire trans-Atlantic financial system, as a result of the high-risk speculation, the 25% profit, and the continuous bailout policies for the too-big-to-fail banks, has now come to a situation where the only thing left is a hyperinflationary blowout of the entire system.

Now, if that happens—and we are seeing signs that it could happen this week, or the coming week, or in February, or any day—then you would have a hyperinflation like in Germany in 1923. And that means the most brutal expropriation of the population at large. Now, if this would happen, you would have a political and social crisis beyond belief, because if you think that the entire Eurozone, the dollar zone, and then spreading through the rest of the world, would have hyperinflation like it happened in Germany in 1923, the chaos would plunge civilization immediately into a dark age.

## The Cultural-Moral Crisis

Now, the third crisis I want to mention is the unbelievable cultural and moral crisis: If you think about the spread of drugs, pornography, violence, and especially how that has affected the youth culture, where you not only have more and more massacres like that in Newtown—wild people shooting many of their children and teachers—but you have a crisis in the heads of the young people! If you have 12-year-old children who “know it all,” who have done everything possible in terms of pornography, rape, and so forth, what is left of the minds of this generation? And that is something which affects the



*The Rev. Dr. Martin Luther King, Jr., delivered his “Beyond Vietnam” speech at the Riverside Church, on April 4, 1967.*

United States and all of Europe, and unfortunately, with globalization, many other countries.

Now, the image of man which is the underlying axiom of all of these crises, has turned into a bestial image, where the values have become completely depraved and degenerated. And this is not because man is like that—I don’t believe that man is innately evil. I just think that the oligarchical system, which is driving this globalization, has basically done exactly what the Roman Empire did to lower the morality of the people consciously, to dumb them down, so that they are pretty defenseless, or so it seems. Because if you go into the streets, as we do every day, people say, “Oh, there’s nothing you can do.” And that is the sure sign of the oligarchy, when people are saying that.

So the point I’m making is, the crisis is so multifaceted, that only a complete paradigm shift, a complete change of values is going to solve this problem. Almost 46 years ago, on April 4, 1967, Martin Luther King spoke in this very church, giving a speech with the title, “Beyond Vietnam: A Time To Break the Silence,” which was a very, very emotional and powerful attack on the Vietnam War. And he said, we are indeed in need of a new way, beyond the darkness that seems to so close around us; and then he called for a radical revolution of values.

## **A Paradigm Upshift**

Now, the existential requirement of today is exactly that. We need a total, fundamental shift in the paradigm, and it must be an upshift, as fundamental as the paradigm

shift which separated the Middle Ages from modern times, what Nicholas of Cusa, with his writings, consciously evoked, when he consciously broke with the dominant ideology of the time, which was scholasticism, which was superstition beyond belief, which was the logistical thinking of the Peripatetics of his time, and he introduced a completely different way of thinking, which led to all the breakthroughs of the modern age, the breakthroughs in modern science, the breakthroughs in Classical composition and many other things.

Now, what I find the most horrifying in thinking about this present situation is how close we are to a complete catastrophe, and that all the governments, the leading governments of the G20, and many other governments, don’t even want to acknowledge that! And they keep doing things which lead, step by step, further down the road to catastrophe.

The German government yesterday was reported to also now be producing armed combat drones. This is insane! Why would you continue a policy which is murdering people, where you have absolutely no way to differentiate between criminals, terrorists, and civilian casualties? And the problem is that not only are they not responding, but they are on a course which is leading to disaster, and the population is depraved, too.

I agree on that point with the next speaker [Bruce Fein], that it’s only, unfortunately, a very small portion of people who have the morality and the guts to do something. And the purpose of this conference, and previous and subsequent conferences, is to appeal to those, maybe 5% of the population, who have the courage to go against the mainstream and to go against this present paradigm; people who must be guided by an inner truth, who are capable of thinking through the consequences of the present policies.

Because the vast majority, probably 95% or more, are other-directed: They like depraved entertainment; they’re seeking pleasure in the here and now. Or, they are simply so preoccupied with the burden of getting their daily meals and survival, that they don’t have the energy to think through the larger issues of strategy, history, science, and culture.

Therefore, we have to find and mobilize those 5% who have the intellectual and moral disposition to come together and effect this paradigm shift. We had a conference at the end of last year near Frankfurt [Germany], and we will have many more such conferences and invite people to contribute papers, discussions,



seminars, to define the new paradigm, because this is the absolute necessary flanking environment which has to occur.

We have to mobilize the better parts of the population, but if push comes to shove, we are so short-term in the crisis, that unless the American Congress implements immediately, in the next days, Glass-Steagall—and if that happens, similar things will go into motion in Europe—chaos will erupt in the short term.

I can assure you that if you talk to some of the top bankers, when they are honest in private, they admit that this thing could come down in one minute, and that the people pushing these policies are completely irresponsible.

Now, Glass-Steagall is the absolutely necessary first step, and it does not look so bad, because we have led an unbelievably successful mobilization to bring Glass-Steagall onto the table internationally: the separation of the banks, *Trennbankensystem*, as it's called in German, was completely unknown two years ago. And just reading my morning mail this morning, I saw an article in *Süddeutsche Zeitung*, saying that the bankers are now coming around to see that politics is getting serious with separation of the banks, that it's no longer just the crazy people, *die Spinner*—meaning us, obviously!—who are pushing that.

But while it is not yet decided if you will have Vickers Commission, Volcker Rule, Dodd-Frank, Liikanen proposal, all these watered-down versions, or whatever, they naturally don't mention Glass-Steagall, they don't mention the bill of [Rep. Marcy] Kaptur in the Congress [HR 129], that coming in the light of the fact that the German election campaign is going into high gear for the Federal election, this will be the dominant subject. And I can promise you, we'll make sure it will be the real Glass-Steagall.

## Undoing Glass-Steagall

Now also in the United States, Richard Fisher [head of the Dallas Federal Reserve] gave a very important address in the National Press Club about a week ago, where he called for the separation of the too-big-to-fail banks.<sup>1</sup> Well, why is it necessary to have that?

Now, last week there was a panel discussion in Königstein in Taunus, near Frankfurt, with the participation of Anshu Jain, now co-director of Deutsche Bank; Jamie Dimon of JP Morgan; Klaus Engel, the



EIRNS/Claudio Celani and George Gregory

*Former JP Morgan director Alan Greenspan, during his term at the Fed, worked to destroy Glass-Steagall and create the bubble that wrecked what was left of the economy.*

CEO of the chemical firm Evonik; and Nikolaus von Bomhard, the CEO of Munich Re, the largest reinsurance company in the world. And in this debate, where the banks were the subject, Engel said, “Well, at least our toxic products are highly regulated.” And then Jamie Dimon responded, “Well, your mistakes have cost lives, ours have not.”

Well, I cannot let that stand: Because this is a case of *chutzpah* as I have not ever seen it, especially coming from JP Morgan! Because, immediately after Franklin D. Roosevelt's death, it was the very JP Morgan bank which started to undo the strict regulation of Glass-Steagall, which had its roots in the 1950s. In 1984, JP Morgan, where Alan Greenspan was a director at that time, produced a pamphlet “How To Undo Glass-Steagall.” When Alan Greenspan was the head of the Fed, in the '80s and the '90s, he step-by-step undermined Glass-Steagall; and naturally, in '99, when there was the repeal of Glass-Steagall and all the deregulation started, he was absolutely in the picture.

This deregulation led to the IT bubble, then the secondary mortgage bubble, and then in 2007, the present global financial crisis erupted full steam, and the policy of bailout package after bailout package occurred. In the United States, nobody knows exactly how much was involved, because the Federal Reserve refuses audits, they don't have transparency, but maybe \$30 trillion alone for the U.S. banks. There has been, at the same time, a complete transformation of private gambling debt into state debt, which has erupted into the so-called “state debt crisis,” which in reality is a banking crisis and a gambling crisis. Now they turn around and say, we want to have cuts, balanced budgets, at the expense of the

1. See “Bank Supervisors Throw Glass-Steagall Thunderbolt,” *EIR*, Jan. 25, 2013.

living standards of the population.

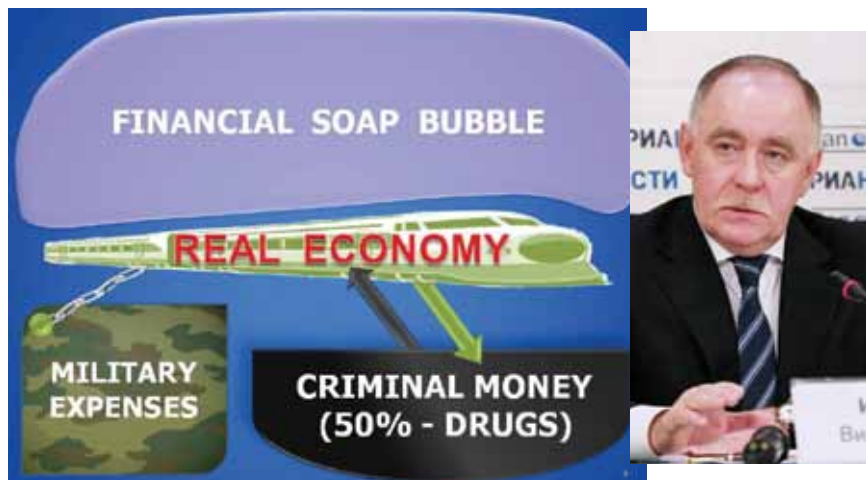
Now, the opposition party in Greece, the Independent Greeks, on Jan. 16, launched a lawsuit against the so-called Troika—the IMF, the European Central Bank, and the European Union Commission—for crimes against humanity, at the International Criminal Court of Justice, for the measures which that Troika imposed between May 2010 and today. And they say that this policy has led to 3,500 suicides, 1.5 million job losses, thousands of firms closing down, and this is a violation of Article 2 of the Rome Statutes, and the Charter of Fundamental Rights of the EU that was concluded in Nice, France, in December 2000, and which confirms that everyone has the right to life. Now, the state, according to the suit, has the obligation to take the necessary measures to protect the life of every individual.

In Italy, there are now marches of the widows of entrepreneurs who have committed suicide as the result of these policies.

The former UN Rapporteur for food, Jean Ziegler, said that every five seconds, as a result of these policies, a child dies; 57,000 people die of hunger every day. An SUV tank filled by biofuel uses 352 kg of maize, which is sufficient to feed a child for one full year. Now, as a result of these policies, 2.2 million children in the EU are undernourished; 43 million people in the United States depend upon food stamps. In Spain, 55% of the teachers bring food to the schools, because that's the only food the children get.

Ziegler says, in light of the fact we have all the technologies to solve that, and that the planet could feed easily 12 billion people—he calls this murder. And he describes very, very dramatically how hunger is the worst way to die: It leads to a terrible agony, people become lethargic, then it leads to a collapse of the immune system; you get bloody dysentery, you have extreme pain. Then the last stage is the atrophy of muscles, and then death.

And I think we should think about that, because banking policies are not unrelated to the consequences, no matter what people tell you. We have, in all of Europe, especially Great Britain, and in the United States, a three-class medical system: Rich people can afford good medical care; then there are some people



Federal Drug Control Service of the Russian Federation  
*Victor Ivanov, director of Russia's Federal Drug Control Services (inset) showed this graphic of the takeover of the real economy by drug money, speculation, and military expenditures, at a presentation in Washington, November 2011.*

who are taken care of; but many cannot afford to go to the doctor, because they cannot even afford the prescribed medicine. So this is cutting people's lives short. [See article in *National* on the U.S. health system—ed.]

### **'Weapons of Mass Destruction'**

Five and a half years after the outbreak of the crisis in July 2007, there is more toxic rot in the banks than ever. We were told this by top bankers in Europe, who agree with our Glass-Steagall approach. Already, in 2003, Warren Buffett called derivatives "weapons of mass destruction." And these weapons of mass destruction have been threatened every time a bailout package was due to happen.

For example, when Mr. [Charles] Dallara of the IIF, the International Institute of Finance, which is the lobby of the 620 largest banks, is sitting at the EU summit table, they always threaten: If you don't do what we tell you, the whole banking system will disintegrate. And this same Mr. Dallara, at Davos, at the present World Economic Forum just said, a new big storm is about to occur. And then he blamed the G20 for not having done enough.

In the meantime, what have these universal banks, too big to fail, accomplished? The Libor scandal: The 40 largest banks have defrauded their customers over several decades for several hundred billions of dollars. The Hongkong and Shanghai Banking Corp. (HSBC) has been accused, but unfortunately not punished, for laundering 85% of the Mexican drug money, which according to Antonio Maria Costa, the previous executive director of the UN Office on Drugs and Crime, and Victor Ivanov, the Russian counterpart, is the only

reason why the financial system has not collapsed, and which is done by every single bank of any size.

Deutsche Bank was caught in CO<sub>2</sub> certificate trading, tax evasion; and in December, there were two raids against the offices of Deutsche Bank, in one case, involving 500 armed police! Now that's not a small contingent.

Lanny Breuer, the head of the Justice Department Criminal Division, was just exposed in a TV program called "Frontline"; he was asked, why is it that not one Wall Street bank was prosecuted for these crimes? Breuer gave the answer that he can't sleep at night, thinking about what would happen if you go after Bank A—it would have a ripple effect on all the others. And then [former] Sen. Ted Kaufman said it's very disturbing, because it's not the job of a prosecutor to lie awake at night and worry, but to prosecute criminal behavior.

Now, Richard Fisher called for the cutting into pieces the too-big-to-fail banks; that 0.2% of the banks in the United States control 69% of the assets, and Fisher also correctly noted that Dodd-Frank, which includes the full Volcker Rule made things worse.

So therefore, we need the full Glass-Steagall, as Roosevelt did it. And Volcker also made the point that if you try to regulate a totally non-transparent system of derivatives and creative financial instruments, with an even more complex system of regulation, it cannot work.

Now, just look at what they have accomplished. The draft of Basel III, which was supposed to increase the capital holdings of the banks, has 616 pages. The quarterly report to the Fed spreadsheet has 2,271 columns. The 2010 Dodd-Frank Act has 848 pages, and so many rules that it could amount to 30,000 pages of legal addendums if fully codified. Now, do you really think this impresses anybody? And that is the tactic they always use, so that nobody can really understand it. [FDR's 1933 Banking Act, which included Glass-Steagall, was only 37 pages long—ed.]

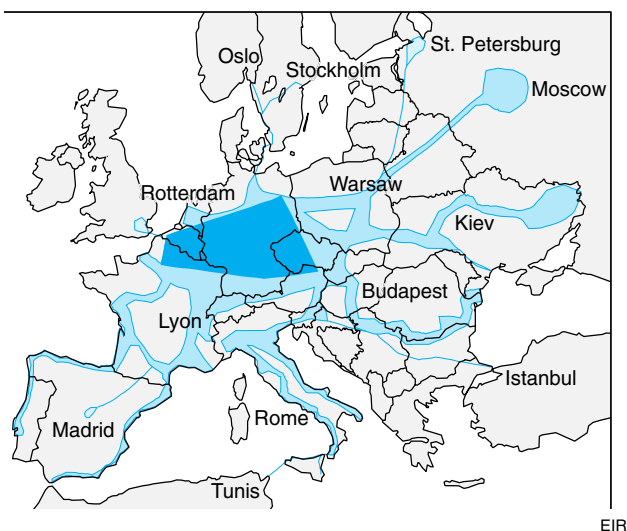
The only way to solve this is Glass-Steagall: Separate the banks and protect the commercial banks, tell the investment banks to solve their problem on their own without taxpayer money, and if they have to declare insolvency, so be it.

## A Credit System or Chaos

Then, naturally, they need an immediate credit system. If we don't do that, we will have, in the next days or weeks, uncontrollable chaos, a hyperinflationary blowout, and this is now already acknowledged. For example, Prof. [Hans-Werner] Sinn, from the IFO

FIGURE 1

## Development Corridors of the Productive Triangle, According to EIR Program of 1990



Institute in Munich, just wrote an article saying that the banking system is on the verge of bankruptcy; bank creditors will not get money back, and that alone, for example, the six most affected countries in Europe have EU9.4 trillion outstanding debt, as compared to one-third of that as sovereign debt.

Now, if you compare that to the existing instrument, the so-called European Stability Mechanism, which has \$80 billion capital and \$620 billion guarantees, if you want to service this debt, you go into hyperinflation immediately! So, there is now a debate about separation of the banks, but we have to make sure that it is the full Glass-Steagall.

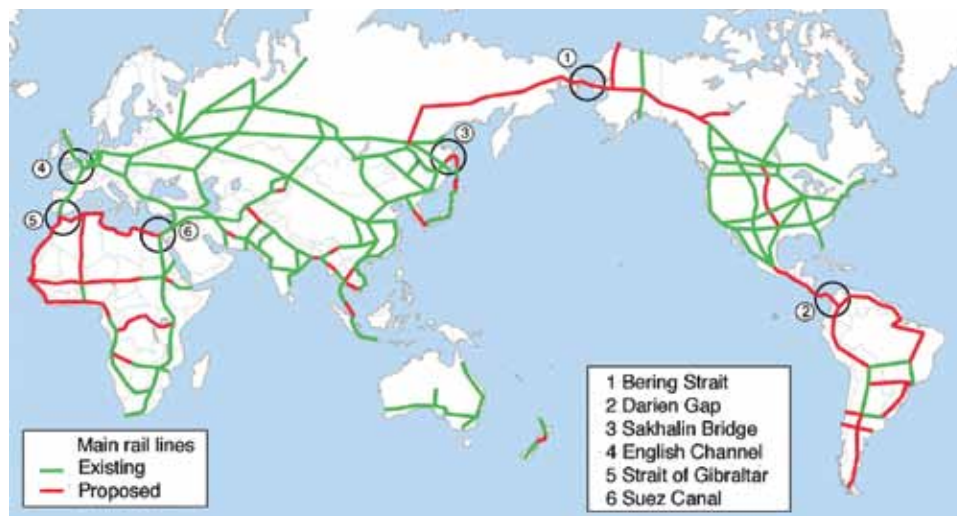
That is exactly what Richard Fisher was talking about at the National Press Club, namely, that you need to have a complete withdrawal of protection for the investment banks, but you also have to get rid of the hedge-funds, the private equity funds, shadow banking, and so forth.

Glass-Steagall is the hottest issue, but it has to be only the first step. We need, immediately with that, a credit system, in the tradition of the national banking system of Alexander Hamilton. We need to have credit lines for the investment of large infrastructure projects. And the Schiller Institute for the last, I would say, 40 years, but in particular for the last 20 years, since the collapse of the [Berlin] Wall, we have worked out what actually amounts to a global Marshall Plan, a global program for reconstruction.

Now, this is from a report we published in 1990 (Figure 1), immediately after the Wall in Berlin had

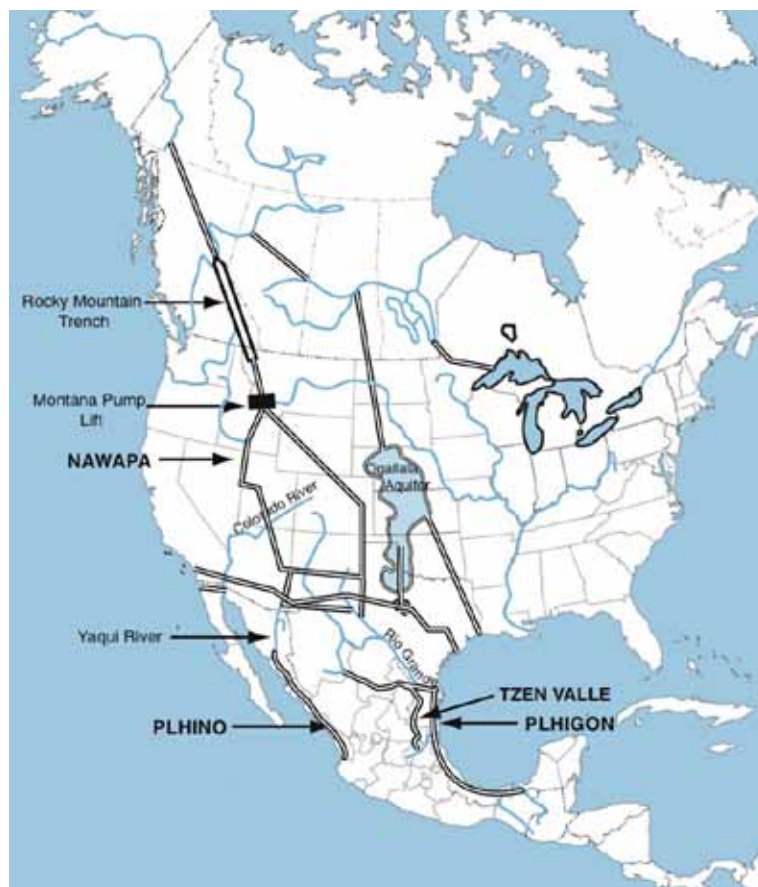


FIGURE 2  
**World Land Bridge**



EIR

FIGURE 3  
**Proposed North American Water and Power Alliance (NAWAPA)**



EIR

fallen and the Iron Curtain was no longer there, which was the idea to integrate the industrial and population centers of Europe and Asia through so-called “development corridors.”

