

EIR

Executive Intelligence Review

July 23, 2010 Vol. 37 No. 28

www.larouche.pub.com \$10.00

LaRouche: Urgent Project To Refine Forecasting Method
IMF Makes It Official: Save Banks, Kill the People
As Obama Fiddles, British Push Wars and Genocide

**End-Game Is On:
Getting Out in Time!**



Keep Up with 21st CENTURY SCIENCE & TECHNOLOGY

Featured in the Spring 2010 issue

THE COSMIC RAY PROJECT

- **Kesha Rogers's Victory Signals Rebirth of A Mars Colonization Policy!**

by Sky Shields

What will continuous 1-g acceleration of manned spacecraft to Mars tell us of the hidden link of life on Earth to the broader cosmos?

- **Towards a New Periodic Table of Cosmic Radiation**

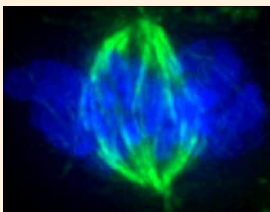
by Peter Martinson

True knowledge comes from the human mind, not sense perceptions, and it is this creative process that will lead us to an understanding of cosmic radiation and life processes.

- **ONWARD TO MARS: The Triumph of the Weak Forces**

by Oyang Teng

Meeting the challenges of a manned Moon-Mars mission will open the entire electromagnetic spectrum for human use, redefining cognitive science for the next century.



Other Highlights

- **IN MEMORIAM: Edwin E. Kintner (1920-2010)**

A Champion of Fusion and Fission

by Stephen O. Dean

- **The Overpopulation Fear Behind The Ban on DDT**

by Donald Roberts and Richard Tren
Excerpts from their new book, *The Excellent Powder: DDT's Political and Scientific History*.

From Winter 2009-2010

- **The True History of the U.S. Fusion Program—And Who Tried to Kill It**

by Marsha Freeman

- **Radioisotopes: The Medical Lifesavers That Congress Is Suppressing**

by Christine Craig

Subscribe! Electronic subscriptions are \$25 for 6 issues, \$48 for 12 issues

Single electronic copy is \$5.

Available at www.21stcenturysciencetech.com or send check/money order to

21st Century
P.O. Box 16285, Washington, D.C. 20041

- **IN MEMORIAM: Lance Endersbee (1925-2009)**

Humanity Loses a Champion

by Robert Barwick

- **Fusion in Korea: Energy for the Next Generation**

Interview with Dr. Gyung-Su Lee

- **Vietnam Is Ready to Go Nuclear!**

Interview with Tran Huu Phat



Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editorial Board: Lyndon H. LaRouche, Jr.,

Antony Papert, Gerald Rose, Dennis Small,

Edward Spannaus, Nancy Spannaus, Jeffrey

Steinberg, William Wertz

Editor: Nancy Spannaus

Managing Editors: Bonnie James, Susan Welsh

Science Editor: Marjorie Mazel Hecht

Technology Editor: Marsha Freeman

Book Editor: Katherine Notley

Graphics Editor: Alan Yue

Photo Editor: Stuart Lewis

Circulation Manager: Stanley Ezrol

INTELLIGENCE DIRECTORS

Counterintelligence: Jeffrey Steinberg, Michele
Steinberg

Economics: John Hoefle, Marcia Merry Baker,
Paul Gallagher

History: Anton Chaitkin

Ibero-America: Dennis Small

Law: Edward Spannaus

Russia and Eastern Europe: Rachel Douglas

United States: Debra Freeman

INTERNATIONAL BUREAUS

Bogotá: Javier Almaro

Berlin: Rainer Apel

Copenhagen: Tom Gillesberg

Houston: Harley Schlanger

Lima: Sara Madueño

Melbourne: Robert Barwick

Mexico City: Rubén Cota Meza

New Delhi: Ramtanu Maitra

Paris: Christine Bierre

Stockholm: Hussein Askary

United Nations, N.Y.C.: Leni Rubinstein

Washington, D.C.: William Jones

Wiesbaden: Göran Haglund

ON THE WEB

e-mail: eirns@larouche.pub.com

www.larouche.pub.com

www.larouche.pub.com/eiweb

Webmaster: John Sigerson

Assistant Webmaster: George Hollis

Editor, Arabic-language edition: Hussein Askary

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

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

Montreal, Canada: 514-855-1699

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.

Mexico: EIR, Manuel Ma. Contreras #100,
Despacho 8, Col. San Rafael, CP 06470, Mexico,
DF. Tel.: 2453-2852, 2453-2853.

Copyright: ©2010 EIR News Service. All rights
reserved. Reproduction in whole or in part without
permission strictly prohibited.

Canada Post Publication Sales Agreement
#40683579

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

EIR

From the Managing Editor

As you look at the cover photo on this week's issue, you might whisper to yourself, "There, but for the grace of God, go I." These words were originally uttered by the 16th-Century English reform preacher John Bradford, as he contemplated the fate of those being taken to the scaffold for hanging. Alas, Bradford would soon meet a similar end: He was burned at the stake in 1555. And like Bradford, more and more of us are finding ourselves, or someone we know, in a similar desperate situation, to those poor souls on the unemployment lines, or evicted from their homes, or at a food bank, and so on. And things are going to get worse, much worse, unless the British imperial puppet Barack Obama is safely escorted from the White House, very soon, and replaced with a new government, one that is taking its cues from Lyndon LaRouche.

As LaRouche writes in his *Feature* article, "The End-Game Is On: Getting Out in Time!": "I have prescribed a core-alliance of an Obama-free U.S. Government, organized around a four-power initiative constituted among the U.S.A., Russia, China, and India, a four-power initiative intended to draw in numerous other nations of the world into a form of global fixed-exchange-rate system." But, LaRouche insists, in a dialogue with colleagues on LPAC-TV that follows, it is now the work in the "Basement" on Gauss's discovery of the orbit of Ceres, and of the characteristics of the Asteroid Belt, as LPAC-TV is presenting this work in an ongoing series of videos, that will provide the deeper understanding necessary to yank the nation and the world back from the brink.

We have little time, as the balance of our coverage this week makes clear: The British are going for global war, even nuclear war, and destabilization, as assessed by several articles in *International*; the International Monetary Fund, having sucked dry the nations of the Third World, is now sinking its fangs into the United States, as our *Economics* lead reports. Also in *Economics*, the Russian monthly *VVP* published a devastating evaluation of the U.S. economy, leading with an excerpt from LaRouche's 1995 speech to the State Duma.

And, not to be missed: A book review of the recently published *Intrigo Internazionale*, by two of the heroes of Italy's war against the British-orchestrated "Strategy of Tension," that has largely destroyed the political institutions of that nation.



Cover This Week

*How many more
millions will lose
their jobs before
Obama loses his.*



www.iamaw.org

Feature

4 End-Game Is On: Getting Out in Time!

By Lyndon LaRouche, Jr. The world as a whole, is presently at the brink of a global collapse which will transform all forms of nominal money of every nation into a state of worthlessness on all of the world's markets. In short, a general, global breakdown-crisis, which is hitting the trans-Atlantic world most immediately, but will, soon after that, swallow the entirety of this planet.

For this situation, there is only one remedy. That remedy is the immediate application of the strict 1933 standard for a Glass-Steagall application among a concert of some leading nations of the world, joined together with a British-puppet-Obama-free U.S.A., to establish a solid network of national commercial banking systems operating according to such a strict rule.

6 LaRouche: Urgent Project To Refine Our Forecasting Method

LaRouche was the featured guest on the LPAC-TV Weekly Report July 14, joining host John Hoefle and EIR's Jeffrey Steinberg, where the discussion revolved around LaRouche's latest forecast for the July-September period: Sometime between now and the middle of September, or so, "if Obama is not out of office, and if the policies of the United States are not changed—and they can not be changed, and have Obama in there—the United States is going to go out of existence."

Economics

17 The IMF Makes It Official: Save Banks, Kill the People

The British imperial International Monetary Fund's latest "World Economic Outlook" demands a two-point Nazi policy, to be immediately implemented by all nations, including the United States: 1) submit to murderous austerity and vicious cuts in living standards; and 2) trigger Weimar-style hyperinflation through unlimited bailouts of the banks.

20 LaRouche 1995 Warning to State Duma Featured in Russian Magazine

The Russian magazine *VVP*, quoting from Lyndon LaRouche's June 1995 warning to the State Duma in Moscow, has published a devastating in-depth analysis of the disintegration of the U.S. economy, concluding that "it will not be long before the crash of the global financial system," and compares the current crisis to the mid-14th-Century collapse of the Bardi and Peruzzi banking houses.

20 Endgame for Financial Globalization

24 The Crash of the European Financial System in 1345

25 LaRouche Replies: One Crucial Error

International

26 As Obama Fiddles, British Plan Wars and Genocide

The British monarchy and the London-centered global financial oligarchy are determined to impose murderous austerity and global warfare that will wipe out three-fourths of the world's population. To avert a new dark age, the British puppet Obama must go.

29 Pakistan Is a Victim of Obama's Afghan War

32 Drug-Infested Ferghana Valley: Target of the Axis of Three Devils

The Ferghana Valley, straddling the three nations, Uzbekistan, Tajikistan and Kyrgyzstan, has the greatest population density in Central Asia. It is the next target of the British Empire and its henchmen the Saudis, along with the narcoterrorists, who are flourishing in the region, as the drug-trafficking and violence spill over from Afghanistan.

38 Africa Report: Why Do the British Want War in Sudan?

39 The 'Unspeakable Truth' Behind International and National Terrorism

Two of the key figures in Italy's war against terrorism, state prosecutor Rosario Priore and investigative journalist Giovanni Fasanella, present a fresh examination of the British-orchestrated "Strategy of Tension," that has plagued Italy since the early 1970s.

National

46 LaRouche Candidates Lead Drive for Return to FDR Policies

With a sense of urgency defined by LaRouche's forecast of a new financial meltdown if Obama is not removed by some time in September, the national campaigns of Congressional candidates Kesha Rogers, Rachel Brown, and Summer Shields have taken off the gloves, exposing their opponents as fronting for Obama and his fascist policies.

Book Review

39 The 'Unspeakable Truth' Behind International and National Terrorism

Intrigo Internazionale, by Giovanni Fasanella and Rosario Priore

Editorial

48 Welcome to Her Majesty's New Dark Age

END-GAME IS ON:

Getting Out in Time!

by Lyndon H. LaRouche, Jr.

July 12, 2010

Since my Summer 1956 forecast of a deep recession to strike suddenly, somewhere during the February-March interval of 1957, I have never published a forecast for the U.S. economy which did not occur as I had foreseen. The reason for this distinction, is that all my putative rivals in such matters have relied on statistical monetarist trend-lines which are inherently incompetent by the very nature of the method adopted.

Such was the outcome of my series of forecasts for the U.S.A. over the course of the 1960s, leading into what I had forecast as the probable breakdown of the Bretton Woods system during an interval of the late 1960s and very early 1970s. This was the case for my sundry forecasts during the course of the 1980s, and for 1992, 1996-98, 2001, 2004, and for the close of the month of July 2007.

*Thus, I never **predict** as the silly statisticians do; I leave such foolish trifles to the race-track and Wall Street gamblers; I **forecast** intervals of crisis which require remedial decisions, as I do here and now.*

I explain what this is all about.

Already, back in 1984, at a time which the future Federal Reserve System Director Alan Greenspan, was still plotting to destroy the U.S. economy's protection supplied by the Glass-Steagall Law, then in that miserable wretch's capacity as an official for the London market's J.P. Morgan bank, the process of bankrupting the world through repeal of Glass-Steagall was already under way.

The subsequent, 1999 repeal of Glass-Steagall, by such wormy infestations as the Federal Reserve Director Greenspan's moleish accomplice Larry Summers, unleashed the greatest, global-wide hyperinflation in all world history, over the recent two decades.

Now, we are at a moment when the economy of the trans-Atlantic section of the world economy is careening into an even worse crisis than that of the more modest type known as the Autumn 1923 breakdown of the inflationary Weimar Germany mark.

The form of this crisis is hyper-inflationary in the same sense that the history of the Weimar mark reached in the Spring through Autumn of 1923; but this present case is already, immediately, far, far worse than anything known to modern world history since the 1648 Peace of Westphalia. Indeed, the British intention in its leading role in authoring the presently imminent breakdown-crisis, had been set into its current breakdown-phase under the avowed intention, of relevant dupes of Britain inside Germany, as elsewhere, of "bringing down the Westphalian system."

The most critical of the relevant features of the post-2001 developments centered within the trans-Atlantic markets has been a collapse of the real economy at the same time that the expansion of purely fictitious, nominal financial assets, such as those associated with the financial-derivatives markets, has zoomed beyond all possible estimates, into the domain of a vast quadrillions of nominal U.S.A. dollars in what is the actual worthless financial assets polluting the accounts of Wall Street and the British Commonwealth markets. The rate

of increase of the ratio of purely fictitious financial capital to productive capital defined by a Glass-Steagall yardstick for commercial banking, is now fully hyperbolic.

The world as a whole, especially the trans-Atlantic region, is presently, thus, at the brink of a global collapse which will transform all forms of nominal money of every nation into a state of worthlessness on all of the world's international markets. In short, a general, global break-down-crisis, which is hitting the trans-Atlantic world most immediately, but will, soon after that, swallow the entirety of this planet.

For this situation, there is only one remedy; all other supposed alternatives are to be regarded as clinically insane. That remedy is the immediate application of the strict 1933 standard for a Glass-Steagall application among a concert of some leading nations of the world, joined together with a British-puppet-Obama-free U.S.A., to establish a solid network of national commercial banking systems operating according to such a strict rule.

To this effect, I have prescribed a core-alliance of an Obama-free U.S. Government, organized around a four-power initiative constituted among the U.S.A., Russia, China, and India, a four-power initiative intended to draw in numerous other nations of the world into a form of global fixed-exchange-rate system.

We are now entering a phase of the present global situation at which we will soon hit the point at which a generations-long global, vastly genocidal breakdown of the entire planet will occur, unless we act to impose the sudden remedy, well before September 2010, of a global Glass-Steagall reform among most of the world's leading powers, excepting such probably, presently incurable cases as the British Commonwealth system. (However, I would be pleased to welcome the United



NASA

Dumping Obama, who is determined to shut down the U.S. economy, and its space program, on behalf of his British masters, is the sine qua non for preventing a global new dark age. Shown: launch of the Shuttle Discovery, July 26, 2005.

Kingdom which chooses the more prudent alternative of accepting my design.)

Two generations under the effects of such a breakdown-crisis would be fairly estimated as sufficient to reduce the world's population, from about the present 6.8 billions souls, especially the poorest parts of the populations, to the target of Britain's Prince Philip and his World Wildlife Fund: less than 2 billions, and mostly miserably uncouth specimens at that.

The Matter of Timing

It is not at all difficult to present a fair estimate of when the point of no-return would be reached.

Estimate both the order of magnitude of the ratio defined by the increase of worthless financial debt, that associated with financial derivatives and the like (financial mass "A"), to the presently collapsing portion of the monetary throughput which matches the characteristics of a Glass-Steagall standard (financial mass "B."). The relationship is hyperbolic. (Those who do not recognize that relationship as hyperbolic should kindly shut their silly mouths.) As the costs of U.S. "Bail Outs" since August 2007 have shown, when compared with similar patterns in western Europe, we have a set of

trends which show clearly why the Inter-Alpha Group in banking, which represents in net effect about 70% of the world's official banking, is already hopelessly bankrupt, when the two categories of nominal financial assets, real and merely financial, are taken into account. The pattern we have seen during the same period the Euro fantasy was imposed throughout western and central Europe, signifies that we are presently, already stuck at the rim of a shock-front-like barrier, a point at which there is no hope for a continued existence of civilized mankind on this planet, unless the Glass-Steagall standard is efficiently imposed immediately.

LaRouche: Urgent Project To Refine Our Forecasting Method

July 14—Lyndon LaRouche was the featured guest on LPAC-TV's Weekly Report today, hosted by John Hoefle; EIR Counterintelligence Director Jeffrey Steinberg also joined the discussion. A video of the complete dialogue can be found at: <http://larouchepac.com/node/15189>.

Hoefle: Welcome to the LaRouche PAC-TV Weekly report.

LaRouche: We have just started a new project in the Basement,¹ in the past couple of days. As many people who follow *EIR* and LPAC will know, I have refined the forecast for the Summer season, to say there is a point somewhere between sometime in July, and sometime in September, at which, unless there is a radical change in U.S. policy, the entire world system will come down in the worst depression since the 14th-Century New Dark Age. Not just the U.S., but the world as a whole.

The preconditions for that are already fully established, and have been established in a series of post-World War II developments. Since the death of Franklin Roosevelt, and especially since the termination of the war in the Pacific, in August of 1945, we have never really had a net long-term growth—I specified, net *long-term* growth, as opposed to net *short-term* growth, which are two different concepts—in the United States.

Since 1971, especially as a result of the period of 1968 to '71, under the conditions of the Indo-China War, the United States has lost its leading position in the world, and has been replaced increasingly by Lord



LPAC-TV videograb

On LPAC-TV's Weekly Report July 14, Lyndon LaRouche discussed his refinement of his economic forecast for the Summer months: Sometime, before October—unless there is a radical change in U.S. policy—the entire world system will come down. Left to right: Jeffrey Steinberg, John Hoefle, LaRouche.

Jacob Rothschild's Inter-Alpha Group, which now controls—directly and indirectly—an estimated 70% of the world's banking. That is the British Empire, which now dominates the world. And we have adapted to that British Empire, with two George Bush presidencies, and the Obama Presidency, in particular. We have been destroyed, largely by Alan Greenspan's role, when he took over, after August of 1987, at the Fed. We have been in a long wave of destruction of the United States, and the policy-making, under the indicated Presidents, has been one to destroy the United States, and to enhance the relative imperial power of Britain.

Now, Britain is a lost cause as an economy, in and of itself, but you have to distinguish between a kingdom, which is one thing, and a higher order of power, which is called an empire. And the British empire is not an empire as one would think of conquering other countries. It is an empire of ruling the world, through the imposition of an international monetary system. And the international monetary system, since 1971, has been

1. LaRouche is working with a group of scientific researchers in the LaRouche Youth Movement, who have come to be known as the "Basement Team." (See *EIR*, July 16, p. 9.)

controlled by the British imperial interests, typified by the Inter-Alpha group of Lord Jacob Rothschild, whose group was formed at that time.

So, now we have come to the point that the entire world, which has been operating on the basis of a blood-sucker principle, which is another name for imperialism—we have been draining the world. You will find that most nations of the world, with a few exceptions here and there, which are quasi-exceptions, such as China, which up until recently, until the developments of 2007, was apparently on a secure footing; and India, which has been making some slow rates of progress, without attacking the fundamental problem of 70-80% of the population of India as a whole.

So, we have been running down. Europe has been destroyed, especially since 1989-90, in that period where the euro policy was imposed, by a combination of France's François Mitterrand, by Margaret Thatcher of Britain, and by George H.W. Bush. And this set into motion the destruction of the entire economy of western and central Europe, and also set into motion the looting of the former Soviet Union, and Russia in particular. So, we have been in a long wave of decline, of the physical economy—that is, up to the present time.

We have now reached the point where the dilution of our productivity, the loss of our automobile industry, for example, which was voluntary—this was not something that had to happen; this was something that was chosen to happen, in a deliberate wrecking of the U.S. economy. We have lost most of our machine-tool capability. We are losing our aircraft industry right now, under Obama. So we have a process where everything is breaking down.

You say, where is U.S. industry? Where is our great productivity? Where's our imagination? Where is our skill? And the United States, the present economy is disintegrating. It is disintegrating for most of the people, at a rapid rate, at an accelerating rate.

So, under these conditions, the point was reached that, unless we eliminate the Obama Administration—now. If the Obama Administration were to go away today, I would have to give you a different forecast. Because, with Obama out, a certain degree of sanity would take over the Federal government. Maybe not the Congress, but the Federal government as such. Take out the Obama people, who are specifically Obama, out of the U.S. Federal government, and you will find that there are elements in the U.S. government, from the vice President on down, who would be capable, as a group,



White House/Pete Souza

As long as Barack Obama is President, there is no hope for the United States, and by extension, for the world as a whole. It's time for Obama to say good-bye, and give serious thought to his next career move.

of responding to that situation, and considering measures that might get us out of this mess.

But as long as Obama is President, there is no hope for the United States. And if there is no hope for the United States, there is no hope for the trans-Atlantic world. And if there is no hope for the trans-Atlantic world, there is no hope for the world as a whole. Because China, India, and a few other countries on the Pacific side, can not make up for the loss of the entire trans-Atlantic economy.

