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Lyndon LaRouche on 'The Meaning of Physical Time'
Helga Zepp-LaRouche: In a Crisis, Don't Consult Morons
Like 'Free Energy,' There's No Such Thing as 'Free Money'

The Astounding High Cost of 'Free' Energy



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EIR

From the Managing Editor

What many people want to know, is: What is really the difference between Lyndon LaRouche's science of physical economy, and what every other economist in the world recommends as solutions to the crisis?

You'll find LaRouche's own elaborated answer in our *Science* section, the second in a three-part series on physical space-time.

Here, by way of sharp contrast, I draw your attention to John Maynard Keynes' famous 1937 proposal, that the Treasury "fill old bottles with banknotes, bury them at suitable depths in disused coalmines which are then filled up to the surface with town rubbish, and leave it to private enterprise on well-tried principles of laissez-faire to dig the notes up again." While it might "be more sensible to build houses and the like," he concedes, "the above would be better than nothing."

That is the way some today are looking at the Obama Administration's "stimulus package." People are unemployed, so let's put them back to work—never mind at what! We can create jobs paving the planet with solar collectors and windmills—isn't that "better than nothing"?

The answer, as LaRouche makes very clear, is "No!" The environmentalist trends of the past 40 years, he writes, unless profoundly and quickly reversed, will doom the world to a new dark age, with a plunge in total population to 1 billion or less. Only a shift toward high energy flux-density in production of power, can shift economies onto a growth trajectory that will raise productivity and skill levels, fostering the development of science and technology.

Our *Feature* elaborates that concept: "The Astounding High Cost of 'Free' Energy." Our team proves that nuclear energy is not only the one and only current solution to our global requirements for power, but that 1) it is safe; 2) there is no such thing as the much-ballyhooed "nuclear waste"; and 3) "green" sources of electricity such as solar power and wind are both incompetent and destructive.

These and other matters will be the subject of LaRouche's next webcast, on Feb. 11, at 1:00 p.m. Eastern Time, at www.larouchepac.com. We'll have a full report next week.



A Mississippi sharecropper uses horsepower to farm, during the Great Depression.



The world-wide shortage of electricity cannot be rectified by wind or solar power, so those who advocate these “free” sources of power are condemning the majority of the Earth’s human population to backwardness. Solving the problem requires examining the two most important concepts in evaluating a power source: energy density and energy flux density. The only rational conclusion is that we must build 6,000 gigawatts of generating capacity, and only nuclear power will do the job. By Laurence Hecht.

14 The Myth of Nuclear ‘Waste’

Lyndon H. LaRouche, Jr. continues the discussion of physical time that he began in last week's issue, with his article "Nations as Dynamical." That report, he writes, concluded with a summary outline of the economist's working definition of physical time, as opposed to clock time. Now, still responding to the same relevant question posted after his Jan. 22 webcast address, "I focus on some essential implications of the role of physical time as such. I compare physical time, as a conception of a principle of physical space-time, with the related concept of physical space."

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30 Like 'Free Energy,' There Is No Such Thing as 'Free Money'

Even though the government can create unlimited amounts of money at essentially no cost, the effects will be disastrous if that money is not spent to create wealth. The best-known example is Weimar Germany during 1922-23, when prodigious amounts of free money were printed, which produced no wealth, and left the nation in ruins.

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The imperial bankers, heirs of the people who joined with the fascists and opposed President Franklin D. Roosevelt in the 1930s and '40s, have launched a renewed campaign to assassinate the character and accomplishments of FDR. Their goal is to prevent the Obama Administration from taking up Roosevelt's campaign for the general welfare, and against the "economic royalists."

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The Astounding High Cost of 'Free' Energy

by Laurence Hecht

The author is editor-in-chief of 21st Century Science & Technology.

Jan. 31—Every time someone mentions wind or solar power as the answer to our energy needs, the image that should form in your mind is that of 1 billion or more dying and starving children. If you do not yet understand why this is the case, you are forgiven. By the end of this piece you shall have been given the essential concepts and facts both to understand this ugly truth, and to act to prevent it.

Begin with this: To maintain a global population in a condition resembling a modern 21st-Century standard of living will require an installed electrical generating capacity of at least 3 to 5 kilowatts per capita. Today, only the United States, Japan, and a few countries of western Europe even approximate this level of generating capacity. Let us understand the meaning of this more clearly, before moving on to the crucial question of how we shall generate this power the world so desperately needs.

Kilowatts are a measure of electrical *power*, the amount of work that can be done per unit of time. One of the first means of measuring power was to compare it to that of a working horse. The standard horsepower is equivalent to about 750 watts of electricity. That means that it takes 750 watts of electricity, driving a

motor or other device, to do the same work as a standard working horse. Thus, 1 kilowatt (1,000 watts) of electricity, is equivalent to the work of about 1.33 muscular horses of the working type. The horse cannot work all day, however, but perhaps for only one third of it, after subtracting the time for meals and rest. Thus, 1 kilowatt of electrical generating capacity, available all day and night, could do the work of 3 times 1.33 horses, which equals 4 horses.

Here in the United States, we have about 3 kilowatts of electrical generating capacity available per capita—much less than we need to be a truly productive economy, but still, something that most of the world comes nowhere near. Thus, we could say that every person in the United States, on average, has the work of 12 horses available to him every hour of the day and night, in the form of electricity.¹ Without electricity, the work of those silent horses must be done by men and women, laboring to turn pumps, to carry water on their heads, to spend a whole day scrubbing clothes, and another heating irons on a fire to press them, while

1. A useful pedagogical device that used to be found more often at science museums and other public displays was the bicycle-driven generator. By mounting on the bicycle, the student could discover just how much work, in the form of pedaling, was required to keep a single 100-watt light bulb glowing, thus getting a sensuous appreciation for the labor-saving efficiency of modern electrical power generation.



Gustave Doré illustration of Don Quixote, 1863
Don Quixote knew what to do with windmills.

primarily exported. Thus, the amount available per person for use in China is less than 0.25 kilowatts, about one-third of a horsepower. Taken over the full 24 hours, we can say that the average person in China has available to him the work of 1 horse, compared to the 12 horses available in the United States. The source of most U.S. manufactured products is the low-wage labor of millions of Chinese, many of them from families with no access to even the electric light.

In India, Egypt, most of the rest of Africa, and large parts of South America, it is far worse. In Mexico, another major source of U.S. manufactured goods, the electricity available per capita is about the same as China. Such an injustice cannot continue for long. How then will we remedy it?

No one can seriously propose that the world energy shortage can be solved with windmills and solar panels. The proponents of these systems have never addressed the world need, except to propose such patronizing and pathetic schemes as solar-powered refrigerators for African villages, which only work, if at all, when the Sun is shining. But even the proposals to use solar and windmills in the

such simple requirements as water and sewage treatment, refrigeration, and even the light bulb, go wanting. Such and worse remains the condition of a majority of the world's population—some 1.7 billion people who are entirely without electricity, and several billion more for whom the supply is intermittent and deficient.

China, for example, which produces a great part of the manufactured products consumed in the U.S.A., had only 0.3 kilowatts of generating capacity available per capita in 2005, which increased by 2008 to an estimated 0.5 kilowatts. Well over half of this electricity goes to power Chinese industry, the product of which is

developed countries are a chimera. They have never proven economically or technologically feasible, despite the enormous public expense in tax credits and subsidies which they have drawn upon.

To bring the present world population of 6.7 billion people up to a level of just 1.5 kilowatts of electrical generating capacity per capita will require that we build 6,000 gigawatts² (6 million megawatts) of generating capacity. The only feasible way to accomplish this is to embark now on a crash program to build nuclear power plants, making use of our limited existing capabilities

2. 1 gigawatt = 1 thousand megawatts = 1 million kilowatts

and gearing up for a serial production capability for the new breed of fourth-generation, high-temperature helium-cooled reactors, among other models.

Could solar or wind power possibly address the world electricity deficit? The largest existing solar power plant, the solar concentrator known as Nevada Solar One, produces less than 15 megawatts of power, averaged over the course of the day.³ The largest solar plant using photovoltaic panels is in Jumilla in south-eastern Spain. It is rated at 23 megawatts maximum capacity. Divide this by four, and you have the actual average output of less than 6 megawatts! A single large nuclear power plant can produce 1,000 megawatts (1 gigawatt) or more of electrical power. It can do this all day every day, not just when the Sun shines, and on a land surface area hundreds of times smaller than the equivalent solar plants or wind farms.

3. Beware of labelling. The plant has a peak power output of 64 megawatts. But, like all solar plants, that is the amount it can produce at high noon. As the Sun falls in the sky, the output of the solar plant falls with it, until, for half the day, the solar plant produces no power at all.

When shopping for a solar power plant, divide the manufacturer's claimed output by four to five, and you will have a clearer idea of the con-job you are about to buy into. Also remember, that for most of the day, solar concentrator plants require back-up power from natural gas-powered heaters to keep the working fluids flowing. And don't forget that the Sun doesn't shine every day. In order to integrate such an erratic power source into the grid, requires sophisticated planning, electronic circuitry, and maintenance work, the cost of which is rarely considered.



PRNewsFoto/Acciona
Acciona's Nevada Solar One concentrating solar power plant, the world's largest, produces less than 15 megawatts of power, averaged over the course of a day.

What Is Energy Density?

But wind and solar power are “free” people say: The energy is there, a bounty of nature, we just have to use it. Yet once one analyzes such an argument, one sees that it is meaningless sophistry, even on the face of it. Coal, oil, and uranium are “free” in the same sense. A certain amount of work has to be done to mine them and bring them to the place where they will be consumed, but work also has to be done to utilize wind and solar, a very great deal of work compared to the benefit received.

Instead of such loose use of language, let us examine the two most important concepts in evaluating a power source, *energy density* and *energy flux density*. By the *energy density* of a fuel or power source, we mean the amount of useful work that can be derived

Kilowatts of Electricity Available Per Capita in Selected Nations (2005)

	Developing Sector					Advanced Sector			
	Argentina	China	Egypt	India	Mexico	France	Germany	Japan	U.S.A.
Electrical Generating Capacity in Gigawatts (10 ⁹ Watts)	28.2	442.9	19.3	137.4	51.1	112.7	120.4	249.9	956.7
Population (Millions)	39.2	1,306	77.6	1,094	106.2	62.9	82.4	127.5	295.6
Kilowatts Available Per Capita	0.7	0.3	0.2	0.1	0.5	1.8	1.5	2.0	3.2

Sources: U.S. Energy Information Administration, U.S. Census Bureau (International Data Base).

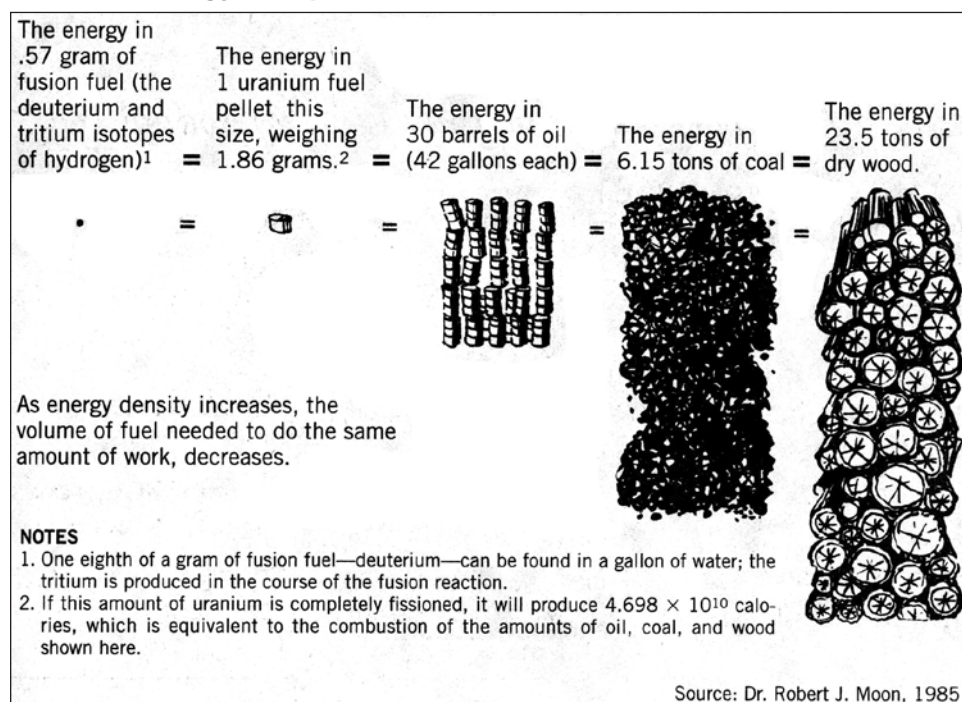
from a given mass of the substance. By *energy flux density*, we mean the transformative power which can be obtained from that fuel source. Let us examine the first term first, and see what we can learn from it.

Over the course of human history, there have been several progressive increases in the *energy density* of the fuels employed. The transition from wood burning to coal (which is almost four times more energy-dense than wood), took place in Europe in the 18th Century. The higher temperatures and regulation that could be achieved with coal fires permitted the introduction of new technologies related to smelting of ores, steelmaking, and other techniques. Until the 1950s, coal was the primary energy source for industry and transportation, and it remains the principal fuel used for electricity generation in the U.S.A.

Oil is about 50% more energy-dense than coal. The advantage of oil over coal as a fuel for powering steam ships became a factor in geopolitics at the close of the 19th Century, with the conversion of the British Royal Navy from coal- to oil-fired steam boilers. The weight advantage of oil, and its ease of handling (not requiring manual stokers to feed the fire), increased the range and efficiency of warships. The lighter derivatives of petroleum, such as gasoline, benzene, and kerosene, are among the most energy-dense liquids, which made them desirable as a transportation fuel—as long as they last.

But each of these improvements in the energy density of fuels was dwarfed by the discovery of atomic energy. As illustrated in the accompanying figure, a barely visible speck of uranium fuel, when fully fissioned, is equivalent to 1,260 gallons of fuel oil (weighing 4.5 tons), 6.15 tons of coal, or 23.5 tons of dry wood. When compared by weight, the advantage of uranium fuel over the older types is as follows:

FIGURE 1
Fuel and Energy Comparisons



Advantage per unit weight of Uranium ...⁴
 ... over Wood: **11.5 million** times
 ... over Coal: **3.0 million** times⁵
 ... over Petroleum: **2.2 million** times

We shall be modest and note that these figures are derived by assuming that all of the fissionable uranium in the fuel pellet is burned up (fully fissioned). The fuel burn-up rate in many presently operating reactors, may be only about 4%, although it is higher in advanced re-

4. Derivation of figures in this table:

Weight of oil equivalent (at sp. gr. = 0.9):

$30 \text{ bbls} \times 42 \text{ gals/bbl} \times 7.2 \text{ lbs/gal} \times 453.6 \text{ grms/lb.} = 4.12 \times 10^6 \text{ grams}$

Weight of coal equivalent:

$6.15 \text{ tons} \times 2,000 \text{ lbs/ton} \times 453.6 \text{ grms/lb} = 5.58 \times 10^6 \text{ grams}$

Weight of wood equivalent:

$23.5 \text{ tons} \times 2,000 \text{ lbs/ton} \times 453.6 \text{ grms/lb} = 2.13 \times 10^7 \text{ grams}$

Dividing these weights by 1.86 grams of uranium, which when fully fissioned is equivalent to the energy content of the above weights of oil, coal, and wood, gives the results shown in the table. (Derived from graphic by Dr. Robert J. Moon, 1985.)

5. The weight comparison to coal is not academic, as coal accounts for nearly half the tonnage carried on U.S. railroads. Gradually replacing coal-fired plants with nuclear power will be an important step in creating a viable rail freight transportation system.



Marie and Pierre Curie's separation of the first gram of radioactive radium introduced a new physical principle, making a revolution in physical chemistry.

actor designs. Thus, the figures above need to be divided by 25, giving nuclear power, in the worst-case scenario, an energy density advantage over wood, coal, and petroleum of *only* 88,000 to 460,000. However, with fuel reprocessing, a form of recycling, the burn-up rate is nearly total. Because of the production of extra neutrons in the fission reaction, new fuel can be created by nuclear transmutation as the old fuel burns up. The full nuclear fuel cycle, employing reprocessing and fuel breeding, is a virtually limitless cycle. Nuclear is the only fuel that replaces itself as it burns.

Energy Flux Density

To progress from the concept of *energy density* to *energy flux density*, it is necessary to have a deeper conception of the notion of *work*. In physics-textbook terms, *energy* is the same as *work*. It was one of the great achievements of 19th-Century physics, to demonstrate the equivalence of heat, electricity, and mechanical motion, resolving all these forms of energy (work), and others, to a common measure. Thus, the technical definition of *energy flux density* would simply be the amount of energy passing across a given surface area in



Lawrence Berkeley National Laboratory

A PET (positron emission tomography) scanner used with radioisotopes in medical imaging. The use of radioisotopes in medicine, with scanners and in targeted therapies, is just at the beginning of its potential to save lives and lengthen lifespans.

a unit of time. An example of a higher energy flux density could be had by comparing the capability of a sharp knife to a dull one. Holding the sharper knife, the same work exerted by the hand is concentrated over a smaller surface area. The energy flux density is greater and the sharp knife is able to cut where the dull one cannot.

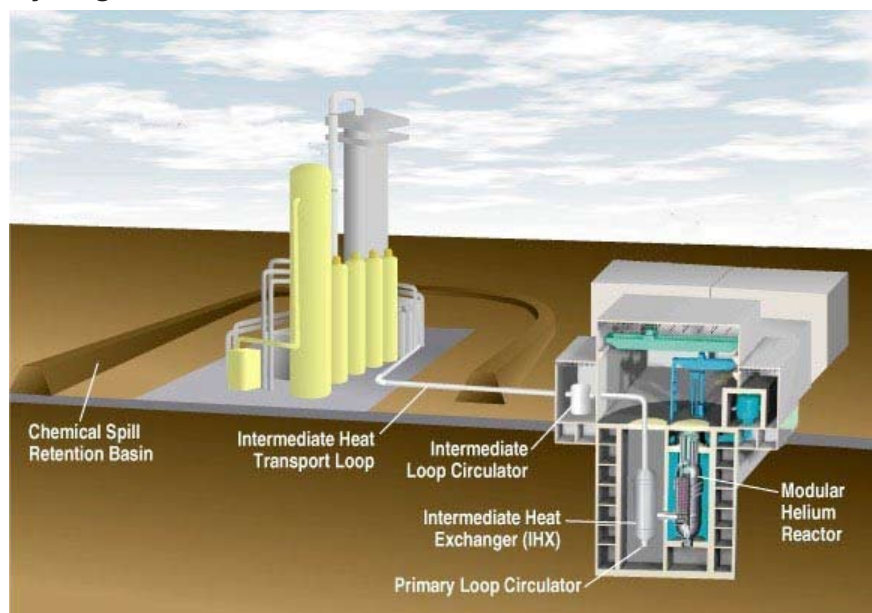
By that method of accounting, the energy flux density produced by the fission of a single uranium atom can be shown to be from about 20 million to 20 quadrillion times greater than that gained by burning a molecule of an energy-dense fuel, such as natural gas.⁶ However, even this astounding numerical advantage does not yet comprehend the essential difference. To understand energy flux density in the context of physical economy, a higher conception of *work* is required. It is not sufficient to regard *work*, as we do in physics, merely as the expenditure of energy measured in calories, joules, kilowatt-hours, or electron volts.

Rather, when considering a physical economy, we must look at the transformative power of the work. Something akin to the skilled worker's maxim "don't work hard, work smart," is appropriate as a first approximation of the concept. Implied in the saying is the idea, that by application of the human mind, the same expenditure of effort can be made more efficient, perhaps by

6. See Appendix for calculation.

FIGURE 2

High-Temperature Reactor Coupled with Hydrogen Production Plant



General Atomics

This General Atomics design for a high-temperature gas-cooled reactor couples its GT-MHR to a sulfur-iodine cycle hydrogen production plant. The sulfur-iodine cycle, which uses coupled chemical reactions and the heat from the high-temperature reactor, is the most promising thermochemical method for hydrogen production. Nuclear-produced hydrogen or hydrogen-based fuels in the future will provide the transportation fuels for the nation, replacing oil imports.

use of a different tool, or by the improvisation of a new one, or by organizing the process in a different way. In the case of nuclear, as opposed to chemical or mechanical processes, a higher order sort of innovation is at work. Here, we are dealing with the introduction of a new discovery of *universal physical principle*, the revolution in physical chemistry which began with the Curies' separation of the first gram of radium, and proceeded through the identification of the radioactive decay process, nuclear transmutation, the energy-mass relation, the nucleus, the isotope, the neutron, the accelerator, the discovery of fission, the chain reaction, and so forth.

Apart from the questions of cost and efficiency, the fallacy of saying that wind and solar can be made to generate electricity, just as nuclear power can, is that it leaves out the transformative power which the application of this new universal physical principle permits. Nuclear energy works smarter, vastly smarter, than wind, solar, or fossil fuels ever can. The reason is not merely its superior *energy flux density*, measured in ca-

loric terms, but the transformation in the physical economic process as a whole which it can accomplish.

With the fission of each uranium nucleus, several tiny entities, part particle and part wave, are released at velocities approaching that of the speed of light. These particle/waves, which we call neutrons, have the ability to penetrate the nucleus of another nearby atom, and to transform it into a new element, a process known as transmutation. But this is only the beginning, for that new element may, in turn, spontaneously transmute into another, and another, producing a family of by-products (isotopes) which finally settle into a stable form. By mastering the chemistry of these transformations, we have the ability to make new materials, some known and some yet to be discovered, which will be of benefit to future human life. We have also the benefit of the rays these isotopes give off, at least three different types, and each one at a different strength. Their uses in diagnosis and treatment of an array of dan-

gerous diseases are proven, and every day brings new possibilities.⁷

Nuclear for Fuel and Water

In many parts of the world, including some of extremely high population density, such as the east coast of India, the supply of clean water is running out. Ground wells are becoming contaminated as the fossil water supply within the ground becomes exhausted. Substantial regions of the United States, including Southern California and the American Southwest, are also reaching critical water supply limits. Producing drinking water by desalination of seawater is a proven process. Currently, 40 million cubic meters of water a day are produced by desalination, mostly in the Middle

7. Alas, the United States is falling far behind in the use of medical isotopes, because we have nearly shut down our capability to produce all but the commonest of them, and now must import more than 90% of what we use. The chances for survival of certain types of cancers are far greater in a hospital in Europe than here, because U.S. doctors do not make use of the relevant targetted radioisotope therapies.

East and North Africa. The leading methods are reverse osmosis, using electric-powered pumps to force salt or brackish water through a specially designed membrane, and flash distillation. However, desalination is an energy-intensive process.

The feasibility of using nuclear power for large-scale desalination was first demonstrated nearly 40 years ago in Soviet Kazakhstan. For 27 years, the Aktau fast reactor produced 80,000 cubic meters per day of freshwater, and up to 135 megawatts of electric power at the same time. Japan has operated ten demonstration

desalination facilities linked to nuclear reactors, and India in 2002 set up a demonstration desalination plant at the Madras Atomic Power Station in the southeast, with a 6,300 cubic meter per day output. Windmills and solar panels will not supply the large amounts of electric power required to produce freshwater in dry areas of the world, but nuclear plants can do it.

Nuclear power also offers the solution to the dependency on imported oil. The key is the two atoms of hydrogen contained in every molecule of water. Hydrogen is a fuel, which can be utilized on its own, or com-

combined with carbon sources to produce liquid fuels quite similar to those we now use. Hydrogen can be obtained from water either by electrolysis or by thermo-chemical splitting. At the higher temperatures available from the new generation of modular helium-cooled reactors, the efficiency of both these processes is greatly increased. Nuclear-produced hydrogen or hydrogen-based fuels, combined with ample electricity for battery vehicles, will provide a stable local supply of the transportation fuel the nation needs. Instead of enriching the Anglo-Saudi oil cartel by shipping petroleum across thousands of miles of ocean, we can produce our own, cleaner fuel at domestic nuclear power plants, while also providing our electricity and other needs.

These are the things that we as a nation need. They are also the things the world needs. They are but some of the immediately knowable practical advantages of the use of this new physical principle, which has defined the 20th-Century revolution in science. Much more lies ahead, waiting to be discovered. Some breakthroughs, such as the practicable development of thermonuclear fusion energy, are almost now within our grasp. Others are yet to come. To deny its application to our economy, and to return to 18th Century and earlier modes of power generation, is to stop human progress.

APPENDIX

Calculation of Energy in Electron Volts From Burning a Fossil Fuel¹

(Example is methane, the principal component of natural gas)

Heat of combustion of methane (CH_4) = 891 kilojoules/mole ...

$$(8.91 \times 10^2 \text{ kJ/mole}) / (6.02 \times 10^{23} \text{ molecules/mole})$$

$$= 1.48 \times 10^{-21} \text{ kilojoules/molecule of methane}$$

1 kilojoule = $6.24150974 \times 10^{21}$ electron volts ...

$$(1.48 \times 10^{-21} \text{ kJ/molecule}) \times (6.24 \times 10^{21} \text{ eV/kJ})$$

$$= 9.24 \text{ electron volts per molecule of methane}^2$$

The energy released in the fission of a single uranium atom is 200 million electron volts, making the simple advantage of uranium fission over combustion of natural gas about 20 million to 1. However, the figure does not include the surface area over which the work occurs. In comparing nuclear to chemical reactions, we must consider the ratio of the surface area of the nucleus (about 10^{-24} cm^2) to that of a molecule (about 10^{-15} cm^2 for methane). Thus an additional factor of 10^9 (1 billion) must be factored in, bringing the potential *energy flux density* advantage of nuclear fission over fossil fuel burning to approximately 20 quadrillion to 1. This advantage is not yet realized in the present design of nuclear reactors, but demonstrates the potential still contained within this new regime of energy production.

1. An electron volt is the work required to move an electron through a potential difference of 1 volt.

2. Calculated per atom, the advantage for uranium increases somewhat more. This may be seen by dividing the result for methane by 5 (the number of atoms contained in the molecule), resulting in 1.85 electron volts per atom. For ethane, the figure would be 2.02 eV/atom and so forth, the figure increasing with the molecular weight of the hydrocarbon in question.

Why Windmills Can't Fly : The Non-Science of Wind Energy

by Gregory Murphy

Unless you want to kill people by energy starvation, wind is useless for an industrial society. It is intermittent, unreliable, high cost, and low energy density. Although its proponents call wind energy a renewable source, even that is not true: You cannot produce even one wind turbine from the electricity produced by a wind farm of 100 wind turbines.

Let's look at the basics: Like most renewables, wind needs lots of land area. For comparison, let's take a typical nuclear power plant in Texas. I have chosen the Comanche Peak Nuclear Power Plant, south of Dallas, which has two units with a combined capacity of 2,500 megawatts (MW). Comanche Peak is sitting on 4,000 acres, which includes a man-made cooling lake that also serves as a recreation area.

How many 1.5-MW General Electric wind turbines (the kind chosen by T. Boone Pickens for his much-hyped plan to replace baseload electric sources with wind turbines) would it take to produce the same amount of energy that the Comanche Peak reactors produce? To find out, we first divide the amount of energy that the reactors produce (2,500 megawatts) by the nameplate rating of the wind turbine, which is 1.5 megawatts. That would seem to give us the number of turbines that would be needed to produce that same amount of energy as the nuclear reactor: 1,667 wind turbines.

But not so fast. It turns out that the nameplate rating is not what the wind turbine actually puts out. The average wind turbine has a capacity factor of only 25%.

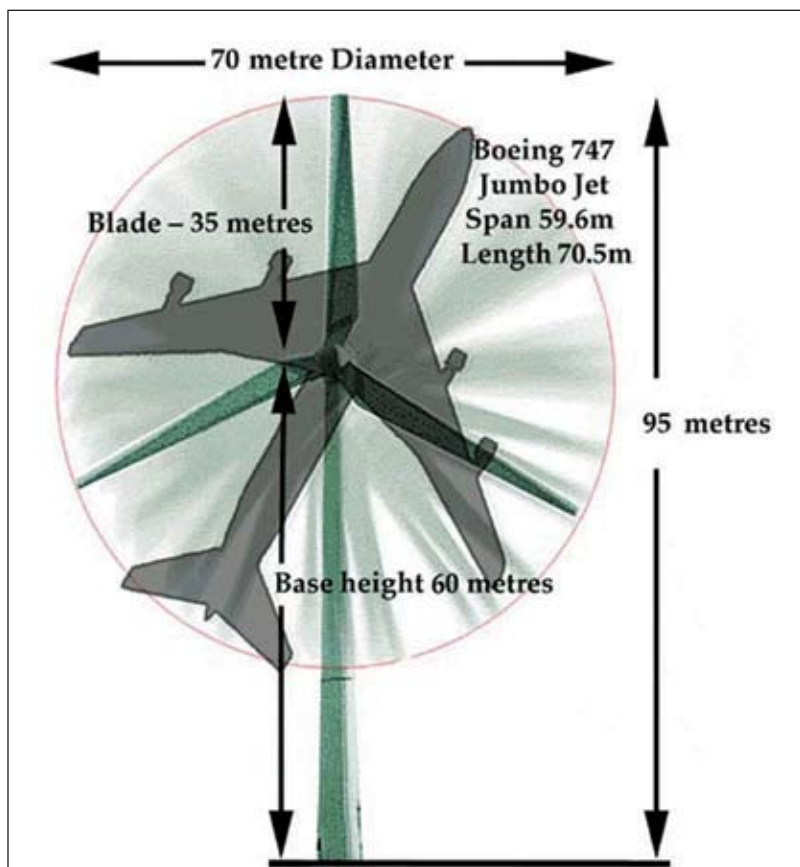


Sandia National Laboratory

An offshore wind farm in Denmark, the country that has the most wind turbines per capita. But Denmark has never been able to shut down one of its coal-fired plants.