This was, at that point, only an idea. We had about 100 conferences, and presentations, seminars, all over the world. And eventually this developed into the World Land-Bridge (**Figure 2**), which is the idea to connect the whole world, from the south of Chile, all the way up to Central America, through North America, the Bering

Strait tunnel, the Eurasian Land-Bridge, and through a large number of bridges and tunnels into all of Africa.

Now obviously, the connection between North America and Eurasia through the Bering Strait is a project which already is under way. It is the commitment of the Russian government to do that; it has attracted interest from China, from Japan, from Korea, because it is the way to open Arctic development.

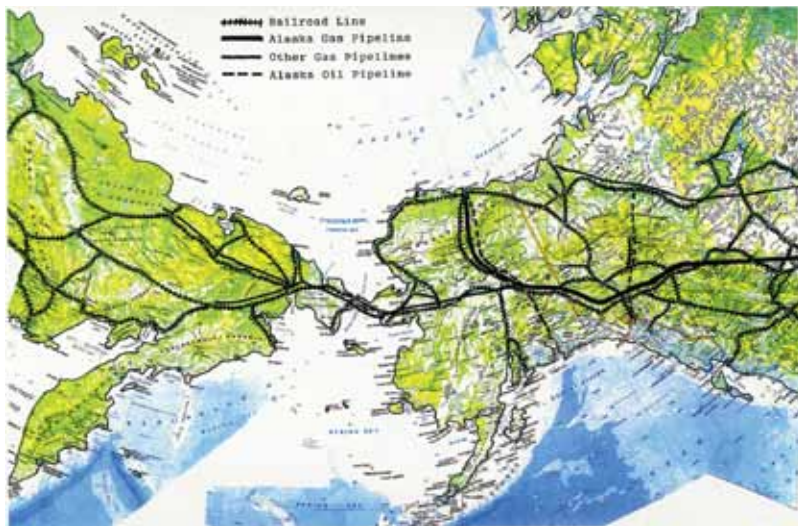
One centerpiece of it, obviously is NAWAPA (**Figure 3**). NAWAPA would immediately create 6 million jobs. It is the largest water-management project ever conceived in the history of mankind. It is exactly in the tradition of the TVA project of Franklin D. Roosevelt. It is supposed to connect, also, into Latin America through the Pan-American Highway, including the bridging of the Darién Gap, which right now is practically insurmountable and a World Wildlife Fund “biotope.”

This is the Bering Strait tunnel more precisely (**Figure 4**). This is the Arctic development (**Figure 5**): If we open up the Arctic development for exploration and even human habitation, this is one of the areas with the largest raw material resources for the next 100 years of civilization and an absolutely crucial project.



FIGURE 4

## Proposed Locations of the Bering Strait Railroad Tunnel and Natural Gas Pipeline Network



Hal B.H. Cooper, Jr., Cooper Consulting Co.

FIGURE 5

## Arctic Development



## Eurasian Land-Bridge Projects

There are many projects of the Eurasian Land-Bridge, which now are in different moments of construction. There is large cooperation between the Chinese and Russians, Koreans, India. Many of the projects which we proposed at the beginning of the '90s are now in various phases of completion.

In the recent period, we have added an extension of the World Land-Bridge into southern Europe (**Figure 6**), because the only way that Italy, Greece, Spain, or Portugal will ever recover from the present crisis is by having large-scale infrastructure corridors, which were all already drawn up in the beginning of the '90s, which are in drawers of various offices, but they were blocked because of the Troika

policy. And this program is supposed to include the development of the Mediterranean; it has a tunnel through the Strait of Gibraltar, a tunnel from Sicily to Tunisia, in North Africa.

And it is supposed to connect into large infrastructure projects in Africa. This is the Transaqua Project (**Figure 7**), the equivalent of NAWAPA for Africa. In another project, the water of the Congo River goes through nine countries and into the Mediterranean, by building a 40-meter-wide canal, which will help to irrigate all of the areas which are now complete desert, and be a second area of agricultural land besides the Nile.

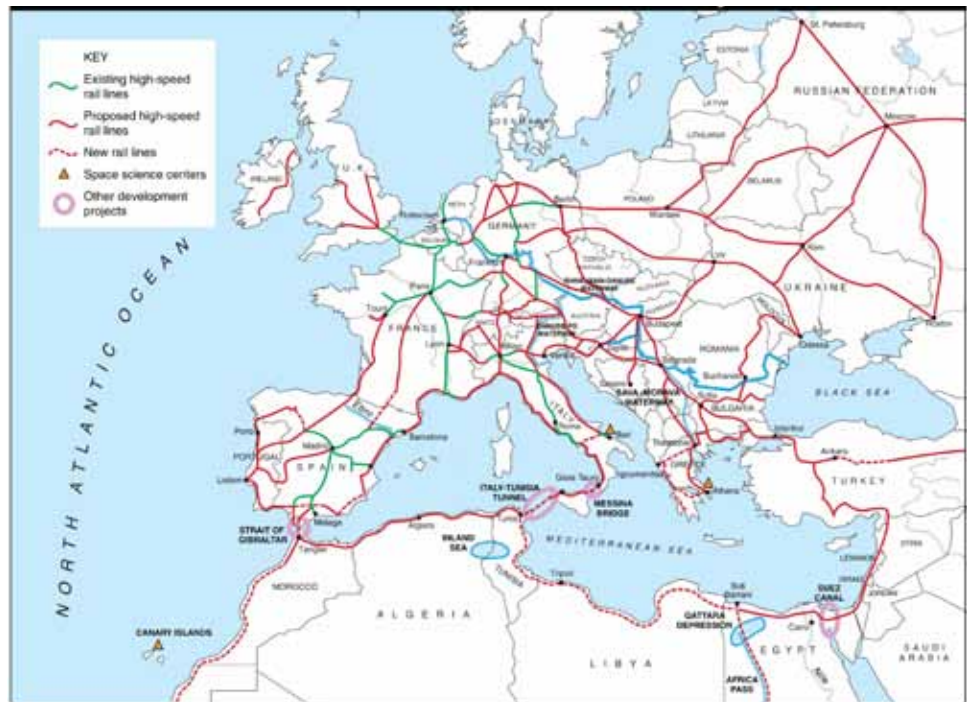
Now, one big problem is that, in the last 10,000 years, the deserts of the world have expanded (**Figure 8**), and for example, if you look at the region of the so-called Middle East, it is entirely desert. If you go from the Atlantic coast of Africa, all the way to the Middle East into China, you see this tremendous belt of desert, which absolutely needs to be reversed. De-desiccation can be

LPAC

accomplished through three means: One is by redirecting the rivers; this (**Figure 9**) is the Ob and Irtysh Rivers, which normally flow into the Arctic in Siberia, which have to be redirected to fill up the Aral Sea, which has been depleted down to 10% of its previous size. Here you see the Aral Sea (**Figure 10**), which is shrinking and will vanish very soon, and therefore, this redirection of the rivers is a project which is absolutely necessary to undo the damage from the mono-cultures which existed during the time of the Soviet Union.

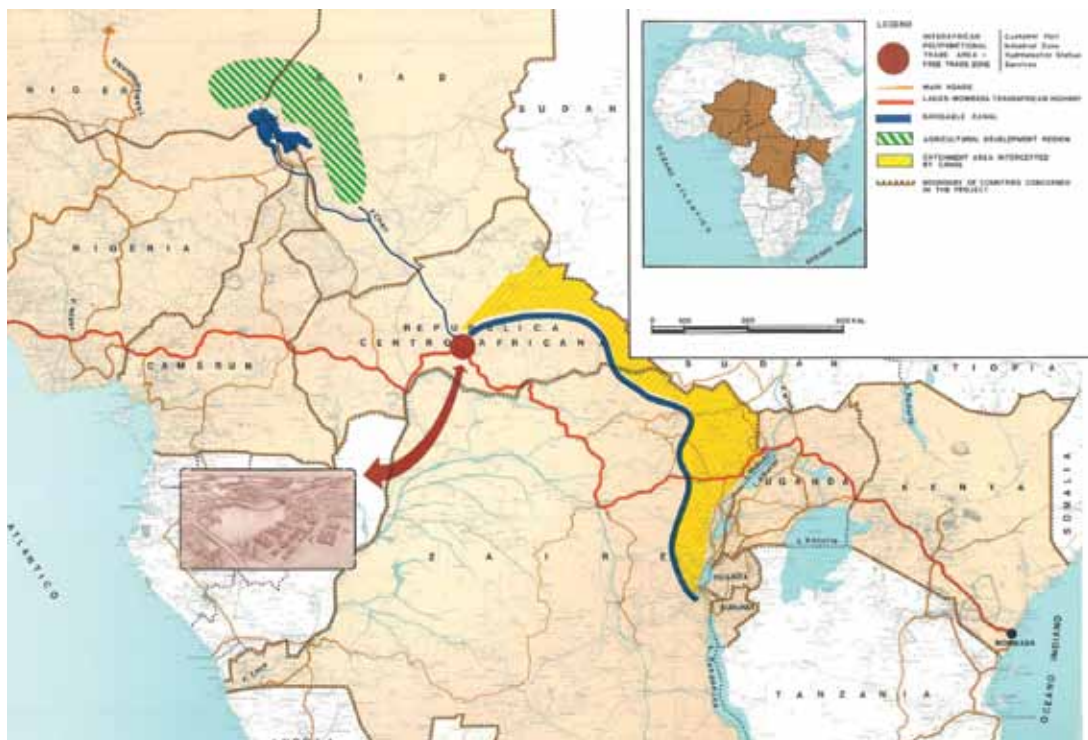
Then you have a project, the so-called GAP project in Anatolia, which involves al-

FIGURE 6  
Mediterranean Basin Great Infrastructure Projects



EIR

FIGURE 7  
The Transaqua Plan



[www.transaquaproject.com](http://www.transaquaproject.com)



FIGURE 8  
**Major Deserts**



together 22 dams; a region right now completely contested by ethnic strife between all kinds of tribes, Turkish, Kurdish people. This is the Ataturk Dam (**Figure 11**). This is the region in the southeastern Anatolia project. If it is completed, it would create a whole new region of agricultural and other activity.

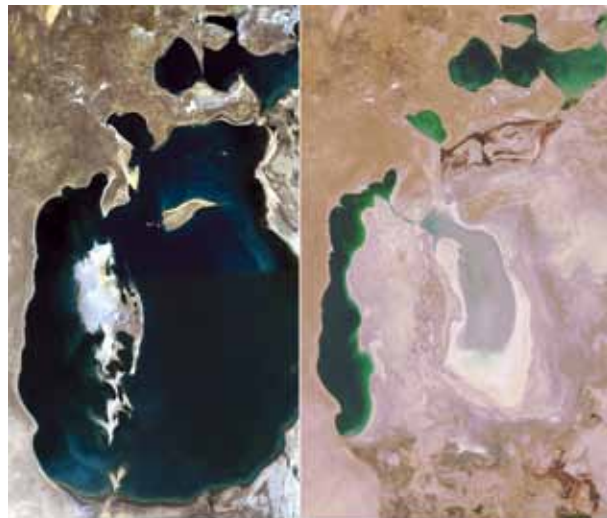
This is the greening of Iraq (**Figure 12**): This is an absolutely necessary project for this region.

The desert of the Saudi Arabian penin-

FIGURE 9  
**Siberian Rivers**



FIGURE 10  
**The Aral Sea, 1989-2008**



July - September, 1989

October 5, 2008

Wikipedia Commons

FIGURE 11  
**Turkey's Atatürk Dam**



FIGURE 12

## Proposals for Greening of Iraq



sula has to be encircled by different greening projects for which we can use, in the first phase, the water from aquifers, but in the final instance we need large-scale desalination of ocean water which only can be accomplished through peaceful nuclear energy, and there, we need the inherently safe, fourth-general high-temperature reactors.

Eventually, this will lead to new vegetation, new rainfall patterns, new local climate patterns, and eventually this region will have lush gardens, and woods, with vegetable plantations and so forth.

So, obviously, what we need is this vision, of how to transform the globe. The argument of the too-big-to-fail bankers is that in order to do any of these things, you need universal banking, private investment, and so forth. You need free trade, privatization, deregulation; and these bankers say that the biggest danger is that the countries will go back to protectionism and the defense of the national interest. Now, this is the biggest lie, ever! It's the argument of the imperial and the colonial systems, because the empires, like the Venetians or the British, used to control the sea trade, and they followed the principle of "buy cheap and sell dear." The equivalent of this are the cheap labor markets of today, where

you have child labor, things are being produced for the Dollar stores in the United States or in Europe.

It comes back to the question: What is the source of wealth in society? It is not raw materials, it is not the control of trade and finance, it is, exclusively, the creative potential of the domestic population and the increase of the productivity through education in science, technology, and culture. And the more developed the population is, the greater the wealth is of the nation.

## Hamilton, List, von Kardoff

You need, in addition to that, the sovereign control of credit creation in the tradition of Alexander Hamilton, and the First National Bank of the United States, where the state has the right to create credit for well-defined projects for the physical economy in the interest of the common good. It is what Friedrich List, the author of the national economy and the Customs Union, called the difference between the American and the British systems.

This economic theory was the basis for the industrialization in Germany, of America, Russia, and Japan. It was continued by the ideas of Henry Carey, the economic advisor of Lincoln, and within a few years, Germany became one of the leading industrial nations through the ideas of Henry Carey. Otto von Bismarck, the chancellor who unified Germany, was first, a total believer in free trade, and then, through the influence of Wilhelm von Kardorff, who was a member of parliament, and later became the founder of the central association of German industry for the development and protection of national labor, advised and convinced and recruited Bismarck to turn from a free-trader into a believer in protectionism. He wrote a book called *Against the Stream*, where he describes the lies of the free-traders, and developed the principles of a productive national economy. And I can only advise people that this book is an absolute must-read for everybody who wants to study these things today. It is completely omitted from all official biographies of Bismarck, which is really very amazing.

What this theory says, is that you have to invest in areas in which you would invest, if the economy were in good shape, and that money creation is not inflation-





Creative Commons/Piero D'houin

*The Po-i-Kalân Mosque in Bukhara, Uzbekistan, along what was once the Silk Road.*

ary; and, as a matter of fact, it can be proven that every time this was applied, the tax revenues became bigger than the initial credit, simply because of the primary and secondary effect on the economy.

Now, the Middle East development program which you can look at at the Schiller Institute [website](#) in greater detail, naturally can only be realized if the four big powers, or the neighboring powers, agree to make peace in this region: namely Russia, China, India, and Iran; and hopefully, the United States, Germany, France, Italy, Japan, and others will agree that you have to have a perspective of having peace through development, and have a vision which is an incentive for this region to agree on a higher level of reason, something which is to the advantage of all parties, and is a vision for the youth.

We have to draw a picture of how should the world look 50 years from now? Should the Middle East—and when I mean Middle East, I mean the region from Central Asia, to Afghanistan, Pakistan, all the way to the Gulf States and the Mediterranean—should this region have, in 50 years or maybe earlier, an infrastructure as dense as in Europe today? And what I mean by that is, if you ever have been traveling along

the Rhine, you see the cargo ships, which then go to computerized train stations, and then go to production centers, without any interruption. And that is exactly what we need to have in the Middle East: We need to have a vision of beautiful cities, in places where you have desert today. And these beautiful cities should have the architecture of the ancient Silk Road, of the Abbasid Caliphate periods, and not look like Houston!

We have to have the idea of lush forests, vegetable gardens, green landscapes, where basically deserts and sandstorms are dominating today.

We need a renaissance of the period when Baghdad was the leading capital of the world, when Haroun al-Rashid and al-Mansour paid in gold for every discovery which was brought to them from Mediterranean countries, and when scholars like al-Kindi, al-Farabi, and Ibn Sina were continuing the heritage of the Platonic tradition in that part of the world.

Is it realistic to think that way, in the face of the present situation, when the Middle East is a powder keg, which could lead to World War III?

### **A New Peace of Westphalia**

If you look at the trail of destruction of the regime-change policy of the British and U.S. government, starting basically with the fall of the Soviet Union, you look at Iraq, Afghanistan, Pakistan, Syria, Libya, the Gaza Strip, you look at the destruction, the bombed-out houses. You have now a conflict between Shi'ites and Sunnis which easily could develop into a Hundred Years War. If you look at the Israeli-Palestinian conflict, is that a realistic perspective? Is Henry Kissinger right when he says that the Peace of Westphalia principle is not valid for this region?

Well, I strongly say: No! I think the Peace of Westphalia is the *only* way how peace in that region can

occur. And well, how did the Peace of Westphalia come into being? It was the conclusion of 150 years of religious war, topped by the Thirty Years War, which had left large parts of Europe totally destroyed, 80%, so that the people finally got to the table to recognize that if they would not stop this, there would be nobody left to enjoy the result.

Now, the Peace of Westphalia developed very important principles: The first principle being, for the sake of peace, let's stop all vengeance; let's forget all the crimes from the one or the other party, and put them behind us. Principle #2 being, for the sake of peace, let's make love the basis of foreign policy; let's make the interest of the other our own interest. And thirdly, cameralism developed, namely, the role of the state in the reconstruction after the war.

Now, is that realistic? Well, if the people in the time of Peace of Westphalia could recognize that they would not live if they continued, maybe in light of the fact that everybody who knows anything about the region today—that a strike against Iran could lead to the thermonuclear destruction of civilization—is that not incentive enough?

If you look, for example, at the long history of bitter hostilities between Germany and France, who used to be arch-enemies, where in the War of 1870, large territorial disputes were a thorn in the flesh of people; in the First World War, there were four years of fighting between German and French troops, senseless fighting and killing for four years in the trenches, sometimes only a few meters ahead, a few meters back, in four years of complete destruction and uprooting of entire populations.

In 1923, the French occupation of the Rhineland—because Germany did not pay the expected amount according to the Versailles Treaty—triggered the hyperinflation of 1923, and also escalated the hatred against the French. On top of the humiliation of the Versailles Treaty, now you had the complete expropriation of the people.

Then World War II: again, bitter fights. Out of this Adenauer and de Gaulle made the foundation of a new German-French friendship, and we have just now had the 50-year anniversary of the Elysée Treaty, and people



*German Chancellor Konrad Adenauer (left) and French President Charles de Gaulle, Sept. 27, 1963. The reconciliation between France and Germany, orchestrated by the two statesmen, was affirmed in the Elysée Treaty (Treaty of Friendship), whose 50th anniversary was celebrated on Jan. 22, 2013.*

are studying each other's language, there are youth exchanges. And while they are far from being what we would make out of it if we were the governments, nevertheless, there *is* an example that you can overcome such conflicts. How did they do it? Adenauer and de Gaulle went back to the roots of both countries in Charlemagne, and they came up with a common vision for Europe of the Fatherlands.

### **Cusa's Coincidence of Opposites**

Now, you cannot come to this if you remain in the thinking of Aristotelian contradictions, if you make a long list of ethnic religious conflicts. You have to have a completely different thinking, namely a thinking on

the method of the *coincidentia oppositorum*, the coincidence of opposites, the method developed by Nicholas of Cusa: that the One has a higher priority and a higher power than the Many.

You have to think the way Cusa developed it in the famous dialogue *De Pace Fidei*, about peace among the religions, which he wrote after the Fall of Constantinople in 1453, which was a clash of civilizations of its time, where many people were killed. And he said, the 17 nations and religions went to God and they said to God, we each claim that we are in the sole possession of truth, but we all kill each other in your name. That cannot be your interest.

And then God answered: Well, you are all philosophers in your religions, and therefore, you can recognize that there is only one truth. And they said, “Yes, that we can understand; but still, we have killed each other so many times, can you help us some more?”

And then God said: Well, as philosophers you recognize that there is only one truth, but you make the mistake to *mistake* the words of the prophets for the one truth. And they said, “Yes, but help us more.”

And then God said, You make the mistake, also, that you *mistake* the one truth with the many traditions. And the representatives said, “But what should we do? How should we talk to our people?”

And then God said, “Go back to your people, and teach them that there is only one truth, that there is only one God, and that there is only one religion which is above all the religions of the prophets.” And that is what the solution obviously must be.

Now, the truth Nicholas talks about is not some static body of facts, which man can learn about through sensuous experience, but it is a process of continuous creation, which man participates in when he acts on his creative potential, discovering more and more principles about the physical universe, and natural science, and Classical art. And in doing so, it is not that every generation has to start from scratch, even though the *moral* obligation for each individual to do that, remains the same, and new. But I believe that Vladimir Vernadsky was absolutely right when he said that the *noösphere* would gradually have a greater and greater role over the *biosphere*.

Therefore, the identity of human beings, different from all other living beings, is that man is not a creature of sensuous experience, but it is his identity to discover

these principles. It is what Friedrich Schiller wrote in the fourth of the *Aesthetical Letters*: Each individual human being carries, one can say, according to his constitution and destination, a pure ideal human being within him. And to coincide with that unchangeable unity in all of its development and changes, is the great task of his existence.

## Classical Art

Now, how to get to this coincidence with one’s own ideal personality? How to make that inner truth that corresponds to that great task of our existence, the guiding principle of our action, as compared to sensuous gratification of pleasure in the here and now, which is what most people are dominated by? It is through the aesthetical education of man, through Classical composition in music, Classical drama, poetry, and similar forms of art.

