EIR
Executive Intelligence Review
January 4, 2019 Vol. 46 No. 1 www.larouchepub.com $10.00

Free the U.S. from British Influence in 2019

EIR (ISSN 0273-6314) *is published weekly (50 issues), by EIR News Service, Inc., P.O. Box 17390, Washington, D.C. 20041-0390. (571) 293-0935*

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Canada Post Publication Sales Agreement #40683579

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

Free the U.S. from British Influence in 2019

Russiagaters Caught: *In Flagrante Delicto!*

by Barbara Boyd

Dec. 28 (EIRNS)—On December 17, 2018, the Senate Intelligence Committee, led by the ever-reliable Russiagate pawns Senator Mark Warner and Senator Richard Burr, released what Warner described as bombshell reports on Russian social media efforts to influence the 2016 U.S. Presidential elections. The reports were drafted by the Oxford Computational Propaganda Research Project of Oxford University and New Knowledge, a U.S. company featuring two recent-vintage disinformation experts, to wit, experts who became experts during their service in the Obama Administration.

Sen. Burr's Instagram Page

Sens. Mark Warner (left) and Richard Burr.

The Senate reports were designed to reignite "Russia! Russia! Russia!" hysteria about the amateurish and small-bore social media escapades of the Internet Research Agency, a St. Petersburg company that has been indicted by Special Counsel Robert Mueller and has been portrayed as a major villain in the fiction Robert Mueller is composing concerning Russian interference in the 2016 U.S. election. Predictably, all sorts of media hysteria about black voter suppression, Russian support of former Green Party presidential candidate, Jill Stein, and other ridiculous memes followed release of these reports to the corporate news media.

But this propaganda parade was rudely interrupted on Dec. 19, when someone from New Knowledge leaked internal company documents to the *New York Times* showing that the firm engaged in an elaborate false flag operation to undermine Roy Moore's 2017 campaign for U.S. Senate in Alabama. According to the definitive account of this *actual* election meddling, written by Dan Cohen at the Grayzone Project, the tactics used included the manufacturing of a link between Roy Moore's campaign and the Kremlin, by claiming that thousands of Roy Moore's Twitter followers were Russian bots. The internal report cited by the *Times* contained the admission: "We orchestrated an elaborate false flag operation that planted the idea that the Moore campaign was amplified on social media by a Russian botnet."

Dan Cohen obviously believes that New Knowledge purchased the bot accounts, although the internal report does not admit this. The accounts' flagrant use of the Cyrillic alphabet and profile pictures of famous singers including Britney Spears, Christina Aguilera and Avril Lavigne strongly suggests that whoever bought them went to extreme lengths to leave the appearance of a Russian hand, Cohen writes.

The other tactic employed by the firm in the Alabama U.S. Senate race was running a Facebook page boosting an obscure, write-in candidate, Mac Watson, to draw votes away from Moore. The firm's social media tactic was to inflame the sexual assault allegations directed at Moore to enrage and energize Democrats and depress turnout among Republicans. Local media were deployed extensively to cover the alleged Russia/Roy Moore linkage, and national coverage was provided by the Russiagate conspirators at *Mother Jones* magazine.

CC/BibleWizard

Roy Moore.

According to Cohen's account, the Alabama disinformation campaign received $100,000 from Reid Hoffman, the founder of LinkedIn. The money was pipelined through Mickey Dickerson's American Engagement Technologies. (Hoffman himself admits to giving $750,000 to AET, according to the Dec. 28 *Washington Post*.) Dickerson was a founder of the United States Digital Service, a signature Barack Obama initiative. The entire episode is now under investigation by the Alabama Attorney General. Both Hoffman and Sen. Doug Jones, who won the race, have themselves now called for Federal investigations.

CC/SDG Action Campaign

Reid Hoffman, LinkedIn founder.

Anglo-American Condominium Uneasy

One of the New Knowledge experts is Jonathan Morgan, once a special advisor to the Obama White House and State Department, and a contractor for the Defense Advanced Research Projects Agency (DARPA). Post-election he was a favored media source for the Obama/Clinton trope that Hillary Clinton's loss was the product of Russian disinformation. As cited by Cohen, Morgan told television viewers in Austin, Texas, that feelings of discontent were telltale signs that they had been duped by Russian disinformation: "If it makes you feel too angry or really provokes that type of almost tribal response, then it may be designed to manipulate you.... People should be concerned about things that encourage them to change their behavior."

His partner in the actual disinformation operations conducted by New Knowledge is Ryan Fox, who spent 15 years at the National Security Agency (NSA) and was also a computer analyst for the Joint Special Operations Command (JSOC). Since receiving $11 million in funding from Silicon Valley's GGV Capital, New Knowledge is positioning itself as a major player in Anglo-American propaganda psyops. Morgan helped develop the Hamilton 68 Dashboard, a completely phony tool for spotting Russian propaganda, which is funded by the German Marshall Fund's Alliance for Securing Democracy. The Alliance, staffed by the most reliable Washington neo-con and neo-liberal lackeys of the British Empire, has played a key role in propagating the Russiagate hysteria.

Now that they have this egg all over their faces, it is useful to return to the idiotic claims by Senators Warner and Burr about the nefarious Internet Research Agency (IRA) in Russia. Aaron Maté, host/producer for *The Real News*; Max Blumenthal, a Fellow at the Nation Institute; and others have studied these claims and others made by Mueller and his fawning Senatorial clowns. They demonstrate that the budget for this alleged interference was only thousands of dollars a month and most of the alleged troll farm's posts were not even about the election. A solid 56% of IRA's posts occurred after the election and 25% of them were seen by no one.

Compare this to the billions spent by candidates Clinton and Trump. As we have emphasized, this amateurish Russian operation did not influence the election one whit, but it did set off enormous Anglo-American counter-operations aimed at censoring all political views in the United States and in Britain itself.

It is not accidental that the recent report by the British House of Lords, titled "U.K. Foreign Policy in a Shifting World Order," cites citizens' access to information as the biggest danger faced by the Empire. Clearly, in their view, this access is what produced Brexit and Donald Trump's U.S. presidency, and is a result that must never be repeated.

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Cover This Week

DoD/Dominique A. Pineiro

President Trump with Vice-President Pence and the now booted-out Defense Secretary James Mattis (right) following a meeting of the National Security Council, July 2017.

FREE THE U.S. FROM BRITISH INFLUENCE IN 2019

I. Trump Breaks with Britain

ZEPP-LAROUCHE WEBCAST

Trump Drops Brits' Permanent War Plan: Neocons and 'Antiwar' Leftists Hysterical

This is the edited transcript of the Schiller Institute's December 27, 2018 New Paradigm interview with the founder of the Schiller Institutes, Helga Zepp-LaRouche, by Harley Schlanger. A video of the webcast is available.


The New York Times

Opinion

Trump's Decision to Withdraw From Syria Is Alarming. Just Ask His Advisers.

This isn't the first time the president and his administration have sent mixed messages.