This means that only 25% of the rated capacity is actually produced, on average, by the wind turbine, and thus it will take four turbines to equal the nameplate rating of one turbine. Given that fact, we must now multiply our 1,667 wind turbines by 4, which gives us 6,668 wind turbines to equal the output of the two nuclear reactors at Comanche Peak.

Now let us look at the amount of land area that would be needed for these 6,668 wind turbines. General Electric, the producer of the 1.5-MW wind turbines used in this example, recommends spacing the turbines at three times the diameter of the turbine's rotor, so that the wind trailing off the rotor does not affect neighboring turbines. GE also recommends that the spacing between rows of turbines be five times the diameter of the rotor, so that the next row of turbines can make use of the available wind.



Naturstrom-Euphorie

This gives an idea of the immensity of a 1.5-megawatt wind turbine, the model that T. Boone Pickens has ordered from General Electric for his now-on-hold project to build the world's largest wind farm, in the Texas panhandle. The area that the rotor sweeps out is large enough to fit a 747 jumbo jet.

The GE 1.5-MW wind turbine has a rotor diameter of 77 metres (262.6 feet). To get an idea of the size, the area that the rotor sweeps out is big enough to place a 747 jumbo jet inside.

To figure the spacing between the turbines, multiply the rotor diameter of 77 metres by 3, which gives us 231 metres. Now, to figure the spacing between rows of wind turbines we multiply the rotor diameter of 77 metres by 5, which gives us 385 metres between rows. If we multiply the 231 metres by 385 metres, it will give us the total area required to site one of our 1.5-MW wind turbines. This comes out to 88,935 square meters, or 22 acres of land.

If we multiply the 22 acres by our 6,668 wind turbines, we get 146,696 acres, which is 229.21 square miles (about three times the size of the metropolitan Washington, D.C. area).

Compare that to the 4,000 acres required for the nuclear plants. And then consider, that the Comanche site can support two more units (the license is currently under review by the Nuclear Regulatory Commission). That would double the power output achieved on the same 4,000 acres, and bring the ratio of land use efficiency of nuclear power, compared to windmills, to 73 to 1.

Statistical Fakery

Promoters of wind energy use every conceivable numerical trick to hype the great benefits of wind energy. The biggest fraud comes in the comparisons of levelized cost. Levelized cost is figured by taking the nameplate-rating capacity and multiplying it by, say, 30 years, and then subtracting the cost of maintenance. In the case of wind, however, there is major element of fraud: It is assumed that the wind is going to blow 25-27 miles per hour, every hour of the day, for 30 years! In truth, there is no place on the planet where the wind blows at those speeds every day for 30 years.

Another piece of fakery relates to the availability factor, that is, the percentage of time that the wind turbine or any other power source is available. Wind energy advocates purposely confuse the availability factor with the capacity factor, in order to show how many wind turbines could produce the same energy as a nuclear power plant. The fraud is that although the availability factor of a wind turbine is 100%—because it is available to produce power at any time—wind turbines actually produce their full-rated power less than 25% of the time.

Compare this to the nuclear power plant, in which the availability factor and the capacity factor are the same—around 95%. The only time the nuclear reactor is not producing power is during maintenance periods. But wind turbines also have maintenance downtime, and a lot more of it.

Then there is the subsidy issue. Renewables like wind and solar are highly dependent on government subsidies. The Production Tax Credit (PTC), recently



The Comanche Peak nuclear plant site in Texas, has two reactors totalling 2,500 megawatts, sited on 4,000 acres that include a cooling pond and recreation area. The nominally equivalent output in wind turbines would occupy 229 square miles, about three times the size of the metropolitan Washington, D.C. area.

NRC

extended for another year, is a 1.8-cent tax credit per kilowatt hour for the first ten years of the wind turbine's life. Average electricity rates fall between 7 and 11 cents per kilowatt hour, so the credit amounts to a subsidy of 16 to 25%.

This is not the only subsidy that wind energy industry gets. Several states offer tax breaks on operating revenue, and allow write-offs for capital investment. State laws that require a certain percentage of electricity to be produced by renewables guarantee that there will be a market, no matter what the cost.

Myth of Green Job Creation

In December 2008, radical Malthusian Lester Brown of the Earth Policy Institute held a teleconference where he said that millions of "green collar" jobs could be created with the transition to a green energy economy. This author challenged that claim, and asked in an e-mail, what the real effect of the green-collar jobs would be, and if these were permanent jobs or only temporary jobs. Jonathan Dorn, the lead researcher responsible for compiling the data for the reports issued by the Earth Policy Institute, gave a telling answer.

After reiterating the statistical mumbo jumbo of his

job creation model, Dorn admitted that "the majority of the jobs are temporary construction and manufacturing jobs. Once construction of the power facility or the retrofitting of a building is completed, the construction workers will be laid off."

To review the case against wind energy ever becoming a mainstay power source:

- Great tracts of land are needed to produce the same amount of energy as a nuclear or conventional power plant.
- Wind patterns can be erratic. Even if the wind blows fairly regularly in an area, physical design requirements limit the speeds at which the turbines work. This means that you cannot make the most use of the available energy contained in the wind.
- Because of the irregularity of wind, there always has to be a back-up power source available.
- Wind requires a high level of government subsidy to operate.

The case of Denmark shows that it is a pipe-dream to suppose wind will ever replace mainstream power. Denmark has more wind turbines per capita than any country in the world, and still, it has not been able to turn off a single coal-fired plant.

The Myth of Nuclear ‘Waste’

by Marjorie Mazel Hecht

There’s no such thing as *nuclear waste*! This nasty term was invented just to stop the development of civilian nuclear power.

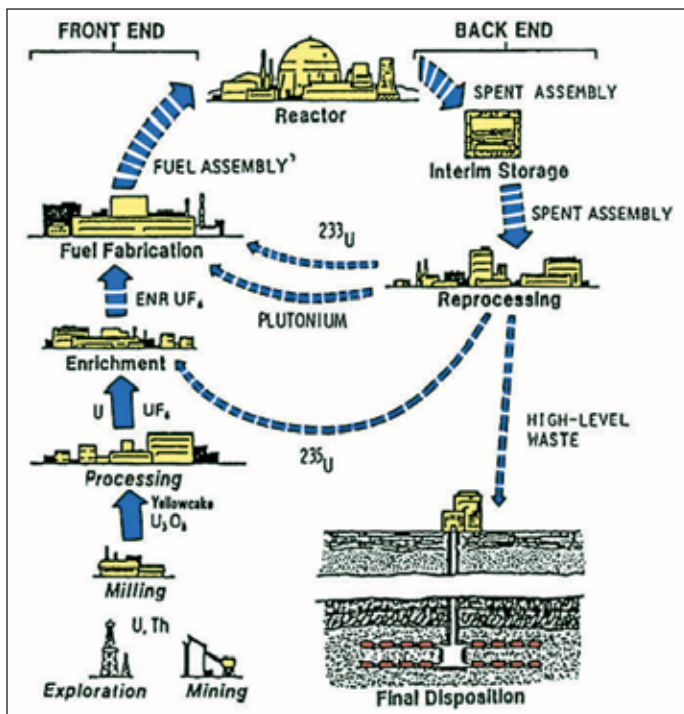
The spent fuel from nuclear power plants is actually a precious resource: About 96% of it can be recycled into new nuclear fuel. No other fuel source can make this claim—wood, coal, oil, or gas. Once these fuels are burned, all that’s left is some ash or airborne pollutant by-products, which nuclear energy does not produce.

Thus, nuclear is a truly *renewable* resource. Furthermore, unlike wind, solar, and other so-called alternative energy sources, a nuclear fission reactor (the fast reactor or breeder reactor) can actually *create more fuel* than it uses up.

In the Atoms for Peace days of the 1950s and 1960s, it was assumed that spent reactor fuel would be reprocessed into new reactor fuel. The initial plan was for the United States and other nuclear nations to have closed nuclear fuel cycles, not “once-through” cycles. In the closed fuel cycle, uranium is mined, enriched, and processed into fuel rods; then it is burned as fuel and reprocessed, to start the cycle again.¹

“Burying” spent fuel (as planned for Yucca Mountain) was not in the Atoms for Peace picture. Why bury a fuel source that could provide thousands of metric tons of uranium-238, fissile uranium-235, and plutonium-239 that could be used to make new reactor fuel?

But, as explained below, the U.S. stopped its reprocessing program in the 1970s and instead now stores spent nuclear fuel, waiting for a long-term burial site. Despite the scary headlines, the total amount of spent fuel in storage in the United States is small. The U.S. Department of Energy stated in 2007: “If we were to take all the spent fuel produced to date in the United States and stack it side-by-side, end-to-end, the fuel as-



The closed nuclear fuel cycle, shown here, reprocesses spent nuclear fuel to create new reactor fuel. Uranium is mined, milled, converted into uranium hexafluoride, and then enriched. Because most uranium (99.276%) is U-238, the uranium fuel must go through a process of enrichment, to increase the ratio of fissionable U-235 to the nonfissionable U-238 from about 0.7% to 3 to 4%. The enriched uranium is then fabricated into fuel rods for use in light water reactors.

Now, the United States has a “once through” fuel cycle, so that spent fuel is stored in cooling pools at the reactor site, and after it cools, it is stored in dry casks, awaiting “burial.” What a waste!

semblies would cover an area about the size of a football field to a depth of about five yards.”

The amount of usable fuel in that hypothetical football field, however, is vast. Burying 70,000 metric tons of spent nuclear fuel would waste 66,000 metric tons of uranium-238, which could be used to make new fuel, and an additional 1,200 metric tons of fissile uranium-235 and plutonium-239, the energetic part of the fuel mixture. Looking at it another way, the spent fuel produced by a single 1,000-megawatt nuclear plant over its

1. See “The Beauty of the Nuclear Fuel Cycle,” *21st Century Science & Technology*, Winter 2005-2006, www.21stcenturysciencetech.com/2006_articles/NuclearFuel.W05.pdf



NRC

Dry casks of spent reactor fuel, stored on a concrete pad at a nuclear power plant. Why not reprocess it and burn it up?

40-year lifetime is equal to the energy in 5 billion gallons of oil, or 37 million tons of coal. Would you throw that away?

In addition to the multi-trillion-dollar amount of new reactor fuel that could be recycled from 96% of the spent nuclear fuel now in storage, the remaining 4% of so-called high-level waste—about 2,500 metric tons—is also usable. Dr. Michael Fox, a physical chemist and nuclear engineer, has estimated that there are about 80 tons each of cesium-137 and strontium-90 that could be separated out for use in medical applications, such as targetted radioisotope therapies, or sterilization of equipment.

Using isotope separation techniques, and fast-neutron bombardment for transmutation (technologies that the United States has refused to develop), we could separate out other valuable radioisotopes, like americium, which is widely used in smoke detectors, or plutonium-238, which is used to power heart pacemakers, as well as small reactors in space. Krypton-85, tritium, and promethium-147 are used in self-powered lights in remote applications; strontium-90 is used to provide electric power for remote weather stations, and in remote surveillance stations, navigational aids, and defense communications systems.

Progress vs. Malthus

To explain how a valuable resource became “waste,” it’s necessary to look back at the world situation as Atoms for Peace was taking off, and man was headed for the Moon. Scientific optimism and progress were all around. Most people assumed that the next generation

would have increasing prosperity.

But after the death of Franklin Roosevelt and the resurgence of the British imperial design, Malthus reared his ugly head. As the first director of UNESCO (the United Nations Educational, Scientific, and Cultural Organization) in 1945, Sir Julian Huxley euphemized Nazi eugenics into “conservation” and “environmentalism.”² Britain’s Prince Philip and the Netherlands’ Prince Bernhard (a former Nazi) organized a royal green movement to preserve raw materials and wildlife for their own pleasure and to remove what they considered to be an excess number of ordinary human beings.

Prince Bernhard established the “1001 Club” in 1971, an exclusive grouping with a \$10,000 initiation fee used to bankroll the International Union for the Conservation of Nature and the World Wildlife Fund, which Philip had founded in 1961 (along with Huxley). Prince Philip himself led the World Wildlife Foundation until 1996.

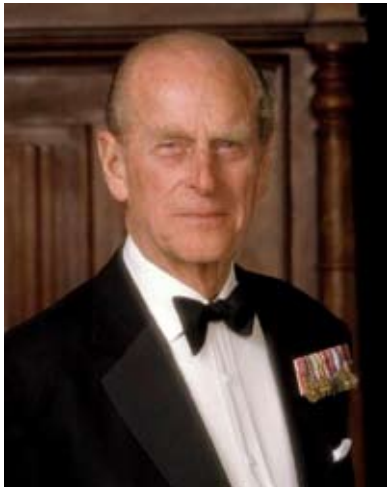
Behind the IUCN and the WWF, and their public relations appeal for cute fuzzies and other critters, is the hatred of proliferating human beings, especially those of color. If you think this is far-fetched, read some of Prince Philip’s own statements. He told *People* magazine in 1981: “Human population growth is probably the single most serious long-term threat to survival. We’re in for a major disaster if it isn’t curbed—not just for the natural world, but for the human world. The more people there are, the more resources they’ll consume, the more pollution they’ll create, the more fighting they will do. We have no option. If it isn’t controlled voluntarily, it will be controlled involuntarily by an increase in disease, starvation, and war.”³

The Malthusians’ Club of Rome, founded in 1968, campaigned for population control to preserve Earth’s limited resources, eliminating any mention of the fact that advanced technologies could create new resources.

In the United States, this anti-people view gained prominence with Paul Ehrlich’s 1968 book *The Population Bomb*, launching his message on American campuses: People are raping the Earth and the world popu-

2. For details on Huxley, Prince Philip, and Prince Bernhard, see *EIR*’s Special Report, “The True Story Behind the Fall of the House of Windsor,” September 1997.

3. *People* magazine, Dec. 21, 1981.



Prince Philip



Courtesy of the University of Chicago
Albert Wohlstetter

What do His Royal Highness and the now-deceased “Dr. Strangelove” have in common? They both want to reduce the human population and stop civilian nuclear power.

lation should be cut by two-thirds. Biologist Ehrlich, whose predictions of disaster have all bombed over the past 40 years, mentored many of the scientists prominent in environmental causes, including the nation’s new science advisor Dr. John Holdren, who co-authored one of Ehrlich’s books.

Another influential anti-population book was the 1972 *Limits to Growth*, written by a group of MIT Malthusians, who made dire pronouncements about the future, unless population were cut back. Never mentioned was the idea that advanced technologies could solve these problems and shatter any limits.

To these Malthusians, the development of civilian nuclear power was the enemy, not because it was costly or unsafe, but because they knew it would successfully free human society from poverty, disease, and Dark Age conditions. From the top down, the anti-nuclear leaders today know that this is true. Fear-mongering about the dangers of waste, radiation, and high costs are just cover stories for the well-meaning credulous. The real issue is population control.

Dr. Strangelove Invents Nuclear Waste

Behind the scenes working to destroy civilian nuclear power was “Dr. Strangelove,” the man behind the maniacal figure in the famous film of that name: Albert Wohlstetter. Wohlstetter, a Chicago University mathematician/logician and RAND consultant, became the nation’s top nuclear strategist and advisor to five Presi-

dents. He specialized in ghoulish scenarios of nuclear war, measured in death counts. He also mentored many of today’s leading neo-cons, including Richard Perle, Paul Wolfowitz, and Zalmay Khalilzad.⁴

Wohlstetter played a key role in killing civilian nuclear power and manipulating anti-nuclear policies. He deliberately equated civilian nuclear reactors with “bombs,” redefined spent nuclear fuel as “waste,” and campaigned to stop reprocessing, because it would only lead to more nuclear plants. He argued not only that developing countries shouldn’t have them, but that the United States should not continue to go nuclear, because of another nasty term that he promoted: “proliferation.” Although Wohlstetter admitted that nuclear would produce power cheaply, he insisted that cheap energy was not key for growth of an economy!

In California, Wohlstetter was instrumental in getting a law passed that prohibited any new nuclear plant being built until there was a national burial site to bury what he defined as high-level “waste.” Then, Wohlstetter’s environmentalist friends campaigned against having nuclear “waste” stored or buried anywhere—a fight that is still with us today.

At the same time, Wohlstetter et al. moved to stop reprocessing. It was not President Carter who took this step, as is commonly thought, but Wohlstetter and the neocons, including Dick Cheney. As chief of staff for President Ford, Cheney presided over a Presidential advisory committee that advised an end to the U.S. reprocessing program for the reasons that Wohlstetter had articulated. Ford came out with his anti-reprocessing policy in 1976, during the election campaign. Jimmy Carter, who had an identical policy on reprocessing, won that election. Wohlstetter, then a consultant to the Department of Defense, wrote one of the key reports supporting Carter’s ban on reprocessing.⁵

4. “Albert Wohlstetter’s Legacy: The Neo-cons, Not Carter, Killed Nuclear Energy,” *21st Century Science & Technology*, Spring-Summer 2006, www.21stcenturysciencetech.com/2006_articles/spring%202006/Special_Report.pdf

5. For the inside story on reprocessing, see Clinton Bastin, “We Need to Reprocess Nuclear Fuel and Can Do It Safely, at Reasonable Cost,” *21st Century Science & Technology*, Summer 2008, www.21stcenturysciencetech.com/Articles%202008/Summer_2008/Reprocessing.pdf.

Which End Is Up?

Nobody likes “waste,” and so the Wohlstetter strategy, which labeled nuclear fuel as “waste,” easily became a pillar of the environmentalist movement. Environmentalists today have a fixation on “waste,” because to them it represents “evil” industrialized civilization. Human beings are measured in terms of how much solid waste they produce each year. In the United States, the “Environmental Almanac” solemnly warns, each American creates three-quarters of a ton of solid waste yearly! The obvious solution is to stop looking at the wrong end of the human being. Instead, focus on the head, and how the human mind can invent new solutions to problems!

Here are some of the solutions:

We know how to reprocess used nuclear fuel, and can do it safely, as this country did for years. We also know that there are new technologies to be developed that can eliminate the long-lived radioisotopes in the 4% of used nuclear fuel that cannot be recycled. New technologies could retrieve many of these isotopes for use in medicine and industry.

We can develop fusion power, with high enough temperatures (millions of degrees) to reduce nuclear spent fuel and other matter—including garbage or rock—down to its constituent elements. The fusion torch was an idea patented in the 1960s, but its development was stopped by the same anti-nuclear forces noted above. Plasma torches, with lower than fusion temperatures, are used today in industry in several applications—steelmaking, for example.

The idea here, absent from the green mentality, is that advanced technologies should be used to eliminate pollution. For every problem there is a solution.

The anti-nukes know that reprocessing is possible. Their next argument is “safety.” They assume that human beings are not capable of using advanced technologies safely. Of course, all of life is risky, and it is through human beings’ creative ability that we design ways to protect ourselves from danger. Again, the anti-nukes’ argument looks at the wrong end of the human being.

But then comes the argument: “What about terrorism? What if bad people get hold of nuclear materials?” The United States successfully reprocessed spent nuclear fuel in the past, in a secure fashion. We can do it again.

“Ah, but it costs too much,” the learned anti-nukes of the Union of Concerned Scientists, among others,



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Assembling fuel rods for a light water reactor. The enriched uranium fuel is converted into uranium dioxide and fabricated into uniform pellets. The pellets are loaded into long tubes made out of a zirconium alloy, and the rods are loaded into the core of a nuclear reactor.

then say. They produce an accountant’s balance sheet of costs and benefits to show that it’s cheaper *not* to reprocess. Left out of this accountant’s argument, however, is reality. We are not going to get out of civilization’s most catastrophic financial collapse unless we massively invest now in the infrastructure projects, including nuclear power plants, that will guarantee adequate power for future generations. Not doing that will kill people. The cost/benefit accountant’s mentality is a death trap.

The leading anti-nukes like that death trap, because they want to eliminate 4 billion people or more. The question is, how many of the unsuspecting environmentalists who have fallen for the nuclear “waste” argument will wake up, and use their heads?

MORE ON PHYSICAL TIME:

The Meaning of Physical Time

by Lyndon H. LaRouche, Jr.

February 3, 2009

My report “Nations as Dynamical” concluded with a summary outline of the economist’s working definition of physical time, as opposed to clock time. Now, still responding to the same relevant question posted orally to my January 22nd website address, I focus on some essential implications of the role of physical time as such. I compare physical time, as a conception of a principle of physical space-time, with the related concept of physical space.

FOREWORD:

Leibniz on Descartes

Now, as a few words on background, I present some prefatory observations on the subject of Leibniz’s exposure of the fraudulent thesis of Rene Descartes. Thereafter, this report will turn to the indispensable further development of the argument, respecting creativity as such, which was identified in the concluding portion of my “Nations As Dynamical.”

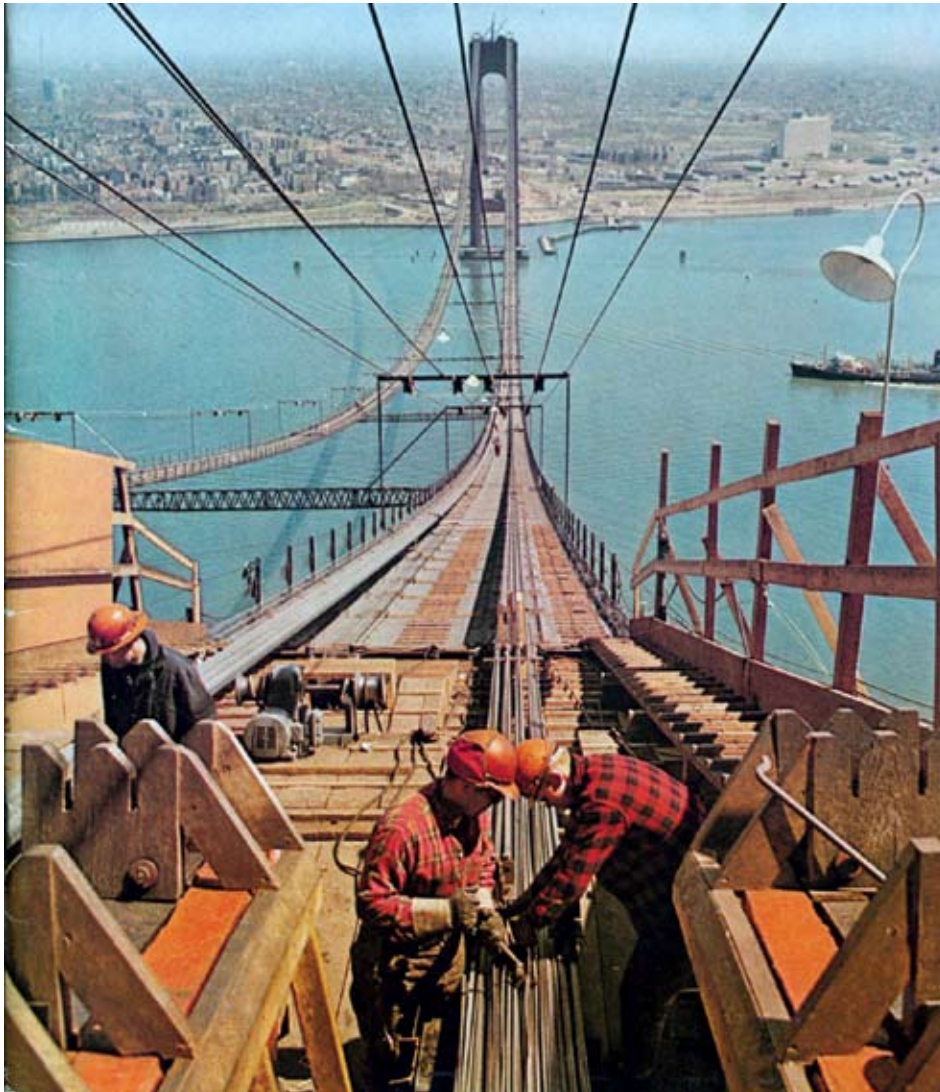
To summarize the relevant leading points in “Nations as Dynamical,” I state the following.

The fact that a modern concept of physical-space is distinct from such silly notions of space as those of *Euclid’s Elements* and Rene Descartes, was the premise of a major step forward in modern science by Gottfried Leibniz, as in a series of his writings dating from the

1690s on. For my purpose here, let me suggest to you that the most convenient among his initial statements to be referenced on this matter, might be his 1695 *Specimen Dynamicum*. In other writings commenting on his decision, Leibniz attributed the prompting of his own discovery of this fact to his close examination of the experimental evidence of certain systemic errors in Descartes’ writings, errors which demonstrated the absurdity of the cardinal elements of Descartes’ efforts to define a Sarpian (quasi-Euclidean), *a-priori* notion of the distinctions among space, time, and matter.¹

The germ of the modern discovery of a concept of physical-time, as opposed to clock-time, was already implicit in the relevance of Leibniz’s introduction of Fermat’s principle of least action, and into the development of the Gottfried Leibniz-Jean Bernouilli development of the higher principle of physical least action. This initiative of Leibniz and Bernouilli, led into the exposure of the fraud of what was allegedly Isaac Newton’s theory of light, as that fraud was exposed by the

1. Leibniz himself dated his development of this argument against Descartes from Leibniz’s own encounters with Benedict (aka Baruch) Spinoza. Leibniz explained, that he had concluded that the principled flaws in Spinoza’s thinking were a product of the malicious influence of Descartes. Leibniz’s arguments of the 1690s were launched with emphasis on the systemic implications of some of Descartes’ silly attempts at physical science. Leibniz, noting those crucial errors of presumption by Descartes, carried the further discussion of the matter into taking up the implication of such achievements of the ancient Pythagoreans which are to be considered as leading into the genius of Archytas in designing the principled demonstration of the duplication of the cube.



Triborough Bridge and Tunnel Authority

The term “creative,” has a very important, specific, scientific meaning, LaRouche writes. “It refers to a quality of the individual human mind which does not exist among lower forms of life, nor a typical Wall Street figure of today.” Here: the Verrazano Bridge, connecting Brooklyn and Staten Island in New York, completed in 1964.

Ecole Polytechnique circles of François Arago and associate Augustin Fresnel. The specific, chief achievement of Fresnel, lay in his tracing out certain deeper, ontological implications of the functional difference between, on the one side, the pro-Cartesian, corpuscular notion of radiation of light which had been attributed to the authorship of Sir Isaac Newton,² and, opposing that, that physical principle of harmonics which had

2. Laurence Hecht, “Optical Theory in the 19th Century, and the Truth about Michelson-Morley-Miller,” *21st Century Science & Technology*, Vol. 11, No. 1, pp. 35-50 (Spring 1998).

been established by Johannes Kepler’s original discovery of the general astrophysical principle of gravitation in his *The Harmonies of the World*.

However, while all that I have just restated in these preceding paragraphs is true, scientifically and otherwise, what I have said within my “Nations as Dynamical,” as a statement of a conclusion reached, left it to this present report to include the explicit process of discovery by means of which Kepler, among the predecessors of Fresnel, reached and proved his conclusion.

Contrary to what I emphasize in this present report, the typical sophist argues like the groom marrying what might appear to him as a beautiful bride, when she is only a wooden department-store dummy. As the years pass, he wonders (like a typical mathematician) why she never becomes pregnant! So, similarly, the sophists have argued against Kepler, and in favor of the customary, merely descriptive, reductionist nonsense on the subject. It is relevant, for understanding the achievement of Fresnel, that such op-

ponents of Kepler ignored the fact, that Kepler’s own discovery, which was a product of a conclusion rooted in a rigorous, experimental proof of principle, against which they had argued, against his conclusion, without any consideration of his proof and his development of that proof.

Dummies made of wood, plaster, or less gracious material, aside, Kepler’s proof lay within his recognition that, although his experimental evidence relied upon both optical and auditory assumptions, respectively, neither form of sensory conception used, could be reconciled, by itself, as if mathematically, with the

other. As the famous case of Helen Keller illustrates the crucial point of evidence for Kepler's case, reality lies, in principle, outside the bounds of literal readings of sense-perceptions. As Louis Pasteur emphasized, it is what are, ostensibly, as the exceptions to the presumed rule, which are the scientifically interesting realities of life, the realities properly recognized as truly universal physical principles. That same point by Pasteur, is to be translated into practice as principles which, in and of themselves, lie outside sense-certainty, that because they correspond to Johannes Kepler's uniquely original discovery of the way in which a general principle of Solar-systemic gravitation lies within the irony of *the contradiction between the mental image of vision and of harmonically ordered hearing. The optical and auditory experiences are not the reality of the matter; they are the adumbrated shadows cast by a reality which the senses themselves do not report. The human mind, not the senses, must discover, and demonstrate the object which these mere shadows have cast upon the sense-organs.*

So, it happens, that in much of what passes for modern physical and related science, the professional does not actually have an understanding of the relevant original process of discovery, but, instead, simply relies upon the convenience of the apparently proven accuracy of some mere mathematical formulation, or its like, as a substitute for the actual process by which the discovery itself was made. The crucial issue which I emphasized in my *Nations as Dynamical*, was that the issue of the ontological character of human creativity as such, requires a more rigorous kind of consideration than what the unfortunately typical, contemporary owner of a doctorate in physical science has actually worked through. Here, we require clarification on the matter of *the ontological nature* of a principle of physical economy as such, as I do in this present report.

We must, therefore, focus attention here on the subject of the method for discovery of the physical principle of creativity in the field of the science of physical economy as such. Focus of attention on essentially relevant elements of the work of Johannes Kepler, Leibniz, Riemann, et al., as such, is (as I shall show in a third paper of this series) essential for true insight into the indispensable role of scientific creativity in "driving" a recovery of the U.S.A. and other economies from the onrushing general breakdown-crisis currently nearing the point of a general, physical-economic breakdown.