That is where we are.

The July-September Forecast

So, therefore, on that basis, I was able to say—and I do have a record as the most successful forecaster; I'm not a predictor. Only idiots predict. Because especially in human life, the human will, the human creative will, or lack of creative will, is always the determinant of variations in what is otherwise a long-term trend. You can not bet on economies the way idiots bet at horse-tracks. That is not the way. And people who use statistical financial forecasting are utterly incompetent. Every statistical financial forecast for the U.S. economy I have ever seen, is a piece of idiocy.

I, on the other hand, have been successful, since I

made my first forecast, which was a relatively short-term forecast, in the Summer of 1956, when I forecast the date of a February-March 1957 breakdown into a recession, a serious, deep recession, which happened exactly on schedule, and had all the characteristics I described for it.

Since that time, I have made a number of long-term forecasts, and adjusted reports on the status of the forecasts. And these have always been correct. Every time I made a forecast, the opposition has been wrong. The competition has been wrong.

So therefore, on the basis of the refinement of that experience, which I have as a forecaster, I made the forecast that, as of now, we are stuck, without a fundamental change in policy—and all these changes in policy would remind us of the need to eliminate President Obama from his office. Without Obama out of office, the United States has not got a chance of surviving.

Now, there is some point, between early July, or middle of July, and middle of September, or so, at which, if Obama is not out of office, and if the policies of the United States are not changed—and they can not be changed, and have Obama in there—the United States is going to go out of existence. That does not mean we are going to disappear. It means we will be on a slippery slope from which we can never recover. We have got to get this President out, quickly, before we reach the turning point, at which it is no longer possible to organize a recovery in any ordinary sense of the term.

So this is the case now, under present conditions, between somewhere in July, and somewhere in September. That is your branch point.

Now, it is very important, since we have an election coming up in November, at which the Democratic ranks of the Congress will be probably wiped out—not entirely, but mostly. And similar things are going to happen in the Republican Party, because the only thing good about a Republican today, is that it's not a Democrat. At least that is a typical American opinion.

Also, at the same time, the fact is, that the estimated report, which actually has spilled into the press: 60% of the U.S. population wants Obama out, now! An additional 25-30% have said, reported in the polls, an additional 25%, above the 60%, is virtually on the edge of saying the same thing. They are saying that they have been seriously disappointed by the performance of the Obama Administration, relative to what they thought at the time of Obama's election.

So you have a situation where the most unpopular President in recent history, is trying to be a dictator. And he is a really lunatic dictator, who is not only like Nero, in general, in his personality, but he's getting more and more, as his popularity shrinks to almost nothing, where he's behaving like Adolf Hitler in the bunker, in the last days of Hitler in Berlin. That is where we are.

So, therefore, it is important that we understand exactly what the range of options are for getting the United States, at least, out of the present mess. Which means getting rid of the Obama Presidency. We do not want him dead. We want him shipped off some place where he is protected from harm, so we do not have a crisis, or anything of that sort, but he is out! And the whole pack of fools goes with him. The whole clown show.

And it is not just Chicago. Yes, Chicago is a clown show. But the clown show here is Wall Street and Boston. The Boston Vault and the Wall Street gang and London—that is the problem. *That is the enemy.*

If that were to happen, we would get out. But we must reach the point that we get Obama out, before the breaking point of the complete collapse of the system, chain-reaction style, goes into place. It is very important to have a clear understanding that that point is out there. That flowing point, which is coming upon us fairly rapidly, over the Summer months.

Our Statistical Method vs. Wall Street's

Now, to this effect, I, just in the past days, made a decision on how to refine our insight into this forecast. And therefore, I turned to some work we have been doing in the Basement, scientific work, on Gauss's method for defining the orbit of a particular asteroid, Ceres, and the other Asteroid Belt as such. We had done two of these, which were produced as an example, on the website [www.larouchepac.com], a video production, on the question of Gauss's forecast, on the Ceres project. Which is a study in a special kind of mathematical operation, which we are now setting into motion, to do a refinement on the characteristics of the present crisis. What is the internal structure of the crisis, and how can we more precisely define, from the standpoint of statistical methods—*our* statistical methods, not the usual Wall Street type—where the danger point, the maximum option for getting the President out, and replacing him—where we could save the United States, for example, and therefore, civilization. We are at that point.

So, the work is being done on that. And I am confident, because I know the people who are doing this

work, at my behest, and I know their competence, and I know the examples they have done of this kind of forecasting.

Now, there are two aspects to this kind of forecasting. On the one side, we are not predicting, like some stupid gambler at a racetrack, or Wall Street, which is the same thing. Wall Street is a bunch of gamblers who gamble like idiots at a racetrack. And they usually lose. So, statistical forecasting, statistical economic forecasting has always been incompetent. All forecasting, of that usually done, is very short-term, and short-term forecasting is absolutely incompetent, for considering long-term results.

Short-term forecasting is absolutely incompetent for determining a breaking point in the U.S. economy.

So, most economists out there, most members of government who are specializing in forecasting, right now, are completely incompetent, completely idiots, when it comes to this kind of question.

It's obvious that our experts—and there are experts in the United States, who can understand this sort of thing—but we have to develop a tool, an instrument, which makes clear to them exactly what the situation is, and what remedies will work, and what will not.

Now, the first problem we have to consider in forecasting, is the difference between short-term forecasting—you know, Jimmy comes in and screams, “Hey, the market just turned!”

“Down, or up?”

“Well, I do not know. It's turned!”

So, that idiot, we get him out of the way. We must know exactly where we are going, and what the remedies are for what we see coming at us. And there is no one in government right now that has a general policy to address this particular question. They're stumbling along, saying, “Well, Obama is still popular.” Here's a guy with practically 90% dislike against him, the most unpopular President on record, until they were shot, or something. Or thrown out. And you say, we have to listen to the most incompetent, the most maliciously incompetent, President on record? When 90% of the population really doesn't like him? Doesn't like his policy any more?

So therefore, that is the problem. People say, “Well, you have got to be practical. You have got to go with the flow.” What is the flow? It's the sewage on top. That is not a good flow. So, therefore, we have to give to people who are sane—and there are sane economists in this country, some very talented economists—and in other

countries. We have to give a clearer, scientifically valid picture of what the potential is, for various kinds of results. And what the remedies are which might be required, to deal with those results.

Basically, we have to look first at *long-term* trends first.

The 2004-05 Strategy

For example: As I reported before, in 2004, we were stuck with a loss in the election, in the Democratic candidacy for the President. And we had a meeting in November of that year, reviewing this election result. And I said, in this webcast [*EIR* Nov. 19, 2004]: “Get up off the floor. Do not crawl. Do not whimper. Do not cry. What we have got to do is mobilize the American population, around defending Social Security, as a Democratic Party initiative.” And we did that.

In January of 2005, the Democratic Party leadership set such a projected goal in motion.

That worked all through the year. However, in the meantime, also in January and February of 2005, I warned that we were in danger of losing the auto industry. And I pointed out that it's not the auto industry as such, which is our concern. What we have out there, which is now confined largely, to the auto and aircraft industry, is a vast productive capability, which was organized under Franklin Roosevelt, to deal with the threat of World War II, and the conduct of it. We had vast acreages of factory floor space, and traditions of skills, in making aircraft, railway systems, ships, everything, built in to what we now call the auto industry—which is almost gone now, from the United States—and the shrinking aircraft industry.

Look at Boeing, for example, with its large aircraft. Look what has happened to the program that they used to have for that.

So, we are losing the capability, the industrial capability, of the United States. We are not only losing the places; we are losing the very capability to do that kind of work.

And the real problem that we suffer, as a physical economy, is, our education system is not worth anything. It is not the teachers; it is the whole program. It is also the motivation of the students. We have a generation of people under 20, which, in large part, is not qualified for any kind of work. It's a broken population, with no capacity for survival, unless somebody from the top comes down and gives it to them.

We have generations—maybe two-thirds of the



NASA

The shrinking aircraft industry in the United States is exemplified by the Boeing company. Indicative of its capabilities, under a Glass-Steagall reorganization of the U.S. economy, however, Boeing is the prime contractor on the International Space Station (shown here), and has built several of the major components.

population, still, has some more or less smell of what a real economy *was*. That is about it. And we have to restore that. The only way we are going to restore is by building up long-term infrastructure. And we are talking about investments which cover a period of up to 100 years, a century. We are talking about investments in machine tools, and things like that, 25 years or more. We are talking about investments in manufacturing, of 50 years or more.

So, what we are looking at—the economy is based on the centenary considerations, not on what happened last week. Not on what happened on Wall Street. Wall Street is a side show. And it's one that should not be shown to children.

So, we set into motion now, a program whose function is, to project, taking into account the contrast between short-term current developments, and the long-term effects and trends, in the productivity of the U.S. economy. Which will indicate to us, more accurately, what the nature of the Summer breaking point in the U.S. economy, will be. And this, I think, is essential information, because, if we make clear to people, we are not talking about somebody coming out with a magic bullet, or coming out with some magic scheme—"I got the formula"—that is not what we need. We do not need a statistical formula, a so-called prediction. Throw all

predictions out the window. We are out to *change* the prediction. And we are looking at the exact action we require, and the timing we require, to *change* what people would call the prediction.

Those who are predicting economy, are idiots. Only animals can predict, because animals have a fixed behavior. Human beings are not animals. Human beings are able to *change* their behavior, wilfully. And we are now behaving in a way, as a nation, we are not going to survive. So, you want that prediction? If you postpone it, we are not going to survive. The civilization is not going to survive.

Do you want to *change* what you would consider the predic-

tion? Do you want to determine what the change in behavior of our economy is, which can rescue us in the short term, from the long-term collapse we are undergoing?

And therefore we are doing this computer study, which is based on a model of Gauss's discovery of the orbit of Ceres, and Gauss's general discovery of the characteristics of the Asteroid Belt. And we are applying that to the factor of the variability of human choices, voluntary choices, like scientific choices.

The general conclusion is obvious: We have no industrial base to invoke, as such. We can not find factories and farms and so forth, out there in large numbers, whose potential we can evoke to revive the economy. The economy has been destroyed. We have been sent into the bushes—and even worse, into the Obamas. So therefore, you can not simply try to stimulate this economy. A stimulant is not what you need. You need something more fundamental. A change to a Glass-Steagall standard.

A Glass-Steagall Standard

A Glass-Steagall standard will automatically, immediately, wipe out most of the bailout. It will wipe out most of the financial debt associated with the bailout, because you will put it into a separate category from

real commercial banks, and savings banks, and things like that. And therefore, Wall Street, and its equivalent in Europe, will be forced to struggle along on its own resources, not ours.

Under those conditions, where you have cleared the deck of U.S. obligations to Wall Street and to the Boston Vault, at that point—you now have a shattered commercial banking system. It will be technically bankrupt. We will put it into bankruptcy protection, so it still functions. Since we have gotten rid of trillions of dollars of fake debt, imposed upon the nation and the government, we are now going to clear the decks for generating new credit, which the Federal government will use to put in the hands of the commercial banks, which are under government protection.

We will then use that fund of money, entrusted to the traditional commercial banks, which are now under Federal protection again, to stimulate what has to be stimulated. Apart from simple repair jobs to ensure that people survive under these conditions—the basic thing is, we are going to launch large-scale infrastructure. This means, we are going to stop this highway orientation, because commuting one hour, two hours a day, each way to work, is not a good way to maintain a family. Particularly when both adult members of the family are supposed to be working. You produce children you do not want to know about, which some of you have seen.

So, therefore, what you need is to build up the infrastructure program around what is needed, to fix our water systems, our river systems, our general water systems, and our drinking water systems. We need to go ahead with our NAWAPA [North American Water and Power Alliance] project, to solve the water problem of the North American region: in Alaska, down through Canada, down through the United States, and down into northern Mexico. It's a big project. It's already designed. It's ready to start work. Just mobilize the resources.

We are going to build a high-speed-rail system, which, in various ways, is going to eliminate the reliance on the highway system, as a way of commuting—except for short-term commuting, very short-term. Essentially my idea, people should go back to the time you could walk to work in 15 minutes, or, at most, a half



LPAC-TV videograb

Among the urgently needed, and eminently doable infrastructure projects, is NAWAPA, the North American Water and Power Alliance, which is ready to go at any time, and has been for decades. It would bring freshwater down from Alaska, through the Western United States, and into Mexico.

an hour. And you save family life. We are going to restore family life, by eliminating this commuting factor in society. We are going to put in high-speed transport systems, public transport systems, rail, magnetic levitation, and so forth.

We are going to rebuild, as I said, the water system. We are going to build similar kinds of essential infrastructure for the economy.

Now, when you build this infrastructure, you have an effect—these are fairly long-term—like the Tennessee Valley Authority project, which is typical of this kind of thing. You are also going to have to do some other things. You are going to have to supply some industries, to contribute to building the infrastructure. So, the Federal orientation should be to emphasize infrastructure, that is, large-scale infrastructure as *public* infrastructure. We can send some idiots out of the country, back to where they came from, and we go back to a U.S. system: public infrastructure; cities, towns, states, and the Federal government. And we support government on all levels, in assistance in doing this job, in infrastructure. We have no idea of privatization. We have no conception of public-private privatization, at all. We take these guys, and ship them out of the country. They're no damned good anyway; we do not need them.

And on that basis, now we create the demand for

industries, and agriculture, to support this infrastructure program. In other words, you generate the preconditions to generate the market for private industry, through large-scale public infrastructure. And that is the solution.

And therefore, we need to have a forecasting system, which is not a betting system. Not a predicting system, which is idiocy. Every economist who predicts, is an idiot, whether they intend to be such or no.

You can forecast, but you have to forecast on the basis of choices of alternative policies of practice. And you have to forecast on the basis of the role of government, of the Federal government especially. And on cooperation among governments internationally, to this end. And that we have already specified.

We Do Not Need Wall Street

So, what is happening with this program that we are developing in the Basement now, which is already in progress; about 15 people are actually working on this thing. And this will enable us to map exactly what is needed, in order to understand the relationship between what we are looking at generally on the street—short-term considerations—by week and by month—as against the long-term considerations, which run up to a century.

We will look at this first from the United States standpoint. Then we will continue that to look at it from a trans-Atlantic standpoint. We will be going into a discussion of the trans-Pacific standpoint. We need an actually competent scientific view of how mankind can manage the future of the world as a whole, and nation-states in particular. We need a forecasting instrument which junks all of this so-called economic forecasting which is popular today, which has proven itself utterly incompetent.

Whether Wall Street can make money or not—I do not care about Wall Street. You could take the entirety of Wall Street, and take it up to the Moon, and build a rocket device, to ship it somewhere in space, particularly empty space. Gone forever. We do not need Wall Street. We do not need the Boston Vault. We do not need these products of the British East India Company, which have been sucking our blood, of our nation, all these years.

Benjamin Franklin wanted to throw these bums out of the United States when we had won our freedom. . . .

But instead of shipping these guys out, who had been the opponents of American independence, we kept

them. We kept them in Boston, in the form of the British East India Company product called the Vault. We kept them in Wall Street. The Bank of Manhattan was organized by a traitor to the United States [Aaron Burr], and it became the keystone against the United States in the formation of Wall Street.

Wall Street and Boston, the Vault people and the New York people, the Wall Street people—they were based on, first of all, slavery, the slave trade, in the 18th Century. That was their big item. And then, the drug trade, the opium trade, where Boston took on the job of the Turkish opium trade, and the British reserved themselves the much more profitable, vaster opium trade in Asia. And so, that was the Opium Wars. We do not need these guys. They have done nothing good for the United States, essentially, in their history. They should go away. We should give them back to the British, and say, “Here’s the package. It’s yours, take it.”

But, we do not need these guys. We do not need to save these kinds of banks. We do not have to protect them. We throw them out in the cold. If they can make it, they can make it. Some will make it; most will not. Good riddance.

So, that is what we are doing. We doing this computer program. You’ll get reports on it from us, over the course of the coming weeks. This is what is needed. We are approaching now the point we have to dump this President, if we want to survive. If you are a loyalist to this President, you deserve not to survive, and you will not. So, therefore, you have got to dump these guys.

A Revolution in the Definition of Economics

Steinberg: Lyn, one of the things that was striking to me, as you were presenting this whole picture, is that there are very solid historical precedents for what you are saying has to be done now. The measures that Roosevelt took, particularly during the period leading up to Lend-Lease, and then the U.S. involvement in World War II, are exactly what you just laid out.

Roosevelt famously went out to Detroit with Harry Hopkins and Harold Ickes, and they laid down the blueprints for manufacturing airplanes for the war effort, and they had people writing out contracts on the spot, based on the Federal government making capital investments into these projects. And those contracts could go to the local commercial banks, which had been restructured in bankruptcy at the beginning of the Roosevelt Presidency, and people could get low-interest credits to hire workers back, and to begin repurchasing the ma-

chinery, and the raw materials. And we made economic miracles happen under Roosevelt, using American System methods.

LaRouche: Well, that is not enough. That will not work by itself. What is needed, as experience has shown us—what you need is an understanding of the principle involved. You can't use a model of past experience, and rely upon it as your guide for this kind of crisis. You have to go more deeply than was ever done before in economics. What I have made is a revolution in what is the definition of economics.

And without looking at this thing from that standpoint, which is the significance of this Gauss operation which we did, that this is what is needed. A revolution in the concept of economics, to eliminate the reigning idea about monetary economy, and to replace it with a concept of physical economy.

Your big problem here is, money has no intrinsic value. Money has an assigned value, a politically assigned value. It's a politically assigned value of where the Federal government, or the national government, or international governments, provide credit, denominated in currency values, to organize production and distribution. But the value lies in the science—the science-driver, and in the production and distribution, not in the money! Money is an arbitrary value. It is not an intrinsic value. It's a convenience. And when you start to try to interpret an economy from the standpoint of a money economy, a financial economy, you are way off base. You have no idea, no conception, of what is causing anything.

So, you do precisely what Adam Smith required. Adam Smith says, we do not know what the hell we are doing. That is his first premise. We do not want to know what we are going. What we want to do is, find a formula of behavior, which we find convenient, especially to our upper classes. That sort of thing.

So therefore, they said, since you have no estimate of real economic value, you are not determining what is valuable to humanity—you are determining what is convenient to you, in terms of your sense of what you like. So you use statistics rather than science. That problem is that the accepted economics today, has no basis in science. And it particularly has no basis in understanding the distinction, which Vernadsky makes, between the behavior of animals and non-living processes, and human beings.

We are dealing with human beings, who have a factor of creativity which does not exist in any other

form, except human beings. Economy is based on human physical creativity. We create money systems to organize trade and production, in a way which we find convenient. But we know that money does not give us the truth. Money is not truth. Therefore, we have to adjust the way we adjust prices, the way we get fixed-exchange-rate systems, to keep money from taking over—because money is not a standard of truth.

What is a standard of truth, is long-term improvement, consistently, in the conditions of life of the human being, and the progress of human life. That is it. We have to *use* money, as a way, under Federal control, under government control: We need an international fixed-exchange-rate system, among nations. Therefore, we can use money as a medium of exchange, which is all it is. It's credit. It should never be treated as anything but credit. As a system of exchange in the form of credit.

Therefore, what we are concerned about is physical production.

Look, for example: Everyone who is talking about cap-and-trade is a criminal idiot. There is no rationality to that. The idea of green policy, in power policy, is *absolute idiocy!* Mankind depends upon increasing the energy-flux density of the power supplied: That is the way we were able to reduce poorer and poorer qualities of raw materials, into a useful form. That is the way we are able to increase the inherent productivity of labor.

So therefore, we have come from another standpoint in saying, "Money is crap." What Roosevelt did, was not sufficient. What Roosevelt *intended* was good. The mechanisms which prevailed, like Wall Street—a compromise was made between humanity and Wall Street for the sake of World War II; we put up with the British for the sake of beating Hitler. And, the British had *created* Hitler! But, we had to clean up the mess that the British had created by putting Hitler into power! Including our Wall Street gang, Harriman and company. Harriman put Hitler into power! With...

Steinberg: ...Prescott Bush.

LaRouche: Yes, Prescott Bush. His offspring.

Gauss's Tensor

So, we made these mistakes, but we made them under Roosevelt, with calculation. We adapted practically to what was needed, *to get the job done in the short term*. Presuming that we would continue at the end of the war, to make the reforms necessary to cure

the original problem. In other words, we had to stop the disease; you have to save the patient. Once you save the patient, now you have to fight the disease so that it doesn't come back again. Truman protected the disease. That is where we went wrong. And that is what you have to understand today.