Why is this the means to get that transformation? Well, you start in music, in Classical music, or in a poem with a musical or poetical idea. You have the development of that idea, what you call in music “thorough composition,” like a polyphonic-contrapuntal fugue of Johann Sebastian Bach. And then you arrive at a higher level of truth.

In Classical drama, you start with the pregnant moment, which is like a seed containing all potentialities, which later unfold, like a tiny seed that already contains the entire potential of a full-grown oak. Then, through development, you arrive at the *punctum saliens*, which is the point of decision with the highest degree of freedom, and depending on the motive of the principal figure in the drama, it will be decided if there is a positive resolution of the conflict, or it ends up as a tragedy. If the drama is in the Classical form, its inner lines of action follow the same principle as the polyphonic contrapuntal fugue.

And it is the same with the Classical poem: You start with the poetical idea in the form of a metaphor, a paradox, or an irony, and then, through a process of “densification”—and the German word is actually *Verdichtung*, densification—one arrives at a higher level of meaning, which could not be expressed in simple prose.

Now, looking at the world today, we have to ask the same question Schiller asked: How is that we are still barbarians? I come to the same conclusion as he did, that the education of the *Empfindungsvermögen*, of

empathy, of sensitive compassion, of emotional resonance with the condition of humanity, *is* the answer. You must not only educate the power of imagination, and have a vision of what the future *has* to be, but you have to have the power of compassion, of love for mankind.

### The Extraterrestrial Imperative

But man is not only man on the planet Earth: Our planet is situated in an expanding, evolving universe, cosmic processes affect us which we have to master. Next month, an asteroid will fly by our Earth at a relatively short distance away, and we should take that as a wakeup call: that mankind presently does not have the ability to deflect or protect itself against large objects striking Earth. The last major such even was in 1908 in Siberia, in Tunguska, where a relatively small object, of only 30-50 meters across, hit. But it already effected a crater larger than the region of New York City, the larger area around it.

A more severe impact was that of 65 million years

ago, which had about 10 km across and created a crater of 180 km in the Yucatan Peninsula in Mexico, and led to the Great Extinction, in all likelihood, the extinction of the dinosaurs. Now, that had an energy release of 100 million megatons, and this was about 20,000 times the estimate of what the destructive power of the entire nuclear arsenal of the world is; and it led to a large period of the equivalent of a nuclear Winter, blocking out the Sun for years.

Now, obviously such large events occur fairly seldom, but smaller objects could hit the Earth very easily, and lead to extinction.

Now, if you look at all these threats, and also other ones—extreme weather, which in New York, you have seen very recently; the outbreak of volcanoes, tsunamis, earthquakes; the drug plague, which is leading to menticide of hundreds of thousands, if not millions of people—don't you think we should have a movement for the common aims of mankind, trying to conquer all of these dangers through the means of our creative potential?

## Krafft Ehricke's Vision

*The late Krafft Ehricke (1917-84), space scientist and passionate advocate for space exploration, summarized his philosophy of astronautics in three laws (1957):*

First Law. Nobody and nothing under the natural laws of this universe impose any limitations on man except man himself. Second Law. Not only the Earth, but the entire Solar System, and as much of the universe as he can reach under the laws of nature, are man's rightful field of activity. Third Law. By expanding through the universe, man fulfills his des-

tiny as an element of life, endowed with the power of reason and the wisdom of the moral law within himself.



*Krafft Ehricke with a model of an orbital hospital.*

NASA

The first law is astronautics' challenge to man to write his declaration of independence from *a priori* thinking, from uncritically accepted conditions, in other words, from a past and principally different pre-technological world clinging to him. This can be done. The Declaration of Independence and the Constitution of this country prove it.

—Cited in Marsha Freeman, *How We Got to the Moon: The Story of the German Space Pioneers* (Washington, D.C., 21st Century Science Associates, 1993), p. 297.



Obviously, this requires a leap in knowledge about the cosmic effects on the planet. We need to go to higher energy-flux-density energies, and technologies based on those, and we need to move consciously into a new era of mankind, which must be guided by what Krafft Ehrlicke called “the extraterrestrial imperative,” as the conscious next phase of the evolution of mankind. This must be guided by the power of reason, and the wisdom of the moral law within ourselves, as Krafft Ehrlicke put it.

That means we have to comprehend and to colonize nearby space as a first step, and this is not just an option, but a necessary next step. But it *has* to be connected with the aesthetical education of man, because if we don’t become more human, if we don’t become more of what is worthy of the dignity of man, all of this will not function. And Krafft Ehrlicke, who was a close friend of ours in the last years of his life, said: The absolute importance of the ideas of Friedrich Schiller, the *Aesthetical Education*, the turning of people into real, loving human beings, capable of *agapē* for the rest of mankind, *has* to go along with these technological developments.

Now, when the ISS [International Space Station] crew came back from their last mission, they held a press conference and they said that the dinosaurs made the mistake not to place their DNA on other planets!

We must think of mankind as the only potentially immortal species. We have to think ahead, because the Sun, in the next 3 billion years—it’s not tomorrow, but it’s coming—is no longer making the Earth a livable place. Most geophysicists when you ask them, they dismiss that and say, “Oh yeah, man only appeared one minute before midnight, and he will disappear one minute after 12.” I think this is not acceptable. Because if you look at this in perspective, mankind has only been around a meager 7 million years; recorded written history is only available since about 3,500 years ago—that’s only about 200 generations—not very much.

If you would have told a Stone Age man about the Internet, about viruses, fusion power, or the activities of Curiosity on Mars, what would this Stone Age man have said? Now, just think how mankind will look 1,000 years from now! I’m very optimistic, that if we are still around, people will have forgotten about Jamie Dimon, but they will think about Krafft Ehrlicke.

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## Unanimous Endorsement

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# Rep. Jones Calls for Support on Legislation

Jan. 28—The more than 300 people attending the New York City Jan. 26 conference of the Schiller Institute, unanimously endorsed a call by Rep. Walter Jones (R-N.C.) to mobilize support for two important legislative initiatives now before the 113th Congress.

In video-taped remarks to the New York City gathering, Jones conveyed his greetings and congratulations, declaring, “I am pleased to have this moment of time to welcome you to the conference on ‘A New Paradigm To Save Mankind.’ If there’s ever been a time that we need to have these types of discussions, it’s now, not later.”

He continued, “I would like to start by explaining a couple of bills—one I have introduced; the second bill, I am a co-sponsor. The first bill is H. Con. Resolution 3. This basically says that any President, without provocation, that bypasses Congress to bomb a foreign country, can be and should be impeached. I would really appreciate if those of you in this conference would join me in this effort by calling your member of Congress, and ask that member of Congress if he or she would please join Walter Jones from North Carolina, in H. Con. Resolution 3.

“To me, the Constitution is like the Bible, it is sacred. And we need to follow the Constitution, especially when we decide to send our young men and women to war.

“The second bill I’d like to present to you, and ask your help with, is introduced by my friend Marcy Kaptur [D-Ohio]. I have joined her in this bill H.R. 129. The reason for this legislation is to reinstate Glass-Steagall. I must tell you that one of the worst mistakes I’ve made, was, one, sending our troops to Iraq to an unnecessary war. And the second was to vote to repeal Glass-Steagall. And I join my friend Marcy Kaptur in trying to get the House of Representatives to bring this bill up for a hearing in the House, and then a debate. But just like H. Con. Resolution 3, we need your help with H.R. 129, Marcy Kaptur’s bill to reinstate Glass-Steagall.



North Carolina Congressman Walter Jones

“I think these two bills are extremely important, but we cannot get these bills even heard in the Congress, unless you pick up the phone, or you e-mail your member of Congress, and tell that member of Congress to join in H. Con. Resolution 3, which is dealing with War Powers; and then, H.R. 129, which deals with the reinstatement of Glass-Steagall.

“This conference that you are a part of is very important and very special to the future of America. Thank you for being at this conference! When you leave this conference, please be energized to pick up the phone and let the people in Congress know, that you are aware of what’s happening, especially with these bills.”

### Fein: The Background to the Legislation

Immediately following Jones’ videotaped address, Bruce Fein, a former U.S. Department of Justice official and a renowned Constitutional lawyer, who addressed the Schiller Institute event earlier in the morning, rose to support and amplify on Rep. Jones’ remarks on the issue of War Powers.

“I drafted the impeachment resolution for Congressman Jones,” Fein stated. “And I want to try to explain the background and the reason for its urgency.

“When the Founding Fathers gathered in Philadelphia in 1776, these were people who were erudite. They had examined the history of conflict, and it appeared that it was the Executive branch that regularly

was leading people into war, whether it was [King] David, or otherwise, because, they concluded, during times of conflict, the Executive gets all the power, the taxes, the money, the secrecy, the contracts, the footprints in the sands of time.

“And therefore, the Executive had concocted danger out of thin air in order to justify warfare. Therefore, the members *universally* and unanimously insisted that only the Congress of the United States, which did not confront a conflict of interest in entering war, would not increase, but would have its power diminished in times of war, *could* vote a war resolution. *Only* the Congress of the United States. And indeed, the first President, George Washington, who himself presided over the Constitutional Convention, stated, before any President can use the military offensively, Congress must provide a declaration of war.

“Thomas Jefferson needed ten statutes, to use force against the Barbary pirates, who were engaged in an international crime of piracy.

“Now, why did the Founding Fathers believe it was very important to set a very exacting threshold, in order to move the country from a state of peace, to a state of war? The definition of war, ladies and gentlemen, is that it makes what’s customarily murder, legal. *It makes what’s customarily murder, legal*: In other words, you return to a state of nature. As Cicero said, ‘In times of war, the law is silent.’

“It isn’t that there can *never* be occasions that justify war. We couldn’t have responded to the Japanese attack at Pearl Harbor with indifference. But you need to have *very high* and exacting standards of provocation, to justify war, because you return to a state of nature, where, as Thomas Hobbes wrote in *The Leviathan*, ‘life is poor, brutish, nasty, and short.’ Even for the superpowers, ultimately, who will go the same way as the Roman and all other empires, unless they step back from the precipice.

“Because the Founding Fathers stated repeatedly, ‘freedom and liberty cannot exist in a state of perpetual warfare.’ Those instruments of authority and power that were initially concocted to fight foreign danger, will come back domestically and destroy liberty at home. Ladies and gentlemen, that is *exactly* what has happened since 9/11. We were told at the outset, ‘We must fight them in Kabul; we must fight them 6,000 miles



EIRNS/Stuart Lewis

Constitutional lawyer Bruce Fein

away; or else we will end up fighting them in Washington, D.C.’ That justified Guantanamo, preventive detention without accusation or trial, unilateral use of force by the President in secrecy, intercepting our phone conversations, e-mails, and otherwise, without warrants.

“Now, over ten years later, the last iteration of the National Defense Authorization Act, one of the most vocal proponents of war and belligerency, [Sen.] Lindsey Graham of South Carolina, the famous state that shot the Union at Fort Sumter, he said, in defending the continuing authority of the President, to use not only law enforcement, but *the military*, to detain American citizens and to dispatch them to Guantanamo Bay, because they’re an ever-present danger to the country, if they were somehow ‘associated’—whatever that means—with a group ‘associated’ with al-Qaeda.

“He said, ‘Ladies and gentlemen in the Senate, we need to bring the battlefield here to the United States! We can’t keep it in Kabul! Those terrible people come to the United States, and we know that they could be here. Even if they’re in embryo, you can’t wait for that embryo to grow 60 years later and turn into a mushroom cloud—you need to stop it now! We need to exterminate it, now! We may need to go to lobotomy, so they can’t learn chemistry and physics to develop these IEDs! We can’t be timid, you know;

otherwise that mushroom cloud keeps comin’ up!’

“And that’s what we have.”

### What is the President’s Authority?

Fein continued: “What was initially created, to capture and detain persons abroad—now, right in the United States! And as far as legal architecture goes, the President’s claimed authority, to employ Predator drones against anyone who he decides in secret is an imminent threat—and imminence no longer means, soon to happen; it could be a year from now, two years from now, three years from now. In other words, it means, ‘whatever the President wants it to mean,’ as he borrows from Humpty Dumpty in *Alice in Wonderland*, which is where we are. It means he can use the Predator drones here! On us, on me, on anyone who says something, and he says, ‘well, you’re saying something that could be sympathetic to the enemy.’ Wow!

“That means, ladies and gentlemen, that *all* of our liberties, including our right to life, are not a matter of right; it’s the indulgence of the President. He has chosen for political reasons, *not* to vaporize us. It’s not something that should let you sit with equanimity: ‘Really?! That sounds like vassalage, rather than citizenry.’

“And even if we have a President, who, because of his own moral compass, if that’s not a contradiction in terms, would refrain from using Predator drones in the United States, think about the principle! It lies around like a loaded weapon, ready for any successor, and sometimes, at one point, it’ll be Caligula, to use, at the claim of any need.

“Is that what our posterity will inherit? Those yet to be born will inherit vassalage and serfdom, rather than citizenry? And I think about this daily, as to what historians will say about *us*, in this room and elsewhere in the United States: Will they say, what Tacitus wrote about Rome, as it degenerated from a Republic to an Empire: ‘The worst crimes were dared by a few, willed by more, tolerated by all.’”

Immediately after Fein’s remarks, Helga Zepp-LaRouche called upon the conference attendees to endorse Rep. Jones’ call for a full mobilization in support of H.C.R. 3 and H.R. 129. By a resounding unanimous voice vote, the participants endorsed the motions and vowed to mobilize, in deeds, as well as words, to pass both Congressional acts.

THE LID IS OFF

# Appeals Court Slams Obama For Violating Constitution

by Edward Spannaus

Jan. 28—President Obama's second term got off with a bang on Jan. 25, when the second-most powerful court in the land declared that he had abused his authority in a manner that would "eviscerate" the Constitution's separation of powers provisions.

In declaring the President's January 2012 recess appointments to be unconstitutional, the U.S. Court of Appeals for the D.C. Circuit issued a ruling with far-reaching implications for redressing Obama's widespread abuses of power and his flagrant violations of the U.S. Constitution.

"Finally, there is a fight," Lyndon LaRouche said on hearing the news. Calling this "a qualitative shift in the political situation inside the United States," LaRouche noted that there has not been a real fight over Obama's illegalities up to this point, but that "now, with this out, the lid is off."

Congress is now confronted with something they didn't have the guts to say, LaRouche added, with the Court issuing a plain, outright denunciation of Obama. Somebody has now set fire to the joint, he noted, and it's going to be very hard to put it out, or to reverse the effects of the court's action.

## 'Just Like Hitler'

As background to the Circuit Court's ruling, we must go back to January 2012, to the point when Obama made a series of recess appointments as implementa-

tion of his newly announced policy of ruling by decree, irrespective of the U.S. Congress. At the end of December 2011, White House deputy press secretary Josh Earnest said that, with the budget crisis temporarily resolved, Obama was going to have "a larger playing field," and elaborated: "If that includes Congress, all the better, but that's no longer a requirement. The President is no longer tied to Washington." Concretely, the White House confirmed that the President would be guided by the slogan, "We can't wait."

On Jan. 4, 2012, the same day he made the now-invalidated recess appointments, Obama stated the following while speaking in Cleveland: "But when Congress refuses to act, and as a result, hurts our economy and puts our people at risk, then I have an obligation as President to do what I can without them. I've got an obligation to act on behalf of the American people. And I'm not going to stand by while a minority in the Senate puts party ideology ahead of the people that we were elected to serve. Not with so much at stake.... We're not going to let that happen."

On that same day, Obama made four recess appointments—three to the National Labor Relations Board (NLRB), and one to the newly created Consumer Financial Protection Bureau. Obama did this *despite* the fact that the Senate was *not* in recess (under the Constitution, the Senate cannot adjourn for more than three days without the consent of the House), and it had not





White House/Pete Souza

*Obama should look worried: The walls are closing in on him, as his anti-Constitutional actions are slapped down by one of the highest courts in the land.*

only been meeting every three days in pro forma sessions, but it had conducted business over the previous two weeks.

Two days later, LaRouche pointed out that Obama's actions were "just like Hitler." LaRouche was referring to the parallels with Hitler's *Ermächtigungsgesetz*—the notorious "Enabling Act"—which was passed by the German Reichstag on March 23, 1933, and which gave Hitler the right to govern *on his own*, in contravention of the Weimar Constitution, without consulting parliament.

Shortly after the passage of Hitler's Enabling Act, Crown Jurist Carl Schmitt publicly defended it, declaring that the Executive prerogative now included the power for the Executive to pass laws on its own. Schmitt wrote that "the present government wants to be the expression of a unified political will which seeks to put to an end the methods of the plural party state which were destructive of the state and the Constitution."

As we will see, Obama's rationale—identical in all crucial respects to that of Schmitt—was explicitly struck down by the D.C. Circuit's recent ruling.

### **'This Will Not Do'**

The Jan. 25 ruling by a three-judge panel of the D.C. Circuit Court of Appeals was the outgrowth of a petition brought by a Washington State bottling firm against the NLRB, challenging a Feb. 8, 2012 NLRB

order on the grounds that the Board lacked the quorum required to conduct business, because three of its five members were never validly appointed, those being Obama's putative "recess appointments." A few weeks after that, the bottler, known as Noel Canning, filed a petition for review. The Jan. 25 opinion was the result of the court's review of that NLRB order.

Signalling the momentous nature of the ruling it was about to make, the Court panel noted, "While the posture of the petition is routine, as it developed, our review is not." And indicating where they were going, the Court stated that the questions before it "implicate fundamental separation of power concerns."

After conducting an exhaustive "originalist" analysis of the Constitution's Recess Appointments Clause (Art. II, Sec. 2, Clause 3), the Court concluded that the Senate clearly was not in recess within the meaning of that clause of the Constitution, and furthermore, that it is not up to the President—as Obama had asserted—to make the determination as to whether the Senate is, or is not, in session.

Referring to a Justice Department Office of Legal Council memorandum, which claimed that "the President therefore has discretion to conclude that the Senate is unavailable to perform its advise-and-consent function and to exercise his power to make recess appointments," the Court replied bluntly:

"This will not do. Allowing the President to define the scope of his own appointments power would eviscerate the Constitution's separation of powers. The checks and balances that the Constitution placed on each branch of government serve as 'self-executing safeguard[s] against the encroachment or aggrandizement of one branch at the expense of the other' . . . . An interpretation of 'the Recess' that permits the President to decide when the Senate is in recess would demolish the checks and balances inherent in the advice-and-consent requirement, giving the President free rein to appoint his desired nominees at any time he pleases, whether that time be a weekend, lunch or even when the Senate is in session and

he is merely displeased with its inaction. This cannot be the law.”

## Back to Constitutional Basics

But the Court didn’t stop there. Addressing the Administration’s argument that a “recess” includes any break during a Congressional session (these days, there are two sessions for each two-year term of Congress), and their argument that recent Presidents have all claimed this power, the panel wrote:

“The dearth of intrasession appointments in the years and decades following the ratification of the Constitution speaks far more impressively than the history of recent presidential exercise of a supposed power to make such appointments.... Recent presidents are doing no more than interpreting the Constitution. While we recognize that all branches of government must of necessity exercise their understanding of the Constitution in order to perform their duties faithfully thereto, ultimately it is our role to discern the authoritative meaning of the supreme law.”

To emphasize the point that the Judiciary—not the Executive—has the final say as to the interpretation of the Constitution, the panel went back to fundamentals, quoting from Chief Justice John Marshall in his seminal 1803 *Marbury v. Madison* ruling, in which Marshall established the principle of judicial review of acts of Congress and actions of the Executive (of then-President Thomas Jefferson, in that particular matter):

“It is emphatically the province and duty of the judicial department to say what the law is” [Marshall wrote]. “Those who apply the rule to particular cases, must of necessity expound and interpret that rule. If two laws conflict with each other, the courts must decide on the operations of each.”

The D.C. Circuit panel continued:

“In *Marbury*, the Supreme Court established that if the legislative branch has acted in contravention of the Constitution, it is the courts that make that determination. In *Youngstown Sheets & Tube Co. v. Sawyer*<sup>1</sup> the Supreme Court made it clear that the court must make the same determination if the executive has acted con-

trary to the Constitution. That is the case here, *and we must strike down the unconstitutional act*” (emphasis added).

## ‘Efficiency’ vs. the Constitution

We noted above the parallels between Obama’s “We can’t wait” argument for bypassing Congress, and Carl Schmitt’s claims that the inefficiencies of the “plural party state” and the parliamentary system, required firm executive action. (This “Schmittlerian” notion finds its present-day embodiment in the Nazi-like doctrine of the “unitary executive.”)

In its own fashion, the Appeals Court quickly dispensed with Obama’s “efficiency” argument, writing:

“We cannot accept an interpretation of the Constitution completely divorced from its original meaning in order to resolve exigencies created by—and equally remediable by—the executive and legislative branches.... In any event, if some administrative inefficiency results from our construction of the original meaning of the Constitution, that does not empower us to change what the Constitution commands. As the Supreme Court observed in *INS v. Chadha*, ‘the fact that a given law or procedure is efficient, convenient, and useful in facilitating functions of government, standing alone, will not save it if it is contrary to the Constitution.’ It bears emphasis that ‘[c]onvenience and efficiency are not the primary objectives or the hallmarks of democratic government.’”