I. Effective Work Per-Second

Throw aside what would pass in *The New York Times* counterfeiting style book, or comparable locations, for today's misuse of the term "creativity." The usual meaning associated with the term "creative," is, scientifically, mumbling nonsense; often, the defense of such nonsense as the *Times'*, is of the form, "None of the friends I trust will disagree with me." Contrary to such pathetic expressions of opinion as that, in competent scientific practice, "creative" has a specific, and rarely recognized, special meaning, a meaning which does not exist in the lexicons of typical, recent university graduates, or relevant others, today.

Properly employed, that term, "creative," does have a very important, specific, scientific meaning. It refers to *a quality of the individual human mind which does not exist among lower forms of life, nor a typical Wall Street figure of today.* It refers to a term whose true meaning is rarely intended when the term "creativity" is ordinarily employed in academic, or related usage today.

To identify a much-needed, competent definition for the term "creativity," we must restrict the term's use, either to principles of nature which exist, and which in forms of life lower than mankind, but, even among our species, rarely occur as an expression of voluntary willfulness today, except among exceptional members of our human species, and that, so far.

Nonetheless, the proper use of the term is definitely limited, in the sense that it can be identified in a rigorous way, but that is only in a way which lends itself to the actual idea of creation, the quality of being susceptible of communication, even to persons who had been ignorant of even the very existence, and efficiency, of such an actual idea as I have defined it.

That said, take a case with which some among my younger scientific associates have become familiar, and that, happily, with increasing competence. Take the exemplary case on which all competent modern science is premised by reference, the case of Johannes Kepler's creative action in his uniquely original discovery of the general principle of the system of Solar orbits, as in his *The Harmonies of the World*.³ The work by Kepler (with emphasis on *Harmonies*) is, for special reasons

3. Admittedly, the title of Kepler's work is often mistranslated as *The Harmony of the World*, rather than the proper *The Harmonies* (or, "harmonics") *of the World*.

which I shall indicate in this present report, the proper beginning of an economically competent general practice of modern physical science; therefore, it provides us a standard of reference for the meaning of the notion of a specifically creative act of discovery within the bounds of the category of modern science as such.

That is an example of what I mean by true creativity.

The principal source of widespread difficulty respecting even the mere definition of “scientific discovery,” has usually been, historically, a prevalent pattern in the known societies of ancient through modern history, a pattern typified, symptomatically, by the central issue of Aeschylus’ *Prometheus Bound*.

Before turning attention, directly, to what I have just referenced as the function of human creativity as such, it is essential that we first focus on the socially systemic, academic, or other obstacles to recognizing the functioning of the human potential for creativity.

The Obstacle to Reason

The significance of Aeschylus’ *Prometheus Bound*, is located in its thematic issue. That is, the Olympian Zeus’ ban on human creativity: which shows Zeus’s intended bestialization of all mortal human individuals, by forbidding, not only the use, but the discovery of any universal physical principle, such as “fire,” or, today, nuclear-fission power. That issue arises in the location of this present writing by me, as the way in which human beings are actually conditioned, at least usually so, as in the contemporary U.S.A. and Europe, against any actually intentional employment of their individual creative powers, those creative powers which distinguish human beings from all lower forms of life. Thus, the very idea of the existence of an actual phenomenon of creation does not exist in the mind of the usual certified financial accountant, nor in the mind of most of today’s faculty members of leading academic science departments or economics faculties.

Every gifted child has experienced the effect of that “Olympian law” of Zeus. Thus, any young person, as in schools, who shows the activation of his, or her actually creative mental powers, will probably become the



EIRNS

As late as the early 1950s, LaRouche reports, he was the target of anti-Semitic attacks, prompted by the fact that his heavy-rimmed spectacles marked him as one of those “brainy Jews,” among certain “anti-intellectuals.” Shown, LaRouche at a meeting in 1973, in New York.

“black chick” targeted for pecking by the “white chicks,” as if he, or she were a virtual “outsider,” if not actually comparable to an African-American at a Klan rally. Thus, it is usual to see that youth of the so-called “higher IQ” categories often seek to avoid hostile pecking by the “white chicks,” by withdrawing from behavior which tends to bring them into that kind of attack which is set off when signs of their own more developed mental potential enrage the “white chicks,” as the presence of the legendary swan enrages the ducks. If the more gifted student, for example, behaves naturally, generally, that student is often made “fair game” for mob-like attacks by some among the “white chicks.” Even teachers in public schools and professors in universities have often tended to ally themselves, as more or less open sponsors, with the relevant “white chicks” mob-like behavior.

Why did the “white chicks” (and many among today’s relevant types of faculty members) tend to behave in such a brutish fashion?

For example, in my personal observation, during the 1930s and later, “anti-semitism” of the 1945 “VE-Day” American populists over the interval from about the 1920s through 1940s, was associated with hatred of the child or adolescent, for example, who was suspected of being among “those brainy Jews.” (Sometimes persons stereotyped as an “outsider” to “our American populist way of life” as in the mind of some American or European as being of Asian or African, or Spanish-American

origins might be treated similarly.) The typical “free trade” fanatic of politics still today, especially that of Yahoo-like, populist leaning toward racist hatreds, tends to fit the category of the “populist” anti-intellectual depravity mustered in support of the wildest, pill-taking and other radio and TV fanatics of that sort.⁴

On the opposite side, that love for other people which we should associate with the “Westphalia Principle,” is a reflection of the high regard a civilized human individual feels for all other sections of mankind, a love for that creative potential which distinguishes men and women from feral beasts, or beast-like populist fanatics, including the typical, ego-ridden, dumb religious fanatic.

Why should those “white chick” sets behave with such frequent hostility toward those portions of their own society and age-groups which would tend to make the relatively greatest contribution to the benefit of them all?

The result of those referenced, historically prevalent, “conditioned” forms of obstacles to actually creative thinking, which are often encountered among the majority of today’s populations, has been the predominant characteristic of virtually all known human cultures. Think of that majority as like the Prometheus-haters among the Olympian lackeys of the Zeus as portrayed by Aeschylus’ *Prometheus Bound*.

How and why such prevalent habits of known cultures differ from one another, and, more important, why they tend to converge in certain common features of their malicious effects, begs a broader study of those histories than is needed for our purposes in this present report. A few typical cases are sufficient, as matters of background, to provide a setting in which the specific purpose of this present report can be realized. That done, we will have now made my foregoing point clear enough for our purposes in this present report.

Take the case of the a-priori assertions of alleged principle which circumscribe the contents of a Euclidean geometry; treat this effect of Euclidean brainwashing as a key illustration of a general form of the method which has been employed, in classrooms and elsewhere, to prevent individuals from employing their innate, human creative potentials. In this regard, the opening

two paragraphs, and concluding sentence of Bernhard Riemann’s 1854 habilitation dissertation, when juxtaposed, provide us with the model form of something likely to incite a direct attack of resentment, an attack intended to suppress “the ferment of human individual creativity” within the population, a brutish attack made in the fascist-like effort to terrorize the target into a state of cultural submission to the populist mediocrities of the many.

Thus, in that observation, we have the background, to recognize the essential characteristics of the sundry, ignorance-fed expressions of those forms of mass suppression of scientific-technological progress, such as malthusianism, or today’s neo-malthusian (“green”) mass-stupefaction of populations, as by the World Wildlife Fund of the current Duke of Edinburgh; his son, the Prince of Wales; the late Prince Bernhard of the Netherlands; and Philip’s American puppet, the perverse former U.S. Vice-President Al Gore, complementing forms of brainwashing such as Euclidean geometry.

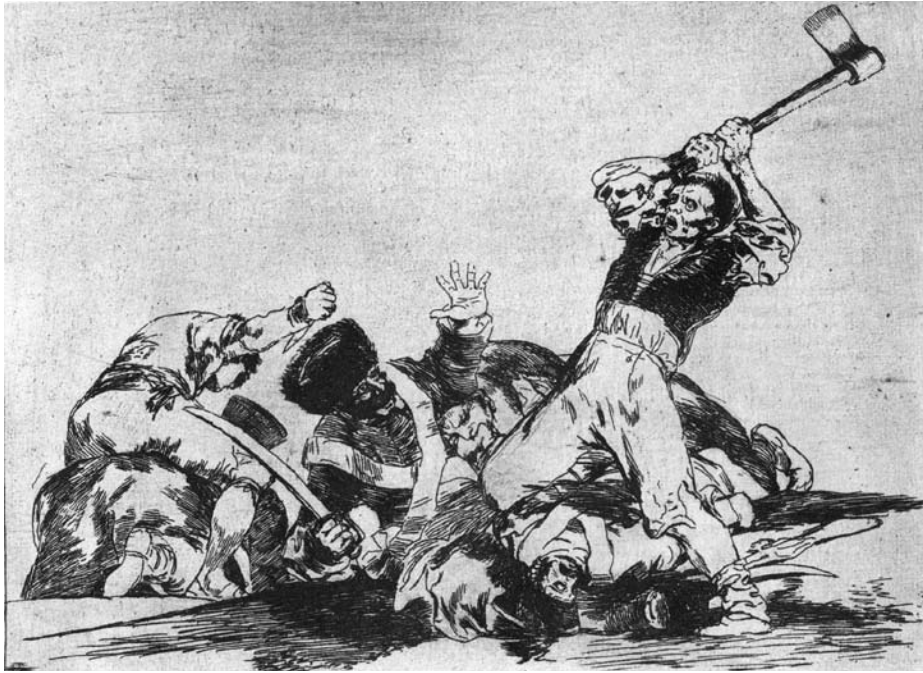
Sarpi’s Liberal Syndrome

Take that case of Britain’s Duke of Edinburgh, as a typical expression of the evil embodied in the modern Anglo-Dutch Liberalism which was launched, in the aftermath of the famous Sixteenth-Century Council of Trent, launched by the initiative of the systemic irrationalist, and anti-Trent fanatic, Paolo Sarpi.

Whereas, Sarpi’s rivals, the Aristoteleans, imposed a simple suppression of knowledge of the existence of human creativity, Sarpi substituted a systemic irrationalism modeled, by his own choice, upon that of that wildly immoral, medieval irrationalist William of Ockham. The practical significance of the difference is that, whereas, the clerical Aristoteleans insisted upon the suppression of creativity in society, Sarpi allowed technological and related forms of innovation, insofar as this license did not permit the consideration of a discovery of actual universal physical principles. This ideological strategy by Sarpi permitted the faction of Venetian usury oriented to the northern maritime regions of Europe, to choose a prospect of relatively greater military and other power, at the expense, strategically, of those relatively more backward devotees of Aristotle.⁵

4. For example, as late as the early 1950s, I was still the target of anti-Semitic attacks which were prompted by the fact that my heavy-rimmed spectacles marked me as “obviously Jewish” among the typical representative of the “anti-intellectual” classes.

5. The superiority of the Anglo-Dutch Liberals over the others, was concentrated in superiority of Anglo-Dutch Liberal and related forms of



From the time of the Napoleonic wars, which ruined continental Europe to British advantage, the policy of the Liberal followers of Paolo Sarpi et al., has been to destroy scientific and cultural progress. Shown, Francisco Goya's treatment of the Napoleonic wars in Spain, in his "Disasters of War" (c. 1820); this etching is titled, "With or Without Reason."

Whereas, as Friedrich Schiller presented the image of religious warfare, in the Netherlands, and also, in his *Wallenstein* Trilogy, the clerical adherents of the nominally Aristotelean dogma, were no less irrational in their part as practitioners of post-1492, Nazi-like religiously motivated mass-homicide, than Sarpi's nominally Protestant followers of a revived cult of the medieval irrationalist William of Ockham. As the leading figure of the Eighteenth Century British Empire, Lord Shelburne, understood, the British Empire whose strategy for empire was based on a commitment to the heritage of Julian the Apostate, all European empires, ancient through modern have premised the maintenance of their power on the emperor's reign by the power of the pantheon, as they did by playing one religious sect in virtual, or actual perpetual warfare against another.

The carnage of the pre-Westphalia conflict between the Protestant and Catholic religious party, from 1492 through 1648, was nothing other than two sets of the common dupes held in bondage to mutual slaughter, as in the case of the Sykes-Picot-ridden Middle East still today.

maritime superiority over the Mediterranean region, as the latter is typified by the Eighteenth-Century ruin of the silly Spanish Armada.

So, through the advantage represented by Sarpi's criminal-minded, Liberals' evasion of the strategically self-crippling characteristics of medieval and modern Aristotelean brutishness, Sarpi founded what was to become a new Venetian world empire, called, now, conventionally, a British, or Anglo-Dutch, or the post-1971-73, Anglo-Dutch-Saudi world empire of international financier rule through manipulation of the dupes into the game of religious or kindred perpetual, regular or irregular warfare. This British empire, which, since 1968-1973, has functioned as the only actual empire in the world today by acting through a policy of suppressing investment in relevant forms of scientific and technological

progress, including the suppression of the development of productive investments in basic economic infrastructure. The true religion of the British monarchy and its principal subjects, is not the worship of God, but of the god of usury defined, in principle, by Adam Smith in Smith's 1759 *Theory of the Moral Sentiments*.

So, the same movement of Sarpi which employed Liberal approaches to the use of merely technological, rather than actually scientific progress, to gain a strategic advantage of its Habsburg-linked rivals, reacted, itself, against the surge of the actual science which had been launched by Kepler's revolutionary discoveries. They reacted so against France's Cardinal Mazarin and Jean-Baptiste Colbert, and against Gottfried Leibniz, above all others. From the time of the Napoleonic wars of that foolish Napoleon Bonaparte who ruined continental Europe to British advantage with his wars, the policy of the Liberal followers of Sarpi et al., has been, to the present date, to destroy the kind of scientific and cultural progress which can be achieved only through its realization in the increase of the productive powers and cultural development of the general population.

So, Napoleon Bonaparte lies like a hero's corpse in Paris. Either he was consciously a British agent, in his role of conducting what was, in fact, a new "Seven

Years War” on London’s behalf, or, he did the job of securing a semi-permanent tyranny, by London and Amsterdam over continental Europe without knowing what a manipulated fool he was.⁶

Thus, the triumph of Britain (e.g., the Anglo-Dutch-Saudi new Venetian empire) over the U.S.A. and continental Europe since 1968-1973, is the sole principal cause of the presently ongoing general breakdown-crisis form of global economic collapse of the entire planet now.⁷

The principal characteristic of this general, global economic collapse of the planet has been the “new malthusianism” imposed by the influence of both the British empire and the “environmentalist” swindle of British dupes such as the wildly lying, former U.S. Vice-President Al Gore. Solar panels and windmills are the hallmarks of the advent of the world now into the already quivering brink of a planetary form of new dark age far, far worse than that which struck Europe during the notorious Fourteenth-Century “New Dark Age.”

Science versus Liberalism

To the best of my knowledge, and my knowledge is, on its record of performance since 1956-57, manifestly far superior relative to any other so-called “authority” in the field of economics throughout the world today, there has been, presently no competence in long-range economic forecasting among my rivals among nomi-

nally professional, putative economics and related professionals in the world today.

Earlier, during the 1950s and early 1960s, our relative successes in national economies in the U.S.A., some other parts of the Americas, in western and central continental Europe, Australia, and in the Asian rim of the Pacific were not due to any particular competence in the practice of economic theory, but, rather, were chiefly products of reliance on scientific and technological progress in increase of the physical-productive powers of labor, as in agriculture, the machine-tool-design side of industrial practice, and in programs in infrastructure such as those launched by President Charles de Gaulle’s Fifth Republic. The financier community’s role has been, chiefly a parasite, and the economists were chiefly, usually, at their moral best, a nuisance; but, certain habits of national agro-industrial and infrastructural progress had been embedded in the aftermath of the experiences of World War II. Although that happier impulse was already waning even before the assassination of President John F. Kennedy, its waning impact had been still strong.

By the end of the 1970s, the impact of the World War II generation was already waning; as the 68ers’ influence took over, more and more, the forces which had fought World War II and its aftermath, were leaving the site. With the disgusting developments of the 1968-1973 interval, the pathetic strains of the ideology of the “68ers” were now the reigning trend. The fatal economic downturn then reigning inside North America and Europe (most notably) will now continue, to its early catastrophic end, unless a new cultural impact conveyed by the relative best among an emerging young-adult generation now in their twenties and thirties, exerts the degree of relative influence at the top which the 68ers found during the 1970s and 1980s, a generation or more ago.

The point I am stressing at this point, is that there is an important, sometimes crucial distinction to be made, between acquired habits of one generation, and the direction of change represented by an oncoming younger one. The impact of my own family tradition in these United States, which is traced in my genealogy since the Mayflower and Massachusetts Bay colony, has helped greatly in teaching me to think of policy-shaping over a span of centuries, not a mere few years, even a decade. In general, no individual has much of a mark on his culture’s history during a lapsed span of less than a generation, a generation being the span of a cycle of

6. The entirety of British imperial policy, from the 1890 ouster of Germany’s Bismarck from the post of Chancellor, and including the assassination of France’s President Sadi Carnot, the British 1894 launching of a continuing pattern of Japan’s warfare against China during the 1895-1945 interval, the assassination of U.S. President McKinley, the 1905 warfare, World War I, World War II, and the so-called “Cold War,” have been, each and all, an extension of the strategy of the so-called “Seven Years War” which first established Lord Shelburne’s British East India Company as a private empire with a private army and navy of its own.

7. The collapse of the U.S. dollar had been caused by the British floating of the pound sterling in Autumn 1967. However, already, during the middle to late 1950s, I had foreseen the threat of a decades-long decline of the U.S. economy. Until the middle of the 1960s, I consider that decline to be an active, probable threat. By 1967-68, I was assured that a long-term general breakdown-crisis was already in progress in the trans-Atlantic economies. As I announced in my July 25, 2007 webcast, I announced that what is now clearly the presently onrushing general breakdown-crisis of the existing world monetary system, is absolutely certain. Only the installation of a new credit-system, to replace the present monetary system, could save global civilization from a presently onrushing new dark age; without a U.S. leading initiative in launching a new credit-system, to replace the useless monetary systems, there is no happy change for mankind in the generations immediately ahead.

capital investment in production, and a much longer span, of two generations span, or more, that of investment in the types of basic economic infrastructure.

The nations of the U.S.A. and western and central Europe today, are fairly regarded as presently under the control of most extremely neurotic knee-jerk cultures. That is to point to what has become the generational span of those changes in economic and related policy of practice which are associated with revolutionary surges of scientific progress.

It is, perhaps, fortunate for us, that the new U.S. President is almost two generations younger than I am; thus, if he is permitted to do his job, and actually does it decently, he has a prospective life-span long enough to come to amount to something useful for our society, and the world.

II. Science, Money & Economy

That much said in the preceding pages of this present report, so far: the essential point to be considered here, is the fact that human beings, unlike any other living species, have the inborn power to make actually creative discoveries of principle which, once adopted by society, change the universe, at least implicitly so. *Man is not merely an inhabitant of this universe, but is made in the actual likeness of the universe's Creator.* That is not an opinion, but a scientific fact.

Other species, including all the different orders of living species other than mankind, lack what is uniquely a quality specific to mankind; but, humanity expresses a universal, determining, characteristic principle which itself is lacking in the ecology specific to each of all known orders of life apart from mankind. It is the principle of mankind, which distinguishes mankind from the beasts.

At this point of the report, my attention, and, implicitly yours, is focused on a more modest aspect of the aforesaid general principle. My attention is focused upon that principle of human life which underlies any competent conception of a real economic principle for guiding human society's existence and progress.

The existence of the human population is conditional upon society's currently relevant *potential relative population-density*. Unlike all other living species and their varieties, the human race is the only living species which does not share the characteristics of population of sets (systems) of animal ecological systems. Mankind's equivalent of an ecological population-

potential is variable. This variability is chiefly located in the increase of the capability of the human species through its intellectual development. This fact is most boldly underlined by a simple contrast of the increase of the human population of the planet relative to the level of the higher apes.

Thus, the success or failure of human ecologies depends chiefly on the factor of scientific progress, as that progress is embedded in influence and effect through increase of the physical productive powers of labor, as this occurs through realization of discoveries of fundamental scientific principles which are expressed as upward-directed changes in the culture of societies as a whole, or, on the contrary, in the relative cultural stagnation, stagnation of practices by component portions, more or less "neo-Malthusian" rabble among that culture's population.

In the end, it is the discovery and application of what is called fundamental scientific and cultural progress, which predetermines the rise and fall of cultures. Thus, a policy and practice of cultural zero-growth policy of any society, as in the U.S.A. under the growing influence of the pro-Malthusian "68ers" during the recent four decades, dooms that culture by its own hand. That is to emphasize that man's ability to sustain even a fixed level of population demands sufficient progress to offset the inevitable effects of attrition. The success of the human species, its fundamental superiority as a living species over all animal species, "condemns" it to a commitment to what is, ultimately, fundamental scientific progress in the practice of physical economy, per capita and per square kilometer of territory.

These matters of discoveries have the quality of universal physical principles, as typified by that principle of universal gravitation discovered, uniquely, by Johannes Kepler. They are, to speak of this matter here in terms of relative modesty, ideas respecting economy which have the same quality of power in the universe as the uniquely original discovery of the principle of universal gravitation by Johannes Kepler. No other living species has shown mankind's manifest ability to do this.

That means, that to survive, today's civilization must be, immediately, now, suddenly, and radically changed, back to policies consistent with the trends expressed by President Franklin Roosevelt. Otherwise, the so-called "environmentalist" trends of the recent forty-odd years have already certainly doomed this planet as a whole to an immediate plunge into a new dark age, in which population-levels might bottom out at about one billions indi-



EIRNS/James Rea

Unless “environmentalist” trends are immediately reversed, this planet were certainly doomed to an immediate plunge into a new dark age, in which the human population might bottom out at about 1 billion individuals, or fewer. Shown: an anti-nuclear demonstration in Berlin, Germany. The sign says, “Nuclear waste disposal now in your backyard.”

viduals, or less. Either those trends are now suddenly, and profoundly changed in favor of what I have preferred, or there is no hope for civilization during several generations to come,—and, as I have been repeatedly shown, over about five decades, to have been the best long-range economic forecaster alive.⁸

So, human creativity, as I have just summarily described it, is a specific quality of the human mental, willful potential, a quality which does not appear in any other living species, and *has no root in the biological apparatus of any other living species*. This means, as I shall present this case during the course of the remainder of this present report, and that successor soon to follow, that: in the expression of actual human creativity, such as Kepler’s uniquely original discovery of universal gravitation, the human mind “taps into” a power within the universe, a power which is not to be found as rooted within the bounds of the capabilities of all other living species.

It is this latter distinction of mankind, to which we allude, when we speak of mankind as having a power, that of a soul, a power which is not a by-product of biological creatures as we know them otherwise, but which equips human beings and their societies with a genu-

8. I may not be perfect, but I am the only known forecaster, world wide, employing a competent method.

inely creative potential, if we choose to accept that gift to us.

This potential is therefore associated with something specific to the manifestations of the human brain-function in some way, as a power which is clearly associated with the human brain’s expressed function, but a power which does not exist in the brain of any other living species. The evidence is, that something in the nature of the human species has developed the ability to “tune into,” as if by a mode of coupling, some higher power in the universe, as no other known species has done. It can be restated: that the specific distinction of the manifest creative powers of the human mind, is that it is susceptible of being tuned into the principle of the Creator of the universe. In other words, that power can not be a by-product of biology as customarily defined by science

so far, but is, as I shall address this in the forthcoming, concluding part of this series of reports, rather, “tuned into,” *dynamically*, a power which is of a specifically higher quality than the evolutionary potential of living processes otherwise.

The Dynamics of Economy

What I have just said on this account, is not speculation; it is a practical fact defined by the specific, manifest, practical, experimentally accessible distinction of the human species from all others. Such is the creative genius expressed by such as Riemann, Einstein, and Vernadsky.

When I refer, as I do here, to “tapping into” some power which is not identifiable as contained within the individual member of society (or any other comparably relevant kind of process), we are in the domain of *dynamics*, as Leibniz employed that conception. The actual expression of what we should intend to mean when we employ the term “dynamics” in physical science, is that in addition to discrete objects of sense-perception, or related kinds of matters, the form of organization within whose bounds such local manifestations exist, is itself an efficient object of scientific conception.

This distinction arises inevitably when we are impelled to reflect upon the fact that space and time as defined by Euclid, or Descartes, do not actually exist;

but, rather that space and time are expressions of objects of a special kind, which act upon, and are acted upon by what we otherwise recognize as akin to our intention in pointing toward discrete objects. Call them “*indiscrete* objects,” (sic) forms of dynamics which are themselves a special quality of physically efficient kind of conceptual object, as Leibniz defined modern dynamics, since they tend to meddle everywhere, as universal gravitation does, when that interference were liked, or not.

What I have just said in the preceding paragraphs, had begun to become clear to science’s experience in the aftermath of that line of qualitative development of modern science, through such developments as the skein of those discoveries of principle leading from the work of Nicholas of Cusa, Leonardo da Vinci, and Johannes Kepler. However, the point I am making here and now, could not have been made explicitly, until the way had been cleared for this, as it was for me, by the kind of effect associated, for us today, by the experience with Riemann’s 1854 habilitation dissertation by such outstanding successors of Riemann as Planck, Einstein, and Vernadsky.

Riemann’s work broke science free, in principle, from old, decrepit, a-priori assumptions, through the practical effects of working through the image of actually building our way outward, as if from within a pre-established, seemingly fixed scheme of the universe, into a conception of a universe which, in itself, expresses its role in a continuing process of upward, qualitative evolution in man’s power to change the universe. Such had been the issue of Philo of Alexandria’s condemnation of the Aristoteleans of his time. This was a development in man’s knowledge which has been of a type roughly analogous to the evolution of the Solar system, beginning with the periodic table of the Sun itself, to a planetary form of Solar system with a higher order of elements, reaching beyond the traditional periodic table of D.I. Mendeleyev, and into the more recent so-called trans-uranic elements. This conclusion is no mere speculation; it is simply the quality of scientific fact which was unleashed, as it was for me, by the effects of following the trail from Riemann’s 1854 habilitation dissertation.

The implications of that to which I have just pointed in the preceding paragraph, in particular, brings to our attention something which has always been there for man to recognize, but something which has been avoided out of respect for either the Aristotelean or kin-

dred notions of a simply fixed order within creation.⁹ This power, which exists as typical of the prototype of the human individual, does not exist as a willful power in any other form of life, even though the principle of anti-entropic forms of upward biological evolution of species, shows the biological-evolutionary system to be under the rule of the anti-entropic principle also expressed in the biology of the Biosphere. Other living creatures are subsumed by that principle; *mankind, to be seen as subsumed by the Creator*, embodies that principle as its own.

These considerations are not speculative, but practical.

The only competent definition of creativity, is rejection of what is assumed to be a qualitatively fixed system of the universe, replacing that definition by the corrected notion of a universe being actively recreated, negentropically, in higher forms, that being under the control of an anti-entropic law of the universe as a whole.

The so-called “Second Law of Thermodynamics” is much worse than being, as it is, essentially, merely a fraud of Clausius, et al. There is no actual universal law of entropy in this universe, although there are, admittedly, as among academics, especially those in the train of the Liberal system of Paolo Sarpi, rather stupid doctrinaires who express a different opinion on the matter.

The preceding set of summary observations just stated by me here, is the conception subsumed by the fruit of the truly clinical evidence of the actual characteristics of human individual creativity, as in physical-scientific creativity, but also Classical modes of artistic creativity. Other living processes and their evolution, are subsumed by the universe as it exists as given to them; however, man is unique, as human creativity shows: unique in man’s power to introduce principled changes into the universe, rather than simply obey them, when they occur. This is not some arbitrary assertion by me; it is the evidence of the increase of the human population on this planet, when the pattern of the human species’ performance is contrasted to that of the higher apes.

9. In the time of Jesus Christ and his Apostles, the Aristoteleans of that time were arguing that, if God the Creator were a perfect being, he himself could not have changed the perfected universe once he had created it. The dogma of the modern Malthusian does not extend to be a law of nature, nor as of mankind’s evolutionary potential. The perfection of the Creator, contrary to Aristotle, is the power to continue creating without limit. The entire universe shouts this fact as truth, except for the fools who have decided, arbitrarily to assert the contrary to be true and also eternal.

Defy the Children of Satan!

Given that background material summarized in this present chapter thus far, our attention should now be focused upon the psychopathological implications of the virtually cancerous mental disease, that modern syphilis of the human soul, called “environmentalism.”

To wit, the ability of the human species to support a global population of about 6.7 billions persons, so vastly surpasses the population-potentials of the higher apes, qualitatively, that we must tend, even for that reason alone, toward recognizing, on the basis of such evidence, that the human population’s characteristics are premised on mankind’s creating its own needed environment to support increase of the human population-potential, per capita and per square kilometer. There is no naturally fixed upper limit on the human population’s ability to reach far beyond present levels of its population on this planet. There are other questions to be asked and answered on this account, down the line, but those questions, themselves, are not, for us presently, of a quality relevant to the immediate prospects of mankind within the present century.

What we should know now, at least in an impressively large degree, are facts respecting the nature of the human potential which produces results of a type which are excluded among all other mammalian, or inferior species. These expressed differences all lie within the practical domain specific to true human mental creativity.

So, ask again: *What Is Human Creativity?* What, and who are the enemies of that human creativity?

So far, we have empirical access to knowledge of two specific types of experience of true creativity. First, we have local creativity, as by individual discoverers of practicable knowledge of provable universal principles. Second, there is knowledge of creativity as built into the essential character of the universe we inhabit, as the matter of the discovery of trans-uranic elements illustrates that point.