That is why we have to do this Gauss: See, Gauss is not the full answer, but Gauss's tensor, which was demonstrated by our people who did this demonstration of the tensor, for the application of the Asteroid Belt—it's the first one that has ever been done of that type, that I know of. And that is an indication.

So, we apply the tensor, as designed by Gauss, but not revealed in its nature while he was still alive; the understanding of the tensor came from Riemann. And all competent science today, physical science today, is based on a Riemannian conception of physical science, as opposed to a so-called mathematical physics. And it's based on these kinds of considerations. And the way you handle the mathematical side of this problem, is with the concept of the tensor, like the Gauss tensor, which he used for determining and discovering the orbit of Ceres; but then applying it to a higher form, which is a Riemannian form, and situating the Riemannian form in what is called "physical science." Which is people like Einstein.

And we turned away from Einstein. We went to these—I would hate to call them what they are; the FCC might object. But, that is the problem.

So, that is the problem. We have to understand, time goes on. Mankind has to rise to higher intellectual levels of achievement. There are certain things we know from the past, which have already been proven, but those things by themselves will not work. We have to realize they are some things we overlooked or didn't get around to....

See, what happens is people argue, they say, "My expertise says this." And that is where the problem comes up. And someone says, "Well, you are saying



NASA, ESA, J. Hester, A. Loll (ASU)

One of the projects the Basement Team is working on, is an updating of the Periodic Table, to reflect the reality that the underlying process in the universe is not particles, but singularities, within a domain of cosmic radiation. Shown: the Crab Nebula (as seen by the Hubble telescope), a source of cosmic radiation, which has been detected by scientists.

this, but so-and-so, who's a respectable person, says this." It's like the case of Shakespeare, Doll Tearsheet. The captain says, "It's a wondrous word." Like the term "occupiers," fallen into disrepute, and that is about the same thing, you can see in this thing.

So therefore, we have to move on, and we have to recognize that there is a principle of progress, which is inherent to humanity, as distinct from all other processes in the universe, that we know. And this principle of humanity *must drive us, through creative steps to progress*. We must recognize what was *right* in the past, but also recognize what it failed to take up.

We have now entered, since World War II, we entered into the complete change in the Periodic Table of chemistry. Now we are about to dump that Periodic Table of chemistry, in its *old* form, to adapt it to the realities, our universe, whose underlying process is not particles, but *singularities*, within a cosmic radiation

process. We are looking at many things, as in the Basement, in terms of biological questions and so forth, which can not be understood except from the standpoint of cosmic radiation.

Or the role of viruses, one of my people is just working on this paper on viruses, an introduction to this whole question. Viruses' role as the environment in which living processes came into existence. The role of viruses in forms of single-cell tissues and so forth, that viruses have a much more complex relationship to things than you can imagine.

So therefore, you have to go into a field where you realize that the Crab Nebula is spreading radiation, which comes out periodically from the Crab Nebula, detectable, and has been detected, both in Germany and in France, some years ago. And we now understand that cosmic radiation is coming from this particular form. And then we look at the other cosmic radiation, coming from the *other* parts of the universe. Look at the cosmic radiation *we* are contributing into human society and into space. We are radiating!

So, we have to understand things in these new terms of reference, without throwing out the old Periodic Table, as improved since its origin. You can use it, but now, just flip it a bit. We now know that the particle, as such, is not the basis—it's like this ambiguity of de Broglie, the de Broglie Ambiguity. We now have to flip it, and look at it from the standpoint of radiation, the singularities in radiation.

And this also corresponds to the way the human mind works. So, it makes it more interesting.

Hoefle: This is a completely different view than what you get from the Wall Street crowd, which is that everything has to be oriented around protecting all of this fictitious value.

LaRouche: I say, trash it! Do not you know what to do with toilet paper?

Steinberg: Take out the garbage.

The 'Ceres Appendix'

Hoefle: Yes. Instead, we have to turn our attention to figuring out more about how the universe actually works and mastering it and changing it. . . .

This video you reference, this is the Ceres Appendix Video on our website (<http://larouchepac.com/node/14884>). Everyone should watch it.

LaRouche: Yes, the most recent one is the one which was most relevant. What convinced me that we were

capable of doing this in the way I prescribed, was the fact that, looking and studying carefully, the last version of that, which is probably a fairly accelerated exposition—it's shorter, could be longer, much longer. But the shorter exposition contains all the essential elements of this tensor, which you have to understand to understand the kind of phenomena that we are dealing with.

So I said, okay, we have done it. We have proven we have got the right concept of the tensor. Let's apply it. And this will enable us to go out to people, particularly, informed people, and show them exactly what this subject is.

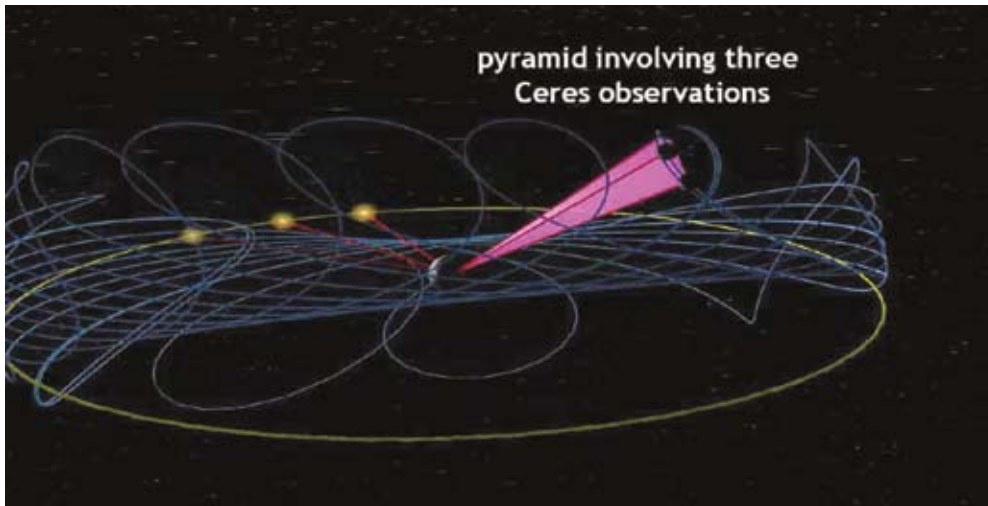
Once they understand it, it's no longer a debate between my opinion against your opinion. Now you have got a common objective standard you can look at. And I think that will overcome the resistance we are getting from a lot of people who are sane and concerned.

And most people who are informed in this country know now—it's even in the press—60% of the American population wants Obama out, now. An additional 25-30% probably wants him out. So if you get to a point that about 90% of the U.S. population, the voting citizens, want this guy out, and what he's doing is actually criminal, well, he should go out. And what we can do, we can give him a Nixon treatment. You may threaten him with impeachment, but once he knows the threat of impeachment is coming down the pike—. We have got to protect him from committing suicide, because that is his profile. He would tend to commit suicide rather than admit he's wrong.

Hoefle: For as long as he is in power, as long as these policies continue, then the conditions of life will continue to deteriorate at an accelerating rate, in this country and around the world.

LaRouche: Look at Hitler in the bunker. His policies were given to him by Britain. Then, when the German army, with the cooperation of the French fascist government, caused the defeat of a superior French army by a weaker German force, at that point, Churchill freaked, and others freaked. And they came to the United States, who they feared and hated, and said, "Help us!" So at that point, you had this change, in which Japan went to war anyway, the war that it had planned with the British, in the attack on Pearl Harbor. It had been planned by the British, with Japan. And the Japanese continued. So you have this change.

But then, there is Hitler, who was a British creation from the inception. And he gets down to the bunker in



LPAC-TV videograb

This image is from the LPAC video, "Ceres Appendix: Gauss and the Physical Tensor," an animated presentation of Gauss's method for defining the orbit of the asteroid Ceres. (<http://larouchepac.com/node/14884>)

Berlin; the Soviet forces are running all over the territory, and he's calling upon divisions that no longer exist, armies that no longer exist, to come to his rescue and attack here and attack there. And suddenly, some of the people said, "Look, *Mein Führer*. This ain't working!" And he goes out and shoots himself....

Steinberg: Lyn, last week, you pointed people's attention to the transcript of the April 29 dialogue [*EIR*, July 2, 2010] that took place up in New York with both people from the international diplomatic community, but also a group of economists who would be among the people who would come in, with close collaboration with you, and it gives a good idea of just what the capability is for putting a new policy in place right away. But the Obama issue is the main impediment, and we are talking about getting this problem dealt with, between now and September, before the November elections.

Many people in Washington are saying the Obama problem will be solved by a new Congress in November, and then, by elections in 2012. But the reality is, that this is a matter that has to be resolved this Summer, and that can't be postponed even until November.

LaRouche: The problem is gutless politicians. Because you are in a situation where the immediate danger is there....

Steinberg: Well, for one thing, you have put the solutions out on the table. They are widely circulated in

Washington, and you get a break in the situation and things can change.

The other thing, just in closing, is that as of July 1, with the new fiscal year, and 46 out of the 50 states with \$119 billion in debt going into the year, people are being hit with the most incredible Schachtian austerity, with shutdowns of fire services, police; 200,000 teachers are going to be fired this year, nationwide. So the absolute foundations of life—buildings may still be standing; there may still be roads

and cars and things, but people know in their minds that the fundamental fabric that has held this country together, the general welfare concept, is gone. It's already collapsed, and it's forced the kind of change in thinking that Percy Shelley talked about, and that you have discussed with this concept of dynamics and mass strike.

LaRouche: Yes, that is what it is. And that is why, therefore, our producing this tensor program will be an aid to get people to understand this as a concept of the relationship between the long-term, the century-long, and lesser intervals, and the current defense, and they have to locate that. The problem now in arguing with them and trying to get them off their foolishness, is that they are not even asking the right questions. And the tensor case gives them, and says: "Here is a scientific instrument, this tensor, which was used by Gauss, and understood by those who followed him." And this instrument shows you how you have to deal with this kind of relationship between a long-term process, like the orbit of Ceres: The orbit of Ceres is still dominated by what it was when Gauss discovered it. And the Asteroid Belt, same thing. It persists. That is a long-term development. That is a principle. Principles are expressed by long-term processes. And people do not have a sense of long-term principles in the government and so forth today. Therefore, they do not see the short-term things, from a long-term standpoint. They see how people react to discussions of short-term changes. They are betting on the race-track, rather than investing in building an economy.

The IMF Makes It Official: Save Banks, Kill the People

by Nancy Spannaus

July 16—The British Empire’s economic gestapo, which sometimes goes by the name International Monetary Fund (IMF), on July 8, released its semi-annual “World Economic Outlook” which makes the double Nazi policy proposal of demanding 1) that *all* countries submit to deadly austerity and cuts in living standards, along with 2) an unlimited hyperinflationary bailout of the banks. Or, as the British Empire is fond of stating, simply: “We live, you die.”

“The central challenge,” the IMF intones, “is to develop a credible fiscal strategy to ensure that public debt is put—and is seen to be put—on a sustainable path.” The IMF nervously warns that, without fascism, there could be “renewed financial turbulence.” In fact, the measures which they demand in this sanitized doublespeak will not save the bankrupt British financial system, which is already on the edge of bringing the world into total chaos and disintegration. Instead, they will further the British royal aim of bringing the world’s population down to under 2 billion people.

To the Third World, perhaps, such demands from the IMF will seem like nothing new. The difference today, is that the same murderous measures are being imposed on the countries of the North Atlantic region as well, including the United States, at a time when the whole system is imploding. For the first time, the IMF

has officially carried out a review of the U.S. economy, and determined that it has to slash its living standards, according to the very method which the British Tory government is applying to that country.

Bailouts and Blood

The IMF prescriptions are blunt and to the point:

- Europe must pump trillions into the banks, by “making the new European Stabilization Mechanism fully operational.” Already, the European Central Bank has been pumping out six-day loans to the banks, to keep them afloat because interbank lending, not to mention loans to productive investment, have frozen up. And the sky is the limit.

- All nations should make sure that the hyperinflationary spigots are wide open, guaranteeing that “monetary conditions remain highly accommodative for the foreseeable future,” and that central banks should “rely more strongly on using their balance sheets to further ease monetary conditions”—i.e., let money supply just rip. Previous proposals to reduce the danger of bubble-blowouts, such as the Basel accords to increase the ratio of capitalization, have been put by the wayside.

- Budgets have to be cut, especially health care, social security, pensions, and other entitlements: “Of utmost importance are firm commitments to ambitious

and credible strategies to lower fiscal deficits...reform pension entitlements and public health care systems.” Such “politically-difficult” measures not only have to be implemented, the gestapo ordered, but they have to be “frontloaded” in order to save their disintegrating system.

Exemplary of the budget-cutting mania are the conditions being imposed on Greece, Spain, and Portugal, which have led to large labor unrest, and even violence, as workers fight for their lives. And then there is Britain itself, where the Tory government of Prime Minister David Cameron has decided “voluntarily” to devastate its population.

Over the weekend of July 4, Danny Alexander, chief secretary to the British Treasury, delivered an “eye-watering demand” to all Cabinet ministers, ordering them to plan for cuts of up to 40% in their budgets, as reported by the July 3 *Guardian*. To prove their serious commitment to austerity, the new government’s plan will produce staggering results, including:

- Home Office cuts of 25% could mean a reduction in the number of police officers of almost 20,000.
- Cuts in housing benefits of 10% could increase the number of homeless by 200,000—from 140,000 today, to 340,000—an increase of nearly 150%. “Cutting housing benefits could have a catastrophic impact on the lives of thousands of people who—despite their best efforts—have failed to find work for 12 months,” said National Housing Federation head David Orr, who said, in typical British understatement: “The proposals are disturbing and unfair.”
- About 600,000 public service jobs are expected to be lost overall, and, adding insult to injury, the government is now planning to sharply reduce workers’ severance pay.



White House/Pete Souza

President Obama’s February appointment of Democrat Erskine Bowles (left) and Republican Alan Simpson (center), to head the National Commission on Fiscal Responsibility and Reform, was a blatant attempt to circumvent the Congress, and impose cuts in entitlements, such as Social Security. Thus Obama is trying to do today, by stealth, what President George Bush failed to do, in 2005.

The Message to the United States

The British people are not the only targets of the British austerity, however. As in the past, the British government is being used as a patsy by the financial oligarchs to induce the United States to carry out the same policy—as in the murderous British health-care model which Obama imported into the United States.

That Nazi health “model” has also been heartily praised by the IMF, which issued its recommendations for the U.S. economy in a June 21 report. The 13-page IMF report included praise for one of the key fascist instruments in the Obama health “reform,” i.e., the Independent Payments Advisory Board, which the IMF says “will play a key role in monitoring and remediating excess cost growth.”

While the IMF does not mention it directly, it clearly also supports the other “independent” (of Congress and the Constitution) taskforce that President Obama has set up to cut living standards, the one known as the Commission on Fiscal and Financial Stability. This commission, headed by Erskine Bowles and Alan Simpson, is already known as the “Catfood Commission,”



creative commons/Tony Hall

British Prime Minister David Cameron has declared a murderous budget-cutting spree, as among his first acts in office. Here, he is seen shaking hands with his sovereign, Queen Elizabeth II, soon after his accession to office in May.

because its mandate demands cuts in entitlements which will reduce the elderly to eating catfood. And British toady, Speaker Nancy Pelosi, has agreed to bring its recommendations before the House of Representatives' lame duck session following the November elections, in an attempt to ram them through.

Fiscal Commission leader Bowles praised the Cameron government's plan for drastically cutting the population's living standards, as the model for the United States.

Bowles, appointed by Obama as the Commission's Democratic co-chairman, told a July 14 New York forum of the U.S. Chamber of Commerce, "I'd like to see us do something the Brits just did, taking 75 percent out of spending and 25 percent out of revenue" to reduce the deficit. His Republican fellow Commission member, New Hampshire Sen. Judd Gregg, strongly agreed.

Chiming in, London's *Financial Times* ran a July 15 column titled "Obama Can Take a Leaf from Cameron's Book":

The City of London mouthpiece lectured, "It may be time for America to . . . follow the lead of the UK. . . . Within weeks of taking office, [Cameron] announced a plan to cut back the budget to fight the deficit. . . . Mr Obama would do well to watch closely the Cameron experiments because they are in areas in which the US could use strong and innovative action."

Genocide Already Underway

Of course, thanks to Obama's Nazi-modelled health-care "reform," British-style cuts are already underway. As Lyndon LaRouche warned, the ObamaCare means a death sentence for millions.

- A physician who works with a large nursing home/senior living center in New Jersey, reported to LaRouche PAC on a meeting that he held with a top official of the center, in which the official laid out the policy that is coming on line for Medicare patients. "They are planning on capitizing the Medicare expenditures," he said. That means that, "In the next ten years, they will give a certain amount of funding for Medicare for *all* the hospitals, doctors, nurses, visiting nurses, etc., in an area, and all the medical personnel will be in this one pool, by area. . . . That will be the money that can be spent on the elderly. It's capped."

"Do you know what that means?" he asked. Yes, we do: It means the application of Hitler's "lives unworthy of life" principle—genocide—against the elderly.

- The Centers for Medicare and Medicaid Services (CMS) has already ordered a cut of 2.9% in Medicare payments to hospitals, to begin Oct. 1 (the beginning of the Federal fiscal year 2011). This cut—coming on top of the 5.9% cut in payments from Medicare, which hospitals already lost in 2010—will lead rapidly toward bankrupting more hospitals, and pushing them to deny care to the elderly, and poor patients.

This cut, made *before* Obama's Nazi health bill goes into effect, will be augmented by a mandated cut of .25% by the Obama bill.

- Community cancer clinics are closing at a rapid rate around the country, due to severe cuts in reimbursements by Medicare for cancer care. Thirty-nine community cancer clinics in 15 states are currently closed, or in the process of closing. If the trend continues, according to the Community Oncology Alliance, this number could double by the end of this year.

The impact this will have on mortality is reflected in the fact that four out of five U.S. cancer patients are treated in a community setting, and approximately half of all U.S. cancer patients are Medicare patients.

In addition, Medicare has already decided on additional payment cuts in 2011, 2012, and 2013—on top of cuts in payment of 35% since 2004.

LaRouche 1995 Warning to State Duma Featured in Russian Magazine

July 14—The Russian monthly journal *VVP* came out today with an article titled “Endgame for Financial Globalization,” which we publish here in a translation by *EIR*, along with a commentary by Lyndon LaRouche. Written by Alexei Perochinny and other participants in the “Global Adventure” economics website, the article notably leads with a quotation from LaRouche’s June 6, 1995 speech at the Russian State Duma, on the coming breakdown of the global financial system.

The authors draw out the historical comparison of the current crisis with the breakdown in the 14th Century.

The name of the monthly, *VVP*, stands for “Gross Domestic Product” in Russian, but it also coincides with the initials of Prime Minister Vladimir Putin, who is featured in every issue. With a print run of 20,000, *VVP* is circulated at many government ministries and boasts an array of national and regional officials on its advisory board.

Endgame for Financial Globalization

This article is reprinted from VVP, with the permission of the authors. Some graphics have been omitted.

Today, especially since 1987, with what’s called derivatives speculation, the rate of growth of financial aggregates, attributable to pure financial speculation, is three times, at least, greater than the gross national product of the entire world’s economy. If you look at the rate of growth of these financial aggregates, you find that it has gone onto a hyperbolic scale. If you take the rate of growth of the financial aggregates in respect to physical production per capita, it’s even worse. Whenever you see that in a physical process, you

would say: “*Here is a discontinuity, here is a singularity, we’ve come to the end of the system.*”

—**Speech by Lyndon LaRouche at the State Duma of the Russian Federation, June 6, 1995¹**

The Current Condition of the U.S. Financial System

During the past 12 months (June 2009-May 2010), average monthly U.S. Federal budget revenue was \$173 billion, while spending was \$287 billion, with the U.S. national debt increasing at an average rate of \$139 billion (80% of budget revenue).² By comparison, two years ago (June 2007-May 2008) average monthly budget revenue was \$214 billion, while spending was \$242 billion, and the U.S. national debt increased at an average rate of \$46 billion (21% of budget revenue).

Even without adjusting for inflation, we can see that the drastic reduction in U.S. budget revenue, combined with increased outlays, has led to a several-fold increase in the gap between revenue and spending.