By The Editorial Board

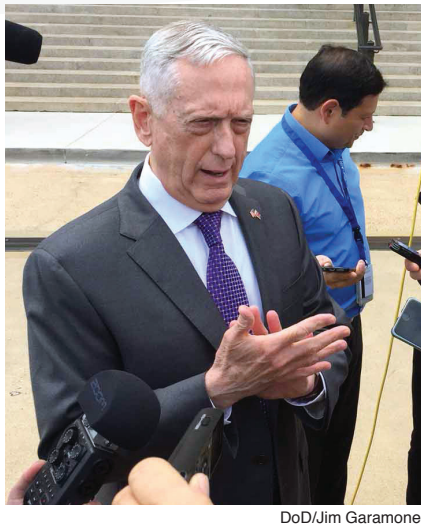
The editorial board represents the opinions of the board, its editor and the publisher. It is separate from the newsroom and the Op-Ed section.

Dec. 19, 2018

Harley Schlanger: Hello, I'm Harley Schlanger from the Schiller Institute, welcoming you to this week's international strategic update. It's Dec. 27, 2018, and I'm here with Helga Zepp-LaRouche, founder and president of the Schiller Institute.

The year is ending with an incredible array of events. On one side, the potential for a new Peace of Westphalia emerging, with the decision of President Trump to pull the U.S. troops out of Syria, Afghanistan, maybe stop the situation in Yemen; on the other, absolute hysteria, as Tulsi Gabbard identified it, coming from the neo-conservatives rallying around General Mattis and anyone else who wants war.

Why don't we start with the announcement of the U.S. troop pullout from Syria?


DoD/Jim Garamone

Then Secretary of Defense James Mattis, never ready to withdraw U.S. troops, August 2018.

Helga Zepp-LaRouche: I think this is indeed a very, very important development, and it is what President Trump promised in the 2016 election campaign, and it's one of the major reasons why he was elected. Now that he has successfully, at least pushed back, to a certain extent, the whole Russiagate and Mueller illegal investigation, he feels in command enough to actually come through on his promise. So, he announced that all U.S. troops will be withdrawn from Syria.

There was a huge, hysterical reaction by the neoliberal establishment of the West, but also from the left. The incredible irony is that all the people who historically have claimed to be anti-war, are now saying that the United States should keep illegally occupying Syria, when President Trump is actually involved in a very reasonable and very thoughtful process of pulling out of this situation.

Potential Change for the Good of All

Yesterday, when asked who would fill the vacuum after the United States pulls out, Maria Zakharova, the spokeswoman for the Russian Foreign Ministry, said that the natural thing is the territory should be returned to the Syrian government and the Syrian people, and given the fact that there is now a constitutional process under way with

the perspective of elections, that would be the best thing that could happen. As to the remaining open issues, like the Kurdish problem, there are ongoing talks between the Trump Administration and Russia on the one side, and Turkey and the Trump Administration on the other. A very high-level Turkish government delegation will be going to Russia on Dec. 29. There have also been discussions between the United States and Turkey, and a U.S. military delegation will go to Turkey in the next days.

So, all of this is up for negotiation and a settlement. This is a very, very important flank, because it means that the United States is bringing to an end—at least that's Trump's intention and what he's acting on—U.S. foreign wars, ending what has already cost the United States $7 trillion over the last 15 or 17 years.

White House/Shealah Craighead

President Trump, joined by First Lady Melania Trump, addressing U.S. troops at the Al-Asad Airbase in Iraq on Dec. 26, 2018.

The Veterans for Peace—one of the few U.S. organizations supporting the pullout of troops—released a statement on their website supporting the withdrawal, noting "it is critically important that we, as veterans, continue to be clear and concise that our nation must turn from war to diplomacy and peace. It is high time to unwind all these tragic, failed and unnecessary wars of aggression, domination and plunder. It is time to turn a page in history and to build a new world based on human rights, equality and mutual respect for all. We must build momentum toward real and lasting peace. Nothing less than the survival of human civilization is at stake."

official photo

Rep. John James Duncan

A number of Republican congressmen also came out in support of Trump. Rep. Jimmy Duncan said that this is absolutely the right thing, because these foreign wars have cost many, many innocent lives, killed Americans, created enemies for the United States, and cost trillions and trillions of dollars—this is exactly what should happen.

I think anybody in their right mind who does not see the benefit of bringing peace back to Syria by ending foreign occupation, and all the arguments that "this will help the Russians," "this will help the Iranians,"—it's all not true. Both the Russians and Iranians have so many other things to take care of, that they will withdraw from Syria, having no intention to stay there permanently, contrary to the media line.

U.S. Troop Pull-Out from Afghanistan

Today, Trump sent out a very interesting tweet, basically saying that Saudi Arabia will pay for the reconstruction of Syria. Now, that, we have to see. But there is obviously a much larger scheme being worked on. Because a couple of days ago, Zalmay Khalilzad, the U.S. Special Representative for Afghanistan Reconciliation participated in a conference in the United Arab Emirates, and there announced that the United States will also withdraw completely from Afghanistan, that the United States will not keep permanent bases there, and that the only way to bring peace and stability to Afghanistan is by a political settlement, including negotiations with the Taliban. At the same time, Pakistan's Minister of Foreign Affairs, Shah Mahmood Qureshi, was in Beijing meeting with his counterpart, Wang Yi. China is also encouraging Pakistan to be part of this solution with the Taliban. Similar moves are happening with Iran.

I think this is all very significant, because—it's still in process—but I think what we are witnessing, right

U.S. Army/Gul A Alisan

U.S. Army troops on patrol near Tora, Afghanistan, April 6, 2004.

before our eyes, is the emergence of a Peace of Westphalia approach for the Middle East. If you remember, the Peace of Westphalia was not immediately a vision for peace to end what was essentially 150 years of religious war in Europe, ending with the Thirty Years' War, but it was the result of the fact that all the parties involved recognized that the continuation of war would leave nobody alive to enjoy the victory.

And that is about the situation we have today in the Middle East. Years and years, 17 years of war in Afghanistan have not brought peace; Syria is in a state of reconstruction, now, with the Syrian government controlling almost the whole country, Syrian refugees can return, but still what has to be reconstructed is enormous.

We have a situation where the exhaustion factor is a big reason. And do not forget the exhaustion factor of all the American soldiers who have been on multiple rotations in these wars for so many years—to Afghanistan, to Iraq, to Syria. I think its altogether three million soldiers who were on these kinds of rotations, with their families affected. Many who have rotated out have post-traumatic stress disorders.

I think the idea of ending this whole, terrible era of foreign wars, of the U.S. playing the role of being the bully for the British Empire is great. If Trump wants to stop that, people should be happy! Don't be so prejudiced about everything Trump does or does not do: The Western media are characterizing Trump in a way which is absolutely not legitimate, because if this President—and I've said this many times—gets the relationship with Russia and China on a good course, he is going to be one of the great Presidents of the United States. I know that many in our international audience are going absolutely hysterical when I say that, but anybody who does not recognize that *we must end geopolitics*, we must end wars, we must end tension especially between the nuclear powers, obviously is not in his or her right mind.