However, pause for a moment at this point: not “*How do we know this?*” but “*Why do we know this?*” Any among us who have thought seriously about *why discoveries of principle occur in a non-statistical way*, and who have actually made such discoveries successfully, will be able to understand the significance, and profound accuracy of my question: “*Why do we know this?*” The complementary question is, then: “*How do we know this?*” Name “*Why do we know this,*” *Prometheus*, and “*How do we know this,*” *Epimetheus*.

Why should we be able, and willing, to pose a valid

question of a new principle, when that question has not been derived “logically,” as a question, from preceding experience? In fact, so far in known history, most people are decidedly “not willing.” Discovery of principle is not generated by experience; it is generated by the concern that we must abandon our habits, in order to go outside the mere repetition of existing experience. The inspiration we require, if we are to escape the monotonies of mere memory, lies not in experience as such, but in the imagination, as Percy B. Shelley, for example, presents the summation of this case in the concluding paragraph of his *A Defence of Poetry*.¹⁰

This power of the imagination, to which Shelley refers in the conclusion of that book, is sometimes identified as the power of inductive, as opposed to deductive reasoning. However, not in the ordinary sense of the use of the term “inductive.” The case of Kepler’s uniquely original discovery of the harmonic character of the principle of universal gravitation, illustrates the case. In short, since we are confident that the universe is lawfully reasonable for the potential powers of the human mind, the evidence of a systemic paradox in evidence infuses us with confidence that systemic paradoxes in the reading of evidence have a solution, including the cases of systemic paradoxes expressed in

10. I quote here the relevant same passage from Shelley quoted as a footnote in my *Nations as Dynamical*: [“...we live among such philosophers and poets as surpass beyond comparison any who have appeared since the last national struggle for civil and religious liberty. The most unfailing herald, companion, and follower of the awakening of a great people to work a beneficial change in opinion or institution, is poetry. At such periods, there is an accumulation of the power of communicating and receiving profound and impassioned conceptions respecting man and nature. The persons in whom this power resides, may often, as far as regards many portions of their nature, have little apparent correspondence with that spirit of good of which they are the ministers. But even whilst they deny and abjure, they are yet compelled to serve, the power which is seated upon the throne of their own soul. It is impossible to read the compositions of the most celebrated writers of the present day without being startled with the electric life which burns within their words. They measure the circumference and sound the depths of human nature with a comprehensive and all-penetrating spirit, and they are themselves perhaps the most sincerely astonished at its manifestations: for it is less their spirit than the spirit of the age. . . .” That passage must be restated, in print and sung aloud, repeatedly, for the sake of its unique relevance as being uttered by me, yet once again, as stating a principle which is typical of every culture, in every age: that the individual member of society should become able to recognize himself, or herself, as expressing a behavior which is often, predominantly, typical of the movement of his, or her time, rather than simply a conscious product of his own, individual opinion-making. (My punctuation and editing.) Without that concluding paragraph of his *A Defence of Poetry*, any reprint of Shelley’s piece were fraudulent by intent.



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There is no naturally fixed upper limit on the human population's ability to reach far beyond its present numbers, LaRouche says. Shown: a street in Hong Kong, one of the most densely populated places in the world.

our experience of the universe itself.

This quality of existence of confidence in the probable affinity of the human mind with the intention of the Creator, always lurks within our thinking, even if this appears only as a kind of last resort.

So, we are inspired, thus, to be alert to cases in which we mislead ourselves, or are otherwise misled, into assuming that some assumedly "self-evident" assumption will explain away reality, as this is typified by the case of the a-priori axioms and postulates of a Euclidean geometry. The very fact that we reject those a-prioristic presumptions alerts us to some great fallacy of assumption in our way of thinking about the relevant subject-matter.

Thus, the elimination of the a-priori notions of time and space, together, or respectively, typifies the existence of a dividing-line between true inductive reasoning and childish, a-prioristic presumptions respecting whatever reality is affected by this matter. Sometimes, the name for systemic forms of intellectual stupidity is called "being a practical person." Such a "practical person," like the typical follower of the empiricism of the followers of Paolo Sarpi, makes up all sorts of what are, in fact, lies, if that fiction appears to be an opinion which will be taken as convincing by the proverbial next, credulous sucker. The religious fanaticism of the self-righteously ignorant, is merely typical of this pathological syndrome.

Thus, like Plato, Nicholas of Cusa, Johannes Kepler,

or Bernhard Riemann, all truly great scientists are theologians in the matter of fundamental scientific principles. Such is to be recognized in Albert Einstein in his later works, and in Academician V.I. Vernadsky. The method of thinking which inspires them is always a reflection of the ancient notion of *dynamis* on which Leibniz premised that concept of modern *dynamics* brought to its richer apprehension by Bernhard Riemann.

Such is the case of the paradox of human scientific reason.

In the case of human reason's achievements on behalf of mankind, when we are confronted with the evidence of truly creative modes of reasoning, as Shelley points toward this in the concluding paragraph of his *A Defence of Poetry*, we encounter a phenomenon,

thus, which we know, in one sense, as cognitive creative mentation in the individual. However, the action which that thinking by the individual extends into the form of intended changes in the way of thinking in society, and across the boundaries of death, into other parts of society, and coming generations, should warn us that the evidence thus presented to us has a more universal effect than a change in the behavior of that isolated individual. Thus, such creativity, as typified by the discovery of a universal physical principle, belongs ontologically to the domain of social dynamics, *universal* social dynamics. It thus becomes, as it grows, in effect, into an existent object among generations of mortals. It is, thus, the innermost part of the human personality which is efficiently immortal. It transmits its effect by a kind of mode of resonance, such that even when the idea originates within an individual mind, it reflects the dynamic action which that mind inhabits at that time; because of that arrangement, that aspect of the individual is itself immortal, and that dynamically.

Thus, the essential action of the thinking individual is the achievement of immortality of the self through that medium of action within and upon the immortal universe. It is probably the case, as I would attest from experience, that that sense of immortality, as we can readily recognize that in Shelley himself, and in his appreciation of John Keats, works exactly as Shelley himself describes this experience of his, in the concluding paragraph of his *A Defence of Poetry*.

Like ‘Free Energy,’ There Is No Such Thing as ‘Free Money’

by John Hoefle

Feb. 6—In this issue we devote considerable attention to debunking the myth of “free energy,” pointing out that what appears to be free can be quite costly if it is misused (see *Feature*). The same can be said for money.

The printing of money is not quite free, but the cost is negligible compared to the face value of the bills created. Electronic money is even cheaper, and as Fed chairman Ben Bernanke observed years ago, the government can create unlimited amounts of money at essentially no cost. That is true, but that does not make it free.

The question of cost really revolves around what is done with the money after it is created. The Fed could take all that money and lock it up in some vault, of course, but that would be pointless. The only reason to create the money is to spend it, and that’s where the trouble starts.

Perhaps the most well-known example of the danger of free money is Weimar Germany, during 1922 and 1923. Truly prodigious amounts of money were printed during that period, yet the effect was not the creation of wealth, but its destruction. The more money that was printed, the faster it lost its value, leaving the nation in ruins. The lessons of Weimar should serve as a warning to us today.

Money Is Not Wealth

Just because you can take a dollar bill out of your wallet and buy something with it, doesn’t mean that the money itself has value. The value is not in the piece of paper itself, but in what it represents. The bill has value

only because we believe that it has value; a shopkeeper will take your dollar because he knows the bank will accept it from him. Without that belief, it would be a mere piece of paper. Money is not an object, but an *idea*.

The value comes from somewhere else, and that somewhere is the ability of the physical economy to produce wealth through the transformation of matter, from a lower state to a higher state. For example, take the case of iron ore which, sitting in the ground, is little more than common dirt. If that ore is extracted and smelted, it produces iron, which is far more valuable than the ore. That iron can then be turned into steel, which, in turn, can be machined into tools, and the tools used to build products such as bridges, trains, and space-ships. Each of those products is not only worth more than the materials from which it was created, but it also increases the productive power of society as a whole, amplifying the economic benefit.

To take it a step further: Consider how those transformations depend upon human creativity. That iron ore in the ground was just dirt, until man discovered the existence of the ore and its special qualities. Then, man discovered that the ore could be mixed with other materials, and heated to produce iron; he then discovered that the iron could be processed to make steel. That steel was formed into tools with which to build more complex products, again because of human discoveries.

The real source of value then, is neither the money, nor the raw materials, nor the products produced from

them, but the ability of mankind to figure out the nature of the universe, and to intervene to create what had not existed previously. Human creativity is the source of wealth, while money is a mere convenience, a way to exchange wealth created elsewhere.

Thinking Our Way Out

Once this is understood, then the solution to our economic crisis becomes more clear. What we must do is tap into the creativity of our population, to rebuild our productive base, and to rebuild it at higher levels of technology. We must build our way out of this crisis, which means we must *think* our way out.

That requirement, naturally, put the Bush Administration at a distinct disadvantage, and the same can also be said for Wall Street, with its quasi-mystical belief in the power of the manipulation of money. Put simply, neither has a clue about real economics. Fortunately, the Bush Administration is history, and Wall Street has largely become a historical artifact. We have a new administration, willing to consider new approaches.

We see evidence of this willingness in the infrastructure component of the Obama stimulus program—but what has been presented so far is not sufficient to solve the problems we face. What is required, is a national commitment to put the banking system into bankruptcy reorganization, to stop the hemorrhaging, and then, to direct our attention toward rebuilding those elements of our economy which not only produce wealth, but also keep us all alive.

Reversing this disaster-in-progress must become a national mission, and the population must be enlisted to provide the political support to push through programs which are both absolutely necessary, and highly threatening to the global financial oligarchs of the Anglo-Dutch Liberal empire. In this fight there can be no consensus, because saving the nation requires putting the parasites in their place, just as President Franklin Roosevelt did in the 1930s and 1940s. If the parasites are not howling, we're not doing enough.

We must take the unused capacity of the auto industry, the plants, the machine tools, and the skilled workers, and use them as the basis for a national recovery program. We must ramp up as quickly as possible to build new, state-of-the-art nuclear power plants, and rebuild our decrepit national transportation grid with high-speed, maglev rail, and repair and improve our inland waterway system, including our deteriorating locks and dams. We must build the NAWAPA (North

American Water and Power Alliance) and PLHINO (North West Hydraulic Plan) water systems to provide sufficient water to our arid West. These projects, and others of a similar nature, are what is required for a genuine stimulus, and a genuine recovery.

Many people know this, but implementing such a program requires a break with the monetary theory which has dominated our thinking in recent decades. It requires courage, on the part of policymakers, politicians, regulators, and citizens, to stand their ground, and defend reason, in the face of irrational demands from those whose delusions are being shattered, including their whores in the press.

Bad Banks

There will be a tendency to seek less dramatic solutions, more acceptable to the financier class which has provided so much in the way of campaign contributions in recent years. The current discussions about government purchases and guarantees of financial assets reflect such a tendency, as does the discussion of so-called “bad banks.”

The “bad bank” plan, which is being discussed in Europe and the United States, is, at least nominally, based upon the idea that the assets in the banking system—the mortgage-backed securities, the structured derivatives and such—have value, and that value will return once the temporary liquidity crisis subsides, and the markets return to normal. In such a view, the current crisis is an aberration, and the bubble is the norm. Such a view is, to put it politely, insane.

We said nominally, because the bankers pushing this scheme know damn well that these assets have no value, which is precisely why they are so anxious to sell them to the government. *If the bankers really thought these assets had value, they would be fighting to keep them.*

The financial system is dead, and the masses of speculative assets made possible by the derivatives markets have been revealed to have no value. They are worth no more than casino chips after the casino which issued them has failed. Putting these worthless assets into a bad bank does nothing to solve that problem.

All the bad bank plan, or the purchase/guarantee plans would do, is move the worthless paper from one set of books to another, a cheap accounting trick. The assets would still be worthless, and the economy would still be bankrupt. It's a waste of time.

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The Fascists Versus FDR, Then and Now

The oligarchs are out to destroy the United States, on the model of their predecessors' fascist assault on FDR in the 1930s. By John Hoefle.

Feb. 6—The history of the United States is dominated by the struggle of our nation to break free of the oligarchic system represented by the British Empire, and to lead the world into a new era of freedom and prosperity. This battle is not, as some would have us believe, an historical artifact, but an ongoing fight between a world which desires to be free, and a parasitic oligarchy which wishes to rule over us as if we were cattle.

Those who doubt this should consider the implications of the great swindle of the bailout scheme, in which the public is being forced to pick up the tab, while the parasites who gave us this disaster are being rescued. Are we not being led, as if we were cattle, into the slaughterhouse, so that the imperial financiers can continue to feast?

In medieval days, the oligarchs ruled openly, their major rivals being other oligarchs; but that changed with the emergence of the nation-state, and, in particular, with the establishment of the United States as a constitutional republic. Despite repeated attempts by the British to defeat and subjugate the United States, we survived, and, under the American System of political-economy grew, to become the most powerful nation on the planet.

The nation-state is far superior to the empire as a form of government, and the oligarchy is determined not only to stop the spread of republics, but to reconquer the United States. In response to the emergence of this new threat, the oligarchy developed a political construct which took on the coloration of a nation-state, without its benefits. The system it adopted to subvert the nation-state came to be known as fascism.

While Italy, under Benito Mussolini, and Germany, under Adolf Hitler, are the most prominent fascist regimes in history, they were but creatures of a larger, global fascist drive. Mussolini's adopted titles, *Il Duce* and the *Duce of Fascism*, are indicative of the oligarchic nature of this movement. The Italian *Duce* is the

same word as Duke, in English, and *Doge*, in the Venetian dialect.

Fascism in the U.S.

The fascist movement was active in the United States, and centered around Wall Street, as befitting a movement which could also be accurately termed bankers' socialism. Partners in J.P. Morgan & Co. were active in funding Hitler and Mussolini. The Rockefellers' Standard Oil of New Jersey and Chase Bank had extensive ties with the Nazis, as did International Telephone and Telegraph (ITT, among other things, built the German Focke-Wulf bombers). Standard Oil President Walter Teagle was a director of American IG Chemical Corp., a subsidiary of the infamous IG Farben of concentration-camp fame. In 1947, U.S. judge Charles Clark ruled that "Standard Oil can be considered an enemy national in view of its relationships with IG Farben—after the United States and Germany had become active enemies."

Irénée du Pont was "obsessed with Hitler's principles" and a "keen follower of the career of the future Führer in the 1920s," reported Charles Higham in his book *Trading With the Enemy: An Exposé of the Nazi-American Money-Plot 1933-1949* (New York: Delacorte Press, 1983). Higham cited a speech du Pont gave to the American Chemical Society in 1926, in which he advocated a race of supermen, to be achieved by injecting children with certain drugs.

By 1933, the du Ponts were financing fascist groups in the U.S., such as the Liberty League, which slandered FDR as a Communist who surrounded himself with Jews; in early 1934, the du Ponts, the men of the Morgan Bank, and the du Pont/Morgan-controlled General Motors financed a coup d'état against the President. The conspirators attempted to recruit the highly decorated Marine Gen. Smedley Butler to run the coup, but Butler instead alerted the White House.

Standard Oil Co. president Walter Teagle (right) was a director of an IG Farben subsidiary. In 1947, a U.S. court ruled that “Standard Oil can be considered an enemy national in view of its relationships with IG Farben—after the United States and Germany had become active enemies.”



Defendants from Germany's IG Farben industrial combine, at the Nuremberg Tribunal. Eleven of the 24 were found guilty of war crimes. IG Farben built a plant near the Auschwitz concentration camp, the better to use its slave labor.



National Archives

In 1942, ten months after the United States entered World War II, the U.S. seized the Union Banking Corp. under the Trading with the Enemy Act. One of the directors of New York-based Union was Prescott Bush, the father of President George H.W. Bush and the grandfather of President George W. Bush. Prescott Bush was a managing partner of Brown Brothers Harriman, whose E. Roland Harriman was chairman of Union, which represented the interests of the German Thyssen family in the United States. In fact, a U.S. government investigation showed that Union was heavily interlocked with Thyssen's German Steel Trust, which produced a substantial portion of Nazi Germany's steel and explosives.

The German Steel Trust, Germany's largest industrial corporation, had been organized in 1926 by Wall Street banker Clarence Dillon, of Dillon Read. Dillon was a friend of Prescott Bush's father, Sam Bush. The majority owner of the Steel Trust was Fritz Thyssen, a prime sponsor of Hitler. Thyssen and his partner in the Steel Trust, Friedrich Flick, provided major financial support to the Nazis, allowing them and other German

industrialists to treat the Nazi SS and SA as private armies. Flick would later be sentenced at Nuremberg.

Averell Harriman, of the Harriman banking family, met with Mussolini to cement business deals, while Morgan partner Thomas Lamont, who described himself as “something like a missionary” for Italian Fascism, arranged a \$100 million loan for Mussolini in 1926. Lamont became chairman of Morgan in 1943.

This is by no means the full story of how the financier oligarchy created and steered the fascist movements of the 1920s and 1930s, but it is sufficient to indicate that fascism was organized and nurtured by a small clique of Western bankers, including the Bush family.

After the war, this same network moved to cover up their Nazi connections. James Stewart Martin, in his book *All Honorable Men* (Boston: Little Brown and Co., 1950), detailed how his team of U.S. investigators was continually thwarted in its probes into the origins and operations of the Nazi financial and industrial combines. Significant roles in this were played by the British Empire's Sir Percy Mills and Gen. William

Draper, Jr., of Dillon Read, the Bush-linked investment bank which handled significant amounts of the private lending used to rebuild Germany after the war.

Draper was a major supporter of eugenics, and sponsored the third International Conference on Eugenics in New York in 1932. The first such conference had been held in London in 1912; the second was held in New York in 1921. The Harri- man family was a major funder of eugenics, and it was his fetish for popula- tion control that earned the young Houston Congress- man, George H.W. Bush, the nickname “Rubbers.”

This Anglo-American pseudo-science was used as the model by Adolf Hitler, for his Nazi race policies. Hitler was a madman, but one created by the oligarchy.

FDR Saves the Day

The essential point to be made about Franklin Delano Roosevelt, is that he took a nation that had been devastated by the looting policies of the imperial bank- ers—the “economic royalists,” as he called them—and restored the concept of national sovereignty. He saved the nation from the fascists, and they have neither for- gotten nor forgiven him for doing so. FDR whipped the bankers into line, using the hearings of the Senate Bank- ing Committee conducted by prosecutor Ferdinand Pecora, to expose the corruption and arrogance of Wall Street, thereby gaining public support to ram through a series of regulations and reforms.

A particular target was J.P. Morgan & Co., the bank which controlled a vast swath of America industry, from railroads to steel to raw materials and electricity gen- eration. J.P. “Jack” Morgan had shown his contempt for the government during the Pecora hearings, when he posed during testimony with a midget on his lap, a dis- play of arrogance which cost him dearly.



National Archives



www.arttoday.com

Left: Prescott Bush and his wife, Dorothy. Above: Fritz Thyssen with Adolf Hitler. Bush was a director of Union Banking Corp., which represented the Thyssen family in the United States, and was interlocked with Thyssen's German Steel Trust. In 1942, the U.S. government took over Union, under the provisions of the “Trading with the Enemy Act.”

Morgan was essentially a British bank, having begun as the New York branch of J.S. Morgan & Co. of London, a bank with close ties to the Venetian Roth- schild banking interests. With a steady supply of Euro- pean money, Morgan had led the fight to bankrupt the American System entrepreneurs and take over their op- erations. In this way, Morgan gobbled up railroads and industrial interests, combining them into trusts like U.S. Steel and General Motors. The Morgan partners viewed themselves as international bankers, above the laws of mere nations. They were not the only ones who did so, but they were the most powerful of the Ameri- can bankers.

Morgan, as we have seen, had also been instrumen- tal in the plot to overthrow FDR in 1934. While the treasonous plotters were never prosecuted for their crime, for political reasons, the ramifications of their actions were not overlooked, and the administration set out to break their power. One way this was done was the passage of the Glass-Steagall Act, which pro- hibited commercial banks from engaging in the securi- ties business. This act forced the Morgan bank to split



Harry S. Truman Library

Averell Harriman (right) with U.S. Secretary of State James Byrnes, at the Potsdam Conference in 1945. The Harriman family worked with Prescott Bush in supporting the Nazis, and Averell clinched business deals with Benito Mussolini.

into two separate companies, the commercial bank J.P. Morgan and the investment bank Morgan Stanley.

FDR's actions were not punishment per se, but demonstrations that the law applied to the imperial financiers as much as it did to anyone else; that they were subject to the law, not above it. For that, he is hated to this day by the empire.

The Battle Today

Today, the Obama Administration faces problems similar in nature to those faced by FDR when he took office, but on a far greater scale. Most of the regulatory reforms passed by FDR to control the financiers have long since been repealed, and the nation has a much weaker agro-industrial base than it did in FDR's day. More importantly, we have a banking system which is hopelessly bankrupt, and have engaged in a criminally insane attempt to bail out the imperial financiers, threatening a hyperinflationary explosion which will wipe out the value of the dollar, and destroy what is left of the nation.

The only way to avoid a collapse into a New Dark Age is to return to the philosophy of the American System, as last embodied by FDR, and Lincoln before him. Above all else, we must defend the sovereignty of the nation from the predations of the financiers.

It is the prospect of precisely such a fight that has brought the apologists and propagandists of the empire



Library of Congress

Partners at J.P. Morgan & Co. were funders of both Hitler and Mussolini. Here, J.P. Morgan, Jr., who traveled by yacht between his Summer home in Connecticut and his office on Wall Street.

out of their roach-holes. They have launched a renewed campaign to assassinate the character and accomplishments of Franklin D. Roosevelt, in the hopes that this time the empire will win, and the stunning accomplishment that was the American Revolution can at long last be defeated.

Rewriting history to hide the contributions of great men, is a technique honed to a fine art by the oligarchy in its commitment to keep the world enslaved. In this pursuit, the oligarchy never rests—its hired biographers turn out reams of obfuscations and lies designed to hide the great ideas of history from a population it prefers to keep ignorant and distracted.

The most recent assault on the memory of FDR comes from the poison pen of one Amity Shlaes, a journalistic prostitute whose lack of intellect is more than matched by her willingness to serve her masters. Her book on Roosevelt, *The Forgotten Man: A New History*

of the Great Depression (New York: HarperCollins, 2007)¹ is worth reading only by those studying oligarchic propaganda techniques. If Shlaes understands anything about what FDR really did, she hides it well; the shallowness of her analysis suggests that she knows less about the subject than did Roosevelt's dog Fala. But then, her job was not to explain FDR, but to assassinate his reputation and his method, in an attempt to prevent its re-emergence. Shlaes was hired not to tell the truth, but to hide it, a job made far easier by the fact that she would not recognize the truth if she tripped over it.

Shlaes asserts that Roosevelt had no overall policy, and was so "random" as to be "creepily unpredictable" to the bankers. He was, she complains, "anti-big business." She slyly damns the people who ran the New Deal by saying that while they were not, by and large, traitors, they were heavily influenced by Communists; she even raises the specter of anti-Semitism. All in all, a pathetic, whorish, and incompetent work.

Shlaes, the real "Amityville horror," was well trained in duplicity. She served a stint as the op-ed page editor of the *Wall Street Journal*, where she became a protégé of Robert Bartley, a man who served as a link between the elite fascists of the Mont Pelerin Society and their equally fascist golems, the neocons. After her training at the *Urinal*, Shlaes moved on to the newspaper the *Urinal* would like to be, the City of London's own *Financial Times*, where she continued her concubinage. Today, Shlaes is a columnist for Bloomberg and a senior fellow at the Council on Foreign Relations, the American spin-off of Britain's Royal Institute for International Affairs.

Shlaes wrote her screed while on a fellowship at the rabidly pro-cartel American Enterprise Institute. The



President Franklin D. Roosevelt's dog, Fala, had a better understanding of what FDR did than does American Enterprise Institute scribbler Amity Shlaes.

AEI began life as the American Enterprise Association, a group formed in New York in 1938 to oppose FDR's reforms. It moved to Washington in 1943, where it has served as an imperial lobby group and brainwashing center ever since. The book was published by Harper Collins, which is run by British asset Rupert Murdoch. The whole operation is transparently British.

Shlaes made the nature of her hit-job explicit in an op-ed she wrote for the Feb. 1, 2009 *Washington Post*, in which she said that President Obama "has made it clear that his model is Roosevelt." She proceeded to try, futilely, to make the case that FDR "is unworthy of emulation." Through it all, her perspective as a finan-

cial parasite shines through, making a mockery of her own arguments.

The importance of Shlaes' work lies not in what she herself has done, but in the desperate intent of her British puppetmasters to head off the policies of the leading advocate of an FDR-style response today, Lyndon LaRouche. With the world caught in the grip of an accelerating crisis, the battle lines between the demands of the empire and the needs of the people are more clearly drawn than they have been in centuries.

The oligarchs of the Anglo-Dutch Liberal system are in deep trouble. Their financial system has failed, they themselves are bankrupt, and the realization is dawning on governments that they must take steps to bring to heel the speculators who have destroyed the world. In this context, the success of FDR is a beacon of hope, an example of what can be done. Against that, the rantings of Amity Shlaes and the rat-pack touting her arguments are to be swatted like flies by the judgment of history.

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This article draws on the work of EIR researchers over many years, notably, Anton Chaitkin and L. Wolfe.

1. Reviewed by Nancy Spannaus in *EIR*, Sept. 14, 2007.

Do You Want to Stimulate the Economy? Then Build New Nuclear Power Plants

by Marsha Freeman

While policymakers in Washington try to determine how an infusion of Federal funds can be vectored toward an economic recovery, certain fundamental principles must be adopted as the basis for decision-making.

No attempt to pull the U.S. banking system out of a bottomless bankruptcy will be successful without a return of the U.S. Federal budget to capital budgeting rules. All reorganization of bankrupt institutions must be premised on that general rule. This means that assets which meet the standard for chartered national or state banks will be protected as if the Glass-Steagall rules had been still in effect.

After the financial sector is put through bankruptcy reorganization, and the fanciful financial instruments commonly known as “toxic waste” are put to one side, so as to make no further claim on the good faith and credit of the United States, the nation can return to its Constitutional duty to initiate internal improvements, in order to promote the general welfare.

It is necessary to ensure that the basic needs of the population are met, through measures such as moratoria on housing foreclosures, extended unemployment benefits, and broadened health-care insurance, and, that bankrupt Federal states continue to provide basic services for their citizens.

Economic growth will depend upon trillions of dollars of Federal capital investments which will ameliorate the immediate situation, *by laying the basis for the long-term increased productivity* of the economy, as a whole. It is not a question of simply creating jobs, but increasing the physical expression of capital intensity of the economy, and raising the productive level of the nation’s workforce. Such will be the function of investments in basic economic infrastructure.

There could be no economic recovery, without a massive expansion of production of power, through measures which emphasize growth, and without a similar expansion and upgrading of the nation’s power supply and distribution system. Contrary to “popular

opinion,” which has been shaped by scam artists like T. Boone “Windbag” Pickens, and “green” ideologues, such as Al Gore, only nuclear energy can provide the quality and quantity of power that a 21st-Century economy requires.

Although the first tentative steps have been taken by electric utilities to restart the construction of new nuclear power plants, with more than two dozen reactor license applications filed with the Nuclear Regulatory Commission (NRC), this “renaissance” in nuclear power will not materialize without a federally directed “stimulus.” Similarly, the disappearance of the U.S. nuclear manufacturing industry has begun to be reversed with initial steps taken. But the reconstitution of a nuclear industry, based on the most modern power plant designs and advanced manufacturing techniques, will not happen without a nationally directed effort.

For decades, the mass-production auto industry, and its component manufacturers, created 1 of every 13 industrial jobs in the United States. This was the reservoir of the nation’s machine-tool design and industrial engineering talent. The industry, which now lies in ruin, must be re-tooled and mobilized by measures which depend, in large degree, on recreating a nuclear manufacturing industry.

For the past three years, the Congress, led by misleadership Nancy Pelosi and her supporting cast of Anglo/Dutch/Wall Street financiers, sabotaged the initiatives by Lyndon LaRouche, to reorganize the bankrupt banking system, and redirect credit to retool the auto/machine-tool industry.

LaRouche has called for the creation of a Federal corporation to assume, employ, and expand the idled portion of the machine-tool and auto-manufacturing industry, not to produce more cars, but to make capital improvements in certain categories of production-related essentials, including high-speed rail and magnetically levitated (maglev) transport systems, advanced nuclear power plants, desalination plants, and water control and navigation infrastructure. On Jan. 4,



“Shovel ready”: UniStar Nuclear Energy has proposed to build a third nuclear plant at the Calvert Cliffs site in Lusby, Maryland, one of the 28 sites identified in Figure 1.

he described it as a “50-year, \$1 trillion-a-year technology and machine-tool mission.”

Why Is a ‘Stimulus’ Needed?

There is no possibility that the dozens of nuclear power plants that need to be constructed in the United States over the next ten years, could be built without Federal support.

Contrary to widespread miseducation of the public during the recent 40 years, there could be no recovery of the U.S. economy from its presently ongoing breakdown, without a capital-intensive mode which places heavy emphasis on the included role of nuclear-power installations.

The electric utility industry is the most capital-intensive sector of the U.S. economy, and nuclear power plants are the most capital-intensive investments made in the utility sector. Nuclear reactions produce the most energy-dense form of energy, many thousand-fold more dense than the so-called renewables. To produce usable energy from fission reactions, requires highly skilled labor for the construction, and then, operation of the plant, and high-quality nuclear-certified materials and components. The majority of the cost of nuclear energy

is the construction of the plant. Because the amount of energy-dense fuel used is minimal compared to any fossil fuel, the operating costs are modest.