Not only the White House, but most observers, were stunned by the scope of the D.C. Circuit’s ruling.

The White House, obviously reeling from the ruling, called it “novel and unprecedented,” and insisted that it had no broader application. “It’s one court, one case, one company,” White House spokesman Jay Carney flippantly declared.

Others disagreed, noting that the D.C. Circuit Court of Appeals, as the appellate court that hears the most cases involving government powers, including appeals from decisions of regulatory agencies, carries a lot of clout. Moreover, the ruling potentially invalidates not just Obama’s recess appointments, but calls into question the validity of actions taken by recess appointees of previous Presidents.

The Capitol Hill newspaper *Politico* noted that Obama had taken a “big gamble” by making recess appointments during a three-day break of the Senate,

1. In *Youngstown*, also known as the *Steel Seizure Case*, the Supreme Court struck down President Truman’s Executive Order taking over the major steel mills in order to head off a threatened labor strike. It is the standard modern precedent for overturning an abuse of Executive power.

and cited legal experts as saying that Obama “almost certainly did not anticipate the gamble going as spectacularly sour as it did Friday when a federal appeals court not only invalidated the three NLRB appointments but cut the heart out of the recess appointment power presidents of both parties have wielded for two centuries.”

Former Justice Department lawyer Bruce Fein was quoted by *Politico* saying that the Administration is “far worse off than before, because the lines are drawn much more narrowly in terms of what anyone thought were [the President’s] abilities previous to this ruling. . . . It’s an overreach, and he ends up now worse off than where he began.”

“The loss is way bigger than the battle he thought he was fighting,” said Denise Keyser, a labor lawyer with the New Jersey Ballard Spahr law firm, also quoted by *Politico*: “I don’t think anybody, when he [Obama] made the appointments, foresaw that the court would do this.”

The scope of this defeat for Obama was also highlighted by a number of Senators:

**Sen. Bob Corker (R-Tenn.)**, appearing on Fox News on Jan. 28, said the ruling “was a huge victory for anybody who believes in balance of power and the Constitution,” adding, “And I could not have been more excited and came up off the floor when I saw that that had happened, and hopefully the Supreme Court will uphold it.” Corker called what Obama had done “one of the most abusive cases ever.”

**Sen. Orrin Hatch (R-Utah)** said, as reported by Associated Press: “With this ruling, the D.C. Circuit has soundly rejected the Obama Administration’s flimsy interpretation of the law, and [it] will go a long way toward restoring the constitutional separation of powers.”

**Sen. Chuck Grassley (R-Iowa)** issued a statement on Jan. 26 saying: “This decision is good news for checks and balances, an essential factor in our system of government that safeguards we the people against unchecked government power. . . . The Framers of the Constitution feared the history of tyranny that arose from executive power. The Constitution provides for presidential nomination and Senate confirmation of appointees for this reason. The limited exception of recess appointments is a victory for freedom and a lesson to the President to respect legal constraints on his expansive claims of executive power.”

## Impeachment Now on the Agenda

But the implications of the Court’s ruling extend far beyond just the issue of recess appointments. It puts on the table the entire range of Obama’s abuse of power and his violations of the Constitution, which fully merit his impeachment by the Congress. For example, there is the question of Obama’s violations of the War Powers Resolution and the Constitution’s mandate that only Congress can declare war. This is the subject of House Concurrent Resolution No. 3, now pending in Congress, which, according to its lead sponsor, Rep. Walter Jones (R-N.C.), “basically says that any President—without provocation—that bypasses Congress to bomb a foreign country, can be and should be impeached.”

Adding to the Watergate atmosphere, on Feb. 7, the Federal District Court in Washington, part of the D.C. Circuit, is scheduled to hear the Department of Justice’s motion to dismiss the House of Representatives’ case against Attorney General Eric Holder’s stonewalling of Congressional subpoenas in the “Fast and Furious” gun-running matter, in which the Administration is asserting “Executive privilege.”

More importantly, both the judicial and political implications of the ruling will put pressure on other courts and on Congress to wake up to the threat to the nation posed by Obama, and should embolden other institutions to take urgent action to remove him from office.

It should not be overlooked that Chief Judge David Sentelle, who wrote the panel’s opinion, certainly understands, if anyone does, the political implications of his ruling. It was the same David Sentelle who in 1994, headed the special judicial panel of the D.C. Circuit Court that dismissed the first Whitewater independent counsel, Robert Fiske, and replaced him with partisan activist Kenneth Starr—an act which led directly into the 1998 impeachment of President Bill Clinton.

Obama’s Justice Department has not yet announced how it will proceed in the face of the Jan. 25 ruling. Its options are: 1) to ask for a rehearing by the same three-judge panel; 2) to seek an *en banc* hearing by the entire D.C. Circuit; or, 3) to go directly to the Supreme Court, where it would be taking an even bigger gamble than before. When dealing with the courts, there are of course no guarantees of an outcome, but nonetheless, Barack Obama should be very afraid at this point.

# Why It Makes a Difference: Obama's Coverup Claims Three More Victims

by William F. Wertz, Jr.

Jan. 29—The hearings before the Senate Foreign Relations Committee and the House Foreign Affairs Committee on Jan. 23, featuring the testimony by Secretary of State Hillary Clinton on the deaths of Ambassador Christopher Stevens and three other Americans in Benghazi, Libya, were, in the words of Lyndon LaRouche, a “perfunctory performance.” The Senators and Congressmen did not raise substantive issues, and the Secretary was evasive. Not a single question was raised about President Obama's alliance with the al-Qaeda-allied Libyan Islamic Fighting Group (LIFG).

As a LaRouchePAC Fact Sheet widely circulated on Capitol Hill documents, the elephant in the room is the LIFG, renamed the Libyan Islamic Movement for Change (you can believe in?). The organization, listed as a terrorist organization by the U.S. State Department, the UN Security Council, and the U.K. Home Office, but which was backed by Obama in overthrowing Qaddafi, and is being used by Obama in the attempted overthrow of Syria's President Bashar al-Assad, was responsible for the attack on the U.S. mission in Benghazi on Sept. 11, 2012.

When Sen. Ron Johnson (R-Wisc.) asked Clinton why she had not spoken with the Americans who were evacuated from Benghazi, which would have ascertained within 24 hours that there had been no demonstration outside the U.S. mission, she blurted out: “What difference does it make?”

Contrary to the Secretary's shocking moral indifference to the fact that the Obama Administration lied that the attack on the mission was a spontaneous protest against an anti-Muslim video, it does in fact make a difference.

When the truth is covered up, as it was by the Warren Commission after the assassination of President John F. Kennedy; or as it has been since the 9/11/2001 attacks on the World Trade

Center and the Pentagon by both George W. Bush and now Barack Obama, in respect to the involvement of the British Empire and Saudi Arabia; and as it has been so far by Obama in respect to 9/11/2012, the consequences are indeed grave.

## The Consequences

Obama's policy has unleashed hell throughout Southwest Asia, Northern Africa, and in Libya itself. In the real world, it makes a difference whether you tell the truth or you lie. It also makes a difference whether you seek the truth or you settle for a lie.

In Libya, the chaos is spreading, as the LIFG and the Muslim Brotherhood have massively increased their power. Benghazi has become ungovernable. On Nov. 20, the chief of police was assassinated. On Jan. 2, the chief police investigator, who was about to announce the names of suspects in the former's assassination, was himself abducted. Since then, additional police officials have been assassinated, and the *Wall Street Journal* reported that al-Qaeda-linked militias have reinfiltrated the city.

On Jan. 3, the President of Libya, Mohammed Megarief, survived an assassination attempt, and on Jan. 19,



*Secretary of State Hillary Clinton testifies to the Senate Foreign Relations Committee on Jan. 23, 2013.*



there was an attempted assassination of Minister of Defense Mohammed Mahmoud al-Bargati.

Trying to pacify the LIFG, on Jan. 11, Libyan Prime Minister Ali Zaedan announced the appointment of three LIFG leaders to deputy ministerial positions. The most important of these is Khalid al-Sharif, the deputy emir and military commander of the LIFG, who was named Deputy Minister of Defense. He is the founder of the Libyan National Guard, which works with the Border Guards to interrogate prisoners and to provide “security” for oil installations. A proposal has been floated for the militias to be integrated into the National Guard under al-Sharif’s control.

Another leading member of the LIFG, Abdul Wahhab Hassan Qayad, whose brother, al-Qaeda leader Yahya al-Libi, was killed in Pakistan in June 2012 by a U.S. drone attack, is the Libyan Interior Ministry official in charge of border control and strategic installations, which in Libya means oil installations.

On Jan. 19, the United Kingdom, Germany, the Netherlands, and Australia advised their citizens to leave the Benghazi area, due to a specific and imminent threat of a terrorist attack. Sources quoted in the Libyan press said that the threat is that of an attack on an oil installation, such as had occurred in Algeria on Jan. 16. Since then, the U.K. announced that an attack on its embassy in the Libyan capital, Tripoli, is also imminent.

In the 9/11 Benghazi attack, both those who carried out the attack, and those who were supposed to provide security, were controlled by the LIFG. Now we have a situation once again where the military commander of the LIFG, as head of the National Guard and as deputy defense minister, along with the leading figure in the Interior Ministry in charge of border control and strategic installations, are responsible for providing security for the very oil installations that might be attacked by LIFG-allied and -controlled militia.

## **The Libya-Algeria Connection**

Four Americans died in the 9/11 Benghazi attack. Three more Americans died, plus tens of other nationals, in the terrorist attack carried out by al-Qaeda in the Islamic Magreb (AQIM) in which dozens of foreign workers were taken hostage at the BP gas facility in Algeria.

If the readily available truth had been told about Obama’s alliance with al-Qaeda in Libya, these people might not have died.

First, weapons provided by Qatar, with Obama’s ap-

proval, to the LIFG during the overthrow of Qaddafi, have also been supplied to al-Qaeda in Mali.

Second, the leader of the hostage-taking in Algeria is Mokhtar bel Mokhtar. According to a Library of Congress report (August 2012), bel Mokhtar, the leader of AQIM in the Sahara, attended a demonstration in the city of Sirt in March 2012, as the guest of Wisam bin Hamid, the head of Libya Shield in Benghazi, who met with U.S. officials on Sept. 9, and threatened that if the Muslim Brotherhood candidate for Prime Minister did not win, then he could not guarantee the security of the U.S. mission in Benghazi.

On Jan. 24, the *New York Times* reported that a senior Algerian official said that “several Egyptian members of the squad of militants that lay bloody siege to an Algerian gas complex last week also took part in the deadly attack on the United States Mission in Libya in September.” The Algerian official said that the militant leading the attack had purchased arms for an assault in Tripoli.

On Jan. 19, the *Tripoli Post* ran a story entitled, “Terrorists Who Attacked Algerian Gas Complex May Have Been Trained in Libya.” The article reports: “A U.S. official said that the hostage-takers appeared to have crossed the Libyan border ... to carry out the attack,” and that Western intelligence officials have established that the individual who led the attack was given the assignment by Mokhtar bel Mokhtar, during a trip to Libya late in 2011. The article quotes Rami el-Obeidi, a former head of intelligence for the Transitional National Council in Libya, who said that “extremist militia in Libya were financing militant groups in Mali and al-Qaeda in the Islamic Magreb as well as providing them with logistical support.”

The *Libya Herald* ran an article entitled, “Terrorist Source Claims Libyan Connection with In Aménas Attack,” reporting that the terrorists “did indeed have support from Libya.”

## **Congress Must Investigate**

Congress has a responsibility to get to the bottom of what happened in Benghazi, and to hold Obama accountable for his alliance with al-Qaeda, whether by creation of a select committee or an investigation by one or more standing committees, such as the Foreign Affairs Committee or the Oversight and Government Reform Committee.

While a smoking gun would undoubtedly be helpful, one should not overlook the elephant in the room.

# UN To Probe Obama's Killer Drone Program

by Carl Osgood

Jan. 28—Neither the start of the New Year, nor the beginning of his second term in office, seems to have prompted President Obama to pull back from his drone wars in Pakistan and Yemen. In fact, 2013 has seen an intensification of drone strikes in both countries, with dozens killed and dozens more wounded and traumatized, and, as always, with little information being provided by the Administration to justify, or even confirm, the strikes, and no oversight being provided by the U.S. Congress.

The only serious investigations, outside of lawsuits seeking to gain more information, are those of the United Nations Human Rights Council. The most recent such investigation was announced last week, by Ben Emmerson QC, the council's Special Rapporteur on Human Rights and Counter-Terrorism (HRC). The Obama Administration has so far refused to cooperate with HRC investigations of its drone campaigns, and instead, has arrogantly asserted its right to conduct targeted killing operations in countries with which the U.S. is not at war. This arrogance has driven concerns about both the legality of such killings under international law, as well as about civilian casualties resulting from such operations.

At a Jan. 24 press conference in London, Emmerson reported that the inquiry that he has begun was launched in response to a request, made in June 2012 by Russia and China—both UN Security Council members—by Pakistan, and a number of other countries that he did not name.

“The exponential rise in the use of drone technology in a variety of military and non-military contexts represents a real challenge to the framework of established international law,” he said, “and it is both right as a matter of principle, and inevitable as a matter of political reality, that the international community should now be focusing attention on the standards applicable to this technological development, particularly its deployment in counterterrorism and counter-insurgency initiatives, and attempt to reach a consensus on the legality of its use, and the standards and safeguards which should apply to it.”

Emmerson added that, since the technology is here to stay, “It is therefore imperative that appropriate legal and operational structures are urgently put in place to regulate its use in a manner that complies with the requirements of international law, including international human rights law, international humanitarian law (or the law of war as it used to be called), and international refugee law.”

Emmerson noted, in his press conference and in media interviews afterwards, that there are at least three different theories vying for legitimacy regarding drone strikes. There are those who argue that targeted killings, by drones or otherwise, that take place outside of recognized zones of international conflict are unlawful under international human rights law, which permits “the use of lethal force only where it is strictly necessary as a matter of immediate self-defence.”

At the other end, is the Obama Administration's theory, promoted by John Brennan, Obama's nominee to head the CIA, among others, that it is in conflict with a stateless enemy that can operate anywhere in the world, thus making the entire globe a theater of war. “This analysis is heavily disputed by most States, and by the majority of international lawyers outside the United States of America,” Emmerson said.

Somewhere in the middle lies the question of when a third party can intervene in an internal armed conflict in support of government forces. “The reality here is that the world is facing a new technological development which is not easily accommodated within the existing legal frameworks, and none of the analyses that have been floated is entirely satisfactory or comprehensive,” Emmerson pointed out. “And they may differ in their application in different theatres of conflict.”

## The Nature of Obama's Drone War

According to the London-based Bureau of Investigative Journalism, there have been 310 drone strikes in Pakistan since Obama took office in 2009, and another 42-52 in Yemen. The BIJ estimates that 2,629-3,461 people have been killed in Pakistan, among them, 475-891 civilians, including 176 children. The BIJ estimates that 374-1,112 have been killed in Yemen, including 72-178 civilians. The BIJ's estimates are based on media reporting, and are therefore necessarily incomplete, mainly due to the lack of official investigations into individual strikes. The Obama Administration, in fact, has gotten around the question of civilian casualties by simply declaring that all “military-age males” in



UN/Jean-Marc Ferré

*UN Special Rapporteur Ben Emmerson is investigating Obama's murderous drone strikes.*

the strike zone are, by definition, “militants,” and therefore fair game.

The BIJ has also charged, as a result of its own investigations, that the Obama Administration has engaged in war crimes in Pakistan, specifically, by following up drone strikes with second strikes that target rescuers responding to the first strike. These “double tap” strikes, as they are called, were defined by the Department of Homeland Security as terrorism back in 2007. Emmerson, himself, noted in an Oct. 25, 2012 speech at Harvard University, that it has been “alleged that since President Obama took office, at least 50 civilians were killed in follow-up strikes when they had gone to help victims, and more than 20 civilians have also been attacked in deliberate strikes on funerals and mourners. Christof Heyns [UN Special Rapporteur for Extrajudicial Killings, Summary and Arbitrary Executions] has described such attacks, if they prove to have happened, as war crimes. I would endorse that view.”

### **The Lack of Accountability**

The problem, of course, is that the Obama Administration refuses to be accountable. On the one hand, the U.S. says that targeted killings are legal and justifiable as self-defense, but on the other, refuses to confirm or deny the existence of targeted killing programs using armed drones. In this way, the U.S. “is holding its finger in the dam of public accountability,” Emmerson said, last Aug. 19. Emmerson is, nonetheless, hopeful that the U.S. will cooperate with his investigation. He told the London *Guardian* on Jan. 23 that the U.K. Ministry of Defence (which operates armed drones in Af-

ghanistan) has already expressed its willingness to cooperate, and the New York Council on Foreign Relations, in a special report released on Jan. 14, recommended that the U.S. President “provide information to the public, Congress, and UN special rapporteurs without disclosing classified information on what procedures exist to prevent harm to civilians.” Emmerson told the *Guardian* that, “One of the fundamental questions is whether aerial targeting using drones is an appropriate method of conflict where the individuals are embedded in a local community.”

Emmerson plans to consider 25 particular drone strikes as case studies, not only strikes by the U.S. in Pakistan and Yemen, but also U.K. drone operations in Afghanistan, and the use of drones by Israel in the Palestinian territories. “The central objective of the present investigation is to look at the evidence that drone strikes and other forms of remote targeted killing have caused disproportionate civilian casualties in some instances, and to make recommendations concerning the duty of States to conduct thorough independent and impartial investigations into such allegations, with a view to securing accountability and reparation where things can be shown to have gone badly wrong with potentially grave consequences for civilians,” Emmerson said on Jan. 24.

Emmerson indicated that his investigation will take place in three phases: an evidence-gathering phase, which will be concluded by the end of May; a consultation phase, during which his investigation will seek the views and responses of the relevant states, to be concluded by July; and the evaluation and the drafting of the final report, which will be completed by the end of September, and presented to the U.N. General Assembly in October.

As valuable as this international spotlight on Obama's brutality is, it is no substitute for an unbridled investigation by the relevant committees of the U.S. Congress, as part of that body's Constitutional responsibilities. As *EIR* has documented elsewhere,<sup>1</sup> the blowback from Obama's drone wars is actually increasing the terror threat, not reducing it, and that is the same terror threat with which Obama is allied with in both Syria and Libya. This meets the definition of an impeachable offense and cries out for Congressional investigation.

1. See Edward Spannaus, “Drone Strikes as Strategic Folly: Obama Is al-Qaeda's No. 1 Recruiter,” *EIR*, Jan. 18, 2013.

# U.S. Health Care Needs The Glass-Steagall Principle

by Mary Burdman and Marcia Merry Baker

Jan. 17—The extremely low rankings of health conditions in the United States, compared with 15 other OECD nations, reported in *U.S. Health in International Perspective: Shorter Lives, Poorer Health*, focuses attention on problems which cry out for reinstatement of the Glass-Steagall law. Glass-Steagall would make possible the credit needed to rebuild the physical health-care delivery system in the United States, by restoring the commitment to the public good, and providing health care for all. This outlook was codified in the U.S. in the 1940s, under the Hill-Burton Act; but by the 1980s, the commitment was taken down, to the point that today, under President Obama's killer-policies, as summarized below, health care in the U.S. is at a nadir.

The terrible devolution is shown in the dramatic, detailed comparisons of poor health parameters in the U.S., contrasted with those in other advanced industrial nations, such as Japan, Australia, Canada, France, Britain, and ten others.

However, the rapidity of the financial and economic collapse internationally, and the imposition of barbaric austerity as the "solution"—especially in the trans-Atlantic region—is causing terrible rates of sickness and death in Europe.

In Britain, the subversion of its nation-serving, 60-plus-year-old National Health System (NHS), has reached the stage of a program—the Liverpool Care Pathway—to hasten death for designated victims, in order to "save money"—exactly the Hitler T-4 principle of eliminating lives deemed not worthy to support.

These instances all show that fascism is coming back full-fledged, unless this gateway to hell is defeated, and fast.

## U.S. Health Care Compared

The 378-page report, *Shorter Lives, Poorer Health*, released in January, is based on a study by a panel of experts convened by the National Research Council and the Institute of Medicine, and covers the period

from to the 1980s to the present.

U.S. health-care spending per capita is far beyond any other nation, at about \$9,000, as of 2012. This is 2.5 times the OECD average, twice that of France or Germany, and about three times that of Japan. Spending as a percentage of GDP, at over 17.6%, is also much higher. The OECD includes not only Europe and the U.S., but also South Korea, Turkey, and Mexico.

Yet, at the same time, the U.S. has fewer practicing physicians per 1,000 population, at 2.4, lower than the OECD median of 3.3. Americans make fewer physician visits per year, 4 compared to the OECD average of 6.4, and have fewer and shorter hospital stays, although these cost much more. The short hospital stays also mean that ill Americans, including the elderly, are being sent home from hospitals to be nursed by relatives or friends—if they are available—or to make do on their own.

Prescription drugs in the U.S. are also much more expensive. In Germany or Great Britain, prescriptions for insured patients, i.e., all citizens and residents, are either free, or cost the equivalent of \$10-20.