Could this gap be reduced by slashing government spending several-fold? Let us look at the breakdown of U.S. spending (average monthly levels over the past 12 months):

- interest on the national debt—\$34.7 billion (20.1% of monthly revenue)
- unemployment benefits and food stamps—\$18.6 billion (10.7%)
- social programs—\$62 billion (35.8%)
- defense—\$55 billion (31.8%)
- healthcare—\$84.6 billion (48.9%)
- other (science, the space program, infrastructure)—32 billion (18.5%)

1. Schiller Institute of Science and Culture, Bulletin No. 6, <http://larouchepub.com/russian/bulletins/sib6/sib6b.html>

2. U.S. Department of the Treasury, <https://www.fms.treas.gov/mts/index.html>

No, it could not be done. Slashing the budget would lead to serious social disturbances. In effect, for the past year and a half the United States has been maintaining its Armed Forces and issuing social payments with other people's money, since they do not have the resources themselves.

Could the gap be closed through radical tax increases? U. S. corporations and the population are just as overloaded with debt as the Federal government. For example, in Q1 of 2010, U.S. household debt was \$13.5 trillion, while non-financial business debt was \$10.5 trillion;³ in total, \$79,000 per capita or \$183,000 per employed person. The enormous amount of funds required to service these debts represent a hidden tax, in favor of international private capital. Redistributing this tax to the advantage of the Federal budget would be possible in theory, if it proved impossible to mitigate the budget problem radically in some other way, *but this would take nationalizing the financial system and launching quasi-socialism*. This would be suicidal, and therefore unacceptable, for the U.S. elites, who are closely intertwined with the financial oligarchy. Attempting to increase tax collection without writing off debt, however, would trigger a new cascade of bankruptcies, a several-fold jump in unemployment, and social chaos.

Thus, there is no exit from the budget crisis within the framework of the existing U.S. financial and political system.

The growth of the short-term portion of the U.S. national debt, compared with budget revenue, resembles a tsunami. As of May 2008, the amount of debt falling due within the subsequent three months was equal to 410% of average monthly revenue. By May 2010, this amount was 827% of monthly revenue.⁴ In dollar terms, it reached \$1.4 trillion.



VVP's current issue features Russian Prime Minister Vladimir V. Putin (left) on its cover, with his counterpart from Kazakhstan, Karim Masimov.

In other words, in June-July-August of this year, the U.S.A. has to pay off a sum which is greater than its revenue for the past eight months. Looking at the payments due in the six-month period immediately ahead, the total nearly equals the entirety of the preceding year's revenue!

As of now, the United States is making its debt payments and covering the current deficit, exclusively on the basis of pyramid-type borrowing. What is the limit to the growth of the pyramid? An indirect indicator is provided by comparing the size of the national debt with the broad money supply. In August 1998, for example, Russia defaulted when net claims against government agencies equaled 90.2% of the money supply.⁵

The size of the U.S. money supply M3 has been classified information since 2006, but it is tracked by a number of analysts,⁶ who have noted a rapid reduction of M3 since June 2009. They estimate M3 at \$13.46 trillion as of May 24, 2010 (compared with \$15.12 trillion on June 15, 2009, i.e., 11% shrinkage has been recorded, without adjusting for inflation). *At the end of May 2010, the U.S. national debt stood at \$12.99 trillion, or 96.5% of M3, thus surpassing the corresponding indicator for Russia in August 1998.*

What are the consequences of this? Servicing the government debt pyramid requires more and more of the available money, leaving other sectors of the U.S. economy fewer and fewer funds for operating. If the reduction of M3 does not stop, the withdrawal of money from economic circulation into the U.S. debt pyramid will cause a massive disruption of economic ties, a transition to quasi-monetary surrogates, and a further cascade of bankruptcies.

How may the drop in M3 be turned back? Within the existing system, there is no way to do that. The option of bankruptcy and nationalization of the banking system

3. U.S. Federal Reserve System, <http://federalreserve.gov/releases/z1/Current/z1.pdf>

4. U.S. Department of the Treasury, <http://treasurydirect.gov/>

5. Central Bank of the Russian Federation, <http://www.cbr.ru>

6. Independent analysts, http://nowandfutures.com/key_stats.html

is possible, but unlikely for political reasons. The remaining option is hyperinflation.

The timely panic in Europe (fanned by rating agencies and media which are under U.S. control) led to capital flight from Europe into the U.S. government debt pyramid. This bought time, or else the U.S.A. would already now be facing problems with refinancing the national debt, and the “GKO” pyramid would have already moved into a steep and rapid growth of interest rates, after which the collapse of the global financial system would become a matter of hours, considering the enormous mass of interest swap derivatives linked to those rates.

But the “rape of Europe” did not solve any of the U.S. financial system’s fundamental problems. It only bought a little time.

Fundamental Causes

Let us look at some long-term trends (**Figure 1**).

Here we see two key dates:

- 1968 was the turning point, since which time the U.S.A. has consumed more than it produces (first and foremost, by reducing investment in infrastructure and creating pension obligations with nothing to back them up). This should be viewed as the launch date of the greatest financial pyramid in the history of mankind.
- 1985: the net savings rate dropped into the negative, after which the U.S. financial system has existed exclusively at the expense of the rest of the world. The disintegration of the USSR was quite timely, allowing the base of the pyramid to be expanded, thus postponing its collapse. Otherwise, it would have occurred in the 1990s.

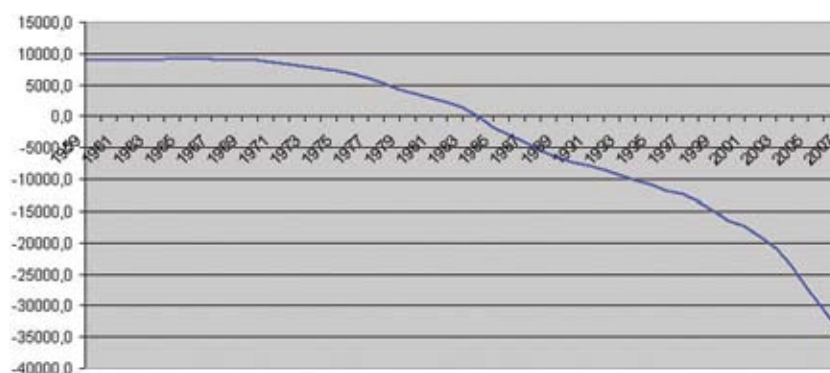
The degradation of the U.S. economy is easily apparent from looking at a key real sector indicator, energy consumption in manufacturing, expressed per capita. Taking 1973 as 100%, we see a gigantic shrinkage:⁷

1973	100%
1980	91.43%
1990	82.78%

7. U.S. Department of Energy, <http://www.eia.doe.gov>

FIGURE 1
Net Savings, U.S.A.

(\$ Billions, 2007)



Source: U.S. Bureau of Economic Analysis.

The graph shows the total of savings and capitalized profit in all sectors of the U.S. economy: financial and non-financial companies, small businesses and farmers, households, and federal and state governments, less the liabilities (debt minus corporate equities) of all non-financial sectors. (www.avanturist.org)

2000	80.16%
2008	66.91%

The reduction of investment in infrastructure can be traced by such indicators as steel and cement output. In 1973, per capita U.S. steel production was 646 kg, but by 2008 it was 303 kg (47% of the 1973 level).⁸ Per capita cement production in 1973 was 366 kg; in 2008 it was 285 kg (78%).⁹ This contraction means that new facilities and infrastructure, such as factories, railroads, and power plants, were not built, depriving future generations of productive jobs.

The outcome was that the share of workers employed in manufacturing has been in decline since the 1960s (as a percentage of total employed). Productive jobs were replaced by non-productive ones:¹⁰

1960	35.5%
1970	31.6%
1980	27.2%
1990	21.7%
2000	18.7%
2010	13.6%

As a result, starting in the 1970s, the U.S. balance of trade shifted from being consistently on the plus side, to

8. U.S. Geological Survey, <http://minerals.usgs.gov/ds/2005/140/iron-steel.pdf>

9. U.S. Geological Survey, <http://minerals.usgs.gov/ds/2005/140/cement.pdf>

10. U.S. Department of Labor, <http://www.bls.gov>

being consistently in deficit. In the 1980s, it fell into an abyss (the table shows millions of dollars):¹¹

1960	3,508
1970	2,254
1980	-19,407
1990	-80,864
2000	-378,780
2008	-698,802

The nation has long since ceased to be able to provide for the needs of Americans.

The gigantic gap between the “flourishing” virtual economy, measured in monetary indicators, and the decaying real sector, measured in physical units, should be seen as the fundamental cause of the crash.

We draw the following conclusion. In the 1960s, the U.S.A. abandoned a productive economic model and launched the build-up of parasitical financial sectors, exporting them to other countries under the banner of “financial globalization” and “free trade,” which have become the modern equivalent of colonialist taxation. The years-long decay of the U.S. real sector was masked by a superficial luxury, achieved by cutting investment in infrastructure, as well as through a stream of imported goods and national wealth from other countries, paid for in the form of “securities” of one sort or another. This is no different from any other financial pyramid. The only difference is the scale.

The gigantic gap between physical and monetary indicators is not only a U.S. problem. In many European countries, especially Britain, the statistics show exactly the same problem, compounded by a very high level of energy import dependency, which was 53.1% for the European Union in 2007!¹² At the same time, energy consumption by industrial manufacturing, expressed per capita, is extremely low in Britain: 0.5 tons of oil equivalent in 2007, which is the same level as in Estonia, except the living standards of Britain and Estonia differ by orders of magnitude. *The U.S. financial oligarchy really copied the British model of imperialism only after World War II, whereas in London it was implemented earlier.*

This skewing, with the divorce between the real economy and the virtual, will be destroyed with the collapse of the global financial system.

Scenarios

Thus, it will not be long before the crash of the global financial system. What may be expected to happen afterwards?

Forecasting is made difficult by the lack of historical precedents. A crash of the global financial system is a rare event. During the Great Depression, for example, only certain of its nodes were destroyed, such as the financial system of Weimar Germany with the hyperinflation that occurred. The difference is that, in the 1920s, the planet’s world financial system looked entirely different. It was like a submarine with many hermetically sealed compartments, improving the viability of the system as a whole. *Since then, the partitions between compartments have been largely destroyed by “financial globalization.” Now, when the key node of the financial system is destroyed, the entire assembly will go to the bottom.* The fate of Weimar Germany threatens most of the planet, with the exception of individual countries which have been able to preserve their sovereignty on questions of financial policy, and will be able to launch “lifeboats” quickly, i.e., to launch strong regional currencies and close their borders to paper trash from the dying systems.

Some experts think that the closest historical analogy to the present events is the bankruptcy of King Edward II of England in 1345, when England’s “GKO” pyramid collapsed, after having sucked up a significant part of all the savings in Europe. This touched off a domino chain of bankruptcies of the entire European banking system and a large-scale economic collapse (see box p. 25).

Is it correct to expect events like those of the 1340s? We don’t know. In any event, the analogy is not a complete one. Among other things, there were no arsenals of weapons of mass destruction at that time. But we can expect the scale of the events to be comparable.

The crash of financial globalization will lead to chaos in foreign trade and a review of the existing distribution chains, for things of economic value.

Things will be especially bad for those who have a large foreign trade deficit and critical levels of import-dependency in areas like energy and food. If we review major countries by physical productivity, and the composition and volume of exports and imports, we can identify the following risk groups:

1. The death group: Japan, Britain, Ireland, Greece; among Russia’s neighbors, typical members of

11. U.S. Bureau of Statistics, <http://www.census.gov>

12. EU statistics, <http://epp.eurostat.ec.europa.eu/>

this group are the Baltic countries, Kyrgyzstan, and Tajikistan. Countries in this group will likely face real shock processes. Mass famine, annihilation of the social infrastructure, and epidemics cannot be ruled out.

2. The high-risk group: U.S.A., Italy, Ukraine, France, India, Portugal, Spain, the Netherlands. A several-fold decline in the standard of living should be expected in the countries of this group. Coups and changes in the form of government cannot be ruled out. If society becomes ungovernable, such countries may move into Group 1.
3. The moderate-risk group: Germany, China, Brazil, Austria, Belgium. The main risk for these countries is their energy import dependency. If they lose their sources of energy, shifts into Groups 1 and 2 cannot be ruled out.

4. The low-risk group: Russia, Kazakstan. These countries are self-sufficient in energy, food, and defense, are not overloaded with foreign debt, and have excellent balances of trade. We estimate the chances for these countries to avoid chaos as high, compared with any of the BRIC [Brazil, Russia, India, China] or G7 countries. The main risks are associated with threats coming from fifth columns, coordinated from outside, as well as with the diversion of capacities and resources into conflicts on the periphery. If Russia can avert internal upheaval, as well as the destruction of the economies and political systems of such key neighbors as China and Germany, then it has the right to count on having the status of a leader, in partnership with them, of the new world.

The Crash of the European Financial System in 1345

Published in VVP with this article.

Giovanni Villani, who lived during these events, wrote these entries in his diary, the *New Chronicle*:

“In January 1345, the Bardi company, Italy’s largest enterprise, went bankrupt. The reason was that they, like the Peruzzi, had invested their own and others’ funds in the affairs of King Edward of England and the King of Sicily. Therefore they were unable to pay people of the city and others, to whom the Bardi alone owed more than 550,000 gold florins. Many other, smaller companies and private persons, who had entrusted their property to the Bardi, the Peruzzi, and other bankrupts, went under in the crash. . . . Let the reader try to imagine what money and valuables our citizens lost, having trusted them to kings and rulers out of thirst to make gain. O cursed and greedy she-wolf, full of vicious avarice, which reigned in the souls of our blinded and deranged citizens, who handed their own and others’ property to the power-

ful of this world in hope of enrichment! By that cause, our republic lost all influence, and the citizens remained without means of subsistence, except for a few tradesmen and the usurers, who extorted the last crumbs from the inhabitants of the city and its surroundings. But it is not without cause that the Lord’s vengeance strikes the towns and their citizens, but it is a punishment for their sins, as Christ himself spoke: “Die in your sin,” etc. That is enough, and perhaps too much said about this indecent subject. *Yet, in gathering together the reports about those memorable events, the truth should not be concealed, but it should serve to teach and forewarn future generations.*”

The chain of defaults cascaded throughout Europe, as even the Papal Curia defaulted.

Villani wrote: “For Florence and the whole Christian world, the losses from the bankruptcy of the Bardi and the Peruzzi were more severe than from all the wars of the past. Anyone who had money in Florence lost it, and outside the republic famine and fear reigned everywhere.”

The 100-150 years that followed are known as the “late Middle Ages,” a period Europe remembers for such events as the Hundred Years War and the Black Death, and for numerous uprisings and rebellions.

The elites of the high-risk group countries are working very hard not to depart from the world scene as nonentities held in contempt by all. *The financial oligarchy of Britain and the U.S.A. is currently the highest threat to civilization.* The scenario of a controlled hyperinflation of the dollar is the most favorable for those groups, since it would allow them to avoid nationalization and to concentrate a maximum share of real assets in their hands.

The financial oligarchy's ideal Operation Barbarossa looks like this: hyperinflation of the dollar, introduction of dictatorship in the U.S.A., enslavement of neighboring countries (Canada, Central and South America), chaos throughout the rest of the planet, inducing rivals to do themselves in, if possible, and a replay of the Marshall Plan for the purpose of achieving control over those who survive. The global chaos will allow them to stake a claim to hold on to their power,

despite what happens in the U.S.A., because the majority of the planet will be in even worse shape.

Special attention should be paid to the Middle East, which serves as the "battery" of the Eurasian economy. A blow-up in the Middle East will plunge most of Eurasia into chaos.

This means no future. It is the most likely course of events. There are others. But what can be said with certainty is that the Autumn carnival called "Financial Globalization" is coming to an end, and the planet is on the threshold of a severe Winter.

Thank you for your attention.

The authors are experts with the Global Adventure research center: Alexei Perochinny (alexsword), Mikhail Likhachov (Papa Carlo), Danil Nikiforov (whiterhino), with included use of material developed by Mikhail Muravyov (avanturist).

LaRouche Replies: One Crucial Error

July 14, 2010

TO: ALEXSWORD

The entire report, "Endgame for Financial Globalization," fails on only one crucial account; it draws mistaken conclusions respecting the effects of the present world crisis, by accepting the currently prevalent, international presumption respecting the role of money as such. Specifically, most of the current financial accounts of nations and governments depend upon the presumption that money, as presently defined, represents economic value. Whereas, in fact, since August 1971, the introduction of financial derivatives launched under U.S. Federal Reserve Chairman Alan Greenspan, created an implicitly hyperinflationary global effect by unleashing a flood of worthless financial capital, called financial derivatives, which now vastly exceeds money circulating within the physical economy, that by orders of magnitude, by the accelerating hyperinflationary ratio of mere financial speculation

to the throughput of the physical economy.

What occurred, exactly as I had warned in a July 25, 2007 webcast, has been a planet-wide general breakdown-crisis of the planet as a whole.

Thus, without the urgently needed, immediate expulsion of U.S. President Obama from the U.S. Presidency, there is no chance that any part of the world economy and social order will outlive the continuing chain-reaction steps of collapse, marching down the steps of Odessa—step by step—as in the Russian soldiers in *The Battleship Potemkin*.

We are currently crafting a tensor model of the type of our model of Gauss's defining of the orbit of Ceres, to show the actual essentials of the currently onrushing breakdown-crisis of the U.S.A. The breakdown of the U.S. economy would launch an immediate breakdown-crisis of the entirety of the Trans-Atlantic world, and the ensuing collapse of the Trans-Atlantic world would generate a breakdown-crisis throughout the Trans-Pacific sector of the world.

The stipulations we are employing are identical in form with the 11-minute video treatment of this determination of the Ceres orbit on my LPAC website.

Greetings!
—Lyndon.

As Obama Fiddles, British Plan Wars and Genocide

by Jeffrey Steinberg

“[B]ad times, you may say, are exceptional, and can be dealt with by exceptional methods. This has been more or less true during the honeymoon period of industrialism, but it will not remain true unless the increase of population can be enormously diminished. At present the population of the world is increasing at about 58,000 per diem. War, so far, has had no very great effect on this increase, which continued through each of the world wars. . . . War. . . has hitherto been disappointing in this respect . . . but perhaps bacteriological war may prove more effective. If a Black Death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. . . . The state of affairs might be somewhat unpleasant, but what of it? Really high-minded people are indifferent to happiness, especially other peoples’.

—Lord Bertrand Russell,
The Impact of Science on Society (1953)

“In the event that I am reincarnated, I would like to return as a deadly virus in order to contribute something to solve overpopulation.”

—Prince Philip,
Deutsche Presse-Agentur (August 1988)

July 19—These now infamous comments by the late Lord Bertrand Russell and by the current British Royal Consort and founder of the World Wildlife Fund, Prince Philip, are statements of intent on the part of the British

monarchy and the London-centered global financial oligarchy—today represented most clearly by the Rothschild-created Inter-Alpha Group of European banks—to reduce the world’s population to under 2 billion people.

It is from this standpoint alone, that the present global crisis, and the sudden emergence of a threat of otherwise unthinkable nuclear war, among other forms of planetary warfare, must be judged.

On July 12, Lyndon LaRouche issued a now widely circulated forecast, under the title, “End-Game Is On: Getting Out in Time!” (p. 4) in which he warned of a global worse-than-Weimar hyperinflationary blowout:

“We are now entering a phase of the present global situation at which we will soon hit the point at which a generations-long global, vastly genocidal breakdown of the entire planet will occur, unless we act to impose the sudden remedy, well before September 2010, of a global Glass-Steagall reform among most of the world’s leading powers, excepting such probably, presently incurable cases as the British Commonwealth system. . . .”

In declaring that the global breakdown crisis, under the present policy trajectory, will hit, full force, sometime between now and September of this year, LaRouche made clear that President Barack Obama must be safely removed from office, during this narrow time frame, before any meaningful policy shift away from a plunge into a new dark age can be averted. “Either

Obama goes, by Constitutional means, or we all go down,” LaRouche, in effect, declared.

Schachtian Genocide and War Provocations

Within leading policymaking circles in Washington, and in major world capitals, LaRouche’s dire forecast has been widely debated, and accepted by a significant number of serious persons. The stunning disintegration of the physical economy, and basic conditions of life for the overwhelming majority of Americans, since the start of the new U.S. fiscal year in 46 of 50 states, has driven LaRouche’s message home. While Congress and the Chicago gang in Obama’s dysfunctional White House continue to disassociate from this crushing reality, others are being forced by onrushing events to take LaRouche’s forecast and proposed solutions more seriously than ever. Furthermore, the fact that over 80% of the American people detest the Obama Presidency, and wish to see Obama removed from office, underscores the radical shift in dynamic, within the adult population of the United States.

Within the policymaking circles in London, typified by the British monarchy and the Inter-Alpha Group, which holds approximately 70% of the world’s hyperinflated bank assets, the reality of the collapse is also widely recognized. But, the presently dominant faction in the City of London would rather blow up the planet altogether, than allow the global Glass-Steagall framework and Four Powers concert, demanded by LaRouche.