Today, utilities planning to build new nuclear plants do not have billions of dollars of cash-on-hand for this investment; they must raise capital. Just as companies have started to plan nuclear investments, millions of home foreclosures, empty factories, ballooning unemployment, and rising prices have cut energy use, and utility revenues, making access to credit all the more urgent. Before the start of this year, the top ten utility companies announced that more than \$2.7 billion in capital investments would be delayed, due to falling revenues. This

need for credit leaves the fate of a community’s electricity supply in the hands of Wall Street bankers, who set the terms by which companies can borrow money. High interest rates on borrowed capital have put nuclear power plant costs out of reach.

On Dec. 9, 2008, it was revealed in documents sent to the Nuclear Regulatory Commission, that the Tennessee Valley Authority (TVA) estimated that the updated cost of building two new nuclear power plants was in a range of \$9.9-17.5 billion. This was *more than double* the original cost estimate, largely due to last year’s artificially created hyperinflationary rise in the price of steel, concrete, metal and copper wiring, and other materials.

Responding to queries, and disbelief from TVA’s customers, that they would have to bear the burden of that inflated cost, Terry Johnson, a TVA spokesman, had a proposal on how to lower it. He explained that if the TVA built the new plants *without having to pay interest on a loan*, they would cost \$4-5 billion per unit, or about half.

Last June, Ernst & Young released a research report that had been commissioned by the U.K. government, which similarly found that the cost of *financing* construction of a new nuclear plant amounts to about 55%

of the final cost of electricity. Bring down the interest rate, and the cost can be cut in half.

As commercial credit has been all but frozen, interest rates have risen, putting a further strain on electric utility investments. On Dec. 17, it was reported that the Virginia Electric and Power Company paid an interest rate of 8.875% to sell \$700 million worth of 30-year bonds, which was up from 6.35% the year before. This rise in interest rates adds hundreds of millions of dollars to any nuclear power plant cost.

The solution is to create a federally chartered corporation, which will extend long-term credit, with a maximal 2% interest rate, for the most efficient construction of new nuclear plants. It is not important how much these power plants cost, *per se*; it is critical that they get built.

As the financial system has imploded, it is becoming less and less possible for U.S. utilities to gain access to credit *at any cost*. This credit crisis has become so severe, that last year, the Japanese government was asked by the Secretary of the U.S. Department of Energy to study the possibility of using the resources of the Japan Bank for International Cooperation and Nippon Export and Investment Insurance to support construction of nuclear plants in the U.S.!

‘Smart’ Fraud

While the Administration’s “stimulus package” includes funding for what is described as a “smart” electric grid, do not mistake this so-called “modernization” for what is required. This is an attempt to run time backwards—to “re-engineer” the grid to accommodate small, inefficient, unreliable, and intermittent “renewables” projects, such as wind power, solar energy, and biomass. Such a “redesign” of the grid will increase instability in the power supply, and lower the reliability of our transmission network.

The application of Internet-like communication and control technologies, touted as part of the “high-technology” thrust of the stimulus plan, is simply a way for consumers to police themselves, to “adjust their energy use,” meaning cut back, when they see they are using more energy than they will be able to pay for.

Other “automatic control” systems would allow the utility to shut off electricity delivery when demand is too high, which, according to the environmentalists, is an appropriate alternative to building new power plants to meet demand.

The electric grid *does* need to be modernized and expanded. The incorporation of technologies such as

superconducting cable, where transmission capacity is increased multiple-fold, is being done only on a small, pilot basis with the support of the Department of Energy. This is the kind of leap in transmission technology, which would create a real “21st-Century” grid.

Current Capabilities

Were all of the necessary steps to create the policy and credit to jump-start nuclear power plant construction taken, the nuclear renaissance would still be stalled. At the present time, there is not the manufacturing capacity to build more than a handful of new nuclear power plants, per year, *worldwide*.

For nearly 30 years, no new nuclear power plant has been ordered and completed in the United States. From the mid-1970s through the mid-1980s, more than 100 nuclear power plants on order were cancelled. Today’s 103 operating plants are not even a pale shadow of the “2,000 by 2000” that the nuclear community expected to be in operation by the turn of the century, nine years ago.

By the mid-1980s, the U.S. nuclear manufacturing industry had all but disappeared. Today, not even one nuclear power plant could be built in the U.S., without importing some of the largest, and most important components.

But this is not just a crisis facing this country. Excluding Russia, which builds complete nuclear plants indigenously, and China and India, which are constructing the factories to be able to do that, the rest of the world depends upon a small handful of major suppliers, which, with the upsurge in orders globally, is now stretched to the limit of its capacity.

In a speech on Oct. 27, 2008, NRC chairman Dale Klein observed that “We can’t make a living cutting one another’s hair. At some point, you’ve got to make things. You can’t be a total service economy.”

In the 1970s and 1980s, he explained, there were about 500 U.S. companies with what is called a nuclear stamp. This certifies that they meet the strict standards to manufacture nuclear plant components. Today there are 100.

As the most dramatic example, Japan Steel Works (JSW) is the only company in the world, outside of Russia, that makes the massive forgings needed for full-sized nuclear pressure vessels, and other large components. The ultra-heavy nuclear forgings, up to 600 tons in weight, which house the nuclear reactor core, are then machined in a handful of plants, such as at the Chalon/Saint Marcel site in northern France, of the nu-



Japan Steel Works

A nuclear reactor pressure vessel component: Japan Steel Works produces more than 80% of the heavy forgings needed for nuclear power plants worldwide. In this photograph, a plant worker stands next to the 80-ton bottom “petal” of a reactor pressure vessel. There is a four-year waiting list for Japan Steel forgings.

clear giant, Areva.

Currently JSW has a four-year waiting list for vessel forgings. Nuclear vendors planning to build new plants are now in a bidding war to make downpayments to JSW in order to reserve their place in line.

Early last year, JSW announced a \$523 million expansion plan, to double its forging capacity by mid-2011. This would enable it to produce eight reactor pressure vessels, and associated components, such as steam generator parts and turbine motor shafts, per year. In November, Areva signed a deal to ensure its supply of heavy forgings to 2016. A few weeks later, JSW announced a second, \$314 million expansion phase, to triple capacity, to 12 units per year.

Recognizing that Japan Steel’s tripled capacity will not come close to meeting the need, and that shortages of other components are almost as severe, numbers of companies are planning to enter, or in some cases, re-enter, the nuclear supply industry.

U.S. manufacturers which let their nuclear stamps expire are renewing their certificates. For example, Chicago Bridge and Iron (CB&I), in the past, had built 75% of the nuclear power plant containment vessels in the United States, and over 130 worldwide, as well as 41 pressure vessels for nuclear plants. CB&I announced

in October that it had been awarded a contract by Westinghouse to build two containment vessels. Last year, CB&I renewed its nuclear stamp. It plans to start fabrication of the Westinghouse units this year, with completion scheduled for 2014 and 2015.

Eurasian Developments

Future nuclear powerhouses—China and India—are preparing to enter the large forgings industry. China’s Harbin Boiler Works, Dongfang Boiler Group, and Shanghai Electric Group are in this category. India’s Larsen & Toubro hopes to export forgings in the future, in addition to serving the Indian domestic nuclear market.

South Korea’s Doosan Heavy Industries announced last May that it had completed its program to become self-sufficient in nuclear power technology, a national project begun in

2001, to manufacture plants independently. A month later, Doosan signed a contract with Westinghouse to supply equipment for new reactors in the U.S. It also announced plans to spend \$395 million by the end of 2011 to increase production capacity for castings and forgings.

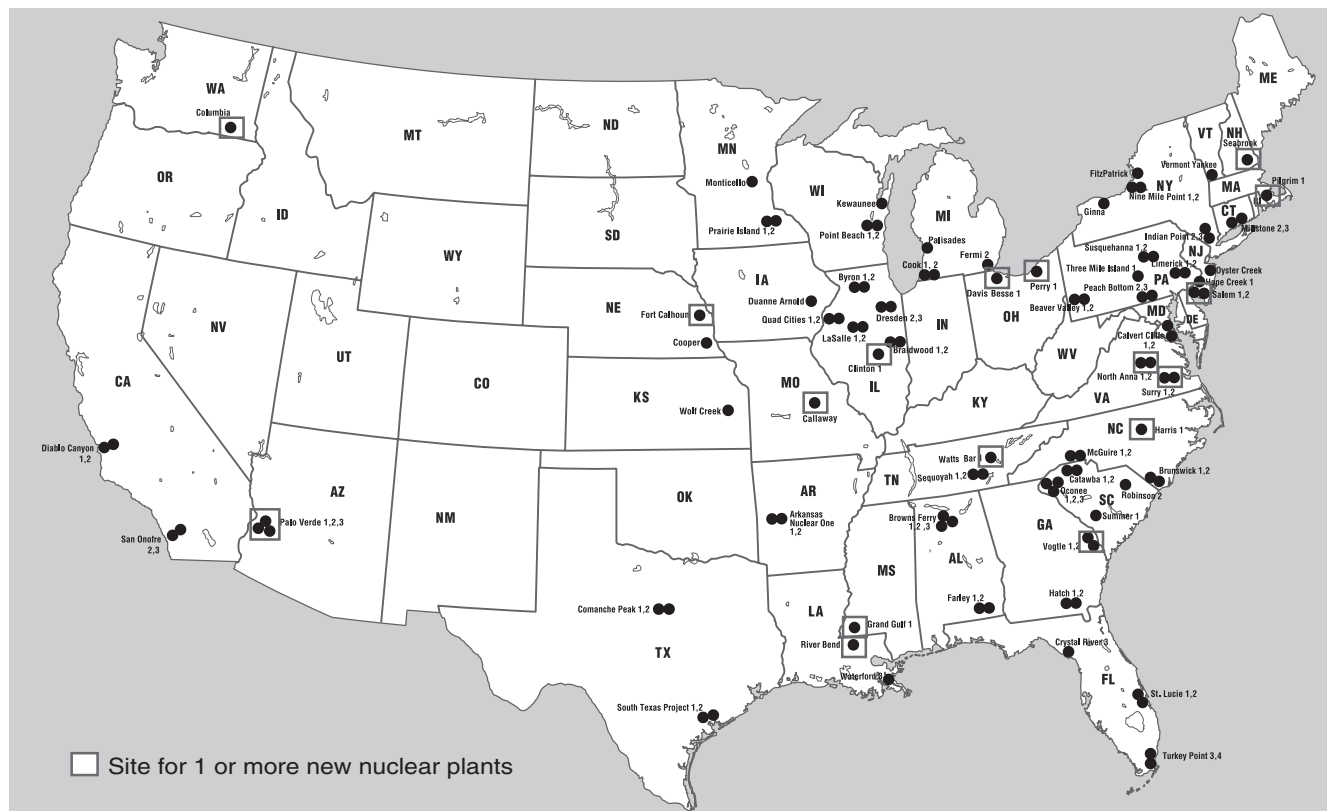
Sheffield Forgemaster, in England, won a contract on Sept. 2, 2008, to produce nuclear-grade steel components for new Westinghouse reactors that are being built in China. Two months later, Westinghouse ordered components for new reactors that are being planned for North and South Carolina. Now, the U.K. government is considering a \$45 million financial package for Sheffield, to enable it to purchase a larger press, and increase the scope of nuclear components that it can manufacture.

Since a 1722 decree of Peter the Great, manufacturing plants that are part of the Izhora group have produced parts for ships for the Russian Navy. Today, the Uralmash-Izhora Group (OMZ), or United Machine-Building Plants, is Russia’s leading company for the production of specialty steels, and equipment and machines for the nuclear and other heavy industries.

Over the past decades, OMZ has supplied reactor containment vessels for more than 60 plants in Russia, countries of the former Soviet Union, India, China, and

FIGURE 1

Ready Sites for 28 New Nuclear Plants, at 17 Current Nuclear Power Locations



Source: Nuclear Energy Institute

Iran. It is producing the containment vessels for the first floating nuclear plants in the world, which are being built in Russia.

More than a year ago, OMZ embarked upon a plan to modernize and expand its manufacturing capabilities. That five-year plan, costing hundreds of millions of dollars, will double its capacity, allowing Russia to meet its own ambitious plans, to commission at least one new nuclear plant *per year*, as well as export reactors globally.

Forges in the Czech Republic are considering retooling, to be able to produce pressure vessel forgings in two years. Additional Japanese heavy industry giants, such as Mitubishi Heavy Industries, are planning expansions.

As impressive as some of these projects may be, they are a drop in the bucket compared to what is necessary.

We must build new nuclear power plants as quickly as we can, everywhere in the world. This cannot be done without a mobilization of the talent and potential industrial capabilities of the United States.

Auto to Nuclear

In the 1970s, the U.S. had an extensive nuclear industry, in breadth and depth, with the capacity to work on more than 100 nuclear plants simultaneously, in various stages of planning, engineering, design, and construction. That magnitude of capability must be recreated as quickly as possible.

Four years ago, LaRouche outlined how the auto/machine-tool industry should be retooled to be able to manufacture desperately needed infrastructure, such as nuclear power plants. Considering that six months after the start of World War II, auto parts-producing and assembly plants were manufacturing tanks, airplanes, and ammunition, this is absolutely doable.

Since 2006, more than 30 million square feet of machine-tool and manufacturing capacity in the auto and related industries have been idled. More than 300,000 jobs have been lost. It is clear that reopening those plants to produce millions more cars is folly.

The production of nuclear power components has been made simpler by the move from one-of-a-kind nu-

clear plants, typical of the 1970s and 1980s, to standardized designs, and modular construction techniques. Modular production is the approach being used in Japan, where on-site construction time has been reduced to 36 months. Integrated modules are mass produced in factories, transported to the construction site, and then assembled there. In Europe, nuclear companies expect that 18 months could be chopped off standard construction time if modular methods, similar to those used to build offshore oil platforms, were used for nuclear plants.

In August, Westinghouse and Shaw signed a letter of intent to create a joint venture, called Global Modular Solutions LLC, for the fabrication and assembly of modules for Westinghouse AP1000 nuclear reactors. The improved AP1000 has been designed to be built with approximately 600 such standardized modules. The factory will be built at the Port of Lake Charles, in Louisiana, to produce structural, piping, and equipment modules. It is scheduled to begin operating in the third quarter of this year and will employ 1,400 people. The plant will support the construction of two reactors per year.

This modular approach is perfectly suited to a retooled auto/machine-tool industry, where standardized parts can be manufactured in large quantities.

There are numerous components required for nuclear power plants that are susceptible to large-scale mass production, pre-assembly into components, and then assembly into a modular unit. **Table 1** is indicative of some of these large-volume components, including prefabricated equipment modules. Individual modules might comprise piping, electrical equipment units, structural elements, and even ready-built stairs and platforms for on-site assembly.

Many of the new nuclear plants will be produced for nations that do not have large concentrations of population, or in-place electric grid systems. Large-scale, 1,000 MW plants will not be suitable. Next, or fourth-generation reactors, will be designed in a variety of sizes, and by operating at higher temperatures than today's conventional plants, will bring desalination and other benefits to populations, in addition to electricity.

Prof. Andrew Kadak, at the Nuclear Science and Engineering Department at the Massachusetts Institute of Technology (MIT), has supervised a student project begun in 1998, to develop a conceptual design for a high-temperature pebble bed nuclear reactor that could be economically produced in small sizes for developing nations.

TABLE 1

Large-Volume Components for a New Advanced Nuclear Plant (1200-1500 MW range)

Equipment	Number (Range)	Comments
Pumps, large	71-100	
Pumps, small	80-484	
Tanks	49-150	from 600-150,000 pounds
Heat exchangers	47-104	All sizes, types, material 2,100-250,000 pounds
Compressors, vacuum pumps	12-26	
Fans	61-123	600-45,000 pounds
Damper/louvers	730-1,170	
Cranes and hoists	25-50	
Diesel generators	2	10 MWe
Prefabricated equipment modules	64-133	Preassembled packages including mechanical equipment, piping, valves, instruments, wiring, etc.
Instruments of all kinds	1,852-3,440	
Valves of all kinds	9,633-17,891	

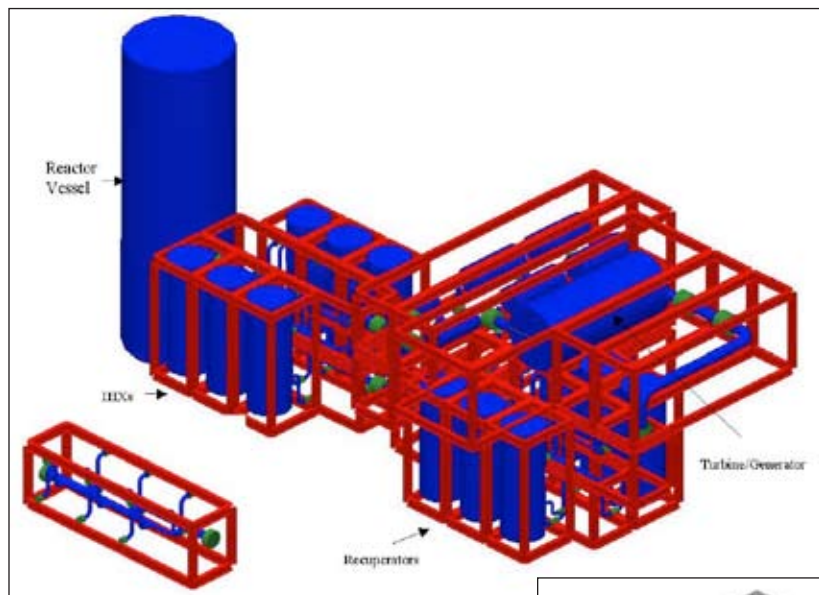
Source: *US. Job Creation Due to Nuclear Power Resurgence in the United States*, Volume 2, page A-125, November 2004, Idaho National Engineering and Environment Laboratory.

The students have focused not only on the nuclear technology, but also how to build the reactors most economically. In the MIT modular design, component manufacturers would provide all components, piping connections, electric power connections, and electronics to fit in a standard steel "space frame." The frames would then be assembled at the plant site, some components using a "lego-like" assembly process to bolt them together. In addition, modules could be replaced rather than parts repaired, greatly reducing maintenance costs and down time (see **Figure 2**).

In this study, the constraint on size in transporting modules was a critical factor in the design. In order to be able to deliver components for the 120 MW reactor, not only by barge, but by truck or rail, an upper weight limit was imposed, of 200,000 pounds, with maximum dimensions of 8 feet wide, 12 feet tall, and 60 feet long. For their current reactor design, 27 modules are required, each of which is rail and truck transportable.

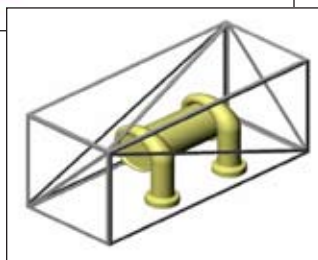
A reconstructed nuclear industry will face the immediate problem of a lack of skilled manpower, from nuclear engineers to construction workers, welders, and electricians. Approximately 4,000 workers are needed

FIGURE 2



Courtesy of Prof. Andrew Kadak, MIT

Modular Construction for Small Pebble Bed Reactors: Standardized steel “space frames” (inset) are used in this MIT design, each containing various components for new nuclear plants. The frame modules are then attached on site, bolted together, and plugged in, dramatically reducing construction time.



at each site at the peak of construction, and each new plant requires 400-700 employees. To build about 35 new reactors, about 38,000 jobs will be created in the nuclear manufacturing industry.

Over the next five years, 35% of the current nuclear workforce will be eligible to retire. So, in addition to the tens of thousands of new workers required for the expansion of plant construction and operation, more than 20,000 are needed, just to replace those who will leave the workforce.

To start to meet the demand for skilled jobs, Mark Ayers, president of the Building and Construction Trades Department of the AFL-CIO, has proposed that the nuclear industry “set up on-site training centers,” that the union, itself, would build. “We would recruit from the local community and help train them to be craftsmen,” he stated. The Building Trades already spends \$800 million per year for job training, Ayers reported, and Federal “stimulus” support would speed the process.

‘Shovel Ready’

The Congress is necessarily concerned with initiating programs that “stimulate” the economy, as

quickly as possible. But this should not be an excuse to put people to work doing less-than-useless, non-productive jobs, such as cleaning off solar energy collectors.

While major modes of transportation must move from liquid fuel—in cars, trucks, and airplanes—to electric systems, such as rail, maglev transport, and electric cars, as the *Detroit News* observed in a Jan. 13 editorial: “the nation remains clueless about where the electricity will come from.” They add that “anyone who thinks the additional demand can be met solely by alternative energy sources—windmills, etc.—is delusional.”

There are two dozen new nuclear plants that could be built quickly on what are called brownfield sites. These are sites where there is at least one reactor in operation, and where additional reactors had been planned, but were never built. Construction could start almost immediately, because unlike new greenfield sites, much of the transport, energy, and manpower

infrastructure is already there.

The recommendation to immediately start plant construction on these 28 sites was made in the June 17, 2005 issue of *EIR* and was reiterated recently by nuclear engineer Joseph Somsel, in an article published in the Jan. 23 issue of *American Thinker*. Infrastructure investments, he points out, greatly increase economic productivity, which should be the criterion upon which “stimulus” investments are made.

All that is needed, he suggests, is “tweaking” current regulations for limited work authorizations. This would mean that companies could start “turning dirt” within a couple of months, as they start site preparation.

While construction begins on the first couple dozen nuclear plants, an Apollo-style mobilization to rebuild America’s steel and specialty steel industries, machine-tool capabilities, and auto-related plus additional manufacturing facilities, using the most advanced technologies, must get underway.

It will take some time, and trillions of dollars of credit, to restore the physical economy to a pathway of growth. The longer we wait to start, the more difficult it is going to be.

Pelosi, Frank Schemed To Bankrupt the United States

by Nancy Spannaus

Feb. 3—Lyndon LaRouche today reiterated his call for the immediate ouster of Nancy Pelosi as Speaker of the House, and charged that both Pelosi and Rep. Barney Frank (D-Mass.), chairman of the House Financial Services Committee, knowingly conspired to bankrupt the United States.

“From the time that I first issued my proposal for a Homeowners and Bank Protection Act (HBPA) during my July 25, 2007 international webcast, Speaker Pelosi and Chairman Frank openly collaborated with the likes of Felix Rohatyn and George Soros, to kill that legislation, knowing that the alternative would be the total bankruptcy of the United States,” LaRouche declared. “Throughout the Autumn of 2007, state and local elected officials from all over the country—Democrats and Republicans alike—threw their support behind my HBPA. Yet, despite that unprecedented mobilization in support of a freeze on foreclosures, and a bankruptcy reorganization of the entire U.S. Federal Reserve banking system, Speaker Pelosi and Chairman Frank suppressed any Congressional action. I know this for a fact.”

LaRouche continued, “From the outset, leading figures within the Democratic Party, including leading members of the U.S. Congress, told my associates that the HBPA would work, and that it would enjoy wide bipartisan support. At one point, Rep. John Conyers (D-Mich.) read the full text of the HBPA into the record of a House Judiciary Committee hearing on the banking crisis. Despite this, the HBPA was blocked.”

LaRouche demanded to know: “Why did Pelosi and

Frank block any action on the HBPA? What role did George Soros and Felix Rohatyn, to name just two leading figures with great influence on Speaker Pelosi, have on the decision to suppress the only legislation that would have prevented the nightmare collapse of the entire banking system that we are now experiencing?”

LaRouche called for an immediate inquiry, by the appropriate Congressional committee, “and without interference by Pelosi or Frank,” to get answers to these questions. “Today, it is still not too late to pass the HBPA. If anything, the need for this legislation is more urgent than it was in July 2007, when I first put it forward. The entire Federal Reserve System is hopelessly, irreversibly bankrupt, and Pelosi and Frank bear personal responsibility for this crisis. Had they not suppressed the HBPA, and, instead, pushed the multi-trillion dollar bailout of their friends on Wall Street, we would not be in the mess we are in today. Now, because of the willful actions by Pelosi and Frank, it is urgent that we get to the bottom of that sabotage, to make sure that it never happens again.”

Pelosi Under Fire

Although no Congressman, nor any other Democratic leader, has come forward to challenge Pelosi on the substantive issue of her protection of the thieving bankers, a revolt has begun to emerge publicly against Pelosi’s leadership. In early February, news leaked out that a number of House Democrats were circulating a letter to Majority Leader Rep. Steny Hoyer (D-Md.),



EIRNS/Dan Sturman

Lyndon LaRouche first outlined his proposal for what became the Homeowners and Bank Protection Act, at his July 25, 2007 webcast. Here, members of the LaRouche Youth Movement organize for the HBPA in Houston, in September 2007.

demanding that Pelosi stop freezing them out of legislative deliberations. Reports are that as many as 68 Democrats signed the petition, before Pelosi, at the Feb. 6-7 Williamsburg Democratic Party retreat, declared that she would yield to their demands, and restore the normal legislative procedures, which permit Members to study and debate legislation.

Rep. Jim Cooper (D-Tenn.) went public with the revolt in a Feb. 2 radio interview. He said, “I probably shouldn’t be telling you this, but I actually got some quiet encouragement from the Obama folks for what I’m doing because they know it’s [the “stimulus bill”] a messy bill and they wanted a clean bill. . . . [Members] don’t read the bills and figure out whether they’re any good or not. We’re just told how to vote. We’re treated like mushrooms most of the time,” by Pelosi. The Members’ letter demands that Pelosi return the House immediately to “regular order,” whereby legislation is studied by committees and by the study groups of the caucuses, rather than the leadership putting “emergency” bills directly on the floor for votes.

Significantly, “regular order” was first suspended by Pelosi for the bank bailout legislation demanded by the Bush Administration Treasury Secretary, former Goldman Sachs CEO Hank Paulson. First, it was Paulson’s amendment nationalizing Fannie Mae and Freddie Mac in July; then, Paulson’s \$700 billion “TARP” (Troubled Asset Relief Program) bank bailout bill in September. These bailout bills were directly opposed to LaRouche’s Homeowners and Bank Protection Act, killed by Pelosi

and Barney ‘Bailout’ Frank; the LaRouche legislation would have prevented those bank bailouts.

In what may be a reference to Barney Frank, the Members’ letter says that they “have grown overly frustrated with how only small and select bands of legislators have been responsible for writing bills, such as the \$700 billion Wall Street bailout as well as much of the \$819 billion economic stimulus bill.”

Cooper’s bomb shell drew a response, as he must have expected. Within three days, he was induced to issue a letter claiming that he had not received any encouragement from the White House for his challenge to the Speaker. But the petition was publicly endorsed by Majority Leader Hoyer, and Pelosi was induced to cave in.

The Question of Substance

While restoring Democratic procedures in the House of Representatives would certainly be useful, it will not be sufficient, by any means. Members are going to have to hear from their constituents, loud and clear, that the fraudulent bailouts must stop, and a policy of bankruptcy reorganization plus massive credit for economic infrastructure be implemented instead. What’s required are Pecora-style hearings to expose and root out the fraud, at the same time that emergency ameliorative action is taken by passing the HBPA, and legislation modelled on LaRouche’s 2006 Economic Recovery Act.

The LaRouche Political Action Committee has been leading a campaign for Pecora-style hearings since late September 2008, when Lyndon LaRouche endorsed a resolution by Reps. Marcy Kaptur (D-Ohio) and Scott Garrett (R-N.J.) for establishing a Select Committee on Financial Bailouts, which would have mandated such an investigation. While that particular resolution died with the 110th Congress, sentiment for such an investigation has increased, along with popular outrage at the bankers who have been bailed out at the public trough, and then proceeded to pocket the money, including billions in executive bonuses.

Open support for a Pecora-style investigation finally surfaced in the Congress on Feb. 4, when Sen. Richard Shelby (D-Ala.) took the occasion of his opening remarks at a Senate Banking Committee hearing with former Fed chief Paul Volcker, to raise the issue, and to endorse the call published Jan. 6 in the *New York Times* by historian Ron Chernow for a new Pecora investigation. We include relevant excerpts of Shelby’s statement below.

Sen. Richard Shelby Calls For New ‘Pecora Hearings’

The growing demand that the Wall Street financiers and their bankrupt institutions be held accountable for their speculative crimes, rather than be beneficiaries of bailout largesse—despite the overwhelming objection of the citizenry—is finding voice even in Congress. Before Obama advisor and former Federal Reserve chairman Paul Volcker testified at a Feb. 4 Senate Banking Committee hearing, the committee’s ranking Republican, Sen. Richard Shelby of Alabama, called for hearings modelled on the famous Pecora hearings of 1932-34, that brought the pro-fascist predecessors of today’s financiers to task, and laid the groundwork for President Franklin Roosevelt’s putting the “economic royalists” in their place. Here are excerpts of Shelby’s opening statement:



...I believe that before we discuss how to reorganize our regulatory structure, or even before we consider how to address the financial crisis, we need to first understand its underlying causes. . . .

This committee should, I believe, and must, conduct a full and thorough investigation of the market practices, regulatory actions, and economic conditions that led to this crisis. . . .

There is now talk of creating a commission to examine the origins of the financial crisis, and to make recommendations for further action. At this time, I would oppose the creation of such a commission because a thorough investigation is something that this committee can do, and must do. . . . This committee is uniquely positioned to conduct a transparent investigation that could build the necessary political consensus around the appropriate legislative remedy that we must seek.

This particular committee has a long history of conducting such investigations. The best precedent, I believe, for this type of investigation that our current eco-

nomic situation demands, is the year-long investigation of stock market abuses the committee conducted during the Great Depression. The so-called “Pecora hearings” produced a detailed report, exposing a wide range of abuses on Wall Street. This committee heard testimony from hundreds of witnesses, producing nearly 12,000 pages of transcripts from over 100 hearings. The investigative staff was made up of dozens of individuals, and included attorneys, accountants, and statisticians, conducting scores of interviews and sworn depositions. The committee subpoenaed corporate records, and heard testimony from the heads of Wall Street and industry, including three days of testimony, I’ve been told, from Mr. [J.P.] Morgan himself. . . .