So, I urge those of you in our audience who think that way: Give it a second thought, think it through. Don't be prejudiced. Think about a Peace of Westphalia solution, which is the only way to end this terrible series of totally unjust wars, wars based on lies. Please, do not rush to conclusions. Think about it. Become informed. Check the sources, look at what the Chinese are saying, and doing; look at what the Russians are saying and doing, and then you will come to a better understanding of the situation.

Working with, not Against, Russia & China

Schlanger: The hypocrisy of the response is just so astounding. I just want to point to two examples: The *New York Times* referred to Trump's troop pull-out order as an "abrupt and dangerous decision." What about the decisions by Bush to put us into the wars in the first place? And then President Obama's National Security Advisor and Ambassador to the UN, Susan Rice, of all people—on her watch we had the Libyan regime-change and the Ukraine regime-change—said in a *New York Times* op-ed: Well, we don't want indefinite wars, but this is a mistake.

I think that one of the most interesting things, Helga, is that in spite of the Russiagate attacks, and people saying that this is Trump giving a Christmas present to Putin, that what we're seeing is Trump is acting on his own now. He's not listening to generals; he's gotten rid of McMaster and Kelly, and now Mattis is on the way out. I guess we're seeing why it was that Russiagate was launched in the first place, because of the fear that Trump *would* do this. I'd like your thoughts on that.

Zepp-LaRouche: You may not agree with everything President Trump does, and I think he has some big issues to resolve in terms of the economy, given the fact that there *is* the immediate pending danger of a new financial crash. As long as he thinks that Wall Street and the stock exchange provides any sound conclusion concerning the condition of the economy, this is his Achilles heel. So, I'm not saying we are in agreement with what Trump is doing in every field.

Why was General Michael Flynn targetted? Be-

U.S. Air Force/Jonathan Lovelady

Lt. Gen. Michael Flynn, Director of the Defense Intelligence Agency, testifying before the House Permanent Select Committee on Intelligence, Washington, D.C., 2014.

cause in 2012,as head of the Defense Intelligence Agency, he wanted to brief President Obama on who was financing al-Qaeda, and what became ISIS. He had the whole story about the Western support for terrorism in the Middle East and he wanted to make it public. I think that that was the real reason why Flynn was targetted: Because as Trump's National Security that was a combination some people really wanted to destroy.

But Trump had the correct impulse that the policy shared by Bush and Obama had to be completely reversed, and that the geopolitical targetting of Russia and China had to be ended. And he proceeded to do exactly that. He started an excellent relationship with Xi Jinping, which is still a big factor, despite big worries on the Chinese side about trade war; but there are negotiations under way to potentially remedy that, after the summit between Xi Jinping and Trump in Buenos Aires, on December 1. A good relationship with Russia is also crucial, as Syria became one of the potential trigger points for war between the two large nuclear powers.

I think Trump's working with Russia, with Turkey, with Iran (with some problems there, obviously), is the absolutely only alternative to a catastrophe that could eliminate civilization.

The British game to bog Trump down with Russiagate is not working, and as you say, Trump's recent actions show that he is feeling back in control of his Presidency, and he's doing these things, and people should be happy about it, and not freak out. Naturally, the game of the geopolitical neocon faction of the West just falls to pieces, and that's why they're so freaked out. But the left, the so-called liberals who are advertising war instead of a peaceful settlement, are really unmasked in a way which is quite amazing!

Progress on the Korean Peninsula

Schlanger: You mentioned China a couple of times. I want to take a broader look at the question of what potential there is in this Peace of Westphalia scenario: We saw something fairly extraordinary in the Korean Peninsula, with the North and South Koreans getting together in Kaesong, North Korea concerning connecting their rail systems. We also have some things to talk about on Africa and Latin American policy—but let's start with the Korean policy: This is something that Trump intended as a major effort, which included collaboration with Russia and China, and it seems that it is going ahead, isn't it?

Zepp-LaRouche: There was just a very great ceremony, between the North and the South Korean delegations, celebrating the plan to completely modernize the rail network of the entire Korean Peninsula. This is going forward, and this is one of the successes. We have talked about the so-called "Singapore Model." If you remember, it was the June 12 summit between President Trump and Chairman Kim Jong-un in Singapore that led to a complete reversal of the situation and was attacked by the media, and all kinds of people watered it down or played it down. This is one of the many peace policies that is working—with Russia and China in the background—in this case involving the United States, North Korea, and South Korea.

That is really one of the great strategic realignments going on, which is part of the establishment of a New Paradigm. In that same focus, I would say that Japan and India are now working on an Asia-Africa growth corridor, *not* against China, but actually cooperating in these projects. It just shows that many countries of the world are moving towards the New Paradigm of cooperation, settling issues through dialogue and diplomacy, as the way to go toward a safe future.

Schlanger: There was a very significant comment from Paul Kagame, the President of Rwanda, who talked about the importance of the Chinese intervention, having some fairly harsh things to say about the Europeans.

Africa is Rejecting European Hypocrisy

Zepp-LaRouche: Yes. In an interview with Austria's *Die Presse* newspaper, he basically said the European hypocrisy is just unbelievable. They preach things they don't practice themselves; they think so much of themselves that they think the other countries in the

world can only learn from them. But then, he said, look at the European model: Is democracy working there? Obviously not; it is falling apart. If the Europeans want to do something, really, about the migration problem, then they should invest, they should treat African nations as equal partners: They should invest in infrastructure, in the education of young people, and not come with sermons.

Kagame, who has a long history, has undertaken a big change for his country. Many African leaders are no longer taking European arrogance. China has successfully changed the character and dynamic in many African countries, such as the Horn of Africa countries, or many other countries that have seen railway building and industrial parks. For example, in Uganda, China has built hydropower dams and 22 new industrial parks. That change has given many of these countries and their leaderships a completely new self-confidence, in which they demand to be treated as equal partners and no longer live, as Kagame says, by accepting the "generosity" of the Europeans, who after all are mostly the former colonialist masters, and who have not yet learned to shed that attitude.

CC/Hidenbrand/MSC

Paul Kagame, President of Rwanda.

So, I think there is a new spirit in the world, the New Silk Road Spirit. It's a good time in which to live. The Western media don't report any of this, so therefore, many don't know, but there are ways of finding out: First of all, there's *this* program and the Schiller Institute website. We in the Schiller Institute, of course, are trying our best to make these developments known. But there are also other sources. You can read the African media, for example. African newspapers are much more interesting than most mainstream Western media—for sure more interesting—and because of the Internet, they are quite accessible. So, make the effort and look at them.

Portugal, Yes; Macron, No

Schlanger: And here's something else you won't hear about in the mainstream media: In an opinion column in *Jornal de Negocios* on Dec. 19, Portugal's Minister of Foreign Affairs, Augusto Santos Silva gave a very strong scolding to the European Union for the EU's meddling against Portugal's involvement with China. Last week, Helga, you talked about the importance of Portugal as a seafaring nation that's looking in many directions—south and west—and this is right inside the EU. Again, we see an intervention of the New Silk Road Spirit.

I want to bring up one other EU matter. You talk about the old imperial model. What is French President Emmanuel Macron's policy right now? It seems he's saying France will keep troops in Syria.