They understand that LaRouche has correctly diagnosed Obama as a Nero-like narcissist, installed in the Presidency, through a combination of British orchestration, and treacherous stupidity, on the part of the Democratic Party leadership in Congress and at the Democratic National Committee, whose irrational hatred of the Clintons drove them into London puppet Obama’s arms.



HRH Prince Philip, who has expressed the wish to be reincarnated as a deadly virus.

In effect, a state of war exists between LaRouche and the British monarchy, with its financier appendages on Wall Street, in the Boston “Vault,” and Chicago Commodity Exchange.

In these “exceptional bad times,” to use Russell’s formulation, the British monarchy is pushing a global Schachtian dictatorship, and has set in motion the conditions for a new world war that could, on several fronts, involve the use of nuclear weapons.

According to a senior U.S. intelligence official, the recent G-20 heads of state summit meeting in Canada committed those nations to a suicidal policy of Schachtian austerity, at the same time that the central banks are largely agreed on a policy of monetary hyperinflation. “The fact that the heads of state of nations representing

over 80% of the world’s population have committed themselves to severe austerity, represents, itself, the greatest commitment to Malthusian population reduction in history,” the official observed, in a recent discussion with *EIR*.

At the same time, London is committed to spreading wars throughout Eurasia.

Attack on Iran

On July 16, this author reported, under the headline, “Is Madman Obama Going To Bomb Iran?”:

“A flurry of propaganda has surfaced over the past 48 hours, indicating that, in the aftermath of the Obama-Netanyahu White House love-fest last week, the Obama Administration is seriously considering military action against Iran. If it were simply a matter of media black propaganda, the threat would be limited, at best, given U.S. military resistance to another Persian Gulf war. But, given the fact that the President is stark-raving mad, and given that several extremely well-informed Washington sources have confirmed a renewed consideration of an attack on Iran, coming di-

rectly from the White House, the matter has to be taken very seriously.

“On July 15, *Time* magazine prominently featured a story by Joe Klein, headlined ‘An Attack on Iran: Back on the Table,’ in which it was reported that the Pentagon, for the first time, considers military action against Iran’s nuclear program to be both feasible and possibly necessary. ‘Intelligence sources say that the U.S. Army’s Central Command, which is in charge of organizing military operations in the Middle East, has made some real progress in planning targeted air strikes—aided, in large part, by vastly improved human-intelligence operations in the region,’ Klein wrote.

He then quoted an Israeli military source telling him, ‘There really wasn’t a military option a year ago. But they’ve gotten serious about the planning and the option is now real.’ The source reported that the Israeli military has been consulted on the war planning, because the Obama Administration does not want Israel to act on its own, in attacking Iran. Klein added, ‘One other factor has brought the military option to a low boil: Iran’s Sunni neighbors really want the U.S. to do it. . . . Senior American officials who travel to the Gulf frequently say the Saudis, in particular, raise the issue with surprising ardor.’ Klein claimed that ‘For the moment, the White House remains as skeptical as ever about a military strike,’ but that, according to senior U.S. intelligence sources and one top Democrat, is no longer true. Reportedly, President Obama is personally talking about an attack on Iran, and views it as a potential boost for his 2012 reelection plans.

“On July 15, the same day that the Klein story was posted, *Spiegel* online published a similar story under the headline, ‘A Quiet Axis Forms Against Iran in the Middle East,’ by Alexander Smolczyk and Bernhard Zand. They cited a strong push from Saudi Arabia and the United Arab Emirates, for an attack by the United States on Iran, regardless of the blowback. *Spiegel* noted the recent speech by U.A.E. Ambassador to the United States, Yousef Al Otaiba, at an Aspen, Colo. forum, in which he aggressively promoted American military action to knock out Iran’s nuclear capabilities. ‘A military attack on Iran by whomever would be a disaster,’ the ambassador said, ‘but Iran with a nuclear weapon would be a bigger disaster.’ While acknowledging that there would undoubtedly be a severe backlash, ‘If you ask me, am I willing to live with that, versus living with a nuclear Iran, my answer is still the same.

We cannot live with a nuclear Iran. I am willing to absorb that [it] takes place at the expense of the security of the U.A.E.’

“Even Arnaud de Borchgrave, who, in recent years, was a harsh critic of the Bush-Cheney preventive wars, and an opponent of military strikes on Iran, wrote on July 13 that, ‘Global Sentiment Builds To Attack Iran.’ Citing the same Saudi and U.A.E. statements that were reported by *Time* and *Spiegel*, de Borchgrave concluded: ‘The temptation for Obama to double down on Iran will grow rapidly as he concludes that Afghanistan will remain a festering sore as far as anyone can peer into a murky future, hardly a recipe for success at the polls in November. With a war in Afghanistan that is bound to get worse and a military theater in Iraq replete with sectarian violence, the bombing of Iran may give Obama a three-front war and a chance to retain both houses of Congress.’”

Ring Around Korea

In the aftermath of the Cheonan incident earlier this year, in which a South Korean Navy vessel was sunk, a precarious situation has developed on the Korean peninsula and throughout Northeast Asia, which is ripe for a British-orchestrated confrontation, that also could lead to the use of nuclear weapons.

The United States has beefed up its naval presence off the Korean coast, with the deployment of one aircraft carrier group, and an undisclosed number of nuclear submarines into those waters. According to senior U.S. national security officials, the objective of the U.S. deployment is to prevent an incident at sea from triggering a war in Northeast Asia.

Nevertheless, the buildup of these American naval forces is destabilizing in itself. Top officials of the Chinese Peoples Liberation Army have accused the United States of a naval buildup aimed against China, a charge that U.S. national security officials, including Defense Secretary Robert Gates and Secretary of State Hillary Clinton, have strenuously denied. Both senior Obama Administration officials have now deployed to Seoul, to meet with South Korean officials, in what one senior U.S. intelligence official described to *EIR* as an effort to reduce the tensions and danger of “accidental” confrontation. Gates and Clinton have directly spoken to Chinese and Japanese officials, in an effort to head off a further confrontation.

Left to their own devices, the U.S., South Korea, Japan, and China could avoid an escalation which could

lead to war. But the British factor, particularly if it is ignored or underestimated, could set off a new chain of events, on top of the Cheonan sinking itself, to blow up Northeast Asia.

In the 1920s, American war planners always had contingency plans for confrontation with Great Britain, in recognition of the axiomatic differences between U.S. and British strategic interests. To the extent that such historical understanding is now lacking, the danger that London will once again engineer a world war, at the moment when the global financial system is reaching end-game, is very great.

When Bertrand Russell issued his 1953 call for a “Black Death once in every generation,” the Soviet Union had just succeeded in detonating a thermonuclear hydrogen bomb, thus ending Russell’s earlier 1946 pursuit of a pre-emptive nuclear bombardment of the Soviet Union, to create world government. Now, with the Soviet Union gone, the would-be genocidalists in London, typified by Prince Philip, may once again attempt the unthinkable.

Pakistan Is a Victim of Obama’s Afghan War

by Ramtanu Maitra

July 17—On April 22, 2009, Secretary of State Hillary Clinton warned in her testimony before the House Foreign Affairs Committee, that Pakistan was in danger of falling into terrorist hands: “I think that we cannot underscore enough the seriousness of the existential threat posed to the state of Pakistan by continuing advances, now within hours of Islamabad, that are being made by a loosely confederated group of terrorists and others who are seeking the overthrow of the Pakistani state, a nuclear-armed state.”

One year later, while the Obama Administration continued its mindless Afghan policy, which no one within the Administration can define, the dynamics within Pakistan have worsened further. There is evidence that Pakistan just might be caught in a whirlpool of violence which could result in an eventual breakup of the country.

To prevent such a catastrophe, most Pakistanis have come to the conclusion that what is needed is an imme-

diate withdrawal of foreign troops from Afghanistan. Recent polls have shown that support in Pakistan for the Taliban has dropped dramatically, as violence has exploded. An opinion poll by the International Republican Institute conducted last Summer found that 80% of Pakistanis believed the country should not cooperate with America in the war on terror. Another poll, conducted by Gallup last December, shows that no more than 5% of the population in any of the country’s four provinces believes that the Taliban has a positive influence on their lives, including a meager 1% in the North-West Frontier Province, bordering the troubled Afghanistan.

This became evident following a twin suicide attack on July 1, that killed 42 at Pakistan’s most important Sufi shrine in the Punjab city of Lahore. The attack was organized by the militant Deobandis—a small minority in Pakistan that works hand-in-glove with the Wahhabis funded by the Saudis. The majority of Pakistanis, particularly in the provinces of Punjab and Sindh, are moderate Barelvis, imbued with a tinge of Sufi traditions. The anger among the Pakistani population against the United States and its role in Afghanistan has been increased by the killing of civilians, by drone attacks carried out by the International Security Assistance Forces (ISAF), from across the border.

The killings, which have multiplied during President Obama’s reign in the White House, are being construed in Pakistan as a punishment dealt to it by the United States.

Ahmed Humayun’s article in the July 9 *Foreign Policy* magazine, “Pakistan’s Suspicious Public,” cited Pakistan’s Geo-TV interview, in which a Pakistani said: “America is killing Muslims in Afghanistan and in our tribal areas. Militants are attacking Pakistan to express anger against the government for supporting America.” One laborer in the northwest city of Peshawar, which is subjected to daily violence, pointed out that, “since America’s arrival in Afghanistan, terrorism has come to Pakistan. As soon as it quits, peace will come to this region.”

Pakistani anger against the foreign troops has now spilled over to include both the military, and the civilian government. Many Pakistanis express their belief that the United States, in particular, is waging this war to create a pretext for seizing the country’s nuclear weapons. And, the Pakistani establishment has taken to waging war against its own citizens, under pressure

from Washington to “satisfy” the United States that it will not allow the nuclear weapons to fall into the hands of the militants.

Pakistan has become an epicenter of terrorist activity since late 2001. At least 8,500 terrorist attacks have killed as many as 9,000 civilians and law enforcement personnel, and injured about 21,000, between the end of 2002 and April 2010, one report indicates. Casualty tolls do not capture the cumulative effects of terrorism on the body of the country, however.

Homegrown Terrorists

What makes the situation even more dangerous is that Islamabad, since the days of the late military dictator Zia ul-Haq, had set up, nurtured, and trained, a group of terrorists as a battering ram to force India to give up its “occupation” of Kashmir, the disputed state created under the aegis of the British Raj in 1947. Washington allowed the terrorists to expand their activities during the 1980s; they then were picked up by London, which wants an independent Kashmir. Washington, using the Pakistani military and intelligence to give a bloody nose to the Soviet Army, which had invaded Afghanistan in 1979, paid no attention to this development.

Following the Soviet withdrawal in 1989, the terrorist forces, under the wing of the Pakistani military and the Inter-Services Intelligence (ISI), began to grow stronger, with the intent of prying Kashmir out of the grip of “Hindu India.” While the Pakistani ISI provided them the land and training centers, the Saudis, who had close ties to Zia ul-Haq, funded them, and Britain’s MI6 “used” them to meet the British Empire’s objective: to create a country straddling India, Pakistan, and China. The terrorist groups were created by those who were eager to carry out the Saudi-promoted Wahhabi doctrine, which is to set up a worldwide Islamic caliphate. Islamabad, driven by its zeal to hurt “Hindu India.”

These terrorist groups include Lashkar-e-Toiba (LeT), Sipah-i-Sahaba, Jamat ud-Dawa, Jaish-e-Mohammad (JeM), Lashkar-i-Jhangvi (LeJ), Hizb ut-Tahrir (HuT), to name few. Of the lot, LeT, is one of the largest and most active militant organizations in South Asia and is currently based near Lahore. LeT also operates several training camps in Pakistan-administered Kashmir. Some breakaway LeT members have also been accused of carrying out attacks in Pakistan, particularly in Karachi, to oppose the policies of former

President Pervez Musharraf.

U.S. intelligence also accuses the Pakistani intelligence of helping and protecting LeT. The second most dangerous group, HuT, with its vast network throughout Asia, the Middle East, and even in the United States, is centered in Britain and Jordan. It recently set up its headquarters in Pakistan in Lahore, issuing an open statement that its aim is to overthrow the government through a “bloodless military coup,” or by violence, if necessary, and create a caliphate in Islamabad.

In the post-Soviet-occupation of Afghanistan, many of these groups, LeT and HuT in particular, became close to the Osama bin Laden-led al-Qaeda, and the terrorist group, Islamic Movement of Uzbekistan (IMU), operating to topple the Central Asian governments. Both al-Qaeda and IMU openly admit, as do HuT and LeT, that their objective is to establish a caliphate. It became evident at that point that the terrorist groups functioning within Pakistan have a greater objective than simply taking Kashmir from “Hindu India”; they have become the armed warriors—calling themselves jihadis—working on behalf of the British and the Saudis to perpetuate violence over a vast region, and to plunge it into a long war.

The failure of Islamabad to recognize the nature of this animal became exposed after the United States and NATO unleashed their mindless war in Afghanistan. The foreign forces, operating within Afghanistan since 2001, drove the terrorists, such as the Arab-dominated al-Qaeda and the Uzbek-dominated IMU, into Pakistan. Beyond India, these terrorists then targeted the United States and NATO as their principal enemies.

On the other hand, Islamabad, under former Pakistani President Pervez Musharraf, welcomed the foreign invasion of Afghanistan, and acquiesced to taking on the terrorists who had infiltrated Pakistan’s tribal areas. The Pakistani Army did not have the wherewithal to eliminate the terrorists, who by then were already in the British and Saudi net.

As a result, the terrorists recruited freely from the tribal areas, giving birth to what is widely recognized as the Pakistani Taliban. But, Musharraf’s, and the Pakistani military’s, efforts to eliminate them by making incompetent forays in these areas, at the behest of Washington and Brussels, caused a great deal of bloodshed, and drew the wrath of the entire Pushtun population residing in Pakistan’s tribal areas and the

North-West Frontier Province. The common people there revitalized their ethnic identity with the Afghan Pushtuns, who were also victims of the U.S.-NATO war in Afghanistan. By allowing foreign troops to carry out drone attacks, which were started in 2007, the Pakistani government has further alienated its population. Some Pakistani officials have said on record that deployment of the drones is a violation of its sovereignty, even though they have killed high-profile al-Qaeda and Taliban figures who want to topple the Zardari government.

A Dilapidated Economy

The war that Islamabad fought most unwillingly at the behest of the foreign forces inside Pakistan, and which gave rise to intense violence inside the country over the past few years, has also brought further calamity to the weak Pakistani economy. In his meeting with President Obama's Af-Pak envoy Richard Holbrooke, in Lahore July 16, President Zardari expressed his concerns over the consequences of the U.S. war against militancy in the region, and said, "Pakistan's industrial growth and export potential have been severely restricted, first because the region was a theater of war against the rival ideology in the past." That, at best, can be described as a carefully worded understatement.

A decline in GDP growth, reductions in investment, lost exports, unemployment, and the depreciation and inflation of incomes and exchange rates, characterize the economy. The price of security-related and civil relief operations also demonstrates the magnitude of terrorism's costs: Pakistan has spent an additional \$4 billion since 2007, according to the Interior Ministry's 2010 National Crisis Management Cell reports, or 2.4% of the average GDP, on fighting terrorism. Pakistan's economy edged up just 1.8%, and things aren't looking any rosier this year.

The government has also spent \$600 million during this fiscal year to help the more than 3 million people displaced by terrorism and counter-terrorism operations. Pakistan faces a permanent crisis in the social and economic welfare of the population, due to the diversion of development spending into the security budget, capital flight, and brain drain, and due to the trade diversion it has suffered since 2001, according to the 2010 report. Total energy consumption declined 5.2% in 2009 from 2008, and energy consumption in the industrial sector fell by 11.7%, as a result of the energy crisis,

according to the report.

The power situation in Pakistan is now horrendous, giving rise to open violence, exacerbated by the suffering caused by the intense Summer heat. The country has production capacity of about 16,500 megawatts of electricity, but faces a shortfall of between 4,000-5,000 megawatts. Outdated grids, lack of investment in existing plants, and rampant electricity theft, mean that some companies experience line losses of 30-40%, analysts say. Lengthy power outages, known as load-shedding, can last six to eight hours a day in cities, while power cuts can be much more frequent in rural areas.

As a result of the economic downturn, Pakistan is now firmly under the International Monetary Fund's grip. In talks with the IMF in Washington in April, Prime Minister Yusuf Raza Gilani said that his government was trying to broaden Pakistan's tax base and keep the budget deficit "close to" 5.1% of gross domestic product, according to a statement from his office. Pakistan turned to the IMF for an emergency package of \$7.6 billion in November 2008 to avert a balance-of-payments crisis and shore up reserves. The loan was increased to \$11.3 billion in July 2009; and the central bank received the fifth tranche of \$1.2 billion in May. But, as always, the IMF loan came with "conditionalities" meant to further distort the economy with privatization. The IMF is now urging the government to remove all subsidies on electricity, which will lead to higher prices for consumers. Authorities have already raised electricity charges significantly.

The Impending Danger

The understanding, or at least the recognition, of where this threat really comes from is wholly lacking in Washington. The impending danger that worries Pakistan's establishment, of which its military is the most powerful segment, is that the breakup of Pakistan could follow a U.S. withdrawal from Afghanistan. Further presence of U.S. troops in Afghanistan, on the other hand, could make the breakup inevitable.

To further the prospect of balkanizing the region, British operatives, such as Jason Burke, in his article in the Feb. 15, 2009 London *Observer*, are pushing for the creation of a "Pashtunistan" out of the areas occupied by some 40 million Pashtuns in southwestern Afghanistan and central Pakistan.

Drug-Infested Ferghana Valley: Target of the Axis of Three Devils

by Ramtanu Maitra

July 14—The Ferghana Valley, which straddles three Central Asian nations—Uzbekistan, Tajikistan and Kyrgyzstan—has become the prime target of the axis of three devils—Britain, Saudi Arabia, and the drug traffickers. These forces made their move during the break-out of organized riots in southern Kyrgyzstan in early June, posing a threat to the newly elected Roza Otunbayeva administration. According to the government in Bishkek, the riots claimed as many as 2,000 lives in an effort by the drug mafia to incite Uzbeks and Kyrgyz against each other.

The riot came to an end within a week, but the threat of violence is very much in the air. Taaahe Drug mafia, boosted by the massive opium production in Afghanistan and a virtually uninterrupted passage of Afghan heroin through the Ferghana Valley to Russia, has joined hands with the Saudi-funded and Britain-centered Wahhabi jihadis of Hizb ut-Tahrir (HuT), who spawned the terrorist group functioning in the valley, the Islamic Movement of Uzbekistan (IMU). The IMU attempted in the past to infiltrate Uzbekistan through southern Kyrgyzstan. Their aim was to overthrow President Islam Karimov's regime and establish a supranational theocratic government, known as the Caliphate, in Central Asia. This is also the objective of the HuT and Saudi Arabia, which funds the HuT's "Islamic" activities. The British objective is to start a process of partitioning Kyrgyzstan, setting into motion a long war in the rest of Central Asia that will pose a threat to all sovereign nation-states, including Russia to its north.

In Kyrgyzstan, the drug mafia was helped by the now-ousted Kurmanbek Bakiyev Administration's family members, who control the drug mafia. There are also the pawprints of bankers, business executives, and the entertainment industry, all of whom derive financial benefits from the unaccounted-for stash of cash generated day in and day out by the drug cartel, and, in return, provide these criminal elements the necessary cover.

Drugs in the Valley

Cut up by Bolshevik dictator Josef Stalin into three parts during 1924-36, the Ferghana Valley has the highest density of population in Central Asia. Batken and Osh provinces in Kyrgyzstan together have 34 persons per square kilometer; Jalal-Abad, situated in Kyrgyzstan, has 26 persons. A very large percentage of these are youths (40% in the Kyrgyz Ferghana). The Ferghana Valley holds a very significant portion of the three countries' overall population—27% of Uzbekistan, 31% of Tajikistan, and 51% of the Kyrgyz Republic, with 10 million people living in the valley.

One of the principal factors contributing to the violence in the valley is drug-trafficking and associated criminalization of society. The violence, orchestrated by the HuT and the IMU, began to emerge in the 1990s, as opium production began to soar in Afghanistan, and all three devils set their eyes on the Ferghana Valley as their next target. The Afghan civil war, which followed the Western arming and training of the mujahideen to fight the Soviet Army in Afghanistan, found a stable funding source: Afghan opium. Afghanistan's opium production was 350 tons in 1986, and 4,581 tons by 1999. Following the occupation of Afghanistan by the U.S. and NATO forces, opium production rose to 8,200 tons in 2007. The opium began to flow across the Tajik-Afghan border, and then along the mainly uncontrolled and mountainous Khorog-Osh-Andijan road (the "Opium Highway").