The record that the Pecora hearings established ultimately laid the groundwork for the passage of the Securities Acts, and the creation of the Securities and Exchange Commission. . . .

After we complete a thorough review of the role of the regulators, we should then call the CEOs of the largest banks, insurance companies, brokerage firms, homebuilders, realtors, and other financial services companies of the past ten years, to testify. This, of course, would be preceded by an extensive staff effort to examine the activities of each institution or industry. Since the crisis began, the committee has not yet heard from Wall Street CEOs on their role in creating the toxic assets that have spread throughout our financial system like a cancer. Nor have they publicly explained why their risk management systems failed, or why they operated with such dangerous levels of leverage.

Because many of these firms have either failed, received public money, or sought some type of Federal assistance, I believe they owe it to the American people, to explain how this crisis started, and what role they played in it.

Last year, I called for a hearing to examine the role of underwriting practices in spawning the crisis. The committee announced that it would hold a hearing to examine underwriting practices, but it was postponed and is yet to be scheduled. That hearing can now be part of this effort.

Mr. Chairman, I am more than willing to work with you, as I have, and I believe this committee is uniquely positioned, as you do, to perform this important service at this time for the American people. I pledge my full support, should you choose to undertake your own version of the Pecora hearings, as long as they are comprehensive.

The Homeowners and Bank Protection Act of 2007

Feb. 4 (LPAC)—LaRouche PAC today issued an updated version of economist Lyndon LaRouche's Homeowners and Bank Protection Act of 2007, first issued by LaRouche in his July 25, 2007 webcast. The full text, formatted for memorialization by local governmental bodies, is included below:

Homeowners and Bank Protection Act of 2007

Whereas, the failure the leadership of the United States Congress to pass the Homeowners and Bank Protection Act of 2007 proposed by Lyndon LaRouche in his July 25, 2007 webcast, has transformed a dire situation from one that could have remained manageable through the Autumn of 2007, into a breakdown crisis of not only the U.S. economy, but of the world economy;

WHEREAS, the Congressional leadership instead chose a course of insulting treatment of state and local legislative and associated bodies within the states, who clamored for the Congress to enact the HBPA, as shown in the HBPA's passage by five state legislatures, and more than 90 city councils across the United States, in addition to hundreds of endorsements by trade union and other constituency leaders individually;

WHEREAS, the repeated attempts approved by Congress to bail out financial institutions with cumulative trillions of taxpayers' and Federal Reserve money, have utterly failed;

WHEREAS, forcing the leadership of the U.S. Congress into more responsible behavior on the HBPA now, is perhaps the only chance to begin to move things in a direction which could lead to saving the United States of America itself from the deepest physical depression in its history;

THEREFORE, be it resolved, that
the City/State of _____

hereby endorses the Homeowners and Bank Protection Act of 2007, as initiated by economist Lyndon H. LaRouche, Jr. This Act includes the following provisions:

1. Congress must establish a Federal agency to place the Federal and state chartered banks under protection, freezing all existing home mortgages for a period of however many months or years are required to adjust the values to fair prices, and restructure existing mortgages at appropriate interest rates. Further, this action would also write off all of the speculative debt obligations of mortgage-backed securities, derivatives, and other forms of Ponzi schemes that have plunged the banking system into bankruptcy.
2. During the transitional period, all foreclosures shall be frozen, allowing American families to retain their homes. Monthly payments, the equivalent of rental payments, shall be made to designated banks, which can use the funds as collateral for normal banking practices, thus recapitalizing the banking systems. These affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble and the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. This shakeout will take several years to achieve. In the interim period no homeowner shall be evicted from his or her property, and the Federal and state chartered banks shall be protected, so they can resume their traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.
3. State governors shall assume the administrative responsibilities for implementing the program, including the rental assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition. And therefore,

BE IT FURTHER RESOLVED, that a copy of this resolution shall be forwarded to members of Congress from the state, and also be delivered to the President of the United States, for immediate implementation.

U.S. Must Embrace Truth About Gaza; Break Sykes-Picot Cycle

by Michele Steinberg

Feb. 5—Children and the elderly are still dying in Gaza from the aftermath of Israel's 23-day Operation Cast Lead attack. At every turn, statistics and reports from international agencies are showing the utter devastation against Palestinian civilians under what is called the new Israeli "doctrine of disproportionate force." The Israeli Cabinet, under outgoing Prime Minister Ehud Olmert, callously discussed this "doctrine," at last Sunday's meeting, and threatened new retaliations if there are more Palestinian rockets.

Lyndon LaRouche wrote in a statement of Feb. 1 (see below), that there is no justification for the civilian attacks by Israel, and Likudnik Benjamin Netanyahu is the chief ideological instigator of the campaign to eliminate the Palestinian people. Meanwhile, aid is trickling in, with the border crossings with Israel and Egypt still closed, and even the food required for daily consumption halted. Everything depends on emergency relief.

From the inner circles of Palestinian President Abu Mazen (Mahmoud Abbas) to supporters of Hamas's government after its victory in the January 2006 democratic elections for the Legislative Assembly, the only possibility for a peaceful resolution is a tough U.S. intervention—and President Barack Obama only has a few months, if not weeks—of trust and good will, before the region could once again blow up.

And with the Likud projecting that it will win the

Israeli elections on Feb. 10, making Netanyahu prime minister, an even bigger danger lurks—an Israeli military strike on Iran. A well-informed U.S. intelligence source told *EIR* that Israeli war plans include a submarine-launched missile attack on Iranian nuclear or other military sites. Even though this has no hope of stopping an Iranian nuclear program—and might even accelerate it—Israeli circles are talking about strategic "game-changers," i.e., military moves that create a new geopolitical reality. The attack on Gaza was such an action, which set back peace talks, and took the Arab Peace Initiative off the table. An attack on Iran would be even bigger—it would draw the United States inevitably into a war with Iran. Those are the stakes of the Gaza aftermath.

The Basis for Peace

The U.S. intervention has to be based on *justice*, rejection of all attacks on civilians, especially the "doctrine of disproportionate force," and, most importantly, breaking free of the same Sykes-Picot imperial game¹ that created the Jabotinskyite fascists in the Zionist camp, even before the creation of Israel, and still supports them today. To break out of this Sykes-Picot cycle, the United States should begin by looking at the truth, and the attack on Gaza is the place to start:

1. See *EIR*, Jan. 23, 2009.



swiss-image.ch/Christof Sonderegger

Benjamin Netanyahu, leader of the right-wing Likud Party, is the chief ideological instigator of the campaign to eliminate the Palestinian people. He is shown here at the Davos World Economic Forum Jan. 29.

- A report brought to the U.S. from Beirut, Lebanon, by an American who interviewed numerous witnesses to the Gaza carnage, presented the stark reality: While the Israelis claimed that they hit 1,200 Hamas military targets, that figure is, on the face of it, impossible. There were fewer than 150 “military” targets in the tiny Gaza Strip (ca. 139 sq. mi.), and these were all eliminated in the first four days of bombings. On Day 5, witnesses report, the decision was made to target civilians, and, from then on, there were incessant bombings of schools, neighborhoods, markets, mosques, apartment buildings and homes, UN facilities, and health-care buildings. It was an unending barrage of bombs, and the bodycount given on Jan. 30, compiled by Palestinian health officials, was 223 children, 442 women, 171 elderly persons, and 42 Hamas fighters killed, with the remainder still being identified and accounted for. Many international sources report that on Day 2 of the bombing campaign, 100 tons of bombs were dropped on Gaza, and the tonnage on some days exceeded that. From the Israeli side, the official government bodycount is that 13 Israeli soldiers were killed (several from “friendly fire”) and 4 Israeli civilians died in the 23 days of fighting.

Palestinian leaders are concluding that the real aim of the thousands of Israeli attacks since 2001, proven by the latest in Gaza, is nothing less than the extermination of the Palestinian national movement, and an end to all discussion of an “independent Palestinian state.”

Autonomy, possibly, but *no* state.

- Samer Badawi, executive director of the United Palestinian Appeal, confirmed many aspects of the Beirut report, at a Capitol Hill briefing on Feb. 5: Of the 1.5 million people living in Gaza (1.0 million of them refugees), 80% have no access to electricity; 50% have no access to water; 70% have no housing. He told the packed hearing room, at the event sponsored by Rep. Dennis Kucinich (D-Ohio), that the “first question” should not be whether people “are terrorists or not,” but what can be done for the people of Gaza. He corrected a statement by Kucinich about when the Israeli “siege” of Gaza began: Israel has locked down Gaza since June 2007, stopping the imports of food, medicine, water, machinery needed to purify water, etc., and creating a situation that few people

can survive. Badawi described the difficulty of getting money into Gaza—his own organization, the UPA, just to get a \$5,000 grant to support an orphanage, had to dedicate two and a half people out of his four-person staff for an entire day, to read through a 300-page list of names and institutions that are on the U.S. “terrorist” list. Terrorist “associates,” including relatives, even if they are infants in an orphanage, cannot receive UPA aid. The UPA, to deliver a grant to feed 780 people for two weeks, has to check every person, every board member, every staff member, of every institution that might feed the hungry, against this U.S. terrorist list. If there is any connection, however remote, the aid is stopped.

- Reports from the United Nations are damaging Israel far beyond what the Israeli institutions thought would happen. UN Secretary General Ban Ki-moon’s own fact-finding visit to the UN Works and Relief Agency (UNWRA) facility in Gaza, which had been hit with phosphorous bombs during the Israeli assault, has led him to take steps toward creating a commission to investigate war crimes committed in Gaza, and the Israeli bombing attacks on numerous UN facilities, including a UN-run school. The UN Development Programme reports that there are 600,000 pounds of rubble, contaminated with toxic substances, and still-live bombs and munitions that need to be carefully removed. There is no equipment to do this. UNDP says that 14,000 homes of Gazan civilians, 68 government buildings (in-

cluding schools), and 31 sites of non-governmental agencies, were destroyed or damaged.

‘The Lies of Gaza’

On Feb. 5, *EIR*’s Jeffrey Steinberg tore through the tissue of lies about Gaza, by asking a simple question at the Kucinich forum. Steinberg referenced the Jan. 29 article in the *London Review of Books*, “Israel’s Lies,” by Henry Siegman, the prominent rabbi, U.S. military chaplain, and former president of the American Jewish

Congress. Given what what Siegman documented, said Steinberg, viz., that it was Israel which violated the June-December 2008 ceasefire more than 150 times, provoking retaliatory rocket fire from Hamas in November, after several cold-blooded assassinations of Palestinians, would Congress investigate what lies they were told to get them to pass the resolution fully supporting Israel’s attack on Gaza? Not unexpectedly, due to the group-think and fear of media attacks, *EIR*’s question was ruled out of order in the scope of the forum.

‘Justice After Gaza Atrocity Demands Netanyahu’s Defeat’

Feb. 1 (LaRouche PAC)—Lyndon LaRouche today declared that, if there is to be any justice after the Israeli atrocities against the people of Gaza, Benjamin Netanyahu must be defeated in his bid for the Israeli prime-ministership.

“Based on eyewitness reports that I have received in the past several days,” LaRouche explained, “it is clear that the Israeli invasion of Gaza constituted a war crime that cannot be overlooked by the civilized world. If there is to be justice for the crimes carried out against the Palestinian people of Gaza, a very steep price must be imposed on Israel. Benjamin Netanyahu is, today, the leading representative of the outright fascist current in Israeli political life—the pro-Mussolini Revisionist movement of Sykes-Picot agent Vladimir Jabotinsky.

“While some will argue that Netanyahu was not part of the Olmert government that waged the war of annihilation against the Palestinian population of Gaza, no one will dispute the fact that Netanyahu is the candidate who stakes his entire career on denying the Palestinian people their rightful state. To do justice for the war crimes committed by the Israelis, a very large scalp must be taken, and that is Mr. Netanyahu.”

LaRouche also endorsed the call, published on Jan. 31, by one of Israel’s leading peace activists, Uri Avnery, demanding that Israel convene a war crimes tribunal, to prosecute those who were guilty of crimes during the Gaza invasion. Avnery’s call covered both

the Israeli Defense Forces personnel, and top Israeli politicians. LaRouche declared, “Uri Avnery is right. If there is to be any hope for a just peace, Israel must clean its own slate, by conducting a thorough investigation, leading to prosecutions of those who carried out these atrocities. Peace requires clean hands, and the best course of action is for Israel, itself, to clean out those responsible for these crimes.”

LaRouche cited reports received in recent days, that the 23-day Israeli invasion of Gaza was not, contrary to Israeli government claims, simply aimed at Hamas. The goal was the extermination of the Palestinian population in Gaza. “Israel had no justification for launching a war of extermination against the Palestinian people in Gaza. There is no excuse, no explanation that can justify the actions taken by the Israeli forces against the people of Gaza. After the first four days of the attacks, any and all so-called ‘military’ targets were thoroughly destroyed. After that, the ground invasion and subsequent bombing by the Israeli forces aimed at nothing less than the elimination of civil society in Gaza. The death toll of women, children and elderly, the total destruction of the basic infrastructure of Gaza, tells the story, in terms that cannot be denied.”

LaRouche added, “This was an act of weakness. The attempt at the mass extermination of the residents of Gaza—to ostensibly prevent some future attack on Israel—is no excuse. There can be no toleration for the Israeli claims that ‘We had to do it.’ If the reports I have received are accurate—and there is no reason at this time to dispute them—then there must be a steep penalty. And I believe that the first step must be the defeat of Netanyahu in the Feb. 10 elections.”

If Congress needs Israeli allies for peace, there are plenty, but Israeli voices of peace never seem to clear U.S. air space, and make it into the news media, nevermind the *Congressional Record*. Such is the case of recent column by Uri Avnery, former Israeli soldier, and founder of Gush Shalom (Israeli Peace bloc) (see zope.gush-shalom.org/home/en/channels/avnery).



Uri Avnery

“I do not object to trials abroad,” Avnery wrote. “The main thing is that war criminals, like pirates, should be brought to justice. It is not so important where they are caught. (This rule was applied by the State of Israel when it abducted Adolf Eichmann in Argentina and hanged him in Israel for heinous crimes committed outside the territory of Israel and, indeed, before the state even existed.)

“But as an Israeli patriot, I would prefer suspected Israeli war criminals to be put on trial in Israel. That is necessary for the country, for all decent officers and soldiers of the Israeli army, for the education of future generations of citizens and soldiers.

“There is no need to rely on international law alone. There are Israeli laws against war crimes. Enough to mention the immortal phrase coined by Justice Binyamin Halevy, serving as a military judge, in the trial of the border policemen who were responsible for the 1956 massacre in Kafr Kassem, when dozens of children, women and men were mown down for violating a curfew which they did not even know about.

“The judge announced that even in wartime, there are orders over which flies the black flag of illegality. These are orders which are manifestly illegal, that is to say, orders which every normal person can tell are illegal, without having to consult a lawyer.

“War criminals dishonor the army whose uniform they wear whether they are generals or common soldiers. As a combat soldier on the day the Israeli Defense Army was officially created, I am ashamed of them and demand that they be cast out and be put on trial in Israel.

“My list of suspects includes politicians, soldiers, rabbis and lawyers...”

Marjorie Mazel Hecht and Rochelle Ascher contributed research for this article.

Britain's LTTE

Upended Tigers and Opium-Drugged Lions

by Ramtanu Maitra

Feb. 3—On Jan. 25, as the Sri Lankan Army moved in to capture Mullaitivu town, the military capital of the Liberation Tigers of Tamil Eelam (LTTE), better known as the Tamil Tigers, it became evident that this 15,000-strong terrorist army will be homeless within weeks.

In London, the first overseas headquarters of the Tigers, set up in 1984, the crisis is now at hand. Her Majesty's Service, which has maintained these terror-warriors for more than two decades, in hopes of gaining access to a port in the Tamil-majority area, to establish a British naval presence in the Indian Ocean adjacent to India, is finding its dreams vanishing in thin air.

We present here a case study of but one element of London's hydra-headed international terrorist apparatus.

The routing of the Tigers by the Sri Lankan military and capture of Mullaitivu, the strongest Sea Tiger (seawing of the LTTE) base, and the last of the urban settlements under the Tigers' control, has put the Gordon Brown government on the spot. The Tigers had been hoping that London would intervene against its former colonial subjects to stop the war and save the warriors. But Sri Lanka, with close ties to China, India, and the United States, put the derelict British on notice and carried out a relentless military campaign to oust what some “experts” considered for years to be an “invincible” force.

Pinch Hitting for the Terrorists

Even with the handwriting on the wall, the opium-drugged British lion did not stop whimpering. Addressing a Tamil diaspora meeting, jointly organized by the All Party Sri Lanka Parliamentary Group and British Tamil Forum (BTF) at the Westminster Parliament on Jan. 27, British Foreign Secretary David Miliband Lord Mark Malloch-Brown wrung their hands in anguish.



TamilNet

Tamil Tiger supremo Vellupillai Pirbhakaran is shown here paying homage to a photo of the late Anton Balasingham, a British intelligence agent, and “theoretician” and political advisor to the LTTE. Since Balasingham’s death in 2006, his wife Adele has become the Tigers’ spokesperson.

Miliband sounded desperate when he said Sri Lanka should go for a political solution that safeguards the rights of the Tamil community.

“We are calling for every right of the Tamil people; political, cultural, and religious rights are respected. We are serious in our attempts. We also call for open access for journalists. But the first step is to stop the killings. We will use every possible tool available to us to stop the killings,” Miliband said, with the sanctimoniousness for which the Foreign Office is famous.

To begin with, Miliband knows that Colombo was going after a group of militants, acknowledged by most nations, other than such British “half-crown” colonies as Australia, as terrorists, and that the Tigers do not represent the Tamil community of Sri Lanka. Miliband’s lying comes naturally to him: It is part of the training bestowed on him by Her Majesty’s Service.

But, Miliband did issue a veiled threat when he said: “We will use every possible tool available to stop the killings.” The world is aware of what tools London has used to make the Tigers as powerful as they have been.

‘Terroristan’ on Display

A few days before the Sri Lankan military captured the Tigers’ Mullaitivu base, the trial of Arunachalam

Chrishanthakumar, known as “Shanthan,” came to the Kingston Crown Court in South West London. Shanthan, widely known as the “numero uno” Tiger operator in Britain, was first questioned in 2004, when he was caught buying military uniforms and equipment at an army surplus store in Southsea, Hampshire, England; he was not arrested.

The surplus items on his shopping list included 250 pairs of combat boots, 251 army-style ponchos, 30 machetes, 152 trenching spades, and 110 pairs of U.S. military handcuffs, according to court records.

Shanthan was arrested for the first time in 2007, under the U.K. Terrorism Act 2000, and subsequently released. He was re-arrested in 2008. Of note: Britain

had proscribed the Tigers as a terrorist group in 2001. Why, then, was Shanthan not arrested in 2001?

During the trial following his 2008 arrest, it came to light that Shanthan was not simply a Tiger; he was also an agent of MI5, the British national security service. This case has an eerie similarity to that of Ahmed Omar Saeed Sheikh, who was recruited by MI6 (foreign intelligence service) and sent to Kosovo in the 1990s. Later, Omar Saeed was sent to join the jihadis in Pakistan, where he kidnapped and slit the throat of the *Wall Street Journal* correspondent Daniel Pearl. Evidently, these were the kind of “tools” Miliband was threatening to use in Sri Lanka to protect the empire’s interests.

At the trial of Shanthan and three other Tigers, at the Kingston Crown Court, Jonathan Laidlaw QC prosecuting, said the men were among 300,000 Tamils living in Britain, and added: “As you might expect because of this country’s close links with Sri Lanka and the large Tamil community which lives in the U.K., the authorities through its agencies such as Special Branch, held regular meetings with [Shanthan].”

Between 2004 and 2007, the Special Branch (the U.K. investigative unit) continued to meet Shanthan; in 2007, his home in Norbury, South London was raided. Shanthan was found to be in possession of

equipment which could be used in improvised explosive devices (IEDs), along with high-powered magnets of the type used to attach limpet mines to Sri Lankan Naval vessels.

The Kingston Court also exhibited two lists found with Shanthan, which included equipment that could be used to track boats and plans to manufacture in Taiwan 7,500 printed circuit boards with timing and switching functions that could have been used for a “nefarious purpose,” the court was told.

Laidlaw said: “Shanthan as head of the LTTE in London was the co-coordinator of the procurement exercise. He was in contact with senior LTTE figures in Sri Lanka, receiving their orders and requests and, on occasions, buying equipment himself.”

Britain’s Undeclared War Against Sri Lanka

In other words, British intelligence, the paid functionaries of Her Majesty’s Service, was conducting warfare against the Sri Lankan government, by providing the Sri Lankan terrorist group with the weapons to endanger the nation’s security.

But the Shanthan case was only the proverbial tip of the iceberg. The link between the British establishment/security services and the Tigers does not begin or end with Shanthan’s procurement of military equipment as an MI5 agent. In fact, Britain had long been one of the most important centers for the Tigers’ fundraising activities, others being some of the British “half-crown” colonies—Australia, Canada, Norway, and South Africa.

One of the most important elements in this operation was bring to London Anton Balasingham, the “theoretician” of the Tigers, and asset of the British intelligence services. Balasingham, whose wife Adele is Australian and holds a British passport, was often in the Tiger-zone to meet the group’s supremo, Vellupillai Pirbhakaran, who also held a British passport. Despite the fact that Balasingham was negotiating on behalf of the Tigers for a ceasefire with Colombo, as late as 2006, and the Tigers were proscribed as a terrorist organization by Britain, he remained free from 1999, when he moved to London with his wife, until 2006, when he died. It is evident that Balasingham was acting as a liaison for the British establishment, passing on valuable information to Pirbhakaran.

Since Balasingham’s death, Adele, who was involved in the peace talks, as the secretary of the LTTE delegation, has become the spokeswoman for the

LTTE, and was reported holding occasional fundraising events in England.

A former Indian cabinet minister, Dr. Subramaniam Swamy, went on record saying: “Balasingham was a terrorist who at least once has publicly and arrogantly relished the assassination of [former Indian Prime Minister] Rajiv Gandhi. In 1995 he had warned the then President of Sri Lanka, Ms. Chandrika Kumaratunga, that she would face the same fate as Rajiv Gandhi if she confronted the LTTE.”

London’s Drug Mercenaries for Hire

It is almost a certainty that neither the upending of the Tigers in Sri Lanka, nor the death of Balasingham, nor the arrest and exposé of Shanthan will sever the links between Her Majesty’s Service and the Tigers. While these developments may bring about a lower level of threat to Sri Lanka, there may be a greater threat to other nations in the crosshairs of Britain and the Tigers. The collaboration would continue because British officials and diplomats have often visited Vanni (the heart of the Tamil-dominated area in northern Sri Lanka) and met Tiger leaders in Kilinochchi, the “capital” of the Tigers, now under control of the Sri Lankan military.

In a unique report on the financial operations of the LTTE, the August 2007 issue of *Jane’s Intelligence Review* wrote that, with financial and procurement structures well organized and strategically positioned around the globe, the group has a profit margin that would be the envy of any multinational corporation—some US\$200 to 300 million per year. While some of this amount comes from the Tamil expatriates worldwide, much of it is generated through drug trafficking, gun running, smuggling of contraband items, and even running prostitution rings.

In 2000, the Swiss French-language daily *Le Courrier* raised questions about LTTE fundraising in Switzerland, of nearly 1 million Swiss francs (US\$600,000) per month, in addition to using “drug money” to finance its 54 offices throughout the world, and to buy weapons. Further elaborating on the far-flung Tiger operation, the article said that the “Tamil Tiger octopus has long tentacles.”

In 1999, a Tamil commando was arrested in New Delhi after a shootout which led to the seizure of 14.5 kilograms of heroin. Further investigation by the Indian police revealed a network of drug traffickers which involved a Mumbai-based druglord, Ali Khan, and two

LTTE members.

By 1999, the LTTE's credentials as major drug traffickers had already been established. Studies by Indian diplomatic sources indicated the LTTE was operating freely inside Myanmar in the 1990s, making and distributing heroin. Investigations later provided alleged proof of collaboration between a section of the Myanmar military and the Tamil Tigers.

Over the years, Tamil drug smugglers with direct links to the Tigers have been arrested in Sri Lanka, India, Australia, Britain, France, Germany, Switzerland, the United States, and Canada. Diplomats have concluded the Tamil Tigers' "independence" fight has become overshadowed by its outside businesses, first and foremost, drugs.

The drug money also played a major part in keeping the Tiger militia armed. However, the northern Sri Lankan port of Jaffna and a large pirate fleet maintained by the LTTE armed forces play a relatively minor role in the anti-Colombo war, compared to its role in drug trafficking. In the Indian state of Manipur, located in the northeast, bordering Myanmar, the LTTE has developed a base. This group of Tigers broke off from the Sri Lankan resistance, and instead, became a part and parcel of militias that bring in guns and drugs from Myanmar and Southeast Asia, and sell to various militant secessionist, ethnic, and jihadi groups that operate in northeastern India and Bangladesh.

There exist many reports of the Tigers using the drug money to purchase sophisticated weapons and ammunition, either directly from the Indian traffickers, or from their contract people in Southeast Asia and the Middle East. Besides the submachine guns purchased from Israeli arms dealers, the LTTE is said to have gotten supplies from Afghanistan (U.S. and Soviet ground-to-air missiles), Ukraine (explosives), Cambodia, and Myanmar.

But beyond the traditional drug- and gun-running, the Tigers have been accused of running assassination squads in Europe, targeting dissident Tamils. Their objective is to control the Tamil diaspora in Europe, to collect money. This ring of Tamil Tigers, believed to be centered in Norway, attacks rival Tamils to prevent them from competing for the money in the diaspora.

It is evident that the estimated \$200-300 million raised annually from these activities, can corrupt many politicians and maintain many assassination squads. In Britain, the Tigers have continued to raise funds at func-

tions open to the public, and attended by British parliamentarians.

The British have facilitated fundraising for the Tiger terrorists on British soil, since 1984, and are in no mood to abandon them. The Tigers have openly held events in the U.K. to celebrate suicide bombers and fund their terror war against sovereign nations. British politicians attend these events in exchange for money and votes from terrorists and their dupes living in the U.K.

For instance, on Dec. 8, 2007, a row broke out over the attendance of three Labour Party MPs—the high-profile Keith Vaz, Virendra Sharma, and Joan Ryan—at a several-thousand-strong expatriate Tamil event, organized to pay respect to those who died in the "Tamil liberation struggle." Vaz jointly chairs the All-Party Parliamentary Group for Tamils with Liberal Democrat MP Simon Hughes, who sent a message to the rally.

Threat to India

The LTTE has already launched an anti-India campaign through its websites. The campaign accuses India of not exercising its authority to pressure Colombo to call a ceasefire. The anger of the Tigers has been directed against the Indian government and the Congress (I) party, the largest party in the ruling coalition, UPA.

The objective of the Tigers ostensibly is to rev up the Tamils in the Indian state of Tamil Nadu, across the Palk Straits, against India's refusal to protect the Tigers. A large section of Tamil expatriates living in Europe, Australia, South Africa, and Canada also seems to have joined the British-Tiger lobby, saying Colombo could not have succeeded in ousting the Tigers without military help from New Delhi.

A senior Indian intelligence official noted recently that the target of the most vicious campaign of the Tigers is Mrs. Sonia Gandhi. The Congress (I) is projected as the "Sonia Congress" and the "Dynasty Congress," and the government of India as the "Sonia Establishment."

The official pointed out that keeping in view the dangers of a negative impact of such attacks on the minds of irrational elements in the Tamil community, it would be prudent to strengthen the security for Mrs. Gandhi.

(For an earlier study of Britain's LTTE, see *EIR*, Oct. 13, 1995, also available at www.larouchepub.com/other/1995/2241_south_india_groups.html.)

Financier Oligarchy Reacts with Media Campaign Against the Pope and FDR

by Helga Zepp-LaRouche

Mrs. LaRouche is the chairwoman of the Civil Rights Solidarity Movement (BüSo) in Germany. Her article has been translated from German.

Feb. 7—While European governments have yet not even begun to analyze the deeper reasons for the financial crisis, wasting time and tax money with proposals for ineffective “rescue packages,” only to then “slam on the brakes” because of the debt, as Germany just did, the American Congress and Senate have begun serious investigations into the deeper causes of the financial crisis. Republican Sen. Richard Shelby from Alabama, speaking to the Banking Committee, demanded that “Pecora hearings” be held, for launching a comprehensive investigation into the underlying causes of the crisis. But the financial oligarchy is not asleep either: It is waging an international media campaign to create a hostile environment against all ideas and political personalities that support a new financial system oriented towards the common good.

Despite that, there are hopeful signs of a positive climate change evident in the United States. The recognition that “Lyndon LaRouche was absolutely right” about the systemic crisis, has increased the willingness of important circles to examine the solutions he has proposed. For example, for some time, LaRouche has been demanding the formation of a commission in the tradition of Ferdinand Pecora, who investigated the Crash of 1929; it would investigate today’s mixture of incompetent policies and criminal activities which helped bring about the current systemic crisis.



Library of Congress

The Pecora Commission hearings before the U.S. Senate Committee on Banking and Currency, Jan. 31, 1934. Right to left: chief counsel Ferdinand Pecora, Sen. Duncan Fletcher, James Couzens. The commission paved the way for the New Deal by exposing the criminality of Wall Street financial establishments.