The International Federation of Health Plans comparative price report for 2011, documents that U.S. fees for doctor and hospital visits, as well as just about every clinical test or procedure, are double or even more than those of other developed nations. Costs in Canada were closer to the U.S., but still significantly lower. For office visits, Americans paid two to five times as much. Charges for hospital stays, averaging almost \$16,000, are three times those of Germany, and almost four times those in France, although hospital stays are longer in both those countries.

In sharp contrast to the United States, where the heavy financial burden of health-care costs imposes personal bankruptcy, or falling deeply into debt due to medical expenses, in western Europe or Japan this is both impossible and inconceivable, because the coverage under there is comprehensive. In the U.S., medical costs are the cause for 62% of bankruptcy filings, ac-





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*Too many Americans, lacking health insurance, go to a hospital emergency room when they are sick, when their illness often could have been treated much earlier, if they had had access to a primary care physician.*

According to a 2009 study by the *American Journal of Medicine*. Some 75% of those bankrupted by medical costs had at the time of their illness, or had previously had, medical insurance.

The reasons for the big differences in the costs for health care in the U.S., and in nations with regulated systems, are simple. They include assured mega-profits for the private insurers, administration costs which are at least 30% of the expenditure, advertising (!), and the cost of delivering extremely expensive emergency or hospital care to the un- or under-insured, for many illnesses or conditions which, as the report *Shorter Lives, Poorer Health* emphasized, could have been detected, and either cured, or at least effectively treated much earlier, if the patient had had access to primary care.

In addition, physicians outside the United States do not have to pay the super-high costs of higher education that they do in the U.S., leaving doctors deep in debt as they begin their practices; nor are they subjected to the insanity of excessive malpractice litigation, a plague traceable at least in part to the excess of lawyers in the U.S.

### The 'Solidarity Principle' System

One outstanding difference between health care delivered in the U.S., and that in the 15 other nations studied, is that the U.S. today is the only country that does not even require, let alone attempt to ensure, universal access to health care for all citizens and residents. A

look at some relevant history of the principle of government regulation involved in providing access to care, tells the story.

The German system, for example, dating back to the Bismarck era of the late 19th Century, is based on private *Krankenkasse* insurance funds, and is the model for most of the public-private cooperative systems used in continental Europe and Japan, or the single-payer National Health Service in Great Britain. An essential element of these varying systems, is that they are all strictly *regulated* by state and/or national governments, in cooperation with the insurance funds themselves. The health insurance funds exist, as the public utilities in U.S. once did (and not that long ago!), to deliver an essential service, not to make a profit, and are regulated accordingly. In the Hill-Burton era in the United States, most of the health insurance was private—for example

Blue-Cross/Blue Shield—but non-profit and regulated.

The *Krankenkasse* health-care systems are based on what Germans call the “solidarity principle.” They were established as part of Bismarck’s general welfare program, and included old-age and disability pensions. Under this system, everyone pays a regulated percentage of earnings (about 8%, matched by your employer), which provides the same comprehensive health care for everyone, regardless of income, age, existing health problems, or anything else. You keep the same insurance your entire life: If you are unemployed, disabled, or retired, the insurance is covered by government funding, so no one ever loses health care. Fully private health insurance is also available throughout western Europe, but, because it is also strictly regulated, it delivers far more comprehensive benefits for the premiums paid than U.S. plans do.

### The Hill-Burton Build-Up; Then the Takedown

In the United States, the principle of universal access to care, and the commitment to provide the physical system to deliver that care, was respected and codified in the 1940s Hill-Burton Act. The “Hill-Burton Principle,” as it came to be known, set forth in merely nine pages the authorization to provide a network of hospitals throughout the country, with specified ratios of modern beds and services per 1,000 citizens in each county, and networks of accompanying services. Hill-Burton also required that hospitals built with Federal

funds provide free or low-cost care to those who could not afford to pay.

With the still-sound financial and credit system—notably secured under the 1933 Glass-Steagall Act—there was an extensive expansion of medical facilities, funded by states, localities, and the Federal government, which allowed for the commitment to provide treatment for all. For example, public-health measures were taken to roll back tuberculosis, and to conduct and apply R&D for other diseases—for example, universal inoculation to defeat polio, etc. This continued up through the 1960s.

Then, this very commitment of care-for-all, and delivery systems to provide it, were undercut drastically, at two key turning-points. First, beginning in the 1970s, the onset of the casino-economy era, which included, in particular, the passage of the 1973 HMO (health maintenance organization) Act. Over the ensuing decades, U.S. health-care infrastructure contracted, while privatized, for-profit insurance increased its percent of rake-off.

The level of general health in the United States began deteriorating in key ways, including that, by 2000, for the first time in a century, the U.S. saw a measurable increase in the rate of infectious disease.

Next, in response to the general economic decline, came still more extreme degradations in the U.S. health-care system, following the lead of the 1997-2007 period of Prime Minister Tony Blair's initiatives against the British National Health Care System. In 1999, Blair put in the NICE (National Institute for Health and Clinical Excellence) death panel, to decree what treatments would be denied for whom; and by 2003, he began a wholesale subversion of the NHS physical delivery system, through for-profit privatization.

This was pushed hard in the United States in 2000-10, and implemented under President Obama's Affordable Care Act (Obamacare). In fact, Blair's very NICE originator, Simon Stevens, came to the United States to lead the UnitedHealth insurance firm (he is president, Global Health, UnitedHealth Group), which now is the biggest profiteer insurance operation in the U.S., with over 75 million policies. Thanks to this subversion process, the U.S. has the highest health-care costs in the world, and a plunging quality of health.

The United States needs the Glass-Steagall standard system of regulation for its vital health care as much as it does for its banks!

## Lyndon LaRouche on Glass-Steagall and NAWAPA:

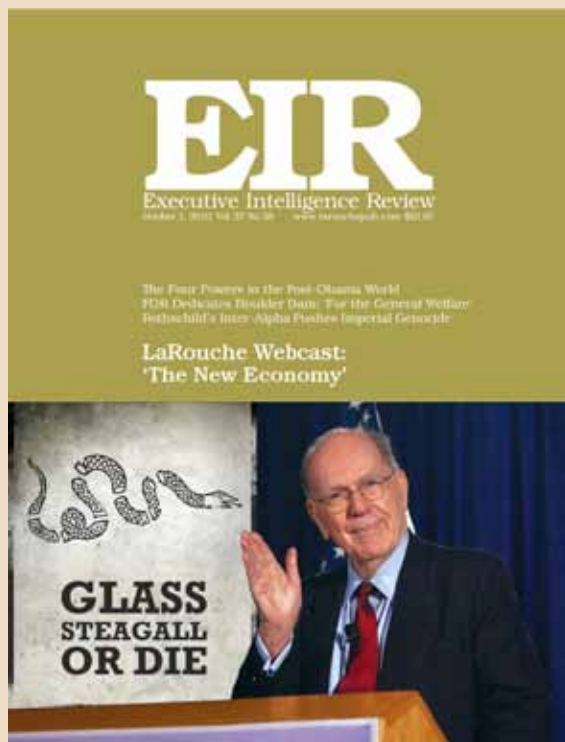
"The greatest project that mankind has ever undertaken on this planet, as an economic project, now stands before us, as the opportunity which can be set into motion by the United States now launching the NAWAPA\* project, with the preliminary step of reorganizing the banking system through Glass-Steagall, 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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\*The North American Water and Power Alliance



# Russian Military Prepares For Growing War Danger

by Rachel Douglas

Jan. 29—Gen. Col. Valeri Gerasimov, chief of the Russian Armed Forces General Staff, bluntly characterized the strategic situation at an important military conference on Jan. 26. “No one rules out the possibility of major wars,” said Gerasimov, “and there can be no question of being unprepared for them.” He went on, “Nonetheless, foci of instability on the perimeter of our borders present the greatest danger to our country at present.”

Russian wire services widely reported Gerasimov’s remarks, made at the annual year-in-review conference of the Academy of Military Sciences (AMS), an NGO that works closely with the Russian General Staff. Other than this news service, however, Western media and intelligence agencies are choosing to downplay, or ignore, the strategic reality that the British/NATO/Obama course of encirclement of Russia with antibalistic missile installations, and promotion of regime change by force, is backing the world’s second largest superpower into a corner, where it has no alternative but to prepare for thermonuclear confrontation.

## Undeclared Wars

The high-level conference featured not only Gerasimov, but also Minister of Defense Gen. Sergei Shoygu, Deputy Prime Minister Dmitri Rogozin, and Army Gen. (ret.) Makhmut Gareyev, the senior strategist who is founder and head of the AMS. They all addressed, in blunt terms, preparations for the strategic

threat they perceive.

Gerasimov discussed which military functions could be outsourced, and which must unfailingly be performed by military personnel directly, a hot topic under current Russian budget-cutting pressures, and the aftermath of the ouster of accountant Anatoli Serdyukov as Defense Minister, in a huge corruption scandal late last year.

The Russian Chief of the General Staff also alluded to the proliferation of undeclared wars: “In the recent period, there is an observed tendency toward erasure of the boundaries between a state of peace and a state of war. Wars aren’t declared any more, and the ones that have started do not proceed according to familiar models. At the same time, the new types of conflict are comparable with war in their consequences.”

As an example of such non-traditional warfare, Gerasimov cited the “color revolutions,” aimed at countries in Eurasia and the Middle East. He said that they had demonstrated how “even a relatively prosperous nation may fall victim to foreign intervention and plunge into chaos.” He described “the broad use of non-military measures and the activation of the protest potential of a country’s population,” as well as “the use of covert military measures,” as part of this picture. He summarized, “The role of military science is to create a coherent theory of asymmetrical operations.” If strategists answer the question of “what modern warfare is,” he said, “then

we can determine the perspective for building our Armed Forces.” In this effort, he concluded, “We should not copy foreign experience and orient to the leading countries, but make our own, superseding efforts.”

### **Being Prepared To Respond**

General Shoygu, too, struck a warning note, in his second major speech in two days (on Jan. 25 he keynoted the celebration of the 250th anniversary of the Russian General Staff, instituted as a permanent body in 1763 at the close of the Seven Years War). Shoygu said, “Methods relying on force continue to play an important role in resolving economic and political conflicts among countries. In several areas, military dangers to the Russian Federation are intensifying. There are ‘hot spots’ near our borders, and our nation must be prepared to respond to any challenges and threats; for this we need armed forces with the best possible organizational structure, an effective command system, modern weapons, and professional personnel.”

General Gareyev, who at the age of 89, is one of Russia’s senior surviving World War II veterans, and was a leading strategist in the 1980s under the late Chief of the General Staff Marshal Nikolai Ogarkov, also spoke at the meeting of the AMS, which he founded in 1994. Gareyev addressed the challenge of training officers for the present period. “Only the high command, with its highly qualified specialists,” he said, “is in a position to ensure that higher educational institutions have the most sophisticated teaching and material resources, curricula, and academic literature.”

In statements made before the conference and reported by Itar-TASS and Interfax, Gareyev also highlighted the core strategic mission of the Armed Forces: “In particular, we shall discuss the priority development of our strategic nuclear forces and the space defense system, as the decisive factor in strategic deterrence of the main threats today. . . .”

Gareyev is famous as an innovator in combined-arms tactics and for his emphasis on “weapons based on new physical principles.” In 1990, he made waves with a book on the prospect of such “conventional” weapons rising to the same strategic level as nuclear weapons. Although the AMS is formally an NGO, the institution and Gareyev himself have had major input into all official revisions of Russian military doctrine in the post-Soviet period.

### **Defense Plans Upgraded**

Today, Gerasimov and Shoygu met with President Vladimir Putin, to report to him on current strategic military exercises, and to present what they termed Russia’s new Defense Plan. Shoygu stated that the document, with input from 49 government agencies, takes into account all possible risks, and outlines military programs to be implemented, including upgraded weapons production.

Gerasimov then reviewed for Putin two main sets of military exercises. One is the large-scale Russian Navy maneuvers in the Mediterranean and Black Seas, for which landing craft and cruisers from the Black Sea Fleet have been assembling over the past month, including off the coast of Syria. Gerasimov said that the active stage of the naval maneuvers was taking place Jan. 29-30.

Less publicized, but of obvious importance in a tense situation vis-à-vis the United States, were strategic aviation flights completed in the recent period: testing of the capabilities of Russia’s long-range bombers. Gerasimov reported that these had been completed over the Black Sea, Baltic Sea, Norwegian Sea, and the northeast areas of the Atlantic Ocean, which is in the direction of North America.

### **No Compromise**

While these military discussions were taking place, Russia’s political leadership was attempting to deal with the two most aggressive challenges to Russia’s commitment to the principle of national sovereignty being posed by the U.S. and NATO: ballistic missile defense, and the foreign-backed Syrian uprising against President Bashar Assad.

Contrary to the expectations of the naive, the newly re-elected Obama Administration is not budging an inch on its planned unilateral BMD strategy to encircle Russia (and China), in such a way as to cripple their strategic defense capabilities. In an interview with CNN’s Fareed Zakaria Jan. 27, in Davos, Russian Prime Minister Dmitri Medvedev confirmed that there has been no “flexibility” on the part of the Obama Administration on missile defense. Russia has consistently demanded guarantees in writing that the BMD is not directed against it—a demand the West has refused to grant.

On the Syrian crisis, Russia also still stands firm, despite waves of contrary propaganda from NATO governments, and Western media. Russian policy is that the UN Charter must be observed, with respect to national sovereignty.



# Bibi Netanyahu's Humiliating Defeat

by Jeffrey Steinberg

Jan. 30—Going into the Jan. 22 Knesset elections in Israel, nearly every pundit and pollster in Israel and the United States was forecasting an overwhelming electoral victory for Prime Minister Benjamin Netanyahu and his right-wing and ultra-Orthodox bloc of parties.

But when the dust settled, Netanyahu had suffered a humiliating defeat which raises serious questions about Israel's direction in the near future. While Netanyahu's Likud-Beiteinu bloc won the largest bloc of Knesset seats, the coalition lost 11 seats and Netanyahu's Likud party, minus the "Russian party" of his ex-Foreign Minister Avigdor Lieberman, received the same number of seats as the newly formed centrist party of television news anchor-turned-politician Yair Lapid. Lapid's There Is a Future party got an unexpected 19 seats, in what was a clear vote of no-confidence in Bibi.

*Al-Monitor* Israeli correspondent Ben Caspit called the vote a "resounding vote of no-confidence," and a "devastating political blow" to Netanyahu. While President Shimon Peres is still expected to ask Netanyahu to attempt to form a new government over the next 30 days, it is unclear what kind of coalition Bibi will be able to cobble together, not to mention whether he will be able to govern, even if he does succeed.

## Bigger Troubles Yet

Netanyahu clearly did suffer a smashing defeat at the polls. Voters made clear that they are more concerned about the bread-and-butter issues such as the skyrocketing cost of living inside the Green Line (the pre-1967 borders of Israel), the special treatment given to the ultra-Orthodox, who do not have to serve in the Israeli Army and who are subsidized at taxpayers expense, and the even more lavish benefits given to West Bank settlers, than about Bibi's war rhetoric.

And even beyond his electoral problems, Netan-

yahu is facing a growing challenge from within the Israeli governing institutions. For the past two years, leading Israeli Defense Force (IDF), Mossad, and Shin Bet officials have been waging war against Netanyahu's provocations against Iran, warning that he and his former Defense Minister Ehud Barak have isolated Israel from the rest of the world, and created conditions in the region that pose a deadly threat to the very survival of the nation.

Now, a widely circulating documentary film by noted film maker Dior Moreh has delivered a further blow to Netanyahu. *The Gatekeepers* is based on interviews with six former heads of Israel's internal security agency Shin Bet, all of whom pillory Netanyahu for turning the world against Israel. One of the six, Avraham Shalom (1981-86), told Moreh that the Israeli occupation of the West Bank is no different than the Nazi occupation of Europe during World War II. Such a direct reference to the Holocaust—effectively accusing Netanyahu of Nazi war crimes—breaks a decades-old taboo, and indicates just how much leading institutional circles in Israel are seeing the country facing an existential crisis that demands bold action and blunt language.

Even Jeffrey Goldberg, an American neoconservative writer who served in the IDF, admitted in a Jan. 14 Bloomberg News article that Israel's behavior is a greater threat to the survival of the Jewish state than any threats coming from Iran.

Tzipi Livni, a career Mossad officer who served as Foreign Minister in the Ehud Olmert government, has formed a new center-left political party, The Movement, with two former chairmen of the Labor Party, Amir Peretz and Amram Mitzna. That new party won six seats in the Knesset. All told, the total number of seats of the center-left parties in the incoming Knesset are 59, compared to 61 seats for the right-wing and ultra-Orthodox parties. Naftali Bennett, a fanatical Greater Israel figure, whose new party campaigned for Israeli annexation of much of the Palestinian West Bank, also siphoned votes from Netanyahu's Likud.

Adding further problems for Netanyahu and his effort to stitch together a ruling majority, Livni went on Israeli Television 1 soon after the election and charged that Netanyahu and Lieberman had received \$4.5 million in illegal campaign funds from the Emir of Qatar, in return for a pledge to open negotiations directly with Hamas.

# A Four-Century-Old Nemesis Casts Its Shadow Over Upcoming Elections

by Claudio Celani

Jan. 27—The crisis of Monte dei Paschi di Siena, the world's oldest active bank, has again revealed criminal actions undertaken by bankers, supervisors, and governments to cover up the insolvency of major financial institutions, and forced the issue of urgently implementing a Glass-Steagall-like banking separation in the current Italian election campaign.

Monte dei Paschi (MPS, known as Montepaschi), established in 1472, is now facing bankruptcy after posting losses of EU4.7 billion in 2011, and EU1.66 billion in the first nine months of 2012. The bank received its first bailout of EU1.9 billion in 2009, and is now asking for an additional EU3.9 billion. The Bank of Italy has already given the green light for the rescue, and the government is expected to disburse the funds, even if Prime Minister **Mario Monti** will have to pay a high political price at the polls. National elections are scheduled to take place Feb. 24-25.

## Emerging Scandals

In fact, the bailout request takes place in the midst of emerging scandals showing that MPS has suffered losses in derivative bets, and covered those losses with new bets and fraudulent bookkeeping. In particular, two derivatives contracts are being investigated by prosecutors, involving losing bets with Deutsche Bank and Nomura, respectively called "**Project Santorini**" and "**Alexandria**," which increased the MPS losses, but shifted them into the future, allowing MPS managers to cover them in the books. It is believed that this is only the tip of the iceberg.

Montepaschi's troubles started in 2007, when it acquired the **Antonveneta** bank for EU10.3 billion, thereby becoming the third-largest Italian bank. The Antonveneta case is among the murkiest in recent Italian banking history. It was a commercial bank serving business and families in the highly productive region of

northeastern Italy. It was first sold for about EU3 billion to the Dutch megabank **ABN Amro**, despite bitter opposition from Italian central banker **Antonio Fazio**. Fazio was accused of teaming up with organized crime figures, forced to resign, and eventually sentenced to prison. He was replaced by **Mario Draghi**, the current head of the European Central Bank (ECB).

Then, ABN sold Antonveneta to Spain's **Banco Santander** for over EU6 billion. And Santander flipped it to Montepaschi for EU10 billion-plus.

Montepaschi head **Giuseppe Mussari** knew that Antonveneta's real value was one third of that figure. Why did he decide to buy it, especially given the fact that MPS did not have enough money? The answer could be provided by Goldman Sachs.

**Goldman Sachs**, in fact (together with **Citigroup** and **Merrill Lynch**), was the "global coordinator" of the Antonveneta purchase by Monte dei Paschi. But Goldman had already been an advisor to ABN in the takeover of Antonveneta. Thus, Goldman Sachs knew well what the value of the bank was.

The head of European operations of Goldman Sachs during the ABN-Antonveneta negotiations was a certain Mario Draghi, the same Mario Draghi who, in December 2006, replaced Antonio Fazio at the Bank of Italy, after Fazio tried unsuccessfully to squelch the deal. Then, as head of the Bank of Italy, Draghi was responsible for supervision of banking, when MPS faked the books to cover its derivative losses.

Now, both Draghi and his successor, **Ignazio Visco**, as well as former Goldman Sachs advisor and current Prime Minister Monti, are accused of being accomplices of MPS. Former Economy Minister **Giulio Tremonti**, who is running for the Senate on his own slate under the symbol of the Lega Nord (Northern League) party, on Jan. 23, accused Monti of having been aware of the real mess at Montepaschi, and having

hidden it from the parliament. Monti pushed through the MPS bailout, attaching it to a confidence vote, Tremonti charged. Furthermore, the government loan can be repaid, not with money, but “with other financial instruments,” i.e., junk.

Tremonti also accused Draghi of failed supervision as Italian central banker.

A statement by the current Finance Minister, **Vittorio Grilli**, indirectly confirmed Tremonti’s allegation. Grilli said that “the MPS situation is not new, it is not a bolt out of the blue. We had known the existence of problems for one year.”

Bank of Italy governor Visco attempted a defense, saying that Montepaschi had delivered false information, but records of Bank of Italy inspectors’ findings in 2011, published by the news media, nail the central bank in its responsibilities.