Zepp-LaRouche: That certainly is a bit ridiculous. Without the United States being on the ground, I don't think the French, despite their colonial tradition, have any basis to remain there, considering that Macron's popularity in France is approaching the lowest possible point, perhaps it could go lower, but it's quite low right now. Also, keeping French troops in Syria does not fit the new dynamic in the Middle East. We have learned from well-informed sources in the region that there is an effort under way to reintegrate Syria into the Arab community.

When the Bush/Obama Administrations decided on regime change against Saddam Hussein in Iraq, against Bashar al-Assad in Syria, and against Muammar Qaddafi in Libya, those administrations worked with all kinds of other countries, such as Saudi Arabia to finance the different terrorist movements in those regime-change operations. Some of the Europeans are still saying they do not want to participate in the reconstruction of Syria as long as Assad is President. But it is the legitimate decision of the Syrian people to choose their own leaders.

If the rest of the Arab countries say they want to reintegrate Syria into the Arab community, well, it just shows that Macron is really in a losing pose with his policies, and I don't think it will last very long.

The inability of these establishment figures to recognize the mistakes of their policy is quite amazing. Let's be hopeful that the Yellow Vests will teach Macron some economic lessons.

Euro Nukes: A Very Bad Idea

Schlanger: In Germany, the neo-conservatives are saying that in order to protect Europe from the Russians, new nuclear missiles and other nuclear forces must be brought in. Responding to the proposed deployment of U.S. nuclear missiles in Europe in the aftermath of the U.S. decision to pull out of the INF Treaty, Germany's Minister of Foreign Affairs, Heiko Maas, in an interview with the DPA news agency, came out with a fairly strong statement that this should not take place.

She said, "Europe should not turn into a platform for discussions on arms buildup under any circumstances. Nuclear weapons buildup would be a totally erroneous response. The policy of the 1980s will not help answer modern-day questions."

Zepp-LaRouche: Yes, I think there is a line not to be crossed, where even such people as Maas recognize that the only thing that could result from a new nuclear buildup in the center of Europe, is that Germany would become a battleground for World War III.

But otherwise, if you look at Europe right now, the prospect for 2019, without the intervention of the Schiller Institute, does really look very grim. Brexit is pending. Germany is chaotic. A new poll suggests that only 17% of Germans are looking optimistically into the next year. Interestingly, 26% of young people reportedly think it will get better, but only 10% of those 65 and older polled have any hope at all for the future. That means 90% think the opposite. German overall policy reflects a total lack of vision; EU25 billion is now sitting in some state accounts which, because of bureaucracy, because of lack of industrial capacity, are not being invested in infrastructure, despite the fact that the money is available. Germany is just not what it used to be at all!

Which Way Will We Go?

So, I think it really needs a complete change, and therefore, I ask you to join the Schiller Institute, because we are trying to show the people of Europe, the United States, and the rest of the world that there *is* a New Paradigm developing, which is creating the option of a completely new vision, a new epoch for mankind, in which relations among nations are completely changed, based on sovereignty, respect for the other civilization, and where the beauty of the many cultures we have in the world is explored and appreciated through dialogue and peaceful cooperation.

I think we are at an absolute crossroads: On the one side, we still sit on the very dangerous powder keg of a financial blowout; on the other, the potential to end all wars, to go for reconstruction, to build up the economies of the developing countries—this is a very, very exciting period, and we should not sit on the fence; you should get active with us. Join the Schiller Institute and help us to get history going in a better direction.

Optimistic China Forges Ahead in Science

Schlanger: In the last few minutes of our program, it would be very useful for you to give our viewers and readers a little bit more of a perspective on the panic of the supporters and defenders of the old system, as we move into the New Year. For example, *Foreign Affairs* magazine's April cover story, "The End of the Democratic Century." What they really mean by that is that the "liberal democratic" or the British imperial century is what's coming to an end, and they think that's a bad thing. There are new developments in technology in China, with its Moon mission, for example, that's under way with the Chang'e-4 launch; and China's new magnetic levitation train development. So, Helga, please convey to our views and readers the optimism they should be embracing as we enter a new year.

Zepp-LaRouche: You mentioned the maglev; that's a typical example: The leading engineer of China's Maglev Systems Institute has just announced that China has a new generation of slow maglevs which can run up to 160 kph [100 mph], compared with the first generation's top speed of 100 kph [62 mph]. These new maglevs are suitable for inner city transportation and also between main cities and their satellites. Now, just imagine having a subway or a local transport system that takes only seconds to reach 160 kph, then travel time becomes very, very efficient.

SPACENEWS

NEWS OPINION VIDEO LAUNCH BUSINESS MISSIONS

Chang'e-4 landing to be a step along a road of lunar exploration for China

by Andrew Jones — December 28, 2018

China will attempt to land the Chang'e-4 lunar lander on the moon's farside in January. Credit: Chinese Academy of Sciences illustration

This article originally appeared in the Dec. 17, 2018 issue of SpaceNews magazine.

With its Chang'e-4 spacecraft now orbiting the moon in preparation for the first-ever landing on the far side of Earth's nearest neighbor, China is poised to reap the prestige

The beauty of the maglev is that it accelerates very rapidly, in a very short time, and it does not have the usual kind of pushback you feel when you accelerate a car, because the technology is such that it goes more smoothly. China is revolutionizing inner-city transport in this way.

The Chang'e-4 mission is scheduled to land on the far side of the Moon in the first week of January, just a few days from now. According to a study in the journal *Science Advances*, a team of Chinese scientists has discovered a way of turning copper into a new material "almost identical" to gold—obviously not entirely—but they were able to transform the structure of copper in such a way that it fulfills the same functions as precious metals in the industrial process, reducing the use of rare, expensive metals in factories. So, a revolution in new materials.

Maglev could have been developed and deployed by Germany! Germany developed the technology, but was too stupid to use it—and now the Chinese are doing it.

The West should seriously think about it: The whole post-industrial, Club of Rome, ecological paradigm was really a mistake. The best way to maintain a healthy environment is through high technology, through new, scientific breakthroughs, and that is happening, fortunately, in China, which has long ceased the practice of merely copying technologies from the West. China is now creating its own breakthroughs at an ever-increasing rate.

I think the perspective for the future should really be that the Western people, those who are not the hard-core neocons like Kissinger, for example—I think he's a lost case. He advocated for years that a Peace of Westphalia approach for the Middle East is not possible. Now, I think he's just in the process of being proven completely wrong. So there are some hard-core neocon, neoliberal people, who I think will never reconsider that their model was wrong, but there are many people who were just swimming along, going along to get along, or being victimized by this neoliberal model, and they should think that there *is* obviously, right now, a recognition that the old, neoliberal model is failing.

Foreign Affairs: a Humoresque

The *Foreign Affairs* article you mentioned, is actually funny. The two authors say that they there had been a universal desire for the liberal democracy model. But now, things are so bad in the liberal democracies that it's no longer the case. There are populists arising everywhere in what the authors call "autocratic regimes." I must say that in most of these so-called "autocratic regimes," they are acting for the common good of their people. That is why you have these populists, or other types of governments that are really taking care of the common good much more than the neoliberals.