This is precisely what Senator Shelby demanded during the cited hearings on Feb. 4—specifically, that before we consider how to address the financial crisis, we need to first understand its underlying causes. He argued that if we do not have a comprehensive understanding of what went wrong, we will not be able to determine with any degree of certainty, whether our regulatory structure was sufficient and failed, or, was insufficient and must change. The crisis has been going on for a year and a half already, he said, rejecting the bailout package as wasting taxpayer dollars, while the crisis rages on without an end in sight.



Sen. Richard Shelby (R-Ala.), currently on the Senate Banking Committee, has called for new Pecora hearings to investigate the causes of the crisis today. (See excerpts from his testimony in *National*.)

That is why a thorough investigation must be made into the market practices, regulatory actions, and economic conditions that led to this crisis, and all relevant parties should be heard by a new Pecora Commission, Shelby declared. The so-called “Pecora hearings” produced a detailed report, exposing a wide range of abuses on Wall Street. This committee heard testimony from hundreds of witnesses, producing nearly 12,000 pages of transcripts from over 100 hearings. The investigative staff was made up of dozens of individuals, and included attorneys, accountants, and statisticians, conducting scores of interviews and sworn depositions. A budget demand for such hearings has already been made, he reported.

Dope Money in Bernie Madoff’s Fund?

In addition, the House Financial Services Committee, which is dealing with the scandal of Bernie Madoff, the former chief of the Nasdaq who cheated his clients out of the considerable sum of \$50 billion, has also dug up plentiful material to warrant the formation of a new Pecora Commission. Harry Markopolos, the well-known financial analyst and certified fraud examiner, with intelligence service experience, dropped a bombshell recently with his presentation on



Bernie Madoff is not smiling so brightly now, since he was charged with perpetrating a Ponzi scheme that looted \$50 billion from investors. His indictment is expected soon.

the results of his investigations into the Madoff case—namely that a not-insignificant portion of Madoff’s money came from the drug trade and other organized crime sources. As he stated, Madoff pulled off an unbelievably gigantic swindle, with money from the Russian mafia and the Latin American drug cartels, most of which went through the offshore markets. There is no question, he said, that the only reason for investors and speculators to take their business offshore, would be because a good portion (usually between 5% and 50%) is dirty money. He emphasized that in the case of Madoff’s hedge fund, which operated very much on the quiet, the rates of profit were extremely high, and the percentage of illegal money certainly exceeded 5%.

No less explosive was his allegation that since the year 2000, he had repeatedly warned the head of the SEC about Madoff’s criminal methods, but that his warnings were ignored. His investigating team unearthed the fact that Madoff’s client base in the United States was clearly quite distinct from his European one. In the U.S.A., the victims were mostly retirement funds, health insurance, and scholarship funds, while in Europe they were primarily the royal houses, the old aristocracy, the bluebloods, and the *nouveaux riches*.

You have to look at the entire history of the last 76 years to appreciate what panic the hearings in the Senate and the House have unleashed among the international financial oligarchy, especially given the possibility that President Obama might keep his promise, to orient his Presidency to Lincoln and Franklin D. Roosevelt. For the fact that Roosevelt significantly limited the power of Wall Street and acted on behalf of the “forgotten man”—in other words, for the lower income brackets and the common good—had a per-

manent traumatic effect on these circles. After Roosevelt's untimely death in April 1945, enormous efforts were undertaken under Prime Minister Winston Churchill and President Harry Truman to change the population's axioms, which the election of Roosevelt had made possible. Included in these efforts were, among other things, the formation and the influence of the Frankfurt School and the Congress for Cultural Freedom.¹

International Media Blitz

Thus it is not surprising that an international media blitz has begun, whose single aim is to prevent a revival of Roosevelt's policies, with articles in the last few days in the *Washington Post*, *Le Figaro*, and the Swedish press. In Spiegel-Online, the well-known neoliberal Gabor Steingart wrote a sophisticated article with the headline "What Obama Can Learn from Germany," in which he shamelessly distorts the historical facts about the successes of the late German Chancellor Ludwig Erhard against the alleged frivolousness of Roosevelt. The fact is, that Roosevelt's New Deal succeeded in leading the United States out of the Depression, while in Germany the austerity policy of the governments from Chancellor Hermann Müller through Chancellor Heinrich Brüning and Reichsbank President Hjalmar Schacht, brought Hitler to power. Steingart's praise for Erhard fudges the issue, that in fact the post-World War II policies of the Kreditanstalt für Wiederaufbau were modelled on the American Reconstruction Finance Corp., which Roosevelt made into his primary instrument for reconstruction when he took office. The fact is also that Hitler could have been stopped, if the 1931 proposals by the German Economics Ministry's economist, Dr. Wilhelm Lautenbach, or the so-called WTB Plan of the ADGB trade union, had been accepted. Both plans provided for the creation of state credit for creating more jobs, which would have remedied the social conditions that made Hitler's seizure of power possible.²

1. Cf., Helga Zepp-LaRouche, "Wie Deutschland seine Seele wiederfinden kann" (How Germany Can Rediscover Its Soul), *Neue Solidarität*, 32/2004.

2. Cf., Helga Zepp-LaRouche, "Die Bedeutung des Lautenbach-Plans heute—Wie die Machtübernahme der Nazis hätte verhindert werden können" (The Significance of the Lautenbach Plan Today—How the Nazi Coup Could Have Been Prevented), *Neue Solidarität*, 1-3/2003. See also, in English, Zepp-LaRouche, "The Lautenbach Plan and Its Consequences," *EIR*, Jan. 10, 2003.



Fraud investigator Harry Markopolos revealed that a significant portion of Madoff's ill-gotten games came from the drug trade.

This is the international historical context for the shocking events in Germany of the past few days, with the unprecedented campaign against Pope Benedict XVI. Whether this campaign—which has done more lasting harm to certain politicians and journalists than it has to the Pope—is the surfacing of an operation which has been in the works for a long time, or whether it is ad hoc, taking advantage of a lapse by Cardinal Dario Castrillon Hoyos, or a combination of the two, is to be further investigated.

On Feb. 4, Welt-Online news reported that an internal Vatican report had called the recent Swedish TV interview with British Bishop Williamson a "deliberately laid trap for his Holiness," alleging that it was broadcast deliberately to attempt to harm the Pope.

The Swedish daily *Svenska Dagbladet* cites Church circles in Rome, that although the revocation of the excommunication of Williamson and three other bishops had been in the works for a long time, Swedish SVT television aired the interview with Williamson three days beforehand, in order to harm the Pope as much as possible.

The timing of the broadcast absolutely confirms this. In fact, the decision to make the attempt to heal the schism, after the death of Archbishop Marcel Lefebvre in 1991, had already been made by the cardinals at the end of 2007. It was also clear that Lefebvre's followers have not yet been rehabilitated, but that a process of dialogue with the bishops should follow, which should clarify whether they would be willing to recognize the decisions of Vatican II.



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Pope Benedict XVI has repeatedly denounced the negative effects of globalization, while an internal Vatican report called the Williamson affair “a deliberately laid trap for his Holiness.”

Evidence that this operation has long been planned—the Vatican paper speaks of “a meticulously crafted plan of action”—is also indicated by the fact that the well-known French investigative journalist Fiametta Venner leaked undocumented information about Williamson’s denial of the Holocaust to the Swedish TV broadcaster. In fact it is quite possible that the Swedish journalist who aired the interview, Ali Fegan, was unaware of the proposal to bring Williamson back into the Church, as he claims. But that does not change the role played by the investigative journalists in a country with a tightly controlled media, who often do jobs only on assignment as part of intelligence services’ campaigns.

To suppose or allege that the Pope tolerates anti-Semitism, is so monstrous that, rather than impugn the absolute integrity of the Pope, it highlights the way that his self-appointed critics think. Just the fact that a Christian Democratic Union Chancellor, Angela Merkel, would ask the Pope to clarify his position on the Holocaust, is most revealing about Germany’s condition, where enmity towards Rome has been historically a long and problematic intellectual tradition.

Cui Bono?

The internal Vatican report does not identify who might have an interest in confronting the Pope with this “meticulously crafted plan of action,” but the question of *cui bono* is not difficult to answer. Pope Benedict XVI has in recent times repeatedly denounced the negative aspects of the globalized financial world; however, in his Jan. 1, 2009, World Peace Day message, he did this most comprehensively.

He attacked the system of “financial transactions, which are based on thinking in the extreme short-term, believing that financial transactions are the cause for an increase in wealth” while “completely lacking in any concern for the general welfare. The constriction of the objectives of international financial brokers to the extreme short term” destroys production and labor. “A financial

world constricted to ever-shorter terms will be dangerous to everyone, including people who still managed to profit from this during phases of financial euphoria.”

In another location, Benedict demanded a reform of the financial system, which would begin at the roots; short-term rescue attempts are not enough, he stated; we need an ethical financial system which orients itself to the plight of the poor and to the worldwide food crisis. He also spoke about the increasing chasm between rich and poor as a threat to world peace.

Furthermore, it is known that the Pope is working on a new Encyclical, which we may anticipate will relate to the breakdown of the “unbridled free market economy” and will demand ethical standards with which a new system must allow itself to be judged. The world financial system is hopelessly bankrupt, and for 18 months the leading governments have proven themselves incapable of dealing with this crisis. The financial oligarchy obviously believes, in spite of the fact that this system has become dangerous even to them, that it is in their interest to combat both the spirit of Franklin Delano Roosevelt as well as the moral voice of the Pope, in this moment of breakdown.

In a Crisis Like This, Don't Consult Morons; Listen to Those Who Forecast It

More than 150 people attended a conference of the Solidarity and Progress (S&P) party in Paris on Jan. 24. Helga Zepp-LaRouche, chairwoman of Germany's Civil Rights Movement Solidarity Party (BüSo), and S&P president Jacques Cheminade gave the keynote speeches. Two French mayors also spoke, on their fight for the very survival of their localities, providing a vivid picture of the economic collapse. Videos of the conference are at www.solidariteetprogres.org/article5078.html. Mrs. LaRouche spoke in English, and her presentation follows here.

Ladies and Gentlemen, let me greet you, and I apologize for not torturing you in my nonexistent French. But let me say in the beginning, that for a German patriot, it is a very nice feeling to be in France, for reasons which I hope will become apparent at the end of my speech—because we need patriots of all the European countries, to work together to solve this crisis.

You know, I'm a political battle horse. I'm in this fight for now almost 35 years, I'm fighting on what is

now the issue of the day, the disintegration of the financial system, and the need to replace it with a just new world economic order. But despite the fact that I'm an old warhorse, I must say, every time I step back and look at what is going on, it blows my mind! Because, for 17 months now, almost one and a half years, this disintegration of the system is continuing. You have an unprecedented collapse of the financial system, a collapse of the real economy, which is breathtaking, and the governments are doing nothing! Nothing substantial.

As a matter of fact, we have right now, what easily can be described as being the biggest crisis in the financial system *in history, ever!* And the governments are just saying, "We were caught by surprise. Nobody could know that this would happen; nobody could foresee that."

Now obviously this is a big lie, because there was one man of record, who is known internationally, that he has forecast this crisis, every moment it went wrong, absolutely on the mark: and that is my sweet husband



EIRNS/Julien Lemaître

Helga Zepp-LaRouche address to the Solidarité et Progrès party conference in Paris on Jan. 24 focussed on the opportunity, opened up by the new Obama Administration, to bring together a Four-Power alliance among the U.S., Russia, China, and India. To her left: Christine Bierre, and Jacques Cheminade, S&P chairman.



Hong Kong Economic & Trade Office

One element of the global collapse is the near-shutdown of international shipping: 96% of bulk-trade shipping has collapsed, according to the Baltic Dry Index; now ships sit in ports, like the Hong Kong port shown here.

Lyndon LaRouche. (He's not regarded as so sweet by his opponents, but I can assure you, he is quite sweet.)

He is on record as having said all of this, and this is very, very relevant in terms of finding the solution.

A Financial Tsunami

What you see right now, is the governments that keep up this lie—"Nobody could foresee this; this was totally unexpected"—what these people remind me of, is like you have a huge tsunami; you remember the tsunami a couple of years ago, which had these gigantic waves after waves flooding the lower parts of the beaches; and then you have these politicians who come with these little children's buckets and want to catch the water, to try to head off these tsunamis.

We have right now a bankrupt system, with a chain-reaction collapse for 17 months, and all these governments have been able to do is come up with one bailout scheme after the other; pouring in literally trillions of dollars, trillions of euros, of pounds, and there is no end in sight of what this collapse is going to be.

Now, just to give you the proportions again: Jacques Diouf, the head of the Food and Agriculture Organiza-

tion (FAO), in December 2007 said that he urgently had to raise EU11 million, to be able to buy seed for the poorest farmers in the Third World, so that they could plant for the Summer season; by April of 2008, he said that he had not been able to raise a silly EU11 million. He did that, because there were already hunger riots in about 40 countries, and so nothing was solved, and the situation has not gotten any better.

The collapse which is occurring right now is really amazing. Let me just tick off some of the figures:

- Auto production has already collapsed by 30% around the globe;
- Steel production, as a consequence related to the auto collapse, in China for example, collapsed by 60%;
- The international shipping of dry goods, according to the Baltic Dry Index, in the last month, collapsed by 96%. Now, 96% of all shipping collapsing concerning bulk trade; that means you have almost a total standstill of the economy. You have empty ships, empty containers sitting in ports in Hong Kong and other places.

We are really looking at a breakdown crisis. We are not looking at a cyclical crisis or even a depression: We are looking at the *disintegration* of the world economy.

The German government, just to give you a comparison, did not manage to raise EU2-3 billion to finance the building of the Transrapid maglev train—you know German technology, it's very good, the Chinese are building it now—for the little run between Munich and the airport. This would have cost somewhere between EU2-3 billion, and it would have marked a change in German policy. It would have demonstrated that Germany can build this domestically, and it would have been a fantastic export product. But they didn't do it. Instead, the German government raised EU500 billion to bail out the banks, and as a result now, the Transrapid is shut down, they're selling the technology to the Chinese; they're even dismantling the test track in Emsland, in the northwest of Germany. So, you see, a lot of stupidity.

The reason why all of these things don't function, is because the system is completely broken. And this collapse will continue until the measures of LaRouche are implemented.

Obama's Moment of Opportunity

The good news, however, is that we have a new President in the United States. But this President is in a very difficult position, because he's confronted with a mess which was left to him, by 12 years of Bush disaster—eight years of George W. and four years of George Herbert Walker Bush, his father. Now, there obviously is enormous relief around the world that the Bush period is over, forever, because there is no way a Bush will ever become President of the United States again, and that is a very good thing. But there is right now a mess in the world. The Bush legacy has been a broken system, a collapsing world economy, disaster in Iraq, disaster in Afghanistan, a very dangerous situation in Pakistan, which is a derivative of what happened in this region, and so forth and so on.

We did not support Obama during his campaign; we supported Hillary Clinton, because we thought she was a much better candidate. However, this President is now in, and he has a very short window of opportunity, because he has enormous credibility, the whole world looks to him. Here, in the streets of Paris, you have posters, "Can he make it? Can he seize the moment?" And that is, indeed, the question, because if he now acts decisively, and if the measures which my husband laid out in two webcasts, on Jan. 16 and on Jan. 22—and I can only urge you to look at those [at www.larouchepac.com]*—exactly what Obama must do to change the situation and overcome the crisis. But he has only a very short period of time.*

If he now acts decisively, with the determination of a Franklin D. Roosevelt—who, in 1933, put Wall Street under the control of the government—that he changes the economic system, it can function, for the reasons I'm going to tell you.

But if he doesn't take this opportunity, and if the collapse continues, it may take only a month, or less, and then people will start blaming him for not having acted. It's really important for you to understand that



FDR Library

The United States could do exactly what FDR did in 1933, said Zepp-LaRouche, by providing credit for reconstruction, for building infrastructure, for retooling the auto sector, and so forth. Here, the President is shown a model, at a plant in Tulsa, Okla., of one of the thousands of fighter planes being built in retooled auto plants, in April 1943.

we are right now in the most important weeks to turn this crisis into the solution. But this window of opportunity will not be there for very long.

So, what my husband, Mr. LaRouche, outlined in these two webcasts, is very simple. And it can be done, provided we have somebody who takes leadership, who has the nerve to carry out these programs: All he would have to do is to make a bankruptcy reorganization in the United States, to put the bankrupt American banks through orderly bankruptcy procedures, which is provided for in the American Constitution, according to which, only the government and the Congress have the power to generate credit. It would provide the ability for government to put the investment banks and the hedge funds and private equity funds into bankruptcy; freeze the so-called toxic waste, and save the chartered banks. Replace the monetary system with a credit system, implement a National Bank in the tradition of Alexander Hamilton, and issue credit.

The United States could do *exactly* the same thing that Roosevelt did in 1933, by providing credit for reconstruction of the United States, for building infrastructure, for retooling the auto sector for getting the



Presidential Press & Information Office

Following the collapse of the Soviet Union, and the subsequent geopolitical manipulations of Bush, Sr. and Thatcher, Russia was looted, its economy dismantled—until President Putin came in, and in 2000, began to reverse this process. Here, Putin visits an oil-drilling tower near Surgut.

U.S. economy going with a gigantic investment program.

At the same time, and it cannot be done just on a national level; there needs to be an international reform of the bankrupt monetary system. For a long time, my husband has made the point, that because of the power of the financial institutions, the City of London, the British-dominated empire, Wall Street, and other financial centers, the only way you can impose such a reform would be if the four most powerful nations of the world worked together, that is, United States, Russia, China, and India. That they form a core group to which other nations would then associate themselves, and then force through the kind of reform which is necessary.

The reason you need these four countries, is because they represent the majority of the world population; they are powerful enough to oppose the present empire system; *and* what is also extremely important, they are representative of all the other nations. Because you cannot have a reform, a New Bretton Woods conference, in which you have 180 or 190 countries participating: Then you end up in a democratic squabble and you don't get anything done. But you need a representative group to make this change.

Now, can this work? Is this a realistic proposition? President Sarkozy of France was talking about the need for a New Bretton Woods system, but unfortunately, he has not really developed this in the meantime, so one is sort of left to guess, what does he mean, where is he

coming from? So, you hope that something more will come of it. But what my husband is proposing would work, *if* the United States takes the lead.

Why Russia Was Surprised

Now, concerning Russia, I'm quite optimistic. Mr. LaRouche has just written a paper, "How Russia Was Surprised" by this crisis.¹ In this paper, he goes into some of the axiomatic reasons why the Russian leadership completely underestimated the collapse of the system—axiomatic reasons which have to do with the relics of Marxism, because, after all, Russia for 70 years was the core of the Soviet Union, and Marxism did play a significant role. And he didn't say this so much because of Communism, but more because of the manipulation of Karl Marx (who happens to have been born in the same city as myself, but that is as far as the commonality goes!). He was manipulated by Friedrich Engels, who convinced Marx that in Marx's lifetime, Manchester capitalism was the most developed form of capitalism, which obviously was completely mistaken. And poor Karl Marx, who used to be a nice fellow as long as he lived in Trèves [Trier], my hometown, and he only got rotten when he moved on to Bonn and Berlin later on—he was convinced more by Adam Smith's philosophy than, let's say, by Friedrich List's, and that has something to do with the question of what the Russians still consider as the source of wealth. This is the key question.

Remember, in the 1990s, after the Soviet Union had collapsed, for reasons which never have really been adequately investigated by scholars and others in the West, Russia collapsed, because of geopolitical manipulations of George H.W. Bush Sr. and Margaret Thatcher, who, at that time, were absolutely determined to turn the Soviet Union into a Russia which would not only *not* be a superpower any more, but would become a Third World, raw-materials-producing country. And in three years, from 1991 to 1994, through the shock therapy and similar measures, they dismantled the industrial capacities of Russia to only 30% of what they were when the Soviet Union collapsed. And if you remember, with the help of Western

1. "2007 Was Already a Year of World Crisis: How Russia Was Surprised," *EIR*, Jan. 9, 2009.

oligarchs, they turned some Russians into billionaires in a few years, and looted Russia. The 1990s were the decade in which Russia was completely desperate: The population was decimated, you had a demographic collapse, and people were quite in despair. Unbelievable looting was going on.

However, when Putin came in, from 2000 onward, this was reversed, and the confidence of the population came back. But the problem was, that one of the contributing reasons why the Soviet Union had collapsed: the Soviet military, remember, had all these military “secret cities,” cities which were not even drawn on a map, but in which they had highest level of military science anywhere in the world, including the United States—but the problem was, the Soviet Union *never* was capable of applying that advanced military capability to the civilian sector.

This was never really remedied, because even after Communism had gone, there was too much reliance on oil and gas and raw materials as a source of wealth. So when this crisis erupted, the oil price, at a certain point, was \$150 per barrel, and the Russians had foreign reserves of \$600 billions.

I was, in October, at a conference in Rhodes, which was organized by the World Public Forum of the Dialogue of Civilizations, which is organized mainly by Russia, and there were several hundred Russians there, 200 or 300 Russians. And at that point, last year, there was a clear understanding that the neoliberal paradigm is finished; Communism collapsed in 1989-91, but now the neoliberal paradigm is finished. There was a quite a lot of excitement. But in all the discussions, or almost all, they applied that to the United States, Western Europe, other parts of the world . . . but not to Russia!

They had the illusion that their reliance on raw materials would enable them to go through the crisis: that this was a U.S. crisis, bringing the U.S. down, bringing Europe down, but that Russia somehow would make it.

Now, obviously, at the latest, by December last year, when the real economy of Russia started to go down like a ton of bricks, there was a sudden realization, that Russia would be *fully* affected by this crisis. And we have the suspicion that the reporting of the crisis is being sort of downplayed, because there is already unrest in some parts of Russia, and obviously, the gov-



Courtesy of KM.ru

Lyndon LaRouche is very well known in Russia, said Zepp-LaRouche. Every time he writes an article, there are about 1,000 websites that publish what he says. LaRouche is shown here in an interview with the Russian news website, KM.ru, in Moscow, May 2007.

ernment is very concerned that if the *news* about this unrest spreads, that this could be a very big threat to the stability of the country.

Now, what does that mean in terms of the ability of Russia to work together with the United States, to solve this crisis?

First of all, you have to know that the name of LaRouche is very well known in Russia. Every time my husband writes an article, there are about 1,000 websites or more which publish what he says; there is a recognition of his analysis; there is, among many layers, especially Academicians, a recognition that he is an *idea-giver* in the tradition of Vernadsky and Mendeleev, who are the most respected Russian scientists.

And also, when President Medvedev recently greeted Obama, he made it very clear that they hope that with the new administration, the collaboration between the United States and Russia will improve a great deal. And therefore, if Obama goes into the tradition of Franklin D. Roosevelt, then this can really be on a completely different basis, because collaboration between the United States and Russia, in the tradition of Roosevelt during the Second World War, is one of the very, very important cultural and historical foundations of Russian policy.

However, the test, I’m absolutely convinced, will be that Obama must stop the ABM systems in Poland and Czechia. He must give a clear signal to Russia, that he would stop the eastward expansion of NATO, and the

cancellation of the ABM systems in these two countries is an absolutely crucial test. I think he must also make very clear, that he will not continue the policy of Bush to bring Georgia and Ukraine into NATO, because this will be regarded by Russia as policy by the West. This was declared still by Bush at the last NATO summit in Bucharest. . . .

Now, we also know that the Russians will re-issue the proposal made by Putin at the family gathering of the Bush family in Kennebunkport, Maine [July 2007]: that is, the proposal to have a global missile defense program including the whole world. Now that goes in the direction of the SDI proposal, which was developed by my husband more than 20 years ago. We will see what will happen.

How China Would Respond

Now, if there are signs that Russia and the United States are working together, also in the direction of a new monetary system, I think China will follow relatively easily.

The Chinese, for good or for bad, think that their fate is completely intertwined with that of the United States. The reason should be obvious: that China can be called the true victim of globalization. Because after 1970, after China started the Open Door policy, China became the outsource, the place of cheap labor production for the U.S. economy, and you had all the normal middle-level industry which used to be in the United States, shipped out to China for reasons of cheap labor—Wal-Mart and all of these things—and also to Europe, but especially to the United States, so that China's export dependency is enormous. They also have \$2 trillion in foreign exchange reserves, in large part in dollars and U.S. bonds and U.S. Treasury notes and similar things; so therefore, they really have a big dependency on the United States.

If you look at what happened after the Open Door policy in China, you had, on the one side, an enormous growth in the coastal area and in the southern provinces. If you go to Shanghai, you cannot find in the whole world a city which is more modern; you can no longer find an old house, or an old, rundown hut. You



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Shanghai, the financial center of China, represents both its enormous economic growth, and the disparity between China's new rich, with its Communist billionaires, and the 70% of the population still living in Stone Age conditions.

have had an enormous growth most of the time, of 12%, which China needs because they add 10 million new workers every year to the labor force. But you had also a negative side attached to that: that in these areas of tremendous development, you had these Communist billionaires, and so forth. But 70% of the Chinese population, to this day, is still in a Stone Age condition, working agriculture without even machinery! Even without animals! Tilling rice fields manually with a stick!

The poverty in these areas is tremendous. You have, at minimum, 200 million migrant workers who are now becoming jobless. Because when the crisis hit China, almost 50,000 small and middle-level firms went bankrupt, in the South, in Guangdong region. One or two days from now, the Chinese New Year will start, and you will have hundreds of millions of Chinese going back to their homes, to their families, and the big question is, will they stay home, because they are unemployed in the cities? And then, you will have a tremendous social explosion in the country, because a lot of these rural families were dependent on part of the wages which were sent home by these migrant workers, working in the cities.

Already you have social unrest in China in a significant way. You had social unrest, also, by the way, in

Iceland, just in the last couple of days, of people rioting against the government; you had the same thing in Latvia; you had it in Greece. So the social consequences of this collapse are obvious. If the U.S. offers a significant change to Russia, China will follow immediately. I'm absolutely certain of it, simply because, whatever this combination, U.S.-Russia, does, China will follow.

Now, as I said, China has \$2 trillion in foreign exchange, mostly in U.S. notes, and that has to be honored, because this money, which is the Chinese surplus they have earned from their exports; and because the United States refused to sell to China certain technologies and goods which they wanted, because of the "dual-use technology" provision, namely that the United States said the Chinese would use this for military purposes, so the Chinese could not buy from the United States whatever they wanted. So therefore, the United States must honor this debt to China.

China will respond to any offer from the United States for that reason, but more important. is the importance the Chinese are giving to stability of the system, to harmony. Because, as you know, China is one of the ancient cultures of this planet. It may be 6,000, 7,000, 8,000 years old, and the philosophy of Confucius and Mencius was developed in a period of wars, of 500 years of wars, and Confucius stressed the need for harmony and stability in society. These are very important philosophical concepts which have dominated Chinese philosophy for two and a half thousand years, ever since. But then, when the ten years of the Cultural Revolution occurred, when the Gang of Four turned practically all values of China upside down, the Chinese experienced these ten years as the darkest period of their history, and they never want to experience that again.

So therefore, as I said, if the United States at this moment would give a positive signal, I'm absolutely certain that China would accept. And if these three countries—U.S., Russia, China—agree to make a reform of the system, I know that India would not hesitate for one minute to go in this direction.

India's Potential Contribution

India is presently also affected by the crisis, but not quite as badly as China, because they have a domestic market which absorbs 85% of their production, so they are a little bit more cushioned against the effects of this. But, on the other side, 63% of the Indian nation is very

The Song of Creation

The "Song of Creation" is one of an ancient collection of Indian Sanskrit hymns, the "Rig Veda," by an anonymous author, composed ca. 1500-1000 B.C. The Vedas represent a high point of Indo-European culture, and a touchstone for Indian identity.

This translation is by John Muir, from his Original Sankrit Texts, Vol. 5. (1861).

Then there was neither Aught nor Nought, no air
nor sky beyond.

What covered all? Where rested all? In watery
gulf profound?

Nor death was then, nor deathlessness, nor
change of night and day.

That One breathed calmly, self-sustained;
nought else beyond it lay.

Gloom hid in gloom existed first—one sea,
eluding view.

That One, a void in chaos wrapt, by inward
fervour grew.

Within it first arose desire, the primal germ of
mind,

Which nothing with existence links, as sages
searching find.

The kindling ray that shot across the dark and
drear abyss—

Was it beneath? or high aloft? What bard can
answer this?

There fecundating powers were found, and
mighty forces strove—

A self-supporting mass beneath, and energy
above.

Who knows, who ever told, from whence this
vast creation rose?

No gods had then been born—who then can e'er
the truth disclose?

Whence sprang this world, and whether framed
by hand divine or no—

Its lord in heaven alone can tell, if even he can
show.

poor. And if you have a collapse, this will be very dramatic as well.

But India, remember, is also one of the cradles of human civilization. They have Sanskrit, which Wilhelm von Humboldt named *the* most advanced language ever. They have the beautiful Vedic writings, the “Song of Creation,” which you should read, because it contains everything modern science really has as conceptions, about the nonlinearity of the world, that solutions can be found only on a higher level than the conflict is situated—very beautiful ideas which went into European philosophy, and so forth.

India is a very proud nation. For example, just a couple of years ago, they discovered cities under the sea off Bombay [Mumbai] in the Indian Ocean, which were much larger than the Babylonian cities which were built 5,000 years later. And for a long time, it was thought that these were inventions, but then when NASA took pictures from space, one could see that because of certain changes in the Earth, what was in the original Vedic writings indeed was happening this way. So the Indians have a very proud identity.

However—we were there in December—very clearly, they will only respond to the combination of the United States, Russia, China, and India. They will not go for a solution Russia, China, and India, because you have to remember, India is a subcontinent: They’re sitting, separated from the rest of the world by the Himalayas; for centuries, for millennia, they had very little exchange. You had missionaries going back and forth over the Himalayas, but they were relatively separated. Therefore, they look at the world in terms of Pakistan and Bangladesh, which used to be part of India; Afghanistan, Iran, and China; but in their culture, they do not yet have the idea of acting right now as a catalyst to solve this international crisis. But, they will react once the other three nations react.