## Election Debate

The Monte dei Paschi scandal has become the center of the electoral campaign: Next month, Italians will elect a new Parliament—and a new government. Currently, the Democratic Party (PD) is leading in the polls with 36%, followed by the alliance between former Prime Minister Silvio Berlusconi and Lega Nord, with 24% (Berlusconi claims 32%), and Mario Monti’s slate with 16%. If things stay as they are, the outcome will be a PD-Monti government, with either Monti as prime minister, or dictating the agenda.

But the MPS scandal might upset the apple cart. The electoral contenders each try to blame the other party; however, technocrat-turned-politician Monti and the PD are the ones on the grill. Monti now faces a dilemma: If he bails out Montepaschi (as his masters have ordered him to do), he will pay dearly at the polls. If he does not, he risks a systemic blowout, as a consequence of an MPS failure.

The MPS crisis is slowly forcing the Glass-Steagall issue into the forefront. Even if the debate has not yet exploded, it happens that, whenever someone introduces the idea of Glass-Steagall in a discussion, nobody dares to oppose it.

In an interview with Radio Padania on Jan. 24, **Mo-visol**—the LaRouche movement in Italy—president **Liliana Gorini** explained why Glass-Steagall is the only solution, while Lega Nord Sen. **Massimo Garavaglia** reminded listeners that he had introduced a draft bill for the measure in the last legislature.

The same day, former Undersecretary of State **Catia**

**Polidori**, who is running again for Parliament, reiterated her call for a Glass-Steagall-like banking separation. “The serious MPS case prompts me to relaunch a fight which has seen me for years in the front line within and outside Parliament,” Polidori said, in a release published by several wires. “The need has now become an non-delayable priority, to reintroduce the separation between commercial banks and investment banks.”

Wires published Polidori’s statements, recalling that Polidori was the first signer of a 2010 parliamentary motion calling for banking separation.

In addition, Giulio Tremonti called, not for the first time, for a Glass-Steagall-like banking separation, in an interview with La7 private TV channel. “You should not use citizens’ savings to speculate, as it [was decided] under Roosevelt. . . . The old Italian banking law similarly forbade speculation with savings. Clinton in the U.S. and Draghi in Italy more or less at the same time abolished that law.”

Then, at the MPS shareholder meeting the next day, while world media were focused on the clown show delivered by comedian **Beppe Grillo**, a Member of the European Parliament intervened, calling for an immediate implementation of Glass-Steagall. **Claudio Morganti**, secretary general of the Lega Nord in Tuscany, said: “The reintroduction of Glass-Steagall, abrogated in 1999, would permit the separation of commercial banks from banks that practice speculative and risk activities. I wonder whether it is accidental that, after the abrogation of Glass-Steagall, so many problems with derivatives and toxic assets started. The amount of junk assets being traded on financial markets is tens of times larger than world wealth. Derivatives are a weapon of mass destruction, and only after introducing a bill separating banks, can we proceed with identifying tasks and responsibilities.”

Morganti also said he is opposed to nationalizing Montepaschi, as someone is pushing. “I would never nationalize a bank such as MPS, which is full of toxic assets. Taxpayers would be forced to cover the losses and recapitalize it. Such losses must be paid by those who actually created them, without expecting Father State to step in.”

In a talk show on the national RAI2 channel, former minister and candidate for a right-wing slate, **Giorgia Meloni**, claimed that her slate “is the only party which, in its program, calls for separating commercial banks from speculative banks.” Her opponent, Democratic Party representative **Francesco Boccia**, answered that he agrees on that proposal.

## MPS and Derivatives: a Very Old Story

Gambling is not a new experience for Monte dei Paschi di Siena. The bank, founded 20 years before Columbus discovered America, was originally dedicated to local agriculture and pastoralism (*paschi* means pastures). But it soon became a global investment bank, and played the central role in the famous Amsterdam-based “Tulip bubble” (or “Tulipmania”) in the first half of the 17th Century. It was during that financial bubble, one of the largest in history, that MPS invented derivatives.

In 1593, Monte dei Paschi, which was the most powerful bank in Europe, operating on the Amsterdam commodities exchange, financed the Dutch merchant Johannes Van Bommel, who imported tulip bulbs from Turkey. Tulips shortly became a sort of fetish for the ruling class, and their price skyrocketed. The mania spread throughout the continent, and in all cities, exchange shops for buying tulip shares were opened, on a MPS license.

In 1630, the price of a tulip bulb called “Semper Augustus” reached the equivalent of today’s EU25,000. That same year, a certain “Messer Cucinotti,” plenipotentiary accountant for MPS in Amsterdam, had a brilliant idea: financial derivatives. MPS issues insurance contracts on bulb shares and insures them at a subsidiary in London, which sells the potential profits in six months. Those who purchase that asset sell it again, at a higher price, and so on. The result of his scheme was that one single asset in 1632 had been owned by 186 different owners at totally different prices, starting with 1 and ending with 75. Traders were so aware of the inconsistency of those derivatives, that they were called “wind trade,” or “trading clouds.” MPS loaned money to buy bulbs and demanded real estate as



*The global financial crisis has now overtaken the world's oldest bank, Monte dei Paschi di Siena (shown here in Siena's Palazzo Salimbeni), whose speculative activities date back to the Tulip craze of the 17th Century, when the “Semper Augustus” tulip bulb sold for the equivalent of \$340,000, in today's currency.*



collateral, creating a speculative financial bubble which, in December 1635, amounted to 15 times the entire wealth of Europe.

At one point, some investors came up short, and began to sell their tulip-based assets, causing a chain-reaction. In February 1637, a panic sale disrupted markets, provoking the largest financial collapse in modern times. Entire cities, such as Amsterdam, Hanover, Lvov etc., were devastated by the collapse. Families were forced to surrender their farmland to MPS; the land then ceased to be cultivated, provoking a famine, while MPS acquired immense properties throughout Europe.

### ...and Today

Things have not changed much today. MPS operates on the same principles as it did in 1472. The bank is still controlled by the same families—even if their names have changed, the funds (*fondi*) that those families are grouped around, are the same. Montepaschi bank is controlled by the MPS Foundation, which in turn is controlled by local authorities and notables. Political power in Siena has historically been “leftist,” representing a strong bankers’ influence, first on the Italian Communist Party (PCI), and eventually on the Democratic Party.



The two central figures in this connection are former Prime Minister **Giuliano Amato** and his ally **Franco Bassanini**, a former minister, and member of Parliament from Siena. Amato and Bassanini have been the sponsors of Giuseppe Mussari, the MPS CEO who launched the Antonveneta operation and the subsequent derivatives orgy (Mussari left MPS in 2012 and became head of the Italian Banking Association, wherefrom he resigned in January 2012).

Both Amato and Bassanini are members of a pro-British supranational oligarchy which is engaged in the post-Westphalian project of destruction of nation-states, called Euroland.

Amato, a member of the British Fabian Society, is directly responsible for the draft of the Lisbon Treaty, the de facto current EU constitution. He was assigned the job after both French and Dutch voters rejected the original draft treaty, and, as he explained in a 2001 interview, he put forward the same text, calling it by another name.

As prime minister in 1992, Amato played, together with Mario Draghi, a key role in starting the process of privatization and sellout of the Italian financial and in-

dustrial sector which has become infamous under the name of the “Britannia plot,” after the 1992 meeting on board of the British royal yacht *Britannia*, and in drafting the 1995 legislation that introduced the system of universal banking in Italy.<sup>1</sup>

Amato founded the **Colloquia** in 2002, a British-Italian conference that takes place every year in Pontignano, Siena, sponsored by MPS.

Amato and his virtual Siamese twin Franco Bassanini founded the think-tank **Astrid**, dedicated to elaborate projects for “reforming” state administration. Bassanini is also a key figure in an international scheme to dupe Russian leaders in a swindle called the **Long Term Investors Club (LTIC)**. In a mockery of LaRouche’s Eurasian Land-Bridge project, LTIC pushes East-West infrastructure projects but, instead of calling for a credit system able to finance those projects, it pushes the illusion of financing them with private capital. As head of Italy’s state owned **Cassa Depositi e Prestiti (CPD)**, Bassanini and the LTIC push the idea that the CDP and similar institutions in France and Germany be put under partnership with private capital, thus curbing their potential credit expansion. Ultimately, the LTIC is a swindle, nurturing the illusion that the current private monetary system can be saved, and even finance development.

As the MPS case shows, this is a hopeless proposition.

An article published Jan. 26 by LTIC members **Paolo Raimondi** and **Mario Lettieri** betrays a clumsy effort to cover up responsibilities of the Bassanini-Amato group in the MPS fraud, by claiming that Montepaschi’s involvement in high-risk ventures is due to the presence of shareholders such as JP Morgan, or Nomura. But JP Morgan has little more than 5% of the shares, whereas the MPS Foundation, controlled by the Amato-Bassanini group, has over 46%. However, an interesting link with JP Morgan could be pursued. The man who worked on the financing of the Antonveneta deal in 2006 was the deputy director general of MPS, **Marco Morelli**, who came from JP Morgan, where he was picked up by Bassanini and his wife, **Linda Lanzilotta**, a former undersecretary of State in the Prodi government who, between 2001 and 2006, was an advisor to JP Morgan. Morelli stayed at MPS until 2010, before going over to **Intesa San Paolo** and after that, to **Merrill Lynch**.

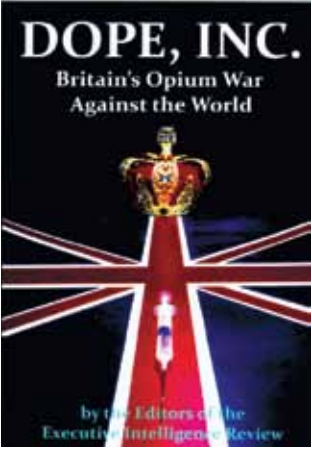
1. See Claudio Celani, “The Multiple Personalities of Italy’s Premier Giuliano Amato,” *EIR*, Aug. 11, 2000.

# DOPE, INC.

## Is Back In Print!

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*This edition, published by Progressive Independent Media, is currently available in limited numbers, so there is no time to waste in buying yours today. The cost is \$25 per book, with \$4 for shipping and handling. It is available through [www.larouche.pub](http://www.larouche.pub), and *EIR*, at 1-800-278-3135.*



'RINGFENCING' AND 'LIIKANEN PLAN' ARE FAKES

## Only FDR's Glass-Steagall Can Solve the Crisis

by Alexander Hartmann

Jan. 26—The whole facade of apparent solvency of the major Western banks, which was created and is being sustained by bailouts, creative accounting, fraudulent transactions such as manipulation of the Libor inter-bank rate and even money laundering, stands and falls with the ability of governments and central banks to keep pumping money into the financial bubble. If they could not or were not willing to do this, the banks would simply be bankrupt.

This reality, which Lyndon LaRouche and his international movement have underlined for many years, is now gradually making its way into the public debate. For example, Andrew Haldane, the Bank of England's executive director for financial stability, in an article on the website Voxeu.org on Jan. 17 ("Have We Solved 'Too Big To Fail'?"), pointed out that the banks are still being kept alive intravenously by governments and central banks. The improved credit rating because of implicit state guarantees for "systemically important financial institutions," he writes, "translates into a large implicit subsidy to the world's biggest banks in the form of lower funding costs and higher profits. Prior to the crisis, this amounted to tens of billions of dollars each year. Today, it is hundreds of billions."

On Jan. 4, the widely read commentator Matt Taibbi wrote in *Rolling Stone* magazine:

"It has been four long winters since the federal government, in the hulking, shaven-skulled, Alien Nation-esque form of then-Treasury Secretary Hank Paulson, committed \$700 billion in taxpayer money to rescue Wall

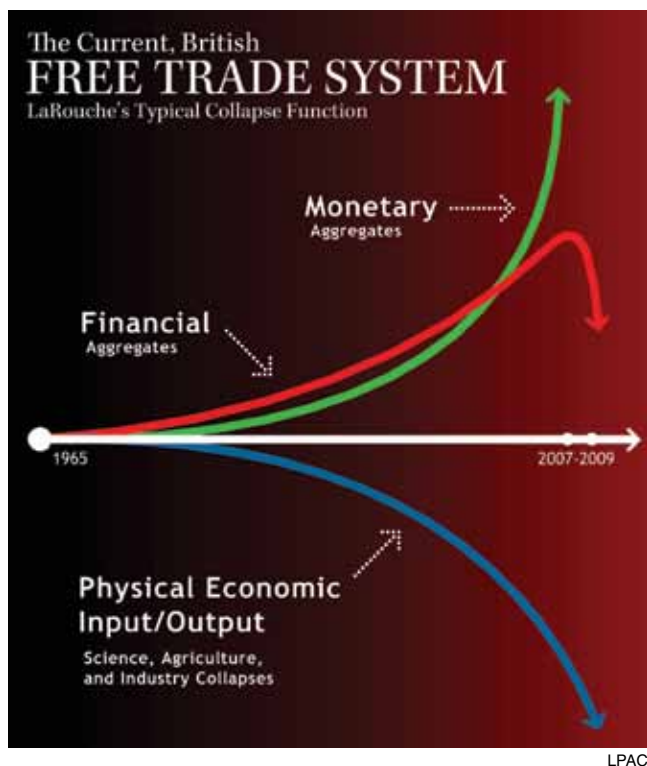
Street from its own chicanery and greed. To listen to the bankers and their allies in Washington tell it, you'd think the bailout was the best thing to hit the American economy since the invention of the assembly line. Not only did it prevent another Great Depression, we've been told, but the money has all been paid back, and the government even made a profit. No harm, no foul—right?

"Wrong. It was all a lie—one of the biggest and most elaborate falsehoods ever sold to the American people. We were told that the taxpayer was stepping in—only temporarily, mind you—to prop up the economy and save the world from financial catastrophe. What we actually ended up doing was the exact opposite: committing American taxpayers to permanent, blind support of an ungovernable, unregulatable, hyperconcentrated new financial system that exacerbates the greed and inequality that caused the crash, and forces Wall Street banks like Goldman Sachs and Citigroup to increase risk rather than reduce it."

The outgoing managing director of the International Institute of Finance (IIF), Charles Dallara, had to admit to journalists that he feels "uneasy" about the future, *Handelsblatt* reported on Jan. 22. "The markets are only insufficiently prepared for the idea that the central banks one day will have to tighten their monetary policy again," he said.

German economists Harald Hau and Hans-Werner Sinn were even more explicit, writing in the *Frankfurter Allgemeine Zeitung* on Jan. 22, under the headline "The Dangerous Dimension of Banking Union":

FIGURE 1



“The banking systems are on the verge of bankruptcy, and the banks’ creditors will not be able to get their money back if they don’t find other people to repay them instead of the banks.” The catastrophic write-down of losses to the taxpayers will lead to “a destabilization of euro countries that are still healthy,” they write. The Banking Union proposed by the EU Commission was “presented to the public as a means to erect a firewall to protect the southern Eurozone countries, but in reality they opened a fire conduit that allows the flames to burn through even the budgets of those Eurozone countries that are still healthy.”

### Worse than 2008

Indeed, the crisis today is much worse than in 2008, because there is now much more “toxic waste” in the financial markets: All the money that was pumped into the coffers of the banks did not flow into the real economy, but into the financial markets, creating new and even more gigantic financial bubbles. And because the real economy—not least because of the massive austerity measures that secured funds to bail out the banks—more and more on its knees, the ability of the real economy to support the financial bubble naturally declines,

exactly as Lyndon LaRouche demonstrated back in 1995 with his “Typical Collapse Function” (Figure 1).

Given that there is less and less available to loot from the governments, the central banks have become more and more blatant in their money printing. True to the promise of Federal Reserve chief “Helicopter Ben” Bernanke, to drop money from a helicopter if necessary to stem the financial crisis, the banks have thrown the newly printed money right after the old. The central banks now accept securities as collateral for bailouts that they would not even have accepted as toilet paper in times past, and which today are best used solely for that purpose.

For example, the Federal Reserve increased its holdings of U.S. Treasury bonds from \$500 billion at the start of the Obama Administration, to almost \$1.7 trillion today, and the banks bought another \$1.5 trillion in mortgage-backed securities. The securities holdings of the European Central Bank (ECB) are now up to EU4.0 trillion. And we may safely assume that with all this extra money available, the derivatives bubble has become far greater still.

The consequence of the shrinking of the real economy and the miraculous multiplication of money through the infamous “quantitative easing” by the Fed and other central banks is, of course, that the disproportion between the money supply and real values increases faster: You don’t have to be a clairvoyant to realize that unprecedented hyperinflation is looming. And as Lyndon LaRouche stressed on Jan. 24 in an interview recorded for a Russian TV channel, it is the awareness of this imminent explosion that is driving the world towards a general war. We are not dealing with individual wars in Libya, Syria, or Mali, LaRouche said, but with the march toward global war.

### Which Two-Tier Banking System?

In this context, it is understandable why more and more bankers and politicians are coming out now for a “two-tier banking system”: The current situation has become simply untenable, and it is clear to any serious observer that we must eliminate the bad paper if we don’t want it to choke us.

The global campaign of the LaRouche movement bears considerable responsibility for this shift; it is mobilizing in the United States among state legislators, city councils, trade unions, and others in support of HR 129, the bill submitted to Congress by Reps. Marcy Kaptur (D-Ohio) and Walter Jones (R-N.C.) on the re-

instatement of the Glass-Steagall law. Support is rolling in, and suddenly (almost) everyone is for “separation of commercial and investment banks”—and not just in the United States.

But not everyone who talks about a two-tier banking system means President Franklin Roosevelt’s Glass-Steagall Act of 1933! A number of other proposals are ending up under this heading—the Volcker Rule, the Vickers Commission’s “ringfencing,” the Liikanen proposal (see box), and others—whose main purpose is to prevent a real two-tier banking system from coming into being. According to the slogan “Better throw the dog a bone than be bitten by him,” they prefer a small concession here and there to the mood of the people and legislators, to genuine reform.

That is the case, for example with the reform plans that German Chancellor Angela Merkel and French President François Hollande announced during their joint press conference in Berlin, after the Franco-German Council of Ministers meeting on the 50th Anniversary of the Elysée Treaty. These plans refer specifically to the Liikanen proposal, which would separate “particularly the risky parts” of the big banks’ investment banking business and shift these to a subsidiary.

But it is impossible to be “a little bit pregnant”! A real two-tier banking system means a much more thorough separation: The Glass-Steagall Act prescribed a complete separation of normal commercial banking from investment activities; it banned any financial or personnel linkage between these two banking sectors; and it especially forbade any loans from commercial banks to investment banks or for speculative activities. It established a true firewall, one that is so strong that the commercial banks and the real economy are not affected if the investment banks collapse—and they will collapse, as soon as they are deprived of state funding and access to the savings of the population.

That is what the proconsuls of the Ancien Régime in the financial world fear: They are afraid of the real Glass-Steagall, but not of “ringfences” such as those proposed by the Vickers Commission or Bank of Finland Governor Erkki Liikanen, which they can easily jump over. The world economy can only be healthy if banks are forced to swallow the bitter pill and stop their insane speculation.

## The Alternative

LaRouche has repeatedly emphasized that if Obama is removed from office and Glass-Steagall is reinsti-

tuted, completely new possibilities will open up. Glass-Steagall must be enforced immediately, to prevent the risk of hyperinflation. On this basis there can be an economic policy revolution and, by instituting a credit system instead of a monetary system, major infrastructure projects can be undertaken. Great projects are the basis for a new relationship among the great powers, starting with the United States, Russia, and China. If we agree on great projects for the benefit of mankind, according to LaRouche, then there will be a basis for a whole new world order. The proposed North American Water and Power Alliance (NAWAPA), the re-mobilization of the space program, the Strategic Defense of Earth, nuclear fusion and fusion—these are the engines of a new global relationship.

This is precisely the approach that Angela Merkel and François Hollande have to take, if they do not want to go down with the investment banks and the universal banks.

*Translated from German by Susan Welsh.*

## Fake Bank Separation Plans

**The Volcker Rule** is a provision of the Dodd-Frank law (passed in 2010) that has still not taken effect, because regulators and banks are still arguing over it. Proposed by former Fed Chairman Paul Volcker, the idea is that banks should not be allowed to engage in “proprietary trading”—making speculative investments for their own gain; they should also not be allowed to perform both an advisory and creditor role with their clients, such as with private equity firms. The devil’s in the details.

**Ringfencing**, proposed by Britain’s Vickers Commission, would place a bank’s riskier investment activity in a separate legal subsidiary.

**The Liikanen proposal** submitted by an EU advisory group headed by Bank of Finland Governor Erkki Liikanen, recommends that EU banks’ trading businesses be placed in separate subsidiaries, and that banks hold more capital against riskier businesses.



# Fed Policy of Hyperinflation Sparks Revolt

by Paul Gallagher

Jan. 28—The increasing clamor from within the banking community for re-enactment of the Glass-Steagall Act is evidence of what few elected officials understand about Glass-Steagall: It slams the door against the Federal Reserve, and other central banks, continuing their hyperinflationary money-printing policy.