The old system is disintegrating. Everyone can see a new system is emerging, but the exact nature of this New Paradigm is not yet decided. And I think it requires the active participation of a lot of thoughtful, well-meaning people, to find those principles that cohere with the lawfulness of the physical universe. I think the future order of humanity can only be successful if it adheres to true physical, universal principles, in science and in great art.

And that is the very idea of the Schiller Institute, and that is what you can find in the *Aesthetical Letters* of Friedrich Schiller, which I would emphasize that you should read over the next few days: Between now and New Year's, you still have some time to engage your mind in more profound ideas, and the *Aesthetical Letters* of Schiller, for sure, is excellent food for thought, very relevant for the solutions to our present-day problems.

So, with that, I wish you a Happy New Year with good changes, and let's talk soon.

Schlanger: OK, Helga. As they say, "We'll see you next year."

Zepp-LaRouche: OK, till next year.

NEW YEAR'S THOUGHTS FROM GERMANY

2019 Promises a Wonderful Future —If Europe Is Morally Fit for It!

by Helga Zepp-LaRouche

Dec. 29—When reality turns into satire: in response to President Trump's announcement that he will pull U.S. troops out of Syria and Afghanistan, and that the United States will no longer play the role of world policeman, liberals and many leftists in Europe who have been sputtering about "U.S. imperialism" for decades, are responding, not with praise and approval, but with hysterical screaming. Trump is hurling the world into chaos, giving Christmas gifts to Putin, Assad and Rouhani, etc.

For incorrigible Atlanticists like German Christian Democratic politician Norbert Röttgen, the whole world is falling apart: the role of the United States is irreplaceable, he lamented on the German national broadcast network ARD, and if it abandons this role, the world will be "insecure, unstable and selfish." And, oh yes, outgoing U.S. Defense Secretary James Mattis had been a "voice of reason," he said. Their reactions to the Trump phenomenon show how deeply entrenched in the neoliberal paradigm are the liberals, the left, and the neo-conservatives alike—despite all their supposed differences.

This is not without a certain irony: the usual year-end wrap-ups, and outlooks for the coming year, are overloaded this week with lamentations that the West's model of liberal democracy is extremely vulnerable, or might even lose the "competition among systems." But none of these authors in the various think tanks or mainstream media—and of course not the establishment politicians—are able to think, even in a rudimentary way, about why this is so. The reason they cannot lies in the sheer limitless arrogance and self-admiration of a class that confuses the dogmas of its group-think with reality, and has long since stopped feeling the need to learn anything new.

An article entitled "The End of the Democratic Century" appeared in the May-June 2018 issue of *Foreign Affairs*, the journal of the (New York) Council on Foreign Relations. It described the supposedly unstoppable triumph of Western-style democracies of the "American Century" during the second half of the 20th century.

CC/Tim Reckmann

Atlanticist Norbert Röttgen thinks the whole world is falling apart.

The reason for this, it was assumed, was a "universal human need for liberal democracy."

Back in 1989, the same perspective was defended by American political scientist Francis Fukuyama, who prematurely conjured up the dissolution of the Soviet Union as the "end of history." Fukuyama thus rewarmed the theory of the French Synarchist Alexandre Kojève (1902-68), that a phase would come in history in which there would no longer be global political conflicts, but instead the model of liberal democracy would be dominant across the globe. Of course, the system of Synarchy also implied that the establishment should "democratically" prevent any opponent of this establishment from ever coming back to power. Parliamentary democracy, free trade and, in principle, unlimited liberalization of values—and, increasingly, "green" negative growth in the real economy, along with the expansion of the financial and services sectors: this combination should henceforth prevail around the world. A unipolar world, of course.

This was the basis for the "shock therapy" policy applied to Russia in the Boris Yeltsin era of the 1990s, which was supposed to turn the former Soviet superpower into a raw-materials producing third world coun-

try within a few years—and did so. This was also the basis of the conviction that China's integration into the WTO would inevitably lead China to adopt the model of liberal democracy along with the principles of free trade.

Roadside billboard of Deng Xiaoping in Shenzhen, China.

Why Demonize Russia and China?

The main reason for the demonization of Putin is that he dared—not least through Russian military intervention in Syria—to restore the status of Russia as a global power. The motive for escalating the attacks against China lies in the somewhat belated recognition by the Western establishment that China has by no means embraced the Western model of democracy, but, on the contrary, situates the "Chinese dream" in the revival of its 5,000-year-old tradition, and of the vision, inspired by Confucian principles, of a new model of coexistence of all countries on the basis of harmony.

The main reason for the unprecedented success of the Chinese model—which over the past 40 years since the "reform and opening-up" has made it possible to lift 800 million people out of poverty in China, to create a growing well-to-do middle class, and to win world leadership in certain scientific and technological fields (such as rapid transit, nuclear fusion, and space)—is the ability of political leaders to recognize and correct errors in governance. Deng Xiaoping ended the catastrophic politics and economic method of the Gang of Four during the Cultural Revolution and adopted in its place the most successful principles of European and American economic theory as a model.

While the Cultural Revolution was raging in China during 1966-76, a fundamental paradigm-shift was taking place in the West, and not least in Germany. This was the "1968 revolution," in which various left-wing communist grouplets in the youth culture propagated a very positive view of the Chinese Cultural Revolution. The adherents of this 1968 revolt chose the path of the "long march through the institutions" in order to come to power and thus to implement the values of the Frankfurt School and the '68 movement. Many of them did achieve it, even making it into the German Foreign Ministry.

On the ideological foundations laid by the '68ers, the abstruse theses of the Club of Rome on the allegedly finite nature of resources and the consequent necessity for limits to growth, could easily find a foothold. Thus the ecology movement was born, and then introduced into all the schools with significant financial support from Anglo-American oil multinationals and financial institutions.

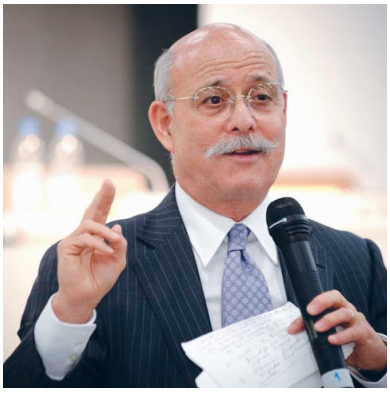
Unlike in China, where Deng Xiaoping radically broke with the economic nonsense of the Cultural Revolution, here the greening of Western brains has penetrated all pores of society, in all parties and institutions. As one consequence of this, there is a whole range of technologies developed here in Germany, such as magnetically levitated trains and various nuclear energy technologies, which are used not in this country, but rather in China, and soon in almost every country of the developing sector.


NASA

Deng Xiaoping (center foreground) and his wife Zhuo Lin being briefed by Johnson Space Center Director Christopher Kraft, Feb. 2, 1979.