The UN Office of Drugs and Crime (UNODC) has highlighted the IMU control of heroin and opium in the Ferghana Valley, as well as the supply chains that run through the Batken region of Kyrgyzstan, where border control lacks financial and human resources to monitor this section of the Kyrgyz-Tajik border. In recent years, in the city of Osh, organized crime groups have developed trafficking routes through neighboring Uzbekistan and Turkmenistan, despite tighter

border measures on the Uzbek side.

Once the drug traffickers had set up their distributors inside Russia, flow of Afghan heroin became almost the only business in the Ferghana Valley. In addition, large-scale unemployment, political instability, and isolation of the Central Asian states created a fertile ground for an increasing number of people to join drug-trafficking activities.

The level of opiate production in Afghanistan now is twice as high as it was in the whole world a decade ago. In 2010, Afghanistan has taken the lead in hashish production, with the crop estimated at 3,000 tons. According to the UNODC figures, Afghan opium kills up to 100,000 people every year worldwide—more than any other drug. The Afghan opium is consumed by 15 million people, two thirds of whom are heroin addicts, the UNODC report indicates.

The drug-related criminal activities began to spawn violence in the valley in the 1990s, as it became a warehouse of huge caches of arms and armaments. To counter the terrorists who are in league with the drug traffickers, neighboring states brought in a large number of armed security personnel. As a result of some of their actions, violent crime rose, and even disputes over water and land were “settled” by violence.

Beyond that, the drug traffickers have set their eyes on the valley to make it a major drug production center. Bestowed with plentiful water and highly fertile land, the area is already a major producer of hashish and opium. It now produces an estimated 25% more hashish than the rest of the world combined. Within Central Asia, over 4.5 million hectares of hemp is planted in Kazakhstan’s Chuy Valley—an amount capable of producing approximately 6,000 tons of hashish annually. It was estimated in 1997 that 2,000 hectares of opium poppy were planted in Kazakhstan, capable of producing

30 tons of opium annually. Although this is not a great amount, areas in Kazakhstan and Kyrgyzstan are considered ideal for widespread cultivation of opium poppy. When Kyrgyzstan was part of the Soviet Union, its Issyk-Kyl Valley supplied 95% of the raw opium for the Soviet pharmaceutical industry. Since then, sporadic anecdotal evidence has emerged suggesting that some heroin production laboratories exist in Kyrgyzstan and Tajikistan—allegations that both governments have officially dismissed.



The Axis of Three Devils: The British Empire, Saudi Arabia, and the narcoterrorists, have moved in on the Ferghana Valley, and aim to make it a major drug-production center, on the model of Afghanistan’s Helmand Province.



Preacher-Terrorists in White Robes...

Drug-trafficking has brought in illicit money, along with the terrorists backed by the British and the Saudis. The most visible and powerful jihadi group operating in the valley is the HuT. The U.S. State Department’s 2008 Country Reports on Terrorism suggest that the membership in Kyrgyzstan in HuT, a group that the State Department says advocates “the establishment of a borderless, theocratic Islamic state throughout the entire Muslim world,” grew from 5,000 in 2006 to 15,000 in 2008. The Institute of Ethnology and Anthropology of the Russian Academy of Sciences pointed out as far back as Dec. 31, 2001

that the HuT has, in effect, become the strongest political force in south Kyrgyzstan.

By acting within the constitutional framework that guarantees freedom of expression, the movement has scored points against the authorities, who are perceived to be corrupt. According to the local press, over a third of all young people in the southern Kyrgyz city of Karasu are under the influence of radical religious organizations. The institute said that, according to the information available to the local law enforcement agencies in 2001, over 2,000 members of HuT were being monitored by the police in Kyrgyzstan.

FIGURE 1

The Ferghana Valley in Central Asia



The State Department report on terrorism in 2009 pointed out that the group is gathering strength in Kyrgyzstan and Tajikistan, which is also home of an unknown number of HuT members, primarily in the northern part of the country, in the Ferghana Valley, as well as other Islamist groups including al-Qaeda. The report highlighted various U.S.-led counterterrorism initiatives that the government of Tajikistan participated in, but noted that impoverished circumstances in Tajikistan made it difficult to effectively combat terrorism.

A Nixon Center researcher, cited by Maj. Daniel J. Ruder, U.S. Army School of Advanced Military Studies, Fort Leavenworth, Kan., in his monograph "The Long War in Central Asia: Hizb ut-Tahrir's Caliphate" (2006), disclosed that the HuT's secret headquarters is thought to be in Jordan, while its key deputies operate a

London-based headquarters to oversee HuT operations in Muslim countries. In addition to providing funds and educational material from its London base office, the HuT manages one of its main websites in London, as well as a publishing house. It receives financial support from wealthy patrons in Saudi Arabia who subscribe to the group's Wahhabi message.

Britain is now HuT's de facto headquarters for fundraising and grooming recruits, and supports HuT activities throughout the world. The main spokesman for HuT is Dr. Imran Waheed, who led a rally of 8,000 Muslims in London in December 2005, and has been recorded saying, "There can be no possibility of harmonious co-existence between Islam and the West. Ultimately one has to prevail." Waheed, educated at Birmingham University School of Medicine as a

psychiatrist, is now working for the National Health Service (NHS) at the Queen Elizabeth Psychiatric Hospital in Birmingham, with a special interest in medical training.

Born and bred in Britain, Waheed, during his rally, said, "Fighting in the way of Allah is the only solution to the Arab-Israeli conflict. There is only one solution to the occupation of Muslim lands, one solution to the cries of the widows and the orphans, one solution to avenge the deaths of the elderly and the children. Fight, in the way of Allah, those who fight you! Al-Jihad!"

Hizb ut-Tahrir's strategy for Central Asia is to use the region's extreme poverty, repressive political systems, and perceived social injustices to convince the population that the current political structure must be destroyed, to be followed by a just and fair caliphate, based on Islamic law (Sharia). If successful, the HuT strategy would allow them to eventually overthrow one of the secular Central Asian governments, that of Uzbekistan.

Radio Free Europe reports that "Leaflets from Hizb ut-Tahrir, now found virtually everywhere in Central Asia, call for the overthrow of the Uzbek government, regularly insult President Karimov, and call for the creation of an Islamic caliphate" in Uzbekistan. Experts assert that one reason the HuT is focused on Uzbekistan, is because Uzbeks fill the rank-and-file of the organization. Therefore, as the logic goes, the HuT would direct most of its efforts against Uzbekistan rather than against a country they are less affiliated with. Another reason suggested by those experts is that Uzbekistan has the most formidable military and best-trained police in the region, and poses the greatest obstacle to the HuT achieving their goals. In other words, Uzbekistan is the lead domino in the line of Central Asian states. If it can be knocked down, then others will go. To achieve that end, the Ferghana Valley is the key.

The protracted war in Afghanistan and subsequent responses by the Taliban have further activated the fighters of the Islamic Movement of Uzbekistan. In the coming days, the IMU could launch large-scale incursions in the Ferghana Valley to establish fuel, arms, and ammunition transport routes. HuT may change its non-violent approach and attempt to mobilize supporters for the armed struggle. Unidentified terrorist groups may seek to assassinate the leaders of the three countries, especially if outside troops are allowed to enter their territory.

In Uzbekistan, the epicenter of both the incursions and social unrest is the region around Namangan in the Ferghana Valley. The unrest spawned here over the years may spread later to all three of the country's provinces located in the Ferghana Valley. The authorities may be left with no choice but to wage a war not only against the rebels, but against all believed to be supporting the protests and the actions of the IMU and the HuT. As a result, the general population residing in the areas of the incursions and protests will suffer, and parts of the population could be displaced to the country's interior.

...and Their Gunmen

The gunmen, promoting HuT's goal, are the terrorist members of the Islamic Movement of Uzbekistan. Founded in the 1990s in Kabul by two Ferghana Valley terrorists, Namangani and Yuldeshev, the IMU works hand-in-glove with the HuT and al-Qaeda. Facing a crackdown in Uzbekistan and Tajikistan, Yuldashev met with Osama bin Laden, before deciding to move his operations from the Valley to Afghanistan in 1997. The organization is also believed to have received funding from Saudi sources, including some close to Prince Turki al-Faisal, the then-head of Saudi intelligence.

The Ferghana Valley has been the main area for IMU operations. According to security personnel in Uzbekistan, IMU recruits directly from the HuT. Evgenii Novikov pointed out, in his article for the Jamestown Foundation's *Terrorism Monitor* (Vol. 2, No. 22, May 9, 2005), quoting Dr. Rafik Saifulin, that, in the case of Tajikistan, "HuT military structures can develop quickly since the HuT branch in that country has had some contact with the violent Islamic Movement of Uzbekistan (IMU). It is in Kyrgyzstan that HuT has the greatest potential to develop armed capabilities not least because the party is developing a sophisticated infrastructure in that country."

Another important collaborator in making Ferghana Valley the drug center of Central Asia, is Britain's George Soros, the multi-billionaire currency speculator. Soros, identified in the mainstream media as a philanthropist, spends his ill-gotten money to fund campaigns for euthanasia and to legalize drugs. *EIR* has documented Soros's extensive financial support for nonprofit organizations working for the legalization of drugs, in many articles over the past 15 years.

According to Soros, "The war on drugs is doing

more harm to our society than drug abuse itself,” and since “substance abuse is endemic in most societies ... the war on drugs cannot be won.” (*Washington Post*, Dec. 4, 1996 and Feb. 2, 1997). This is the campaign he carries out using the Open Society Foundation (OSF), Open Society Institute (OSI), Soros Foundation, and the Human Rights Watch, based in New York.

The OSF is extremely active in the Ferghana Valley, although it lost its operational base in Uzbekistan in 2004, when President Karimov kicked out the Open Society Institute. That Karimov was right, was proven within a year when, backed by the National Endowment for Democracy (NED), Freedom House, and with the HuT fighting for them on the front line, Soros successfully carried out the “Tulip Revolution” in Kyrgyzstan. The Tulip Revolution saw the ouster of President Askar Akayev and the ushering-in of President Kurmanbek Bakiyev, who was already involved with the drug mafia in southern Kyrgyzstan, where his family members, using Bishkek’s authority, later took control of the drug operations.

The Case of Maksim Bakiyev

This brings us to the role of Kurmanbek Bakiyev’s son, Maksim Bakiyev, a handmaiden of the British-Saudi-drug mafia devils. The case of Bakiyev, who was taken in by British authorities upon his arrival in Farnborough, England, on June 14, is a case in point. A duty officer for the Hampshire police force, which covers Farnborough, said the case was being dealt with by the U.K. Border Agency, which is part of the Home Office. Keneshbek Duyichebayev, chief of Kyrgyzstan’s National Security Council, said Bakiyev was seeking asylum in Britain and had flown there in a private aircraft from Latvia.

In London, a spokesman for the British Home Office declined to comment, saying: For data-protection reasons we cannot comment. The mouthpiece of the British establishment, *The Times* of London, reported on June 16, that Bakiyev had already asked for political asylum in Britain. According to the *Times*, Bakiyev, who was arrested June 13 at the request of Interpol, had with him the necessary asylum documents.

At a press conference in Bishkek on June 16, Azimbek Beknazarov, deputy chairman of the Provisional Government of Kyrgyzstan, and coordinator of the Public Ministry and the courts, stated that Bakiyev



Maksim Bakiyev, the son of former Uzbek President Kurmanbek Bakiyev, a handmaiden of the British-Saudi-drug mafia devils, is believed to be living in London, under the protection of the British intelligence services.

would be either extradited or judged in Britain, most likely the latter. England never gives back people who arrive on its territory, Beknazarov pointed out.

Why does Britain want to protect Bakiyev? Bakiyev is being investigated by the interim Kyrgyz government for possible corrupt business practices related to fuel supply contracts he handled for the U.S. airbase there, a key site for military operations in Afghanistan. But most likely that is not why Britain wants to protect him.

Until he got himself a private plane and asylum documents, Bakiyev was believed to be hiding in Latvia, where his alleged business partner and banker Valery Belokon is based. Belokon’s representatives have previously referred to the 33-year-old son of the former Kyrgyz President as a part owner of the Blackpool Football Club. However, Blackpool’s chairman, Karl Oyston, denied that Bakiyev had ever had a stake in the club. I have never met him, and he has no financial interest in the club whatsoever that I know of, said Oyston.

But Oyston’s denial could be a mere ruse. Belokon had a number of business interests in Kyrgyzstan during the reign of Maksim’s father, and is also president of the Blackpool Football Club. He took over the club in 2006, and, according to the club website, has invested a substantial amount of money to buy players, which paid off when the club was promoted to the Premier League in

May. With Belokon, Bakiyev co-owns Maval Aktivi Ltd.

Additionally, Bakiyev is the sole owner of Who Is Who, a company formerly owned by Belokon, and is also deputy chairman of the board of Kimmels Riga, a joint stock company. Maval Aktivi was registered in Latvia and engaged in implementing large business projects in the Baltics, Bulgaria, Russia, Kazakhstan, Tajikistan, and other countries. Belokon owns the Manas bank in Kyrgyzstan, but also has a part of Amanbank and is a major stakeholder in the financial empire of Maksim's Asia Universal Bank.

Maksim's business interests also cover the media. He controls the 5th channel, NTS, TRK Pyramid, as well as a cellphone company. Moreover, he reportedly controls virtually all profitable enterprises in Kyrgyzstan: a shell structure owns controlling stakes in Kant Cement and Slate Plant, a plant for the production of silicon crystal, a number of resorts on Lake Issyk-Kul, Champagne Wine Works, and JSC Kyrgyz Railways. Many of these enterprises were captured by raider attacks, when the idle law enforcement offices of the companies were taken over by stormtroopers directed by Maksim. Later, he validated his ownership of the businesses through the courts.

Moreover, on the issue of ownership of the Blackpool Football Club, a report aired on Kyrgyz state television, in October 2009, suggested that Bakiyev was indeed one of the owners of the club, and, in an e-mail communication with the London *Independent*, last November, a public relations professional acting on behalf of Bakiyev referred to him as "one of the owners of Blackpool Football Club in England." It is also said that, like most British football clubs, which pay high sums to their players and raise only a fraction of their revenue from the gate earnings, Blackpool Football Club also depends heavily on "unaccounted for" revenues, which often translate into drug money.

Two examples are the ownership of Chelsea Football Club by the Russian mafioso Roman Abramovich, and fellow mafioso Boris Berezovsky's control over the West Ham Football Club. In addition, Berezovsky's dirty money shows up in Brazilian football as well. At the time (2004-07), Berezovsky was in the middle of the largest corruption scandal in the history of Brazilian football, which involves the Media Sport Investment (MSI) and the Sport Club Corinthians Paulista.

In addition, there is a British interest in all this. It

has been reported that MI6 and the CIA took control in Latvia where, due to the post-Soviet chaos, they put their men in high places within the state. In Latvia, the disillusioned population speaks of the gang of foreigners, described by journalist Rumania Ougartchinska in her last work, *KGB et Cie, Assaut de l'Europe (KGB and Co., Assault on Europe, 2005)*.

An example of that is the Office for the Protection of the Constitution (SAB). The office in charge of defending democracy is headed by Janis Kazocinu, who is actually a general in the British military. Kazocinu was appointed military attaché in Riga during the independence, and then deputy to the chief of staff. He acquired Latvian citizenship only when he was granted the appointment as deputy to the chief of staff.

The President of the Republic of Latvia, Prof. Vaira Vike-Freiberga, plays an essential role in this mechanism. The family of this Canadian, which fled Latvia when the Third Reich of Adolf Hitler fell, was linked to the Nazi agents of NATO's stay-behind networks, through a clandestine association with the Diaspora: the Hawks of Daugava River. Meanwhile, the family of her husband, Imants Freibergs, was linked to the MI6 in Germany at the end of World War II.

On June 23, the London *Times* reported that the ruling Conservative Party has included Latvia's For Fatherland and Freedom Party (LNNK) as one of the 55 members of the European Parliament. LNNK members, the *Times* noted, pay regular homage to Hitler's Waffen SS.

This alliance of the drug mafia, Bakiyev, and the British would not have posed a mortal threat if Kyrgyzstan had built up its institutions. Like all the Central Asian nations, Kyrgyzstan, following its independence, was administered by the apparatchiks of the old Bolshevik regime. These apparatchiks were periodically removed by other apparatchiks through violence because the ruling leader, and his family, continued to loot and pillage the country. One characteristic of these leaders is that they refuse to set up the kind of institutions that would allow normal, democratic functioning of the government in power.

But today this can only happen in the context of a global solution. The current planetary crisis demands an alliance of the world's leading powers—the U.S.A., Russia, China, and India—as the core of a new world system committed to the economic development for all nations, including Central Asia.

Why Do the British Want War in Sudan?

The British imperial policy is world depopulation. War in Sudan will ultimately kill millions in the region.

The so-called International Criminal Court (ICC), founded and run by the Anglo-Dutch imperial financial cartel, has escalated its efforts to wreck ongoing attempts to resolve the North-South conflict in Sudan. On July 12, the ICC issued an arrest warrant for Sudan President Omar al-Bashir for allegedly planning and implementing genocide against three tribal groups in the Darfur region of western Sudan, during an anti-government rebellion there. Previously, in March 2009, the Court had issued a warrant against Bashir for war crimes and crimes against humanity in Darfur.

The British made their destabilizing move, via the ICC, just as tensions have begun to mount over the referendum in the South Sudan, scheduled for Jan. 9, 2011. That referendum was part of the Comprehensive Peace Agreement (CPA), which ended the second phase of the protracted civil war between North and South. It will allow the South to decide whether to remain part of a unified Sudan, or to secede and form an independent country.

British policy during the period that Sudan was one of its colonies, laid the basis for the subsequent North-South wars. The British were determined to prevent unity in the Nile region, so that no strong opposition to its control would emerge.

Now, the British financial cartel thinks it has an opportunity to instigate war again. The goal of the British in Sudan is to prevent the resolution of the conflict. War would lead to

mass death, and spread the conflict into the surrounding region, killing huge numbers of people, numbers that could dwarf the number of victims killed in the civil war in Darfur.

The British chose this critical time to add the genocide charges, which had initially been rejected even by the ICC “judges.” The new ICC charges weaken Bashir and the army, and the British hope to sucker other forces in Sudan to instigate war by the militias instead. The ICC charges also sabotage the efforts of U.S. Special Envoy Gen. Scott Gration (USAF, ret.), who does not have the full backing of the Obama Pentagon and State Department.

Unfortunately, the United States is unable to counter the British drive to create conditions for regionwide war, because it refuses to change its policy, and to instead fully engage officially with the Khartoum government on all levels, as Sudan had been promised. Sudan is one of the two parties to the CPA, which, ironically, came about because of U.S. support. By engaging only with the South, the U.S.A. may end up contributing to British efforts to instigate a new war in Sudan and the region.

Despite the lack of U.S. recognition of Khartoum, Gration has been holding talks since his appointment in 2009, with the parties in Sudan, the nine neighboring countries, and the African Union, as well as countries of the UN Security Council and the EU, to prevent the referendum process from ending in violence.

In a speech July 13 in Washing-

ton, Gration made clear that he was not going to let the ICC warrants get in his way. He said that the real decisions will be made by the North and South, in coordination with him, and that he would continue to talk to the Bashir government, as well as the South, to ensure the implementation of the CPA agreement.

He said the critical feature of the talks is the oil deposits in South Sudan, and the infrastructure for their exploitation and marketing, which is in the North. He is advocating that North and South agree on an oil allocation, to avoid violence, even in the event of the worst-case scenario whereby the South votes to secede, which many consider likely. If this kind of agreement can be made, then, even in the event of secession, the two states can benefit from the oil exploitation. Without such an agreement, there will be violence, says Gration, and the oil will remain in the ground.

Gration noted that the other major issue that has to be resolved, is that of border demarcation in areas where there is oil. He also said the recent election was a tremendous accomplishment, and it has to be studied, so that whatever problems there were, can be avoided in the referendum.

British-inspired anti-Sudan organizations in the U.S.A., exemplified by John Prendergast’s Enough project, among others, are now predicting that “war is around the corner.” They have been very critical of Gration for not lining up with their anti-Sudan government histrionics, and for failing to punish Sudan.

Anti-Sudan groups also recently called on the Obama Administration to remove Gration, and turn the Sudan issue over to the State Department. However, the State Department released a statement on the day that the ICC warrant was issued, saying that President Bashir should turn himself in to the ICC.