That policy, with the five-year virtual zero-interest-rate regime connected with it, has deranged the U.S. commercial banking system, while absolutely failing to bring about the return of big-bank lending which was its public justification in every country. It is simply enabling years-long bailouts of the “toxic” securities loading the books of these large banks, while causing severe problems for small and medium-sized commercial banks’ lending, and driving them towards securities speculation as well.

Thus we have seen state bank leaders stand up with LaRouchePAC activists to call for Glass-Steagall at hearings in Montana and Washington State in recent weeks; the campaigning for Glass-Steagall by American Banking Association leaders in Connecticut and other states; and the powerful response from community bankers to Dallas Federal Reserve president Richard Fisher’s Jan. 17 speech on bank separation in Washington, D.C.

The simultaneous statements that day by Fisher and FDIC vice-chairman Thomas Hoenig (former Kansas City Fed president and an advocate for restoring Glass-Steagall) showed a revolt against central-bank hyperinflation policy which has reached within the Fed itself. It was also shown in the small uproar among members of the Federal Open Market Committee (FOMC) in their Dec. 12, 2012 meeting, when several voiced fears that the Fed was trapping itself in its money-printing “QE” policy and could be unable to end it—permanent zero-interest hyperinflation.

Helga Zepp-LaRouche, speaking to hundreds of activists at the Schiller Institute’s Jan. 26 conference in

New York, warned of a “major, existential crisis, the fact that the entire trans-Atlantic financial system, as a result of the high-risk speculation, the ‘25% profit’ as [Deutsche Bank CEO] Mr. Ackermann liked to say, and the continuous bailout policies of the too-big-to-fail banks, has now come to a situation where the only thing left is a hyperinflationary blowout of the entire system.” And she noted the Jan. 24 article of Prof. Hans-Werner Sinn, head of the leading German economic think-tank, the Munich IFO, who warned that the European banking system faces insolvency, and bank creditors will lose their investments. Sinn said that bank debt of just six Euro countries was \$12 trillion, three times their national sovereign debt, and much of it unpayable.

While Zepp-LaRouche spoke, the third-largest bank in Italy leaned at the edge of bankruptcy with the Italian government attempting a bailout—Monte dei Paschi di Siena, the oldest operating bank in the world, ruined by massive speculations and losses in derivatives (see article, this issue).

Only the immediate reimposition of Glass-Steagall banking policies will stop this disaster.

## No-Exit Quantitative Easing

Despite some \$2.5 trillion newly printed Federal Reserve dollars issued since the 2007-08 financial crash, lending by U.S.-based banks’ is still falling. The Fed has expanded its asset book by that amount since 2008, printing money to buy securities from the major banks to provide them liquidity and capital—and to hold up the otherwise collapsing values of many of the securities the Fed has been buying. It plans to print another \$1 trillion in 2013 in the same operations.

The Fed released data Jan. 24 showing it holds just under \$1.7 trillion in Treasury securities; it had held just \$475 billion when Barack Obama took office in early 2009. It also holds over \$1.5 trillion in mortgage-backed securities bought from large banks; and its now \$3 trillion-plus “asset book” is growing at 30% a year, \$85 billion a month in money-printing. Yet the European Central Bank’s money-printing has been greater than the Fed’s; ECB’s asset book is already over \$4 trillion.

The public justification from the likes of Bernanke, Draghi, and Geithner has been that this enables large banks to lend to the economy at low interest rates. But that has failed in reality. U.S. banks’ and thrifts’ deposits reached a record \$10.6 trillion at the end of 2012,

according to the deposit tracking firm Market Rates Insight Inc., reported in the *Wall Street Journal* Jan. 11. Combine this with another report, from SNL Financial Corp., that the share of deposits *loaned* by U.S. banks and thrifts hit a new low of 72% at the same time; this share loaned had been over 95% in 2007. And even the absolute dollar total of loans, \$7.58 trillion, is 5.3% lower than bank lending two years ago.

Recent bank data has shown smaller U.S. banks being driven to load up their own balance sheets with securities—especially mortgage-backed securities—instead of lending, because the years-long zero-interest and bailout policies put them at a disadvantage in acquiring capital, and eliminates their loan income.

The Fed's hyperinflationary money-printing, while driving up the stock market, had no effect on bank lending—its claimed “purpose.” Instead, it combines with austerity policies to make a hyperinflationary explosive combination.

At the Dec. 12 meeting of the Fed, what the minutes described as “several” members of the FOMC expressed clear worries that unless the Fed stops printing money in the next couple of months, it will become trapped, unable to stop at all—to “exit quantitative easing” in Fed-speak—because attempting to exit will have severe consequences for the economy and the Fed's balance sheet itself. At soon-to-be \$4 trillion in assets, 25% of U.S. GDP, the Fed will be dominating purchases of Treasuries and all other fixed-asset securities in the U.S. economy during 2013.” Its “asset book” will drive down securities “values,” including its own, rapidly, and raise interest rates sharply, as soon as the New York Fed were to try to start stop the money-printing by selling assets off. The Fed cannot thus “go bankrupt,” of course; it could always then avoid that, and hold interest rates down, by—printing more money, faster. Therefore the clear anxiety among FOMC members in December.

## Stopping the Fed

In contrast, the potent response is the demand for Glass-Steagall bank separation being raised among a courageous few in Congress and by Dallas Fed president Fisher, FDIC's Hoenig, and other Fed presidents demanding Rooseveltian bank reorganization measures, such as Kansas City's Esther George. The *New York Times* reported on Jan. 19 that Fisher's speech on “chopping up the megabanks into pieces, so that no one of them could endanger the financial system” was

having a strong impact. Members of Congress from both parties were calling Fisher, and other sources reported that bankers from throughout his Fed district called the Dallas office to urge him on. Fisher also insisted in his speech that the Fed's “quantitative easing” policy was producing no economic effect.

A week later, Steven Denning reported in *Forbes* that “there is a “call for the return to Glass-Steagall. . . . Its straightforward disclosure regime that prevailed for decades starting in the 1930s didn't require extensive legal rules. Nor did vigorous prosecution of financial crime. However it does require political will-power.”

*Times* financial columnist Gretchen Morgenson wrote that Fisher's speech “may sound like a return to the Glass-Steagall Act, the Depression-era law that separated investment banking and commercial banking until it was dismantled in 1999. But Mr. Fisher's plan is much more sophisticated. . . .” But any Member of Congress looking at Fisher's proposed regulations would have to say, “If this isn't Glass-Steagall, then what is it?”

Restoring Glass-Steagall would stop the Federal Reserve's money-printing cold, and potentially reverse it. The Fed is massively purchasing securities, predominantly from various investment divisions of banks—divisions which, under Glass-Steagall bank regulation, are ineligible to receive *any* form of such support, bailout, or “safety net” involving United States credit.

Furthermore, the low quality of mortgage-backed securities and their derivatives bars the Fed from buying—or even lending against—them under Glass-Steagall regulations, which became Article 23A of the Federal Reserve Act. And Glass-Steagall regulations definitively bar financial derivatives from Federal backup. Big bank holding companies have moved exposures to those “financial weapons of mass destruction” by the tens of trillions of dollars, onto the books of their Federally insured commercial banking units; that would end and be reversed under Glass-Steagall.

By slamming those hyperinflationary doors shut, Glass-Steagall will uniquely open the door to the use of national credit for investment in high-productivity economic projects of new infrastructure, and long-term skilled employment. It will also enable the 6,000 commercial banks to lend productively again, with the same effects in other trans-Atlantic countries otherwise facing bank panic and collapse.

NOW RETURN TO THE SUBJECT OF OUR CONSTITUTION:

## The Principle Involved

by Lyndon H. LaRouche, Jr.

25 January 2013

*The single most concise summary of the documented principles on which the creation of the U.S. Federal Republic's economic design had originally depended, now remains, still today, in the contents of a book which had been titled [The Political Economy of the American Revolution](#), that had been originally published in 1977, under the direction of editor Nancy B. Spannaus, and republished in a 1996 reprint edition, by **Executive Intelligence Review**, contents which retain their original content, up to the present date, and without regret.*

*The original elements of design of the U.S. Republic's founding principles under President Washington and his Treasury Secretary Alexander Hamilton, all had depended upon the original success of the Washington administration's design. The most crucial of the constitutional **economic** principles of the original U.S. economy, are the principles which had been provided largely by U.S. Secretary of the Treasury Alexander Hamilton. Hamilton's contributions, have never been actually outdated, as principles, since that time.*

*My own emphasis in treating **The Political Economy of the American Revolution**'s contents, as I do here, now remains essentially confined to the most relevant, second part of that publication: "Part II. The Founding Fathers," pp. 231-471, the section which*

*contains the documentation for the founding of the still-essential, original economic principles of the U.S. Federal Government.*

*All of the major errors which have occurred in the policies of our government since the time of President George Washington's terms in office, have been products of systemic errors which had been committed by most among his successors, errors which had been introduced, later, by all but a relatively few exceptions; otherwise, most of those had been, largely misguided successors to the original Washington-Hamilton U.S. administrations. The systemic errors, whether of commission, or omission, had been products of the corrupting influences introduced from European sources, chiefly the British financial agencies, or certain French types, which had more or less controlled U.S. economic life since the end of the Presidency of George Washington.*

*Those foreign-directed errors which, chiefly, the British empire's financial interests had induced, had been typified by British agents associated with the "Wall Street" crowd, even back then, meaning such as Aaron Burr, and, otherwise, only typified by such followers of the traitor and British spy Burr, as Andrew Jackson and Martin Van Buren, earlier, or Theodore Roosevelt, Ku Klux Klan fanatic Woodrow Wilson, Calvin Coolidge, Harry S (no middle name) Truman, Richard Nixon, and, worst of them all, the descendants*

of the Prescott Bush who had backed Adolf Hitler at a crucial moment in German history. Prescott Bush's son George H.W. Bush had been what he turned out to be; but the worst of all U.S. Presidents have been that Bush's own son, the foolish George W. Bush, Jr., and the British Queen's and Tony Blair's nasty puppet, Barack Obama.

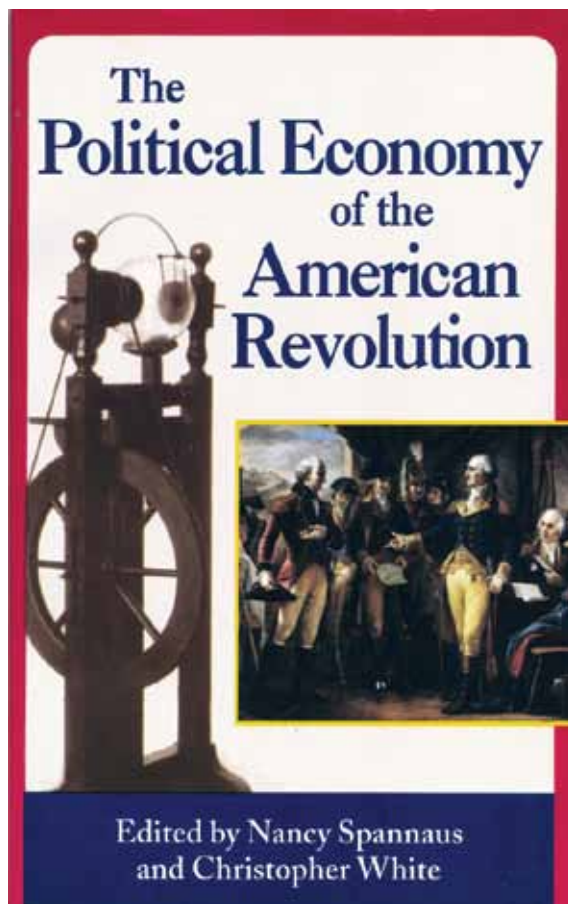
That last stated bunch of "the worst of all," are particularly notable for their complicity in suppressing the proof of the actual authorship of the original "9-11" cover-up, under the nominal administration of George W. Bush, Jr., and of the second "9-11" cover-up under President Barack Obama of Benghazi this past September.<sup>1</sup> Both of these had been actually British-Saudi operations, and, are typified by the role of the mass-murderous schemes of the wretched Tony Blair. Both of the latter set of cases had, so far, taken official actions of the characteristics of treasonous official "cover-ups" of otherwise known facts, facts which, by their very nature, have been implicitly cases of high treason against the United States.

Otherwise, when and if those matters are now taken into account, we have, as a result, the following case of a treasonous suppression of a set of true facts which now needs to be considered, and exposed, that most urgently.

### **The New Matters To Be Considered**

Place the treasonous suppression of the cardinal facts of the two "Nine-Eleven" cases off to one side for

1. Both had uttered orders banning the revelation of the evidence which had shown that the original, September 2001 "9-11" terror-attack on the United States had actually been the work of the combined British and Saudi-Arabian agencies. The same is to be said concerning President Barack Obama's frauds in the matter of "9-11" number two, in Benghazi.



*The Political Economy of the American Revolution is "the single most concise summary of the documented principles on which the creation of the U.S. Federal Republic's economic design had originally depended," writes LaRouche.*

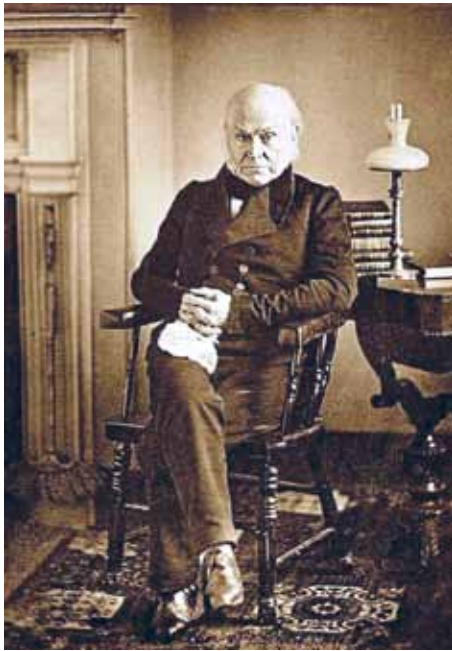
a moment of convenience; consider what represents the following other sets of facts:

All of those other, later, principled elements of a **physical principle of design for a system of physical-economic science** which had been needed to be considered here, have been added from outside the original section of **The Political Economy of the American Revolution**; these had been contributed either by me, or, more frequently, in efforts shared with associates either from among my immediate associates, or others with whom the relevant measures taken were associated. That added material has been crafted during the more recent times, chiefly under my leadership, and, most frequently by my own crafting, but, as I have just stressed here, also with more or less large supplemental work done in immediate collaboration with sundry classes of associates from within the span of the relevant efforts at the

relevant datings located somewhere within the span of 1970-2013.

In any actually competent comparison with the specifications of the policies established under the policies of President George Washington and Alexander Hamilton, they are in opposition to the ruinous incompetence of the explicitly contrary, and specific, ruinous, policies of the successive Presidencies of John Adams and Thomas Jefferson. Otherwise, James Monroe and John Quincy Adams had been among the greatest of our early Presidents, John Quincy Adams most notably. The continuing role of John Quincy Adams, both as the greatest President of that time in history, and also as that masterly patriot operating from within the House of Representatives, the master of them all of his later years, paved the way for what was implicit in Adams' association with one among





*As the greatest President of that time in history, and as the “masterly patriot operating from within the House of Representatives,” John Quincy Adams paved the way for his leading successor, Abraham Lincoln.*



*his leading successors, Abraham Lincoln.<sup>2</sup>*

*In fact, it had been the economic and related policies of Abraham Lincoln (murdered by order of the highest ranks of British agencies), which had inspired the period of the direct influence of President Abraham Lincoln’s heritage in shaping the great economic and strategic influence on Otto von Bismarck which had created the great economic reforms installed in Germany at the close of the 1870s, policies which coincided later with the great intentions of U.S. President William McKinley. It was only the assassination of McKinley which permitted the installation of the rabidly anglo-phile fanatic and implicit traitor Theodore Roosevelt, as his tenure enabled the participation of the U.S.A. in “World War I” conducted, for our U.S.A., under the Ku Klux Klan fanatic Woodrow Wilson.<sup>3</sup>*

*The policies of U.S. Presidents Franklin D. Roos-*

*velt and John Fitzgerald Kennedy, and John’s brother Robert, had also laid the basis for the “Strategic Defense Initiative (SDI),” a campaign which had been mustered, in part by me, from among prominent circles from such as President Ronald Reagan, and other leading public figures within the Americas and Europe, as during the interval 1977-1983 and beyond.*

*As a matter of fact, that assault on me and my associates launched during the middle of the nineteen-eighties and beyond, had been stated to me personally as “punishment of me and my associates” for my success in bringing the idea of the SDI to the table of not only the United States under President Ronald Reagan, but also as expressed against my important collaborators in France, Ger-*

*many, Italy and certain other locations. The time has now come, where nothing in fact on that account need be held back.<sup>4</sup>*

*Had matters gone in the direction which I had proposed, the terrible things which have threatened both the U.S.A. and Europe now, could not have occurred as they have now done this far.*

*Behind, and underlying all that I have just stated, there lies a principle of history which only a tiny fraction of the leading circles of nations today have ever actually understood, at least up to this present moment. That is the situation which must now be corrected, if this planet is to outlive the atrocities which have come to reign over our United States, and also many other nations, this far.*

*I explain.*

2. Among John Quincy Adams’ unique achievements as President, is that expressed by such facts, as that it was John Quincy Adams’ Presidency which accomplished the titanic achievement of having crafted a United States united from coast to coast, and from Canada to Mexico.

3. Theodore Roosevelt had been guided by his uncle and personal mentor, the traitor to the United States James D. Bulloch. (Cf. [Anton Chaitkin, Treason in America, 2nd edition.](#)

4. As a leading political figure had it reported to me, on the occasion of my scheduled transport to prison: “You tried to make policy [referring to my keystone role in the actual launching of President Ronald Reagan’s initial 1983 and continuing efforts on behalf of a Strategic Defense Initiative] without permission, and, for that, you are being punished.” As is customary in such instances, a large number of those who had been my earlier associates fled in fear to join the ranks of my adversaries.

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## I. The Future as a Principle

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The widespread, and wildly mistaken, but generally official belief, has been, that forecasting an economic future, in particular, must be guided by a presumed principle of mathematically statistical-forecasting methods, or the like.<sup>5</sup> In fact, the belief in such forecasting practices is to be seen as practically insane, when measured by its effects, and, therefore, ultimately tragic in its outcomes. The appropriately correct principle to be adopted, is that mankind is provably the only known instance of a species which is intrinsically qualified with the potential for foreseeing that course of the future which foretells the probably correct choices of foresight into policy-shaping. Mankind, thus, possesses a power which is ostensibly unique to its own nature; unfortunately, few living human beings have been capable, so far, of grasping that great scientific principle which I had followed, even in the recent dates; they know that there is a terrible crisis presently, but, generally, no government has seemed to recognize the nature of the crisis publicly, still today.

The true principle of economic and related forecasting, is not to be considered as being a mere prediction of a dead-certain future state; rather, it represents the opportunity to foresee the probable consequences of a presently future choice of alternative policies for entire nations, or for mankind more widely, as now. In other words, the threat to be met as the prospective future now, or even earlier, is a matter of foreseeing choices which are yet to be presented explicitly in any presently obvious way. The worst practice of any society, is to resort to methods of statistical forecasting. In fact, the general economic doctrines of current practice, whether inside our United States, or abroad, are most fairly described as stupidity expressed as delusion.

The essence of that matter, is locatable within the realm of forecasting of those consequences which can, or could have been intelligently pre-defined in terms of comparing two or more, mutually contradictory choices of alternative futures. Most people today, especially what are usually the stubbornly incompetent statisti-

cians, lack any competence in this matter of forecasting. The statisticians are, generally speaking, only the worst of all.

Why is that so? Try to pin-point the cause of such systemic failures of judgment among present nations generally. Why are they so stubbornly incompetent respecting issues on which the lives of most of the populations of nations presently depend?

The inherent incompetence of the methods of statistical forecasting, is to be located in the dependency, by the pretended forecaster, on a fixed, or fixed-rate scheme of future trajectories. In fact, all competent forecasting must become recognized—now urgently—as depending upon recognition of the reality, that actual human creativity is not forecastable by merely mathematical means, neither literally, nor with any significant degree of competence. All important changes in economic trends, for example, are, from a linear standpoint, discontinuous, that chiefly on account of the required standards of a truly scientific principle.

The cases of fundamental discoveries of physical principle (as by cases such as Max Planck, Albert Einstein, and the notion of the human mind presented by the collaboration of Wolfgang Köhler with Max Planck respecting the concept of the human mind) negate the misguided choice of a possibility of statistical methods of forecasting. The margin of error so indicated, is fundamental and inherent.

### *The Secret of the Human Mind*

This distinction which I have stated here, respecting the potentials of the human mind, implicitly negates all presently conventional notions of the merely estimated ability to forecast the future. Consider some points of illustration.

There are chiefly two principal illustrations of this point: first, in the Classical methods of musical composition employed by Johann Sebastian Bach, and, secondly, such offshoots of Classical drama as Classical modes in composition of poetry and drama. As the case of Bach's two sets of preludes and fugues illustrates the point, the method of Bach in these instances, is correlated with the result of the future of that developmental process; the Bach sets of Preludes and Fugues implicitly demonstrate the proof of principle in this matter. Wilhelm Furtwängler's conception in respect to this same matter of the principled influence of the future, is typical of the relatively most advanced and also the most correct insights on this account.