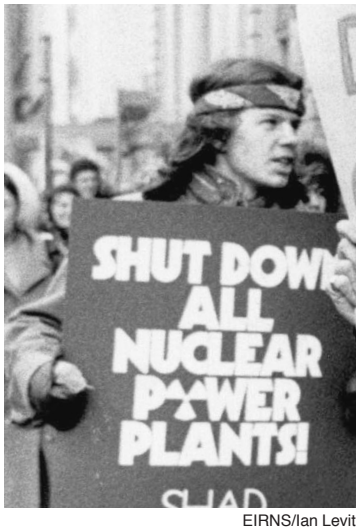
Now the ecofascist ideology has even captured the Economic Council of Germany's ruling Christian Democratic Union party, as proven by the

Council's propagation of the so-called "Third Industrial Revolution" of Jeremy Rifkin. (The ideology is correctly described as ecofascist, because the low energy-flux density in the production process it demands, necessarily implies a drastic population reduction.) Yet this Council is the institution that actually represents the interests of the German *Mittelstand*, or small and medium-sized enterprises, and thus the main source of social wealth. Thus the very existence of Germany as an intrinsically industrial nation is now threatened.



CC/Stephan Röhl

Eco-fascist Jeremy Rifkin (above) and his militant anti-people minions (below).



EIRNS/Ian Levit

A Second Chance for Germany

When the Berlin Wall came down in 1989 and the Soviet-led COMECON dissolved in the aftermath, I repeatedly warned that if the mistake was made of imposing the model of unrestrained free-market economy upon the collapsed system of communism, then, after a certain boom phase, there would be an even more dramatic systemic collapse than the collapse of the communist system. That's exactly where we have arrived now.

A new financial crash threatens, which will be far more serious than that of 2008. The infrastructure in the United States and Europe is crumbling, while poverty in Europe is at 90 million and increasing. More and more people have lost confidence in the establishment, whose policies they blame for the state of society. The neoliberal governments and the EU are already in the "Tacitus trap." Governments that have lost the confidence of the governed are presumed to be lying, regardless of whether they are actually lying or telling the truth.

Deng Xiaoping is reported to have said that after the end of the Cultural Revolution, China would either carry out a fundamental reform or be ruined. Then he guided China onto the road to success, which today is admired by the whole world. Incidentally, the theoretical basis of this success story is much closer to the American system of Alexander Hamilton and the system of political economy of Friedrich List than the public is aware. But the same applies to us today: Either we make a fundamental reform—or we'll be flushed to the margins of history.

The fact that President Trump wants to break with the policy of permanent intervention wars of his predecessors, instead of playing the world's policeman, and wants to respect the sovereignty of every country in the world, as he emphasized in his speech to the 73rd session of the UN General Assembly in September of 2018, gives us the chance for a positive strategic reorientation of all humanity. It is the cultural richness of the different nations and the sovereignty of all that flows from it, which is why, as Trump stressed, "America will always choose independence and cooperation over global governance, control, and domination.

We now have the choice in Europe and especially in Germany: either we try to defend the so-called "Western model," which obviously does not work, in the old manner of geopolitics seen in French President Macron's chimera of a European army, in safeguarding the EU's external borders, in militarization of the European border and coast guard agency Frontex, and in forming fronts against Russia, China and the U.S. Either we can risk a nuclear world war in that fashion—or we can constructively work on a completely new model of relations among the nations of the world, based on sovereignty, cooperation and a dialogue of classical cultures.

If we do for Germany the equivalent of what Deng Xiaoping and Xi Jinping have done for China, then we will initiate a renaissance of scientific progress in the tradition of Nicholas of Cusa, Kepler, Leibniz, Riemann, and Einstein, and a renaissance of classical culture in the tradition of Bach, Beethoven, Schiller and von Humboldt.

Furthermore, it is in Germany's own best interest to put the relationship with Russia and China on a solid basis of cooperation, and to support Trump when he is trying to do precisely this. Two thousand nineteen can be a banner year for humanity if we do not lose that opportunity due to ideological stubbornness.

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II. Seize the Moment

ORDER OF BATTLE FOR 2019

Let Us Free Ourselves From British Influence

by Robert Ingraham

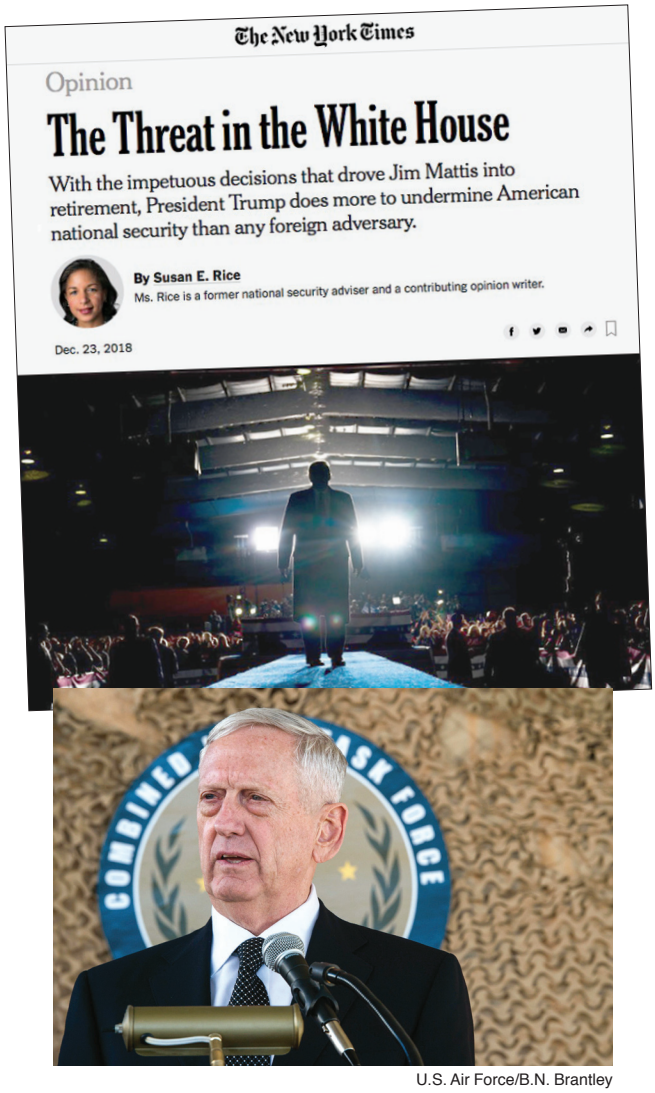
> For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places.
>
> —St. Paul, *Letter to the Ephesians* 6:12 (King James translation)

I. – Great Britain Is Not Our Ally

Jan. 1—In the wake of President Trump's December 19th decision to begin the withdrawal of all U.S. military forces from Syria, followed 24 hours later by the resignation of Defense Secretary James Mattis, hysteria has descended upon the rulers of Great Britain and their subservient allies within the United States. Contrary to almost all media reports, there is not "chaos" within the Trump administration; that chaos describes the collective mental state among the Anglo-American elites who oppose this Presidency.

As a nation, we have now reached a moment in which it becomes possible to achieve a goal Lyndon LaRouche has insisted upon for more than 40 years; that is, to free America from British influence and, through the creation of a "Community of Principle" with other sovereign nation-states, to put a permanent end to British imperial designs worldwide.