Book Review

The ‘Unspeakable Truth’ Behind International and National Terrorism

by Claudio Celani

Intrigo Internazionale

by Giovanni Fasanella and
Rosario Priore
Milan: Chiarelettere, 2010
196 pages, paperback, EU14

Rosario Priore, one of Italy’s leading state prosecutors, has dealt with major terrorism cases since the early 1970s: from neofascist bombings to leftwing terrorism; from the kidnapping and assassination of Italy’s former Prime Minister Aldo Moro (1978) to the attempted assassination of John Paul II (1981), to his last major investigation, the blowup of the Itavia civilian airliner over Ustica, Sicily, in 1980.

Giovanni Fasanella is an investigative journalist who has written several books on terrorism, including *Segreto di Stato* (State Secret) and *La Guerra Civile* (The Civil War) with Giovanni Pellegrino, who has chaired a Parliament Investigating Committee on terrorism; and the groundbreaking *Il Misterioso Intermediario* (The Mysterious Intermediary) on the Moro case.

Now, the two have written a book, *Intrigo Internazionale* (International Intrigue), in the form of a dialogue between the authors. The book, in Priore’s words, is an effort to establish the “unspeakable truths” concerning the history of postwar terrorism in Italy. The numerous judicial investigations and trials, have often succeeded in identifying and sentencing the material executors of terrorist actions, but there are higher truths than “judiciary truth,” Priore says. There is a “political truth” and a higher one, the “historical truth.” Often, such higher



truths have not been told, because their publication would have had uncalculable consequences at the international level. Hence, the “unspeakable truths.”

Traditionally, terrorism “experts” in Italy are divided among those who exclude an international input, and reduce all terrorist events to a domestic conflict, and those who recognize the international factor, but consider the United States to be the origin of all terrorist violence. This book aims at showing that both factions are wrong. “There is a national context that, in a certain sense, determines the growth of rightwing and leftwing

subversive organizations, and their operations. But there is also an international context; rather, there are several contexts on the international level, which affect our domestic events, or exploit them dutifully.” However, the two contexts, the national and the international one, are not equal: “The precedence must be given to interpretations of international nature, because international events have a bigger influence on our history.”

On the international level, the Cold War/East-West conflict, between the United States and the Soviet Union, was, doubtless, the “planetary game, the one involving the whole globe. However, I never cease to repeat that there are other strategically important areas, where we are placed. And I would put the Mediterranean in the first place,” Priore says. The main players in this theater, at least until the fall of the Berlin Wall, were “above all, Italy, which has always wanted to play its game, however, forgetting that this sea was no longer ‘ours,’ but had become a British sea over the centuries,

a sea dominated by the Mediterranean Fleet, one of the many fleets of the 'Lady of the Oceans.' Great Britain controlled access to the Mediterranean (the Gibraltar Strait and the Suez Canal), the main pillars of internal routes (Malta and Cyprus), North African and Middle East coasts. Therefore, it could not only prevent East-West moves, but also North-South moves."

The "happy paradox" is that Italy, defeated by Britain in the Second World War, "succeeded in strongly downsizing the British presence in the postwar period." The two main players were Enrico Mattei (founder of the state energy company, ENI, and a leader of the Christian Democratic party), who "implemented a policy of power and expansion in the whole area," through his anti-colonial oil policy, and Aldo Moro, Mattei's successor "in terms of political achievements." Mattei's and Moro's initiatives "conflicted with all those who had strong and consolidated interests in the Mediterranean." This means Britain, but also France, a junior partner of Britain in the Entente Cordiale.

According to Priore, Mattei's and Moro's policy was to achieve "influence in North Africa; control over large Mediterranean islands, such as Malta and Cyprus, and, if possible, access points, such as Gibraltar and the Suez Canal. "De facto, the aim was to replace France and Great Britain." However, this would not be possible without consent from the United States.

The United States supported such a policy, Priore says. The key episode is the 1956 crisis,¹ when the U.S. prevented a Franco-British war against Egypt, whose leader Gamal Abdul Nasser had nationalized the Suez canal. "The British strengthening in the Mediterranean would have meant a de facto return to the prewar state; that phase of history in which British domination was undisputed.... The Americans feared that the British could reestablish the monopoly of strength which would add to, thanks to the entente with France, control over oil sources. This is what they most feared, because the whole oil region, from Iraq to Algeria going through Egypt and Libya, at the end of the war was under Anglo-French control. For this reason, the United States wanted Italy to grow. First, because it could play a con-

tainment role on the Eastern Front.... And then, naturally, to play a containment role of the Entente Cordiale as well, which was still very solid."

The U.S. interest in a strong Italy meant also that Washington always defended Italy's territorial integrity. When, in 1945, the French occupied the Aosta region, "the U.S. sent their tanks to roll them back." The U.S. also rejected French aims over the Elba island. And between 1945 and 1954, when Yugoslavia's Tito had territorial claims on the northeastern Italian regions of Friuli and Venezia Giulia, the Americans opposed that—whereas the British sided with Tito. The U.S.A. also supported Italy against Austria on the latter's claims over South Tyrol.

"The United States has always ensured that Italy was not weakened, did not lose portions of its territory, had oil supplies, and was respected." In this context, we must place the so-called "strategy of tension" of terrorist bombings from 1969 to 1974, Priore says.

The Libyan Issue

The conflict with Britain developed around Libya. Both the United States and Russia wanted part of Libya, an oil-rich country, and former Italian colony, to remain under Italian protection after the war. But Britain insisted on taking over the country and won. However, King Idris, the British puppet, was overthrown in 1969, in a coup d'état carried out by young colonels led by Moammar Qaddafi.

"The coup was organized in a hotel in Abano Terme," in Italy. "As soon as Qaddafi took power, we sent him shiploads of tanks for the military parade; entire divisions, even dismantling our border defenses." The first move by Qaddafi was to close British military bases. Qaddafi also expelled the Italians, but "despite that, Italy soon became Qaddafi's main economic partner. Whereas the British, by losing Libya, de facto were kicked out of the Mediterranean. Because, soon after, they were forced to leave Malta and Cyprus."

According to an hypothesis, Priore says, the British reacted to the coup by organizing the terrorist bombing in Piazza Fontana, Milan, which is considered the beginning of the "Strategy of Tension."² "First of all, the date, December 1969, was shortly more than three months after the Tripoli coup. Then, the connection be-

1. For an exhaustive treatment of U.S. support of Mattei's anti-British policy since 1956, see the author's "Mattei and Kennedy: The Alliance Killed by the British," at http://www.larouchepub.com/eiw/public/2009/2009_20-29/2009_20-29/2009-22/pdf/44-55_3622.pdf

2. See the author's "Strategy of Tension: The Case of Italy," at http://www.larouchepub.com/other/2004/3117/tension_italy.html



Authors Rosario Priore (above), one of Italy's top state prosecutors, and Giovanni Fasanella, an investigative journalist, write in their new book, that there is a higher truth than "judicial truth" or "political truth," and that is "historical truth." They examine the postwar history of Italy from that standpoint.



tween the Italian neofascists accused of organizing the bombing, and Prince Junio Valerio Borghese, indicated by rightwing historians themselves, as a man linked to British secret services since the last months of the Second World War. Furthermore, the fact that the expression 'strategy of tension' was created by the British press itself, in that very month of December 1969. That expression still weighs like a stone on our history, because it is still the interpretation key to not only Piazza Fontana, but of the whole *anni di piombo*³ period.

"Another element must be recalled: the explicit allegation, at that time, against the British by State President Giuseppe Saragat. A few days after the massacre, when British newspapers again spoke of the 'strategy of tension' to point at Italian-only responsibilities, Saragat reacted, turning the accusation back against the British, referring to the connections between the British services and the circles where the terrorist attack had matured."

However, the British did not withdraw from Libya. Shortly more than a year after the coup, they organized a secret military expedition, called "Operation Hilton."

But the operation failed, because the Italian services intercepted the mercenary ship in the port of Trieste and warned Qaddafi. The failure of the operation, with the loss of Cyprus and Malta later on, was the "graveyard" of British ambitions in the Mediterranean. England was left with only Gibraltar. "Italy, instead, acquired political prestige and military weight. Our fleet grew bigger than the British one and NATO recognized our merit, appointing Admiral Gino Birindelli as commander of Southern Mediterranean."

Even if defeated in the Mediterranean, the British "did not lose sight of the Italian situation," Fasanella remarks. "In fact, according to diplomatic records in British archives, recently declassified, the British government even planned a coup d'état [in Italy], to be pulled in 1976."⁴ Priore says he was not surprised by such revelations. "I have read the Foreign Office papers, and I am convinced that the project was not just a purely theoretical simulation, as some in Italy insisted." Britain wanted to prevent a government with the Italian Communist Party (PCI), which

would have increased the pro-Arab and pro-Libyan character of Italian foreign policy. The coup was blocked by German Chancellor Helmut Schmidt, who vetoed it.

Ustica

The last part of the book is dedicated to one of Priore's most important cases: the explosion of a civilian airliner over Ustica island, off the coast of Sicily, on June 27, 1980. All 81 passengers on board died. Priore led the investigations, which lasted many years, and concluded that the Itavia airliner had been hit in the course of a real air battle, involving at least two foreign "parties."

Ustica is "a case covered by international *Omertà*" (silence) Priore says, borrowing the terminology of the Mafia. That is, all those who know, do not speak. This involves institutions of "Allied" countries such as France and Britain, as well Italian institutions themselves. The *Omertà* has extended to criminal acts of suppression of evidence, and even of assassination of witnesses.

3. Literally "years of lead," meaning the bloody period of rightwing and leftwing terrorism in Italy, throughout the 1970s and mid-'80s.

4. See http://www.larouchepub.com/eiw/public/2008/2008_1-9/2008_1-9/2008-4/pdf/34-35_3504.pdf

Surprising to all victims of anti-American propaganda, Priore says that the United States was the only country which helped in the investigations. Thanks to U.S. military experts, traces of other planes could be found on radar records, and such planes could be identified as fighters. Most probably, the Itavia airliner was caught in the middle of a fight involving French fighters and Libyan jets. The Libyan planes were flying in the “shadow” of the Itavia plane, to avoid detection by radar. The French aircraft launched a missile aimed at the Libyans, which hit the Itavia airliner by mistake.

Why did the French do that? Again, Priore reconstructs the larger “Mediterranean” context.

That year, 1980, there were strong international tensions and real wars on the African continent, such as the civil war in Chad, between the pro-French faction led by Hissene Habre, and the pro-Libyan faction led by Presidente Gukuni Ueddei. Qaddafi had occupied the Aouzou land strip in the north, which was rich in uranium. The French government deployed huge forces in Chad, and the Libyans, in order to gain air supremacy, asked Italy to supply planes and train their pilots. Italy even agreed to having Italian trainers fly the planes. Officially, the Italian trainers were retired officers, but this was the gimmick used to avoid having Italy officially involved in the war.

But Qaddafi was not only active in Chad. Shortly after, he called on the inhabitants of Réunion Island, a French protectorate, to launch a liberation movement. And in January 1980, he tried to topple the Francophile Tunisian government, led by Habib Bourghiba. The attempt failed, but France broke diplomatic relations with Libya. Libya increased tensions also with Egypt, after the Camp David agreement, mobilizing troops at the border. Qaddafi “pursued a real policy of expansion, I would say an imperialist one,” Priore writes.

Qaddafi’s “activism,” however, isolated him in the Arab world, and made him vulnerable. Also, Qaddafi’s traditional protector, the Soviet Union, had just invaded Afghanistan, and was “distracted” on that front. And, in the United States, Jimmy Carter, who was not hostile to Qaddafi, was in trouble in an election year. Carter’s position became even more critical with the “Billygate” scandal, which involved his brother’s trafficking with Libya.

Thus, the decision was taken to kill Qaddafi and overthrow his regime. The night of June 27, 1980, Qaddafi was supposed to fly over Italy, to an Eastern



“Strategy of Tension”: According to Priore, one hypothesis is that the British reacted to Italy’s support for the September 1969 coup in Libya, led by Moammar Qaddafi, by organizing the terrorist bombing in the Piazza Fontana, Milan, in December. Shown: the Italian daily l’Unità headlines its coverage: “Horrendous attempt in Milan: 13 dead and 90 wounded,” adding that 3 bombs exploded in Rome at the same time, with 16 wounded.

Europe destination. The two Libyan fighters flying on the shadow of the Itavia airliner were coming from Yugoslavia, and were supposed to meet Qaddafi’s jet somewhere between Libya and Sicily, to escort him to his destination. The plan was to destroy the escort, and then Qaddafi’s plane. However, someone warned Qaddafi of the danger, and his plane turned back over Malta.

Two Italian F-104 Fighter planes were close enough to the crime scene that night to witness some of these events. The two Italian pilots sent an alarm signal to the base, but did not use the radio, in order not to be intercepted by the other “parties.” They flew back to the base and reported, in shock, of a “war episode.” Those

two pilots, Mario Naldini and Ivo Nutarelli, were members of the “Frecce Tricolori,” the elite acrobatic team of the Italian Air Force. Eight years later, Priore called them as witnesses, but could never interrogate them, because they died in the famous “accident” at the Ramstein air show. Other witnesses, about ten in total, died in mysterious circumstances, Priore says.

“The elimination of Qaddafi over Ustica would be just the first phase of a broader and much more complex project that included land operations in Libya. The fall of the regime in Tripoli would have as consequence a change in the whole North African and ‘Sub-Saharan’ balance of power and a new division of influences in this areas rich in mineral resources.”

The ‘Salus Rei Publicae’

In the final chapters of the book, Fasanella and Priore deal with concepts such as national interest and reasons of state, which deserve to be addressed here.

In his investigation on the Ustica case, Priore found a “total blackout” from the French authorities, “in all epochs and from all governments: Both Valéry Giscard d’Éstaing and François Mitterrand insisted on the policy of absolute protection of state secrets.”

But even Italian institutions, which should have collaborated in finding out the truth, sabotaged, destroyed evidence, and created false information. The reason is that, “had we succeeded in demonstrating the responsibility of those states at the judicial level, the Italian government could not close its eyes: It would find itself in the uneasy condition of declaring, at least at the political level, the responsibility of certain friendly countries. And, in some cases, [might even be required to give] an adequate answer at the level of international law. But our government would have had neither the power, nor the will to do that, also, because, we ourselves had moved with a certain ‘impudence,’ beyond our limits and our borders.”

Therefore, judicial truth was blocked by Italian institutions (intelligence services) in the name of “reasons of State,” or *realpolitik*. Those state institutions, however, in doing that, engaged in a war with another state institution, the judiciary. Such a war “has lasted much longer than the Thirty Years War,” says Priore ironically. Other countries do not have such a war; they seem able to reconcile reasons of state with judicial truth, Priore says. The reason for that is to be found in the fact that Italy is a young state, born in 1871, and

“has not yet reached the primary aims of a national community, such as the creation of a ruling class, homogeneous and prepared to deal with the realities of the contemporary world, the welding of economic interests, a durable foreign policy based on the geopolitical constants of our peninsula. In other words, we are still tremendously provincial.”

The mark of such an unfinished nation is the fragility of the concept of “*salus rei publicae*” (the general welfare) a “meta-juridical law which is based on a good, which is also its purpose and which is the *conditio sine qua non* [essential condition] for the existence and the use of all other goods.” In Italy, the concept of *salus rei publicae* is a “very relative concept, of ephemeral life, depending on regimes and political majorities, different from other democratic countries in the West. In the United States, for instance, the concept of ‘public welfare’ has lasted since the proclamation of independence. In France, Great Britain, and Spain, maybe for more centuries, since the birth of the respective national states, or of strong national confederations.”

Such a weakness of the Italian nation has led to a situation where Italy “has always had several ‘parties’ inside and within state institutions,” including intelligence services, “parties with national roots, but also strongly linked to foreign interests and supranational ‘networks.’ In other words, the saying ‘*Franza o Spagna, basta che se magna*’⁵ has its historic reason, and has been true for centuries.... Strong political personalities like Moro were able to control this phenomenon inside the intelligence [services]. Weaker government leaders, instead, lost control of the situation, and conflicts exploded again.”

The Principle of Westphalia

Priore and Fasanella’s cry for the “unfinished nation” that is Italy, is noble and motivated by patriotic ideals. However, a few specifications are necessary, to help steer the debate in the most productive direction.

Throughout the book, the international context that generated terrorist violence in Italy seems to be presented as the inevitable reality of international relationships, based on the concept of geopolitical interests and “balance of power” schemes. However, even if this is a

5. “France or Spain, what matters is that one eats.” A popular saying in pre-modern Italy, when the country was subject to foreign domination.



Enrico Mattei (left), a statesman and industrialist, and Prime Minister Aldo Moro, both leading figures in Italy's ruling Christian Democratic party, challenged the domination of the British-French "Entente Cordiale" in the Mediterranean. Mattei was killed in a suspicious plane crash in 1962; Moro was kidnapped and murdered by the Red Brigades terrorists in 1978.

definite dynamic in history, there is another historical dynamic which determines process, and this is the concept of international relations based on the Westphalian principle of "promoting the good of your neighbor." The effort to define a national interest and a mission—such as the effort that Italy should make in order to become a "finished" nation—has two different and opposite results, depending whether it is located in the former or in the latter context.

In the reconstruction of the strategic conflicts which provide the context for terrorism, Priore and Fasanella

perfectly describe the first system, defined by impulses of former colonial powers whose "national interest" has been perverted under an imperial projection of power. This system of international relations

pursues the creation of "spheres of influence," where relations are not among equals, but among a dominating power and dominated countries. That is the case with the Entente Cordiale policy in the Mediterranean, with which the Italy of Mattei and Moro came in conflict.

Was Italy, too, pursuing the same policy? Was Italy seeking its "sphere of influence" at the costs of its rivals Britain and France? Yes and no. To understand better, the largest power of all, the United States, must be

pulled into the picture.

Fasanella and Priore hint at the answer, when they describe the role of the United States throughout their tale, as one promoting Italy's development, security, territorial integrity, and even ensuring that Italy was "respected" on the international scene. And in the Ustica investigation, as the only country providing full assistance in the investigation. However, Priore says, at one point, the United States, in its postwar strategy, was moved by "interests" and not by philanthropy. That is too little.

America's interest in a strong Italy had for sure a geopolitical component: Italy was a front-line ally in the East-West conflict, and of course, the U.S.A wished to reduce the control of the Entente Cordiale over oil supplies. However, with the victory in World War II, under the Franklin Roosevelt doctrine, the United States had forcefully introduced into the system of international relationships, the element of the Westphalian principle, embedded in the American Constitution, and in the history of American foreign policy, starting with the original intent of the Monroe Doctrine. Roosevelt had made it clear to Churchill that the United States

would not tolerate the perpetuation of colonial power, and this was the idea behind the creation of the United Nations.

With the death of Roosevelt, there was an abrupt pro-British shift under Truman, and the American military involvement in Indochina and in the British-engineered East-West conflict sabotaged Roosevelt's design. Nevertheless, elements of FDR's impulse for a policy based on principles were kept, and re-emerged full-fledged in periods of crisis, such as the 1956 Suez war. President Eisenhower's attitude towards Mattei is evidence of this, as is the support given by the Kennedy Administration to Mattei's "neo-Atlanticist" agenda.⁶ Italy's policy under the influence of Mattei and Moro was also strongly dictated by a policy based on principles, as defined by the Italian Constitution and the statutes of Mattei's and Moro's party, the Christian Democracy, developed under the leadership of future Pope Gianbattista Montini (Paul VI).

Thus, there were moves to break with the oligarchical tradition, proving that the Westphalian impulse is actually in the best interest of any nation which does not harbor colonialist impulses, i.e., if a nation wishes to pursue the true self-interest of its people, it will not follow a colonial policy; it will seek out cooperation for development, and alliances that allow for combatting those powers who wish to block development merely in order to maintain their imperial, financial power. This does not mean that old Italian colonialist impulses did not play a role, but that in general, they were not prevailing. This changed after the death of Aldo Moro.

Italy's True National Interest

What is the implication of this for the current situation? Today, Italy has an urgent need to define what its long-term national interest is, the more so as, this is indispensable to make the correct choices in the middle of the most serious world economic crisis in modern history. A definition of Italy's interest, however, must be consistent with an international system of law which is contrary to the current system of globalization. In other words, any attempt to define reasons of state and national interest in the current, Hobbesian international system of the fight of all nations against all nations, is doomed to fail. In the current system, the rule is that

your interest goes against the interest of another country. This is the road to fascism.