So, I know Russia a little bit; I know China quite well; I know India relatively well. And I’m convinced, and I’m telling you this with my best understanding of the situation: *It can work!* This is not a utopian idea, it can work. This is very important for the Europeans to realize, because if you look at European politics, and you say, “Where are our political leaders, to address this crisis?” it looks very, very poor. So therefore, it is important that we have a realistic conception of how we can get out of this crisis. And if there is motion coming from the United States, Russia, China, and India, the best European nations can do is to support that.

End the Ponzi Paradigm!

But what does that mean? It does not just mean to support what these four countries hopefully are going to do. It means also reversing the paradigm of the last 40 years in Europe. The paradigm which changed the values away from production, to speculation, and to eliminate such utopias as the post-industrial idea, like the idea of globalization, and to go away from the idea that “money makes money.” If we do not get rid of the idea of “get rich quick,” we will be stupid enough to fall, again and again, for such things as the Madoff scheme. You know Madoff was this Wall Street financier who ripped off his clients for nearly \$50 billion. Now, \$50 billion is not peanuts; you have to be pretty good at it to lure so many people into such a scheme. But it is really only modeled on the famous old Ponzi scheme.

Ponzi was a speculator in Boston, and in the English-speaking world, a “Ponzi scheme” is a household word; but it is not in Europe, so let me quickly tell you what this was.

Charles Ponzi, who lived from 1882 to 1949, was the pioneer of snowball schemes. In the immediate period around and after the First World War, he discovered the letters of an international agreement among different postal services, that in one country, you could send a letter and pay the postage for the return letter, so that the person whom you are sending a letter to in some other country can send it back, without paying. He discovered that because of the devaluation of the currencies in Europe after the First World War, you could buy such a response letter in Spain for 1 cent and in the United States it would be 6 cents. So, he would say in the United States, we’ll buy a lot of these Spanish and other European postal reply coupons, and we’ll sell them in the United States—and that way, we can make an enormous profit.

He started very small. In the first month, he turned \$1,000 into \$15,000, and then he got more people involved. Then in 1919, he opened a little firm called the Security Exchange Company in Boston, and when he registered his business, the postal inspector was very skeptical; and he said, it’s not legal to exchange postal reply coupons in the United States for money! But Ponzi somehow got through. And then, he duped his customers with a fantastic story: He said, we can have 400% profit; you can make 50% profit in 45 days, you can double it in 90 days. And obviously, this was a complete fraud, because if anybody had investigated, they

would have immediately found that if you take all the postal reply coupons in the world together, you could not run such a business. But nobody exposed him, and Ponzi was able to make it all very mysterious. He wouldn't quite reveal how it worked, because it was a corporate secret, and the more mysterious he made it, the more people said, "Oh, I want this! I want this!" And they jumped on, and the scheme became more attractive for investors.

Soon he had 30 employees, he bought a huge building for his office; but in reality, it was nothing like he said it was. He never actually traded with these reply coupons. What he did, is he took money from the newest investors to distribute to the oldest investors. He got the new investors to pay into his scheme, and he would pay off some of the older ones at high ratios, so they thought they were making a big profit on percentage, naturally, only. Obviously, this kind of scheme only functions if the bubble grows.

But when the stream of credulous, stupid investors collapses, then the snowball system disintegrates, and that is exactly what happened: One day, he couldn't pay out to one investor, and when word about that spread, he collapsed. It turned out, he had duped 40,000 clients, and he had robbed \$10 million, which at that time was an enormous amount of money, not like today.

So Ponzi went to jail. Later, when he was released, he committed another couple of frauds and so forth.

The Madoff scandal was exactly that! He did exactly that. He got more investors, up to \$50 billion, paid off the old ones, and then one day ... the whole thing collapsed.

Now, the reason I'm telling you this story is: *The whole system of globalization is exactly that.* And I think this is something which is very important to realize. Because when all the "creative credit instruments" of Alan Greenspan were invented, they did exactly that—they took, for example (I'm going through one particular phase), they took the subprime mortgages, which everybody should have known from the beginning could not work: You give a mortgage to somebody



The Madoff Ponzi scheme was not an aberration; it is paradigmatic of the entire global financial system, based on the insane and immoral idea that "money makes money." Shown, a police mug shot of Charles Ponzi, who pioneered such fraudulent "money-making" hoaxes, in the 1920s.

who has neither the savings nor the wages to pay the mortgage, and you sell this mortgage at 0%, when it's clear the interest rate will not remain at 0%, and then you take the subprime mortgage and you package it. You snowball it; you sell these packages to other people, and you actually create a gigantic Ponzi scheme.

This thing has ballooned up to the point of outstanding derivatives of \$1.4 quadrillion! So you have this Ponzi scheme, this Madoff scheme of outstanding derivatives of quadrillions of dollars. Why do people fall for that? Why does this thing repeat itself, even though its fraudulent nature is always clear? Well, it's obviously greed; and this greed causes people to subject themselves to the Empire. But anybody who looks at the system, sees that this system has generated probably thousands of billionaires, worldwide; hundreds of

thousands of millionaires; but 2-3 billion people who are, all the time, on the verge of hunger.

Anybody who is not a moron, anybody who is not a complete, moral swine, should have recognized that this system could not go on forever.

So therefore, this has to end. We have to end this system cold, and what Obama therefore has to do, is, his administration has to initiate what Franklin D. Roosevelt's intention was, before he died, and before Truman took over. He has to end colonialism, forever. And what that means is that the new system has to provide a decent living standard for every human being on this planet, and each nation has to be a sovereign nation-state, which can blossom and bloom.

Think Like Cusa—and LaRouche

Now, you have to have the philosophical approach of Nicolaus of Cusa, who was a great thinker in the 15th Century, who is the father of modern science, who is the father of the modern nation-state, but who also developed this beautiful conception that concordance in the macrocosm, in the universe at large, on the planet at large, can only function if all microcosms develop in the best way. That means that there can be peace in the world *only* if all the nations on this planet develop in an

equal way, and work to the benefit of the other in the best way. Which, by the way, was also the idea of the Peace of Westphalia: that you can only have peace if each country regards as its maximum interest, to develop the other one, in the best possible way.

Now, how do you do this, in this situation? Because, if you look at the world, you have collapsing countries, like the European countries, like the United States, like Japan; you have promising countries which are on the way up; you have countries which have large resources; you have countries which are very poor; you have countries which are only desert; you have other countries which have rich raw materials. How do you balance a just system, in the future? That is exactly what Mr. LaRouche has written in a very beautiful book called *Earth's Next Fifty Years*.

Which means we have to say good-bye to the idea of profit, money: "Tomorrow I invest something and then I want to have profit the next day"; and we really have to say, "Forget it!" What we need is to create a world in which every human being can have a decent life, enough food, good living conditions, ability to learn and to study, but we don't need excess riches! We don't need billionaires. We don't even need millionaires any more, because it is not in coherence with human nature! What we need to do, therefore, is to have a multi-level treaty arrangement among the nations of the world, to balance, for the next one to two generations, so that the countries which are backward now, can come up. And we make a certain investment: We give them credit lines for production, so that they can develop the necessary infrastructure and means which they need. And then, after one or two generations, when they have the buying power, we ask them to eventually pay back some credits which they were given. But, we *do not* want to continue the policy of the World Bank, which basically demands the repayment of credit before the development even has occurred.

So, we need to completely change the way we think. And I think the most crucial question is that we get clear on what is the source of wealth in society. I think that if we don't settle that question, we cannot come to the right solution.

The only source of wealth in any society, is creativity of the people. Because it is only if we strengthen the cognitive potential of a people, their ability to discover, again and again, universal principles of physical science, of artistic science, which then, if you apply them, leads to an increase of the productivity of the popula-

tion at large, that you really have an improvement of the living standard. We have to say good-bye to the idea that the source of wealth is "buying cheap and selling dear"; we have to say good-bye to the idea that the source of wealth is the possession of raw materials, of gas, of oil, and other such things. Because, getting more and more people in society to be productive, to be true human beings, to fulfill their potential as human beings, is the only source of wealth,

And this, by the way, this question of recognizing that creativity *is* the fundamental difference between human beings and all other living creatures on this planet, is also why LaRouche was able to correctly diagnose the collapse of the system. In the last webcast, he went back to the question of how did he recognize the first crisis in 1957, which was a crisis of consumerism. But more fundamentally, he recognized around 1950, that the statistical methods applied in information theory and systems analysis were completely unfit to describe real processes in the economy. So, when he saw the rubbish which was produced by Norbert Wiener and John von Neumann, the inventors of systems analysis/information theory, he recognized that that kind of thinking, which eliminates creativity from the processes of the real economy, is completely inadequate to describe these economic processes. And he counterposed that with his own LaRouche-Riemann model.

Now, the question of creativity was also the reason why Mr. LaRouche recognized—and I think he did that singlehandedly—why the rock-drug-counterculture in the '60s was the beginning of the collapse of the system. Because, for an individual to stand up and see that the hippie culture, the drug-rock-sex counterculture, was, in the long term, destroying the productivity of society, I think that is one of the reasons why Mr. LaRouche deserves the biggest respect. This was not so easy, because when you have a mainstream cultural shift, where all of a sudden things are accepted which were not accepted before, and people say, "Oh, this is so cool," as they would say today, fashionable—for him to recognize the long-lasting destructive power of the counterculture, is really very, very important. He also recognized the systemic flaws of the "post-industrial" paradigm, the environmentalism which was invented at that time.

So, we have to change all of these paradigms, and go back to a society based on science and technology, based on truth-finding, based on the ability of the human mind to recognize universal principles. And in Europe,

we have to prepare ourselves to cooperate with the new system.

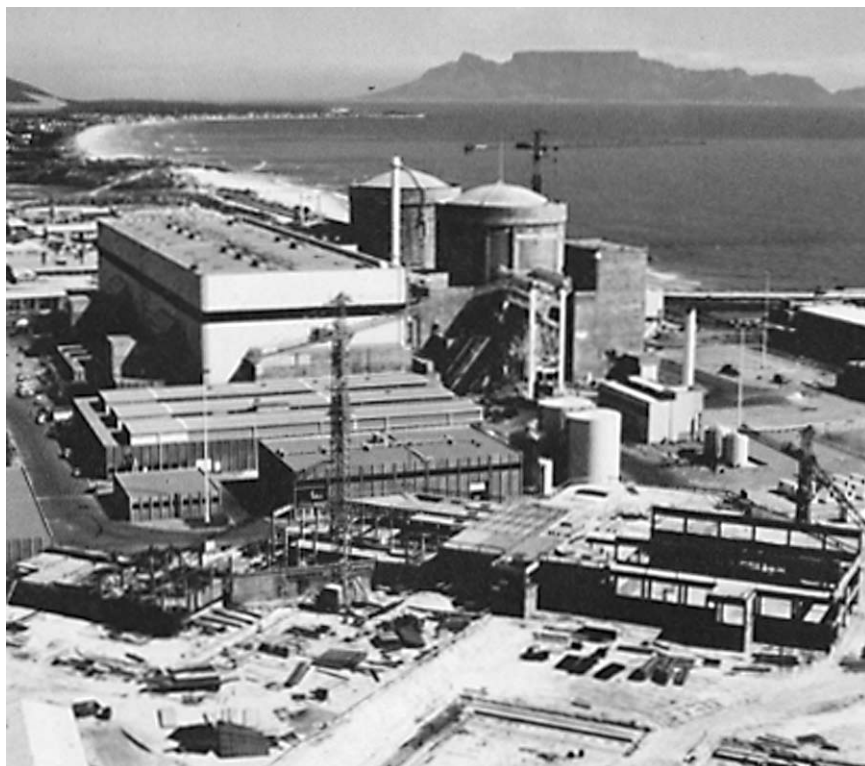
Challenge to Europe: Develop Africa

That means we have to go back in Europe, to the pre-Maastricht Europe. We have to abolish all European treaties, from Maastricht, Amsterdam, Nice, and naturally, we must not ever let the Lisbon Treaty get implemented. Because, the Lisbon Treaty—the whole idea of having a European Union becoming a super-state, in which the national sovereignty of all participating member countries is de facto eliminated—is completely wrong, based on the idea that only a Europe, as a super-state, can somehow assert itself in a multipolar world against the United States, against China, against Russia, and so forth. But in reality, the Lisbon Treaty would turn Europe into an oligarchical dictatorship, with a military mission for global interventions under the pretext of “human rights,” of “democracy,” “humanitarian catastrophes,” and so forth.

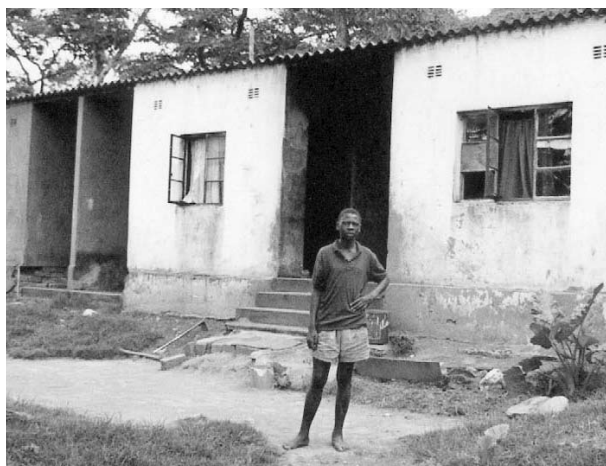
What we need instead, is to go back to the Gaullist idea of a “Europe of the Fatherlands,” a Europe of the sovereign nation-states. We must be, however, united through a common mission.

Now, as I said, the only way we can get out of this crisis, is if we go back to the idea of Roosevelt, that the Bretton Woods system had promised to end colonialism forever. And I think for us, here in Europe, what is more obvious? That we, as European sovereign nations, must take it as our joint mission to develop Africa. I think it is very clear that if we do not now use this crisis to make a solemn commitment to develop the continent of Africa, we are not going to survive morally. At our doorstep, our neighbor continent is dying!

If you look at Africa—look at the Horn of Africa: You have Somalia, where you have no more government! No government exists! You have gangs, and pi-



Courtesy of Eskom



EIRNS/Dean Andromidas

Leibniz's idea was that the development of Africa would become the mission of Europe. Today, Africa urgently needs nuclear energy, Zepp-LaRouche said, like the fourth-generation pebble bed reactor being developed by South Africa (above). At the same time, most of Africa is living in unbearable conditions, like this Zimbabwe farmer.

rates, piracy being the symptom of feudalism in a collapsed society. Look at Congo! In the last years in Congo, 6-7 million people have been killed! Look at Zimbabwe! Zimbabwe is, right now, threatened by the British Empire with total destruction, and the reason why the people in Zimbabwe are starving, and why there are epidemics, has nothing to do with the failure of President Mugabe; it has everything to do with the sanction policy of the British Empire.

So, if we do not want to continue that, we need to have real development, and that means an infrastruc-

ture program. We have to help the African nations to build roads, ports, railways; and we should stop complaining about the Chinese being in Africa, because the Chinese may not do everything right, but I have talked to many African people who say that at least the Chinese are giving them something in return for the raw materials. If the Chinese get raw materials, they build a dam in Sudan, they build a railway here or there, and you know, I think the problems the Chinese are now running into, in terms of not being culturally quite equipped to deal with this problem, could easily be remedied, if the Chinese and the Europeans worked together in the development of Africa!

I think Africa urgently needs nuclear energy. South Africa is working on the fourth generation of the pebble-bed reactor, the high-temperature reactor which is inherently safe. So Africa needs to be supported, so that every nation in Africa has such access to peaceful nuclear energy.

So, basically, what we need to do, is we have to go back to the ideas of Leibniz, who thought that Africa should be the mission of Europe to develop. And the only way we can really go back to that paradigm is, we have to forget about the culture of the last 40 years, for sure. Everything which was associated with globalization: the “elbow society,” the get-rich-quick, the money orientation, we should throw these out of the window. We are challenged to go back to the best traditions of Europe. We have to revive the Greek Classical period. We have to revive the Italian Renaissance. People in France must revive the ideas of Louis XI, of Jeanne d’Arc, of the Ecole Polytechnique, and other great periods when France contributed uniquely to the progress of human civilization.

In Germany, if we do not go back to the German Classical period, Germany will not make it. And if we do not go back to the highest point in our cultures, soon the Cathedral of Cologne and the Cathedral of Chartres will find themselves in a museum in Mongolia, as a fossil of a culture which didn’t make it. And since I don’t want this, we should shape up, and take a mission to really play a constructive role in the period to come. Because we are, right now, at the greatest crisis in



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“If we do not go back to the highest point in our cultures,” said Zepp-LaRouche, “soon the Cathedral of Cologne and the Cathedral of Chartres will find themselves in a museum in Mongolia, as a fossil of a culture which didn’t make it.” Shown: Chartres Cathedral, in France.

human civilization. You have not only a financial crisis, a crisis of the economy, a moral crisis—you have a civilizational breakdown.

However, we are very lucky, because we have somebody who analyzed all of that in great detail and who has also many of the solutions: That is my very sweet husband, Lyndon LaRouche. And if you want to do anything to help to save the future, help us to defeat the lie that this crisis could not be foreseen, because in a crisis like that, you do not want to go to charlatans and morons who couldn’t see the crisis coming two months ago. You want to go to those people who knew why the crisis was coming, and you want to listen to those who also told you about the remedies a long time ago.

International Intelligence

Brits Orchestrate New Coverup of Mumbai Hit

Islamabad gave notice on Feb. 5 that its investigators probing the terror attack on Mumbai, India have found evidence that the banned Bangladeshi militant group Harkat-ul-Jihad-al Islami Bangladesh (HuJI-B) may have been involved in training terrorists and planning the three-day assault last November. The Islamabad report is likely to indicate that the attack was conducted by an “international network of Muslim fundamentalists,” aiming to build the case for greater regional anti-terror cooperation.

In late January, Pakistan’s High Commissioner to the U.K., Wajid Shamsul Hassan, indicated in an interview that investigations had revealed that the attack was not planned in Pakistan, nor in the U.K. The statement was issued from London, ostensibly under pressure from Her Majesty’s Service. It is possible that the Pakistani investigation was getting close to the truth, i.e., that British intelligence was involved in masterminding the operation.

In addition, the objective of implicating Bangladesh in the Mumbai attack was to undermine the new government in Dhaka, which is anti-jihadi (and, by extension, anti-Saudi and anti-British).

EU’s Lisbon Treaty Like a ‘Coup d’Etat’

A suit filed Jan. 26 in the German Constitutional Court says the not-yet-dead Lisbon Treaty of the European Union is an anti-democratic “empowerment act,” equivalent to a cold coup d’état, stripping the German government and Bundestag (parliament) of their powers, and handing them to the EU bureaucracy.

The plaintiffs include former Thyssen Steel CEO Dieter Spethmann, former Bundestag and European Parliament member Count Franz Stauffenberg. This

is the fifth legal action against the Treaty filed at the Court, which intends to meet on Feb. 10-11.

Trouble for the fascist Lisbon Treaty is also emerging from the Czech Republic. During a speech at the European Parliament on Jan. 14, Czech Prime Minister Mirek Topolánek created a stir, when he said one of his prime tasks as EU president is to talk to the Irish, who voted against the Treaty in a popular referendum in June 2008. He added that if a referendum like the one in Ireland were held in his country, the Treaty would be rejected.

Arguments against the Lisbon Treaty were unintentionally supplied by speculator George Soros’s business partner, Lord Mark Malloch-Brown, director general of the British Foreign Office, in a speech in the House of Lords Jan. 15, when he challenged the Irish people’s right to reject the Treaty, and supported the current plan for forcing a new referendum on an unchanged text.

Leaders of the Conservative Party, which would win hands-down if there were early elections in Britain, accused Malloch-Brown of bullying, and announced that they would scrap the Lisbon Treaty if they were in power.

Free Traders Denounce Protectionism in Russia

The World Trade Organization called an emergency meeting for Feb. 9 to deal with what the *Wall Street Journal* calls a “wave of barriers to world commerce since early last month.” Russia is the prime target: On Feb. 5, ten EU commissioners went to Moscow to protest to Prime Minister Vladimir Putin and others about the “pace of new Russian trade barriers.” The *Journal* says that Russia, which is not a member of the WTO, is refusing to play by the “rules,” and has introduced 28 measures to raise tariffs and subsidize domestic products, in the past three months.

The EU is also protesting the U.S. “Buy American” campaign. But the EU has resumed its own dairy support policy,

and barred Chinese nuts and bolts, claiming that the Chinese were dumping, while also restricting U.S. chicken and beef.

Without eliminating the gambling debts and establishing fixed currency rates, the “free market” collapse can only bring on trade war, as nations struggle to keep their citizens alive. A new, FDR-style Bretton Woods agreement, however, could provide a forum for establishing mutually beneficial protective policies.

Sweden Dumps 30-Year Ban on Nuclear Power

The policy of the European Labor Party (EAP), Lyndon LaRouche’s associates in Sweden, was adopted on Feb. 5, when the Swedish government decided to cancel its anti-nuclear law and allow construction of new nuclear plants. The so-called “nuclear parenthesis” is thereby gone, relieving Sweden of a 30-year political trauma over the nuclear question. The EAP was the only party in the 1980 Swedish nuclear referendum to campaign for a “Yes” vote to nuclear power.

The decision was preceded by a sudden change of the two parties in the government, which both took part in the “No” campaign in the 1980 referendum. First, the Christian Democratic Party announced its policy change in late January. Then the Center Party had a meeting with its parliamentary group on Feb. 4, giving the go-ahead for its announcement the day after.

The government also overturned the law, which had come to be known as the “thinking ban” law, against any research or development of nuclear power plants. The government had to cancel the law, the prime minister said, because people have to think about a reactor before they can build one. Any construction of nuclear plants, he said, will have to depend on private money, since the government has no room for that in the budget. He spoke just two days after his government promised to recapitalize the Swedish banks with EU5 billion.

Needed: The Harry Hopkins Principle

It doesn't take a rocket scientist, in the middle of the ongoing disintegration of the world economy, to understand that the \$800 billion gorilla which the Congress and the Obama Administration seem about to put through, is not going to solve the problem. As Lyndon LaRouche put it on Feb. 7, "This system is finished, the world, in its present form, is finished. We have this abomination, this abortion which was pulled off, or at least partially pulled off, this week, which, in a sense is a necessary diversion, which one hopes will give leg-room for actually doing something serious about the problem. But what Obama has done, will amount to *nothing more* than buying time."

The crucial issue that the administration continues to dance around, is *bankruptcy reorganization*. And it has to be addressed, and adopted, very soon.

In the context of taking out the garbage (the mass of unpayable, and largely fraudulent, derivative bubble debts), there will be a need for a jobs creation program, of course. The world economy is currently hemorrhaging jobs, with 600,000 lost in the American economy alone, during January. In total figures, masked, as usual, by failing to count those too discouraged to look for work, and forced to work part-time, the number of unemployed Americans has reached an estimate 22 million—more in absolute numbers than in the early 1930s. The International Labor Organization, a UN agency, estimates more than 50 million more jobs to be lost globally over 2009.

Popular "wisdom" (never to be trusted) holds that it will take months, if not years, to get millions of people employed. That's where the Harry Hopkins principle comes in.

President Franklin Roosevelt brought Hopkins onto his team in May 1933; his most stunning feat occurred that Fall. Faced by what he knew would

be the bitter Winter of 1933-34, Hopkins presented FDR, on Nov. 1, 1933, with a plan for a Civil Works Administration (CWA), to be run by his staff, which would initiate federally sponsored work projects throughout the nation, mainly projects of city, county, and state infrastructure, to be designed, planned, and proposed to the CWA by those government units. These included repair and construction of streets, roads, schools, public buildings, playgrounds, and parks, as well as flood control, sewage and water management, and much else of that sort. Roosevelt created the agency nine days after their meeting. Its budget eventually rose to \$900 million.

Hopkins employed 800,000 people on such worthwhile projects within ten days. Nearly 2 million were employed by two weeks later. Nine weeks after the CWA began—in the week ending Jan. 18, 1934—the CWA had its peak employment of 4,263,644.

Beyond preserving the lives and labor power of over 16 million Americans during a cruel Winter, CWA built and repaired over 40,000 schools and 255,000 miles of roads and streets; built 469 airports and improved 529 others; laid 12 million miles of sewer pipe; employed 50,000 teachers; and built 3,500 playgrounds and athletic fields.

CWA was followed by the work program of Hopkins' FERA (Federal Emergency Relief Administration), and that, in turn by his WPA (Works Progress Administration), whose operations were similar.

Today, the job categories will be somewhat different: progress on nuclear power plants, high-speed rail, and other jobs utilizing our dying machine-tool capability. But the Hopkins principle—mobilizing to defend our people as in war—is the standard we must meet today.

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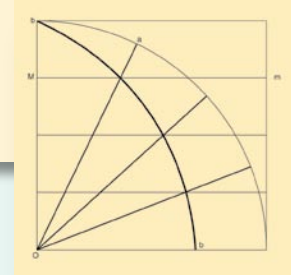
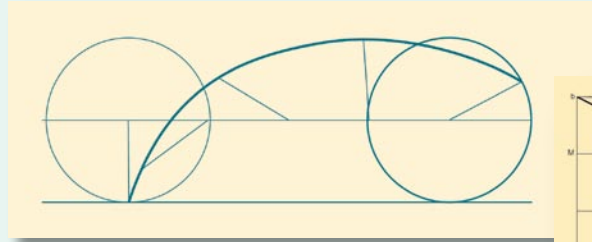
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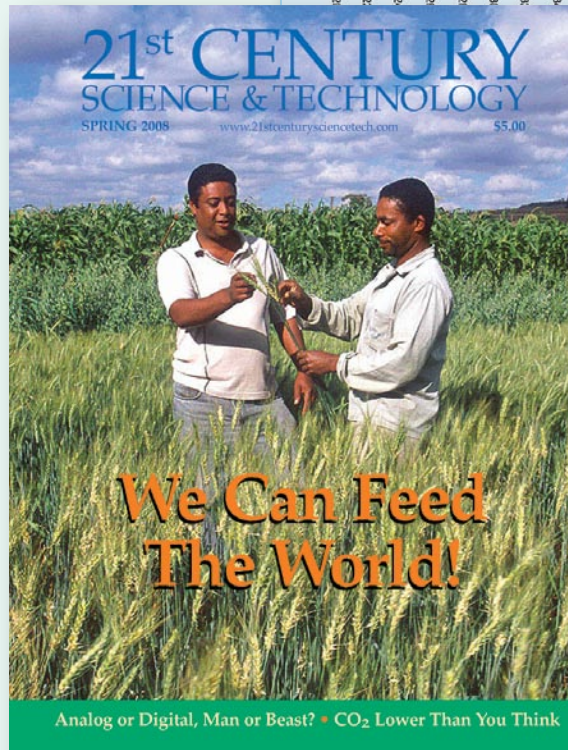
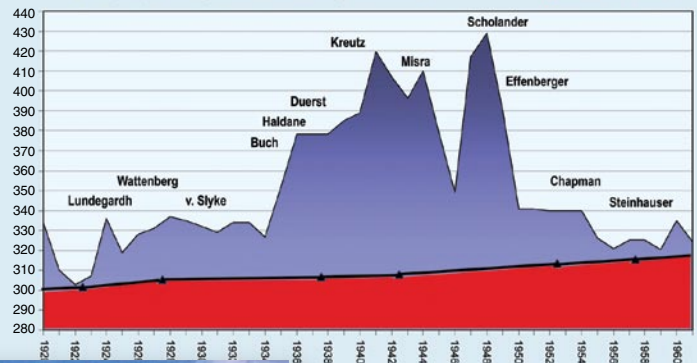
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■ 48 yearly averages +- 3% accuracy, chemical

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- FAIRFAX CX Ch.10 & FIOS Ch.10: 1st & 2nd Wed 1 pm; 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 11 am, Wed 7 am
- BS Ch.23: Mon 11 am, Wed 7 am
- TRI CITIES CH Ch.13/99: Mon 7 pm; Thu 9 pm

WISCONSIN

- MARATHON CH Ch.10: Thu 9:30 pm; Fri 12 Noon
- MUSKEGO TW Ch.14: Sat 4 pm; Sun 7 am

WYOMING

- GILLETTE BR Ch.31: Tue 7

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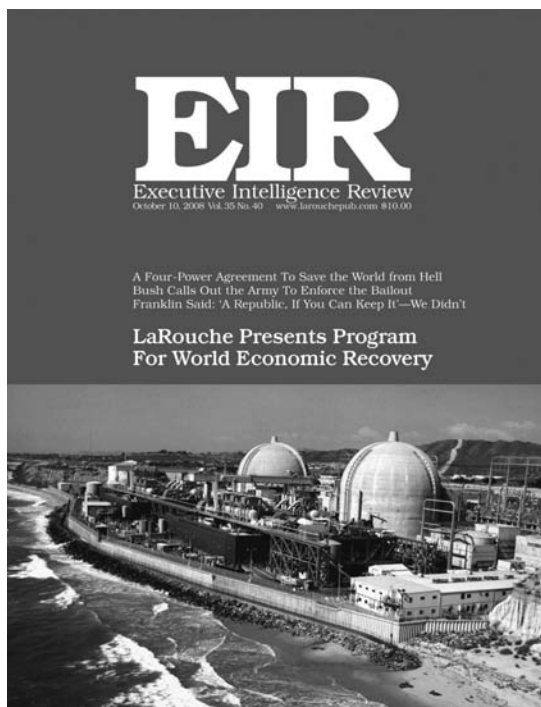
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