For almost two decades the American people had been led by an insider elite, one fanatically determined to keep the United States in a continuing and dangerously escalating partnership with British geopolitical policy. Barack Obama, George H.W. Bush, George W. Bush, James Mattis, the late John McCain, and many


The New York Times

Opinion

The Threat in the White House

With the impetuous decisions that drove Jim Mattis into retirement, President Trump does more to undermine American national security than any foreign adversary.

By Susan E. Rice

Ms. Rice is a former national security adviser and a contributing opinion writer.

Dec. 23, 2018

U.S. Air Force/B.N. Brantley

Secretary of Defense James Mattis addressing a press conference, Baghdad International Airport, Feb. 2017.

others have demanded that the "Special Relationship" with Britain remain the cornerstone of all U.S. strategic thinking.

Just look at Defense Secretary Mattis' December 20th Letter of Resignation, where he asserts a fundamental disagreement with President Trump over the way that Trump has treated our "allies," i.e., Great Britain and the member states of NATO. In that same brief letter, Mattis goes out his way to identify China and Russia as "malign actors" who wish "to shape a world consistent with their authoritarian model." Look also at the op-ed authored by Obama's National Security Advisor and Ambassador to the UN, Susan Rice, which appeared in the *New York Times* three days after Mattis' resignation. In that op-ed, Ms. Rice unashamedly screams, "We are walking away from our British and French allies."

The cat is out of the bag, and 2019 portends even greater and more welcome change. Those individuals and Anglophile special interests who today denounce President Trump are the same people who brought us war, economic ruin and suffering over the last full score years. They are now on the defensive. It is time to finish them off politically and to drive their diseased ways of thinking from American public discourse.

Much work will need to be accomplished in this new year. For that reason, it is of critical importance that those who enlist in this effort are crystal clear in their own minds on what we might call the "British Question." Now is the time to face the truth that everything that Lyndon LaRouche has been saying about the British Empire for the last 40 years is true. There is simply no other way to defend this Presidency and to secure global peace and economic development without eliminating British influence over U.S. policy making.

Fortunately, the now irrefutable evidence that the entirety of "Russia-gate" and the impeachment efforts against Donald Trump originated at the highest level of British Intelligence is a matter of record. The role of Christopher Steele and his controllers has placed this beyond doubt. The question that Americans need to answer is, "Why?" Why is the British oligarchy so fiercely determined to destroy this President? In examining that question, certain—perhaps surprising and uncomfortable—truths begin to reveal themselves.

It is impossible to win a war if you don't know who your enemy is. Our enemy is the British Empire and the global financial elites associated with it. In this article we shall look at this, but our focus will not primarily be on the structures of this oligarchical entity, but rather on how the American people have been suckered into identifying with the interests and outlook of this empire—how our culture, our minds and our identity have been manipulated into support for policies which are both historically un-American and outright evil.

In a book-length paper written in 1982, Lyndon LaRouche states:

> This report introduces many readers (but not all) to a new, and perhaps frightening dimensionality of our nation's strategic and foreign-policy problems. The suitable name for this might be *The Manipulation of Culture as A Method of Warfare*. That could have been an alternative title. We have judged that our adopted title draws attention to the more urgent implications.[1]

This current article, and its focus on the great cultural change that is now required, is very much derived from, and informed by, that argument which LaRouche presented in 1982.

II. – The Great Turning Point

Prior to the assassination of President William McKinley in 1901, the British Empire was always viewed as the foremost enemy of the American Republic. For the first 125 years of her existence, America was a steadfast *anti-colonial* nation, and her national character was correctly embedded in the mission of becoming a "Temple of Hope," and a "Beacon of Liberty." It was the example of Washington, and particularly Lincoln, which shone throughout the world and gave hope to millions. Americans wanted nothing to do with the system of empires of the European nations; and the murderous oligarchical nature of the British Empire was universally recognized.

Without question, the British Empire has killed more human beings than any other entity in the history of the human species. The British Victorian Age was one of mass murder, horrible oppression, forced drug addiction, ongoing savage warfare, and disgusting cultural degeneracy. Genocide against—usually darker

1. Lyndon LaRouche, *The Toynbee Factor in British Grand Strategy*, *EIR*, 1982.

Library of Congress

Immigrants arriving at Ellis Island in New York City in 1907.

skinned—non-British populations was a matter of course. Everyone knew it.

Throughout those decades, European immigrants fled to America to escape imperial oppression, and national leaders, such as Sun Yat-sen, looked to the lives of George Washington and Abraham Lincoln as the hopeful models for their own nations. Then, two bullets fired by Leon Czolgosz at Buffalo, New York in 1901 catapulted the Anglophile Teddy Roosevelt into the White House, and the nation began to come loose from its mooring. Despite Teddy Roosevelt's pro-British views, and despite the increasing presence of traitors in high places, the moral and political subversion of the American people did not occur all at once. The key wrenching transformation began with America's entry into World War I.

In 1916, U.S. President Woodrow Wilson was not expected to win re-election. He had only sneaked into the White House in 1912 because Teddy Roosevelt had split the Republican vote with his "Bull Moose" campaign. No Democratic Party President had served two consecutive terms since Andrew Jackson. Wilson and his advisors decided upon a unique national campaign strategy. Wilson would seek re-election, almost exclusively, as the "peace candidate," and his campaign adopted as its national slogan, "He kept us out of war."

Foreground, from left to right: D.W. Griffith, Mary Pickford, Charlie Chaplin (seated) and Douglas Fairbanks at the contract signing ceremony establishing the United Artists motion-picture studio on Dec. 31, 1918.

At that time, from coast to coast, the American people were overwhelmingly opposed to U.S. involvement in the European war. Despite the pro-war tirades of Teddy Roosevelt and others, Americans, *en masse*, wanted no part of the war. Promising peace and neutrality, Wilson won re-election. And then … and then …, only five months after the election and a mere one month after being sworn in for his second term, Woodrow Wilson asked Congress to declare war on Germany. By late 1917, tens of millions of Americans were swept up in the war fever. Soon, the proposition that America and Great Britain were joined together in a sacred cause to "make the world safe for democracy" became an ironclad cultural axiom.

How did this happen? How did an America which, up to the eve of the 1916 election correctly viewed the British Empire as the historic and mortal enemy of the American Republic, suddenly enlist in a military alliance in defense of that empire?

It is true that German government stupidity and strategic miscalculation didn't help. Germany's resumption of unrestricted submarine warfare in January 1917 and the subsequent revelation of the infamous Zimmermann Telegram two months later, were utilized to the hilt by Anglophile American newspapers to whip up anti-German sentiment. But this does not explain the pro-war frenzy, the hysteria, which gripped the minds of the American citizenry in 1917 and 1918. This was a great cultural change, a seismic upheaval, that took place within the American populace.

This is where Lyndon LaRouche's concept of "The Manipulation of Culture as a Method of Warfare" enters the picture. And it should not be

surprising that, in 1917, the vehicle chosen to manipulate the morality and thinking of the American people was Hollywood.