At the same time, the recognition and the pursuance of a national interest is impossible in the sub-system of globalization which Italy is part of: the European Union. By definition, and by un-natural law imposed through the Lisbon Treaty, the European Union has replaced the national interest of all member countries with a theoretical "European interest," which means imperial rule of financial interests against the interest of all member nations. The European Union today is the new form of rule of the financial power behind those colonial powers which, as Priore and Fasanella show, have prevented, including with the use of terrorism, Italy from pursuing its natural place in the Mediterranean region. Italy must become aware of this and draw the consequences, in terms of bold actions.

The imperial system of globalization with its sub-sectors must be replaced by a system of "community of interests" among perfectly sovereign nation-states. National independence must be re-established as the supreme good of a people, and international relationships must be ruled by treaties based on the principle of the Peace of Westphalia: that the good of my neighbor is also my good. This means that Italy must see in the development of all nations in the Mediterranean region, its own interest.

This corresponds to a very basic economic law: if my neighbors are rich, they can buy my products. Italy has no raw materials and no fossil energy sources, but does have a unique capacity for scientific discovery, engineering, and manufacturing since the time of Leonardo da Vinci. Due to its industrial potential, Italy can issue credit for its own development and for the development of its neighbors. There is no limit to this, except the availability of two production factors: manpower and equipment. But in order to do this, Italy must abandon the European Monetary Union, and regain sovereignty over its currency and credit.

Since this is impossible in a world that is going to Hell, Italy must campaign for LaRouche's "Four Power" strategy, i.e., that United States, Russia, China, and India reach a treaty agreement based on the principles of Westphalia. Only such a constellation of power can defeat the power of globalization and bring about a new system of financial, economic, and political relations in the world. In such a new system, Italy can find a leading place.

6. *Op. cit.*, "Mattei and Kennedy."

LaRouche Candidates Lead Drive for Return to FDR Policies

by The Editors

July 20—With a sense of urgency defined by LaRouche’s forecast of a new financial meltdown, if Obama is not removed by some time in September, the national campaigns of Congressional candidates Kesha Rogers, Rachel Brown, and Summer Shields have taken off the gloves, exposing their opponents as fronting for Obama and his fascist policies. The three LaRouche Democrats are hitting the streets, and going door-to-door, with the message that the implementation of FDR’s Glass-Steagall banking principle, and the removal of Obama, are the indispensable tasks to be accomplished this Summer, if the nation is to survive.

In each of the campaign areas—San Francisco, Houston, and Boston—the population’s response reflects a growing disillusionment with the President, whose policies on the economy, NASA, and the war in Afghanistan represent a full-scale assault on the welfare of the people. Even those who have previously gone into paroxysms of hysteria over LaRouche PAC’s famous Obama-stache poster, often now have to admit that the President’s policies are fascist—even though they still don’t like the truth to be told.

Challenge To Join Impeachment Drive

On July 8, Kesha Rogers, the Democratic candidate for the Texas 22nd C.D., issued an open letter to her GOP opponent, Pete Olson, demanding that he join her in calling for the impeachment of Obama. The district is home to NASA’s Johnson Space Center, which is scheduled for major cutbacks, in light of Obama’s declared intention to de-fund manned space flight. Olson, while

on record against the NASA cuts, has been sticking to business-as-usual, as the President goes ahead with illegal cuts in contracts and jobs.

“Unless you’re willing to force Obama out of office, and reinstate Glass-Steagall, you’re just not serious about saving NASA’s manned space program,” Rogers declared.

“My campaign has been built on the necessity of impeaching Obama in order to save NASA, but as recently as two days ago, you reiterated your defense of Obama, saying there’s no cause to impeach him.

“Representative Olson, under Obama’s policies, we are now losing the technical capabilities to make scientific advancements; we are now laying off the most highly skilled engineers, manufacturers, and scientists in the country. . . . The unemployment of these workers will transform whole communities into ghost towns. . . .

“Why are you still trying to negotiate with a Nero personality, whose stated intentions, and now actions, are to illegally shut down the greatest of American scientific achievements, and bankrupt our nation? The American people recognize that Obama is actively de-



LPAC-TV

Kesha Rogers

stroying their future, and that is why there is massive grassroots support, in my campaign for his impeachment. The American people recognize Obama's blank check to Wall Street and the City of London, while simultaneously forcing austerity on the people, is literally killing them, and that is why there is widespread, bipartisan support, in my campaign to reinstate FDR's 1933 Glass-Steagall Act. The American people recognize that any serious economic recovery on Earth requires going to the Moon and Mars.

"Therefore, I am calling on you to join with me, in demanding Obama's immediate resignation or impeachment, as the first step to solving the economic crisis..."

This Frank Ain't Kosher

LaRouche Democrat Rachel Brown, running in the Sept. 14 Massachusetts Democratic primary for Congress against Rep. "Bailout Barney" Frank, has already landed a devastating blow against her opponent, by exposing his outright lies about his stance on Glass-Steagall. Frank, who claimed in a debate with Brown, that he voted against the repeal, was caught on the Congressional record lavishly praising the revocation of the FDR-era protection.

Brown followed up July 9 with a direct appeal to Barney, telling him that if he is anywhere near as smart as he thinks he is, he will join her in demanding just such action. Brown's statement, entitled "The Summer of Our Discontent: Bring Back Glass-Steagall!" read, in part:

"As millions in the United States are left without unemployment benefits, U.S. states and municipalities are making drastic budget cuts, laying off thousands of necessary workers. ...

"The Obama Administration, with full support from Bailout Barney Frank, is not only refusing this policy, they are consciously misleading the population, asserting Glass-Steagall to be unnecessary, while they, instead, flood the system with Monopoly money. The trillions of dollars being given by the government to bailout worthless London-Wall Street derivative obligations, is now being placed on the back of the citi-



EIRNS/Chris Jatzat

Rachel Brown

zens. This must stop. The reinstatement of Glass-Steagall would allow us to wipe these derivatives obligations off the books, and free banks to lend money for useful purposes, especially under an international fixed-exchange rate system, is to protect the long-term value of the investments....

"This is why we fought the American Revolution. It is the right of a sovereign nation to put the interests of its citizens over the interests of a monetary-financial empire.

"Bailout Barney, if you think you're so smart, you'll listen to me on this."

Pelosi Supports Peterson's Fascism

On July 8, LaRouche Democrat Summer

Shields, an official write-in candidate against Majority Leader Nancy Pelosi, blasted the California Democrat for promoting the fascist policy of billionaire austerity-monger Pete Peterson. That policy is currently being pushed by Obama's National Commission on Fiscal Responsibility and Reform (see p. 17), which has been mandated by the President to come up with massive cuts in entitlements for the poor, aged, and sick, in order to "cut the deficit."

Shields said: "The Obama Administration, after tearing down the U.S. economy, is now demanding a pound of flesh from you. Last week, Nancy Pelosi, acting as a henchman for Wall Street and London, bullied the Democratic members of Congress to vote for a budget that included a provision forcing the U.S. Congress to give an up or down vote to policy 'suggestions' made by the fascist Peterson Commission. Some are saying that this kind of strong-arm tactic has earned her the title 'Tom DeLay in a dress;' the reality is that she deserves a Hitler mustache just like Obama.

"Among the other policy recommendations coming from this commission, is the decision to cut Social Security and reduce deficit expenditures to 21% of GDP. Voting these policies into law would mean bone-crushing austerity and death for U.S. citizens as the world economy careens into the abyss..."



EIRNS/Chris Jatzat

Summer Shields

Welcome to Her Majesty's New Dark Age

When Britain's Prime Minister David Cameron arrived in the United States July 20, he came bringing a gift which British puppet Barack Obama will be inclined to accept, but which has the clear intention of destroying our nation, as it will any other that tries it. It's called the "Big Society" policy, and it amounts to communitarian fascism.

"The Big Society is about liberation—the biggest, most dramatic redistribution of power from elites in Whitehall to the man in the street," Cameron bloviated in rolling out the plan July 19 in Liverpool. By that, he meant that the government will *stop* funding vital services, such as post offices, schools, fire departments, and the like, and turn them over to "communes" which will fend for themselves.

Unionists were quick to point out the obvious: Cameron and his finance man, George Osborne, have already decided on massive service cuts. But there is a deeper, more insidious intent behind this plan, whose avowed author is one Phillip Blond. Blond laid out his thinking in a September 2008 article titled "Medieval Thinking," in which he wrote: "Updating and recovering this earlier medieval model for the modern age is of course the task."

What Blond seeks is a return to the bliss of the Dark Ages, before it was destroyed (in his view) by "secular monarchs." He elaborates his vision:

We will all become property owners, as joint owners of community investment trusts, which will create local cooperatives and "indeed guilds, around which people can invest." Britain should hand its local post offices over to these local trusts. And so forth.

All this medieval mummery has been seen before, in the 20th Century. It is part of the ideol-

ogy of, especially, Mussolini's fascist movement. However, its models are not Mussolini, but British "Catholic" fascists such as G.K. Chesterton and Hilaire Belloc, both of whom were Mussolini supporters and fervent anti-Semites.

How much Cameron understands of the ideological virus he is carrying is not known. But, witting or not, he is playing the standard British role of providing an example to be imitated by its "partner," the United States. Just as Tony Blair, a close friend of Obama, provided the model of Nazi health care which the President adopted, and pushed through the servile Congress, so the "progressive conservative" Cameron is here to sell communitarian fascism to the President.

It is telling, as well, that Cameron also has planned a meeting with Britain-lover (and would-be modern Mussolini) Michael Bloomberg, to discuss their common concerns.

Alas for Cameron, his visit will likely be disrupted by the rage of the American people, and even some Congressmen, about the devastation caused by BP in the Gulf. But, he will obviously try to stay "on message" for his Queen.

The question is, what will the American people do? As we in the LaRouche movement have insisted repeatedly, this nation only has one real enemy—the British Empire. That Empire has been determined to destroy us, ever since we won our independence, and subsequently became a powerful model for prosperous republicanism worldwide. And, with the accession of this President, they have come close to succeeding.

We have very little time to do what is necessary: Cripple the British Empire by dumping Obama, and implementing Glass-Steagall, this Summer!

See LaRouche on Cable TV

INTERNET

- BCAT.TV/BCAT Click BCAT-2 4th Fri: 10 am (Eastern Time)
- LAROUCHEPUB.COM Click *LaRouche's Writings*. (Avail. 24/7)
- LA36.ORG Click on The LaRouche Connection. Select desired show.
- MNN.ORG Click *Watch Ch.57* Fri: 2:30 a.m. (Eastern Time)
- QUOTE-UNQUOTE.COM Click on Ch.27. Tue. 6 pm (Mtn.)
- SCAN-TV.ORG Click *Scan on the Web (Pacific Time)*. Ch.23: Wed. 7 am Ch.77: Mon. 11 am
- WUWF.ORG Click *Watch WUWF-TV*. Last Mon 4:30-5 pm (Eastern)

INTERNATIONAL

THE PHILIPPINES

- MANILA Ch.3: Tue 9:30 pm

ALABAMA

- UNIONTOWN GY Ch.2: Wed, Thu, Fri: 6 am

ALASKA

- ANCHORAGE GCI Ch.12: Thu 10 pm

CALIFORNIA

- CONTRA COSTA CC Ch.26: 2nd Tue 7 pm
- COSTA MESA TW Ch.35: Thu 5:30 pm
- LANCASTER/PALMDALE TW Ch.36: Sun 1 pm
- ORANGE COUNTY TW Ch.95/97/98: Mon 3 pm
- SAN FRANCISCO CC Ch.29: 2nd & 4th Sat 9 pm

COLORADO

- DENVER CC Ch.56 Sun 10 am

CONNECTICUT

- GROTON CC Ch.12: Mon 5 pm
- NEW HAVEN CC Ch.27: Mon & Wed: 6 am; Sat: 6 pm
- NEWTOWN CH Ch.21: Mon 12:30 pm; Tue: 6 pm
- NORWICH CC Ch.14: Tue 8 pm
- SEYMOUR CC Ch.10: Tue 10 pm

DISTRICT OF COLUMBIA

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

FLORIDA

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

ILLINOIS

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

IOWA

- QUAD CITIES MC Ch.19: Thu 11 pm

KENTUCKY

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

LOUISIANA

- ORLEANS PARISH CX Ch.78: Sun 11 pm; Mon 5 pm; Tue 4 pm; Thu 12:30 pm; Fri 12:30 am

MAINE

- PORTLAND TW Ch.2: Tue 10 pm; Thu 1 am; Sat Noon

MARYLAND

- ANNE ARUNDEL CC Ch.99; FIOS Ch.42: Tue & Thu: 10 am; Fri & Sat: midnight
- P.G. COUNTY CC Ch.76 & FIOS Ch.42: Mon 10:30 pm, Thu 11:30 am

MASSACHUSETTS

- CAMBRIDGE CC Ch.10: Tue 2:30 pm; Fri 10:30 am
- FRANKLIN COUNTY (NE) CC Ch.17: Sun 8 pm; Wed 9 pm; Sat 4 pm
- GREAT FALLS CC Ch.17: Irregular
- QUINCY CC Ch.8: Pop-ins.
- WALPOLE CC Ch.8: Tue 1 pm

MICHIGAN

- BYRON CENTER CC Ch.25: Mon 1 & 6 pm
- KENT COUNTY CC Ch.25: Mon 6:30 am
- KENT COUNTY (South) CC Ch.25: Wed 9:30 am
- LAKE ORION CC Ch.10: Irregular
- LANSING CC Ch.16: Fri Noon
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 7 am
- SHELBY TWP CC Ch.20, WOW Ch.18, UV Ch.99: Mon 11 pm
- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

MINNESOTA

- ALBANY AMTC Ch.13: Tue & Thu: 7:30 pm
- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Tue 9 pm
- DULUTH CH Ch.16: Irregular. Ch.29: Wed Midnight; Fri 1 pm
- MARSHALL Knology Ch.67: & CH Ch.35/8: Sat. 8:30 am
- MINNEAPOLIS CC Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 11 am & 6 pm
- NEW ULM CC Ch.14 & NUT Ch.3: Sun 6 am, Tue 9 pm
- PROCTOR MC Ch.7: Tue after 5 pm.
- ST. CLOUD CH Ch.12: Mon 5 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. PAUL CC Ch.15: Wed 9:30 pm
- ST.PUAL (N.Burbs) CC Ch.21: Mon 7 pm, Tue 3 am & 11 am.

- ST. PAUL (S&W Burbs) CC Ch.15: Mon, Wed, Fri 9 am
- SAULK CENTRE SCTV Ch.19: Sat 5 pm
- WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

NEVADA

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

NEW HAMPSHIRE

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

NEW JERSEY

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- MERCER COUNTY CC Trenton Ch.26: Irregular
- WINDSORS Ch.27: Irregular
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY FIOS TV Ch.40, CV Ch.15: Thu 11:30 pm
- UNION CC Ch.26: Irregular

NEW MEXICO

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

NEW YORK

- ALBANY TW Ch.18: Wed 5 pm.
- BETHLEHEM TW Ch.18: Tue 6 am
- BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN 4th Friday: CV Ch.67: 10-10:30 am TW Ch.34: 10-10:30 am RCN Ch.82:10-10:30 am FIOS Ch.42:10-10:30 am
- BUFFALO TW Ch.20: Wed & Fri 10:30-11pm
- CHEMUNG/STEBEN TW Ch.1/99: Tue 7:30 pm
- ERIE COUNTY TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT TW Ch.15: Sun 10 am
- JEFFERSON/LEWIS COUNTIES TW Ch.99: Irregular
- MANHATTAN TW, RCN Ch.57/85, Verizon FIOS-TV Ch.35: Fri 2:30 am
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Sun & Tue
- QUEENS: 4th Sat monthly 2 pm TW Ch.56, RCN Ch.85, Verizon FIOS-TV Ch.36
- QUEENSBURY TW Ch.18: Mon 7 pm
- ROCHESTER TW Ch.15: Irregular
- ROCKLAND CV Ch.76: Mon 6 pm

- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Tue 8:30 am & Midnight
- TRI-LAKES TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm
- WEST SENECA TW Ch.20: Thu 10:30 pm

NORTH CAROLINA

- HICKORY CH Ch.6: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Fri 12:30 am

OHIO

- AMHERST TW Ch.95: Daily Noon & 2 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

PENNSYLVANIA

- PITTSBURGH CC Ch.21: Irregular

RHODE ISLAND

- BRISTOL, BARRINGTON, WARREN Full Channel Ch.49: Tue: 10 am
- EAST PROVIDENCE CX Ch.18; FIOS Ch.24: Tue: 6 pm
- STATEWIDE RI INTERCONNECT CX Ch.13; FIOS Ch.32 Tue 10 am

TEXAS

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

VERMONT

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

VIRGINIA

- ALBEMARLE COUNTY CC Ch.13: Sun 4 am; Fri 3 pm
- ARLINGTON CC Ch.69 & FIOS Ch.38: Tue 9 am
- CHESTERFIELD COUNTY CC Ch.17; FIOS Ch.27: Mon 1 pm
- FAIRFAX CX & FIOS Ch.10: 1st & 2nd Wed 1 pm; Fri 10 am; Sun 4 am. FIOS Ch.41: Wed 6 pm
- LOUDOUN COUNTY CC Ch.98 & FIOS Ch.41: Wed 6 pm
- ROANOKE COUNTY CX Ch.78: Tue 7 pm; Thu 2 pm

WASHINGTON

- KING COUNTY CC Ch.77: Mon Noon BS Ch.23: Mon Noon
- TRI CITIES CH Ch.13/99: Mon 7 pm; Thu 9 pm

WISCONSIN

- MARATHON COUNTY CH Ch.98: Thu 9:30 pm; Fri Noon
- MUSKEGO TW Ch.14: Sun 7 am, Mon & Thu: 5:30 pm
- SUPERIOR CH & MC Ch.7: Tue after 5 pm.

WYOMING

- GILLETTE BR Ch.31: Tue 7

MSO Codes: AS=Astound; BD=Beld; BR=Bresnan; BH=BrightHouse; BS = Broadstripe; CV=Cablevision; CB=Cebridge; CH=Charter; CC=Comcast; CX=Cox; GY=Galaxy; IN=Insight; MC=MediaCom; NUT=New Ulm Telecom; SVC=Southern Vermont Cable; TW=TimeWarner; US=US Cable; UV=AT&T U-Verse; FIOS=Verizon FIOS-TV.

Get The LaRouche Connection on your local cable TV system! Call Charles Notley 703-777-9451, Ext. 322. Visit our Website: www.larouchepub.com/tv.
[updated Jan. 26, 2010]

SUBSCRIBE TO

EIR Executive Intelligence Review

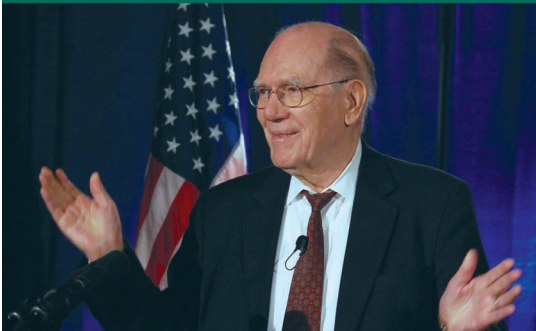
EIR Online

EIR

Executive Intelligence Review
July 2, 2010 Vol. 37 No. 26 www.larouchepub.com \$10.00

Extraordinary International Dialogue with LaRouche
Gulf Crisis: Priority Is To Study Nuclear Option
Financial Reform Bill Is a Sellout to Wall Street

**LaRouche: We Have To
Change the Forecast!**



EIR Online gives subscribers one of the most valuable publications for policymakers—the weekly journal that has established Lyndon LaRouche as the most authoritative economic forecaster in the world today. Through this publication and the sharp interventions of the LaRouche Youth Movement, we are changing politics in Washington, day by day.

EIR Online

Issued every Tuesday, EIR Online includes the entire magazine in PDF form, plus up-to-the-minute world news.



I would like to subscribe to **EIR Online**

(e-mail address must be provided.)

- ☐ **\$360** for one year
☐ **\$180** for six months
☐ **\$120** for four months
☐ **\$90** for three months
☐ **\$60** for two months
- ☐ Send information on receiving **EIR** by mail.

—EIR Online can be reached at:

www.larouchepub.com/eiw

e-mail: **fulfillment@larouchepub.com**

Call **1-800-278-3135** (toll-free)

Name _____
Company _____
Address _____
City _____ State _____ Zip _____ Country _____
Phone (_____) _____
E-mail address _____

I enclose \$ _____ check or money order

Make checks payable to

EIR News Service Inc.

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

Please charge my ☐ MasterCard ☐ Visa

Card Number _____

Signature _____

Expiration Date _____