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5. My first publicized forecast was that made, as an executive for a fairly large consulting firm, in the Summer of 1956, forecasting a major economic crisis to break out beginning February-March 1957. It occurred exactly on time; all visible rivals in this matter had missed the boat. A more impressive success came in the August of 1971, when every notable rival had missed the boat entirely, that internationally.



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*Did Kepler intend “vicarious hypothesis” to mean some sense of a domain of sense-perceptual objects; or, does it speak for a principle which is efficient, but not literally one of sense as perception, but only as a shadow cast as an effect?*

However, the very same expression of principle, is native to the composition of both Classical poetic composition, and of Classical drama. There is no element of randomness, nor other “accident,” in these matters.

The simple demonstration of that fact which I have just reported here, is provided by the systemic wretchedness of the music of the properly infamous failures Franz Liszt and Richard Wagner: the extension of their tendency for degeneracy, grew vastly worse over the later course of the Twentieth Century, as particularly notable in the case of the 1920s’ trend of ruin in science under the reign of the Bertrand Russellites. That contrast is essentially coincident in nature to those “Romantic” trends in music and poetry leading through the process of degeneration, and away from Classical artistic composition and performance, a process which has been accelerated since the policy of accelerating rates of moral and intellectual degeneracy associated with such perversions as the 1950 decrees of the Congress for Cultural Freedom.

However, similarly, the so-called “Green” cultural policy of the trans-Atlantic nations, is a systemic echo of the same moral degeneracy expressed as the Congress for Cultural Freedom. Such trends of degeneracy are at the root of the particular case of the trend of accelerating moral and intellectual degeneracy associated with trans-Atlantic cultural trends set into an accelerating motion, downward, by the assassination of President John F. Kennedy.

That is, by no means, the end of the matter at hand here.

Classical modalities in poetry, drama, and music, can not be properly separated from one another, or from a competent development process akin to truly Classical artistic composition, as, also, in physical scientific practice. Classical artistic composition and competent physical science, are essentially interdependent processes, processes whose resonance is locatable only in the general conception of the implicit universality of a human quality of mind.

For example:

Without Classical principles of drama, the stage becomes degraded into the role of a cultural sewage-system for science and poetry alike. Without Classical artistic principles, mathematics is no longer a process of scientific discovery, but degenerates into a semblance of the frauds of Rene

Descartes and Isaac Newton’s worshippers. In short, the noëtic principle which is common to Classical artistic composition and creative scientific work, is left by such as them, at best, as if to rot “on the vine.” The shameful case of the sheer fraud called “Isaac Newton,” is typical, especially when contrasted to the discoveries of Johannes Kepler, Gottfried Leibniz, et al. The desperately needed connection for today, is best illustrated by the universality expressed in the standpoint of the personality and work of Nicholas of Cusa.

Take, for example, the subject-matters of Classical drama and poetry: try Shakespeare, Friedrich Schiller, and Percy Bysshe Shelley, as recommended examples, as for example, as follows.

What “brings such works to a state of being ‘alive’?” Compare this with the real element of genius in the discoveries by Johannes Kepler.<sup>6</sup> Did Kepler intend *vicarious hypothesis* to mean some sense of a domain internal to sense-perceptual objects; or, does it speak for a principle which is efficient, but not literally one of sense as perception, but only as a shadow cast as an effect? We are enabled to find a parallel for that paradox in the standard for performance of a Shakespeare drama.

6. Cf. Lyndon H. LaRouche, Jr. “Obama and the Trojan Horse!” with reference to Kepler’s notions of *vicarious hypothesis*, and to the related notion of *metaphor*, *EIR*, Jan. 11, 2013 or Lyndon [LaRouche PAC](#).

We who see, and could hear, should know that the content of actually Classical drama, such as that of Shakespeare or Friedrich Schiller, was not intended to be the visible person on stage, but an hypothetical personality worn as the merely cast image of the person acting on stage—otherwise the attempt at Classical drama were merely another silly farce.

Suddenly, then, with that thought in mind, how much of that which we might intend to experience in the performance on stage, is the real “flesh-and-blood” subject performing on stage? If you feel that what you have experienced prompts the urge to call out in recognition of the known Joe Brown on stage as being the Julius Caesar performing on stage, the drama in progress is really going very badly.

Now, follow *vicarious hypothesis*, with a try of *metaphor*. Then, reconsider the significance of the *metaphor* as if representing a *vicarious hypothesis* for that real staging which seems to exist for the intended audience as if only when being performed on a stage of the imagination, rather than merely surrogate identities for the moment, belonging to the truly gifted and insightful, *vicarious actors* performing on stage.

Take the paradoxical imagery another step forward toward actual reality. The unseen, but efficiently existing presence, as distinct from the “stand-in” which is what is presented to the senses as the vicarious performer imagined to be actually existing on stage. Such are the demeaning tricks which the folly of sense-certainty plays on whatever, and wherever the actual human personality’s imagined personality might be securely snared.

Which way must it be? Which is real? Is it the imagination that the actor performing on stage is serving as the credible actuality, or that the costumed image performing on stage, is a hoax? Is it an image which has no true resemblance to that which could be presented to our mere senses from that reality which dwells on the real stage of great drama, that of the truly noëtic imagination of such as a real Johannes Kepler?

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## II. Imagination, the Secret Reality

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The escape from a systemic quality of incompetence which my argument requires as a remedy to be found on “stage,” can and must be identified; but, that had not been generally feasible among even persons of leading potencies, until there had been a col-

lapse of that authority which had been associated with the once-dominant culture represented by the outcome of Europe’s “New Dark Age.” The needed turnabout for change was typified by figures such as Jeanne d’Arc, the Great Ecumenical Council of Florence, France’s Louis XI, and the entry of European heritages into the Americas with the achievement of the great

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*The true principle of economic and related forecasting, is not to be considered as being a mere prediction of a dead-certain future state; rather, it represents the opportunity to foresee the probable consequences of a presently future choice of alternative policies for entire nations, or for mankind more widely, as now.*

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student of Nicholas of Cusa’s legacy, Christopher Columbus.

The crucially significant motive and outcome of Columbus’s great achievement, reposed not merely in the fact of the landing in the region of the Caribbean, but in the actuality of the intention which Cusa’s influence had brought to an escape from the mass-murder in Europe, by prompting such settlements as the Massachusetts Bay and similar settlements in the Americas, North America most notably. This was exactly as the great Nicholas of Cusa had intended in his role as, otherwise, the greatest figure in European science during his time, and so also among his actual followers, including the great, explicitly devoted follower of Cusa, Johannes Kepler.

Filippo Brunelleschi, for one, had been a high-ranking genius in the breakthroughs to modern science, both as a predecessor and contemporary of the greatest genius of that century, Nicholas of Cusa. What Cusa typifies for our consideration here, as in his **De Docta Ignorantia**, is the power of insight into domains of the real universe which are to be recognized only as beyond those meager domains of a merely fixed quality of the powers of human sense-perception. The essential distinction to be recognized on that account, is the uniqueness of the actually human mental power which lies outside the domain of other known expressions of life as such. This distinct potency of mankind happens to





*Filippo Brunelleschi's revolutionary "invention" of linear perspective, allowed the artist to overcome "sense-certainty," by portraying a three-dimensional universe on a two-dimensional surface. Shown (above left), Brunelleschi's perspective design for the interior of Santo Spirito church (Florence, 1440s), which is shown following construction, in the photo below. (Portrait of Brunelleschi (detail) by Masaccio, Brancacci Chapel, Florence, 1420s.)*



coincide with the great principle of the universe which is expressed, uniquely for us today, as the power to act on the basis of the future, rather than being confined to the bestial condition of experiencing only the past and present. The image of man created in the likeness of his Creator.

I emphasize, for an essential illustration here, that the essential principle of Cusa's **De Docta Ignorantia** is to be placed precisely there, in that distinction of mankind. The most convenient demonstration of that principle in modern times to date, has been the proof supplied by Johann Sebastian Bach of the actual principle of composition presented by the design of his

famous two settings of his **Preludes and Fugues**. Hence, we must also speak of a contrary direction, down and backwards, such as the actually moral depravity of such "Romantics" as Franz Liszt and Richard Wagner, and also the cases of the even more deranged composers and performers from the Twentieth Century.

The implicit argument on this account, includes the crucial evidence embodied in the role of hearing the future in what is to be experienced as the realization of the extended future as creating the result of the present. The experimental proof, as by the greatest musical composers, is of crucial quality. Only a widespread cultivation of systemic ignorance blocks access to the essential reality which we must recognize and promote for the sake of all mankind. Fools believe, because that is their ritual. The actual evidence of a competent phys-

ical science, gives us a better precedence.

Ordinarily, commonplace opinion presumes that the present must await the virtually accidental coming of the future state of affairs. There lies the essence of the general incompetence of the conventional classrooms of respectively lower and higher gradations today.

That much said now, here, look back toward the argument of the immediately preceding chapter here.

The most customary sort of popular folly respecting this subject-matter, is rooted in an induced, literally bestial habit of reliance on strict observance of an alleged principle of sense-certainty. The simplest of the kinds of evidence to the contrary effect, is presented by the fact of a true discovery of a physical principle, which is (insofar as our present knowledge permits) a gift to the present from the mankind of the future. The principle of the Bach fugue, yields to us a demonstration of the same principle of the future source of what must emerge as presently discovered future human achievements, the which is intrinsic to the implications of Nicholas of Cusa's **De Docta Ignorantia**.

Once the individual human mind has been lifted above primitive notions of the meaning of experiences, we are most forcefully persuaded to the effect, that the advance of human culture from the stone-age to physical chemistry, to use of nuclear power, to thermonuclear fusion, and the matter-antimatter principle, show us the existence of a higher order of power of existence than science had presumed earlier. This distinction of the potentiality of human powers of reason, places mankind apart from all lower forms of life. These powers, which we tend to associate only with freshly minted discoveries, have demonstrably existed as potentials of this universe earlier. Indeed, all properly defined notions of scientific and related discoveries have precisely that quality of distinctively human potentialities for the future.

The principal errors of assumption which had tended the most to confuse even most educated persons today, have reposed in the intellectually brutish opinion respecting the subject of the future. Yet, in fact, in the matter of qualitative advances in the relative energy-flux density of physical-science progress, matters are seen differently. We are properly impelled to seek out our possession of the human power to craft the future which already lies pregnant within the domain of the present.

The consequence of a refusal "to face up to" the evidence of such a challenge, leads toward the absurd presumption, that it is the mechanisms of mere sense-perception, which place absolute limits on the powers for physical-science progress. The actually greatest scientists, as since Nicholas of Cusa, have recognized the nature of the intrinsic incompetence of the believers in an absolute value of what was always merely sense-

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*Ordinarily, commonplace opinion presumes that the present must await the virtually accidental coming of the future state of affairs. There lies the essence of the general incompetence of the conventional classrooms of respectively lower and higher gradations today.*

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impression. "Who protests against this?" "How could we have been so duped as to believe in a fundamental authority of what is merely sense-perception?" "What must be said, when Classical poetry, song, and other great arts, have joined scientific discovery, in proving the contrary notion, efficiently, to have been the relatively supreme experimental authorities in such matters?" Mere blinded faith in sense-certainty can, therefore, then be relegated, fairly speaking, to cause worry among the monkeys.

There is no proper mystery about the sources of the general deception of today's populations respecting the issues which I have identified here.

The widespread repression of what were otherwise the native creative power of human beings, is to be recognized as a fruit of the existence of systems, such as, for example, the ancient Roman empire, which reign over populations by means of stupefying them into a relatively submissive state of brutality. On that account, we have reached a point in the history of mankind, at which we can no longer expect mankind's species to escape the general destruction—even extinction—of our human species, if the still-prevalent reign of the oligarchical principle of today's "greenies" is permitted to be continued.

We are presently confronted, on precisely that account, by our rising sensibility of a threat to continued human existence, the which is now represented by some

million or more of asteroids, and also some great comets, which could spell extermination of the human species as a consequence. A dependency on mere sense-perception, under such conditions, can not be justified by a sane society.

What holds most of us back, on this account, is a certain fear of the myth of merely “popular opinion.”

Among sane citizens suitably challenged on such accounts as this, the present commitment to the reduction of the planet’s human population, means, if continued, a virtually assured extinction of the human species from this planet. The accelerating rate of oncoming extinction-impulses, as even from the present “greenies” alone, is touching the perimeters of a threatened more general extinction. This suicidal quality of such a “green” impulse, is to be found in large regions of the planet this far. If it were not reversed, and that soon, an extinction-experience were becoming likely now; it is only the rate of such a catastrophe which waits to become known. Indeed, a rapidly growing portion of what pretend to be scientists gone-green, is committed to what is effectively mass-murder, whether or not they wish to participate in the oncoming flood of a global “green death.” That is already currently in accelerating progress under the impulses supplied by such means as the mass-murderous measures expressed by the characteristics of that British imperial, monetarist system which has been already shown to be working its way toward a general genocide presently.

### ***The Relevant Disease***

Any decently informed experience with a retrospective view of mankind’s known history, suffices to demonstrate that there is no threat from alleged “overpopulation” as such, which threatens mankind. A view but a generation or two ahead, promises the feasibility of reaching out from our Moon to Mars, and other places, by means of an appropriate development of thermonuclear-fusion technologies. In the meantime, the threats of mass-killing of the populations of the respective nations are actually prompted chiefly by the increasingly active promotion of the “green genocide” itself.

This is not exactly a matter of recent news in this matter. Mankind, within the span of merely several millions of years (or less) of generations of mankind, has increased the energy-flux density of the power of man

to exist and prosper. Most of the delay in progress along those lines has been the product of the role of the oligarchical tyrannies which have been known since the Homeric account of the mass-murder of the population of Troy, and most probably much earlier.

On the other side of the limitations in view, we must include the fact that the Sun is to be expected to destroy itself within a billion years, or two. Human progress in science should be enabled to meet such a challenge, if we insist on such a distant perspective (and its implications along the way). Mankind does have a promising destiny within this universe, provided we create the progress. However, that happy thought depends upon eradicating the monstrously deadly threat of extinction, already beginning now. Such a mandate as that, is already located in the evidence of the development of the creative (e.g., “noëtic”) powers of the human mind, the human mind which stands outside the bounds inhering in the animal kingdom.

The clearly evident likelihood of a relatively early extinction of the human species, lies entirely within our willful toleration of the degenerative tendencies inhering in the tradition of the oligarchical principle which has ranged, typically, from the Roman empire through the currently mass-murderous, extinction-inclined characteristics of the British empire and its Saudi companion which have been exhibited in their behavior in the original “9-11” crimes of September 2001, and the echo of that shown by President Barack Obama and his Saudi-linked accomplices in 2012.

This situation demands a counter-paradigm of global trends in human cultures, a true launching of new leaps in fundamental expressions of scientific progress set into motion by the true patriots of the human species today.

There is now more to be said on this account.

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## **III. The Role of a Secret Science**

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In the opening chapter of this report, I had emphasized what might be considered as the “secret” principles of an actually modern, physical science. That means, in practice, leaving the department of blind faith in sense-perception as such.

Case in point:

Sense-perception as a practice of human individuals, is a childish sort of delusion. Since we humans, es-

pecially those from a modern sort of leading physical-science progress, should have reached the stage of intellectual development at which they had departed from blind faith in sense-perception as such, why should really intelligent workers in the fields of science continue to believe that sense-perception provides, in and of itself, actually direct insight into the ruling principles of the universe generally? Is it merely sense-perception which defines, and reigns over that universe in which many poorly informed, very credulous folk still believe: that the universe is run by the rules attributed to mere human sense-perception? What has the galaxy to testify about such matters as that? Sense-perception is undoubtedly useful for monkeys, but are we merely monkeys?

We represent actually noëtic capabilities which no species of mere beast replicates. Therefore, no variety of human being should have ever believed that mankind's species is delimited by the same rules as monkeys, or, in the alternative, those subjected to the brutish effects inherent in slavery, or to the particular kind of bestiality expressed by a brutish oligarchy such as that which mass-murdered Troy, or the victims of the Roman imperial arena. Since we know, that the human species is naturally possessed of synthetic qualities of specifically noëtic creative powers, as no mere animal has, why should mankind play according to the animal rules imposed on slaves, or by otherwise brutish types?

Return to the subject of our first chapter here: the secret of the human mind. The specific distinction of the human species from all others presently known to us, is the ability to experience the future, that precisely as Johann Sebastian Bach set the pace for all truly modern artistic composition, as the method to



*Bach, in his Preludes and Fugues, established the method by which all Classical artistic composition expresses the knowable future, the “specifically human potentiality which underlies all human discoveries of universal physical principles.”*

express the knowable future, as Bach does that, repeatedly, in his **Preludes and Fugues**. That is the same specifically human potentiality which underlies all human discoveries of universal physical principles, and my own rather unique specific, if circumscribed talent of foreseeing the future of an economy even, sometimes, years in advance, as I had done at times. We who act so are not merely foreseeing the future; we are also equipped to create it. Therefore, we speak of a knowable future, a habit which is the essence of all human creativity, and our principled distinction from beasts, and also from those who insist on behaving as if they were merely beasts.

Such are the secrets now available to the willing human mind.



### *Green Is Genocide—Defeat It!*

At the core of the paradigm shift which mankind must make in order to survive, is the definitive rejection of the Green ideology. “Green,” as implemented and understood today, is genocide.

Take the case of food, for starters. It is the green ideology which is currently putting the world’s population on a pathway to starvation, by shifting our existing food production capacity into biofuels, and sabotaging the crucial investments required to build up that capacity, through science and water-management projects.

At the present rate, at least 42% of all U.S. corn produced is going into the tank; and 26% of soybean oil is going into production of biodiesel. This translates into huge food losses for millions of people, and also, the demoralization and ruin of thousands of farmers and rural families, who are accommodating to this insane regime, thinking that this is the only way they can financially survive.

Think we have enough “surplus” in the United States to carry out this policy? Think again. The diversion of foodstuffs to biofuels is contributing to huge increases in grain prices, and even shortages of food grains, which are putting meat producers in this country out of business.

On top of that, the U.S. is the largest corn exporter in the world, and the burning up of that commodity here translates immediately into increased shortages in a world already suffering from a food deficit.

Then, there’s the pressure from the international cartels who *control* this biofuel trade, and their associated financial interests, to get starving Third World country to ramp up production. For example: Because of the demand for ethanol in the U.S. and elsewhere, Guatemalan agriculture has shifted dramatically out of corn for human con-

sumption, and into producing sugar cane and other crops for ethanol, which is then exported—almost none is used domestically. Being then forced to *import* expensive corn for consumption, the Guatemalan population is facing a huge deficit, with an estimated 50% of its children malnourished, according to a recent Guatemalan research report.

It is the Green policy also which has killed the major water-management projects, including the vital North American Water and Power Alliance (NAWAPA), which would have prevented the horrendous drought and flood extremes that are currently devastating agricultural production in the U.S. and elsewhere. Indicative of the forces who have accomplished this is the Nature Conservancy, a British-spawned depopulation lobby, which provides many of the “environmental experts” who sabotage the needed projects. As recently as Jan. 5, Brian Richter, a Nature Conservancy leader, posted an article, on the *National Geographic’s* Water Currents blog, denouncing basin-to-basin water transfer, desalination of water, and other land and water improvements, and, in particular, dismissing NAWAPA by name. “Thankfully, NAWAPA died on the bookshelves,” Richter concludes.

Thankfully it died? Tell that to the farmers whose fields have dried up, whose cattle are dying. Tell that to the towns scrambling for a water supply, to the shippers stuck on the shrinking rivers of the Missouri and Mississippi.

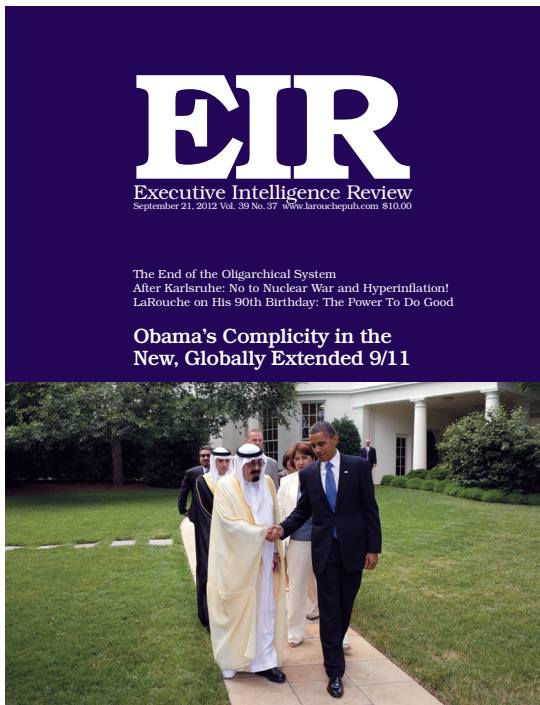
Green ideology *is* genocide. It counts man as an animal struggling for survival, a herd to be culled, an extra mouth to feed, instead of a unique creative human being, who enhances the universe with his expanding powers. And the only possible outcome of that ideology is mass death.

We need to dump it, and its chief purveyors, such as Obama, right now!

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