U.S. Army/Paul Thompson

Movie star Douglas Fairbanks speaking in front of the Sub-Treasury building in New York City, on behalf of the third Liberty Loan, April 1918.

Star Struck

The United States spent $30 billion to wage World War I. Of that amount, $22 billion was raised through the sale of "Liberty Bonds" directly to the American people. There was only one problem. When the Liberty Bonds were first introduced in the spring of 1917, almost no one purchased them. Sales were listless, and within weeks the bonds were being resold at a discount, with no buyers. At that point, the Wilson administration enlisted top echelon stars of the new film industry to spearhead the drive. National tours were organized for Douglas Fairbanks, Mary Pickford, and Charlie Chaplin. Bear in mind that these individuals—the "King of Hollywood," "America's Sweetheart," and "The Little Tramp"—were the nation's very top film stars, and this at a time when the fledgling film industry had endowed them with an aura of awe and wonderment.

Crisscrossing the country by rail, Fairbanks, Pickford and Chaplin traveled to dozens of cities. Everywhere they went they were greeted by frenzied mobs. Millions turned out for mammoth outdoor rallies to bask in the presence of the Hollywood royalty. Being an American, being loyal and patriotic, became synonymous with backing the war and buying a Liberty Bond. America and Britain were joined in a holy crusade against "the Hun." Any type of dissent or non-conformity was silenced, as the Hollywood stars called on every American to join the war effort.

By the time it was all over, 15 million Americans had purchased liberty bonds, out of a total population of 103 million. This figure is even more remarkable when you consider that fewer than 50 million Americans were adults, and those 50 million included tens of millions of non-voting women and millions of non-citizen immigrants.

At the same time, a national force of thousands was recruited, at the direction of President Wilson, to become "Four Minute Men." In movie theaters, at that time, it took four minutes to change reels, during the showing of a film. During those four minutes, an individual would walk out onto the stage and deliver an oration on the glories of America's war effort. Everything German became an object of rage, while the British war effort was portrayed with near-adoration. Between 1917 and 1918, almost *8 million* such four-minute speeches were delivered at movie houses in over 5,000 communities across the United States.[2]

At the conclusion of the war, Fairbanks, Chaplin and Pickford, together with the pro-Confederacy D.W. Griffith, would form United Artists, and when Fairbanks and Pickford traveled to London on their honeymoon in 1920, they were greeted by huge, adoring crowds. Later, their home in Hollywood, Pickfair, became the social center for the Hollywood elite, and visiting guests to Pickfair included the Duke and Duchess of Windsor, George Bernard Shaw, H.G. Wells, Lord Louis Mountbatten, Noel Coward and Arthur Conan Doyle. As for the British-born Chaplin, he would later be knighted by Queen Elizabeth.[3]

2. Amidst this anti-German hysteria, all of the previously popular works of Frederick Schiller were removed from the nation's stages and written out of school curricula.

3. An historically different, yet similar, role was performed by Hollywood during World War II. After 1945, certain individuals in Hollywood came under attack by the House Un-American Affairs Committee (HUAC) for producing "pro-Soviet" films during the war. In reality, these usually poorly-funded "B" movies were minuscule in number. On the other hand, beginning in the mid-30s, and then escalating after 1939, Hollywood turned out a near avalanche of lavish pro-British films, many of which were given Academy Awards. Many of these films rewrote history, casting past British imperial figures in a positive light.

There was no reasoned debate or in-depth strategic discussion prior to America's entry into World War I. There was no consideration of legitimate war aims, nor any reflection concerning the required Constitutional principles involved in this decision. Instead, it was a rush to war, an unreasoned stampede. In reality, the war had actually begun for the American people in 1914, for from that date through 1918, the British Crown had waged concerted cultural warfare inside America, to sever the American citizen's moral link to the historic principles of the nation. This was done through the manipulation of people's base emotions, their fears, their fantasies, and their appetites. This was the British method for recruiting America to save the British Empire.

III. – The Adult Personality

Forget the history books you have read, or what you were taught in school. Recognize that in understanding the extended modern-day British Empire, you are dealing with an "Empire of the Mind."

The great supporter of the American Revolution, Friedrich Schiller, is famous for stating that the tragedy of the French Revolution was that "a great moment had found a little people." Schiller's life work was a continuous effort to make "little people" bigger. Through his dramas, his historical works and his writings on Aesthetical Education, Schiller's concern was always to educate the feelings, the souls and the minds of his readers—to provide people with the means to improve and uplift themselves morally and intellectually.

Consider the motives and method of the British oligarchy. Their intention has always been the opposite of Schiller. Their intention has always been to make people "littler." Britain's oligarchical elites have always believed that within their own degenerate, bestial impulses the method was to be found to control and demean subject populations. The intention has always been to sabotage any sustained effort to awaken the higher creative moral and intellectual impulses within the minds of the greater population—to, in effect, impose an "oligarchical culture" upon the population at large. In this sense, one might say that the extended British oligarchy has learned from the dangerous—for them—precedent of the Renaissance. The word from Buckingham Palace, when viewing the heritage of Leonardo da Vinci, Nicholas of Cusa or Filippo Brunelleschi, is "Never Again!"

This has always been the cultural strategy of the British oligarchy. One might trace its origins to the 1616-1623 correspondence between Francis Bacon and the Venetian Paolo Sarpi; or to the writings of John Locke and Jeremy Bentham. Certainly by the late 19th century, the British had become masters in cultural warfare and the subjugation of colonial peoples. And this is precisely the type of warfare that they have waged against the people of the United States.

A CounterStrike video gamer.

Consider the progressive downward spiral of the American people since the assassination of John F. Kennedy. What we have been witnessing, what we have been living through—at least up to the 2016 national election—has been the escalating *infantilization* of the adult American population. This, of course, is also true of Western Europe. In almost every way, adults today are stunted—emotionally, morally and intellectually. Their personality development has been arrested and halted at the age of 16, or perhaps younger. Simple instincts, simple fears, simple appetites and gratifications determine, in an unthinking and automatic manner, much of their day-to-day behavior.

These included T*he Charge of the Light Brigade*, *Gunga Din*, *Kim*, *Suez*, *A Yank in the RAF*, and many, many more. During the war, films such as *Mrs. Miniver* were typical of the attempt to create a deep cultural affinity of Americans for their "British cousins."

This did not just "happen." It has been deliberate. Video games, pornography, "entertainment" that desensitizes the emotions to suffering and violence—this is all an oligarchical culture of infantile gratification. These are not "cultural trends." This is British strategic warfare at the highest level. It is a type of warfare which the British oligarchy has spent more than one hundred years perfecting, and one they believe that Americans are too dumb to resist. It is precisely this type of "higher" warfare that the Tavistock Institute's William Walters Sargant identified in his 1957 *Battle for the Mind*. And it is through these methods that they have nearly destroyed our American republic.

Americans are no longer able to sustain a serious concentrated attention span. Although 20th century American novelists were never much to write home about, there were more praiseworthy efforts in the field of drama, and there was a time, not so long ago, when audiences would sit with rapt attention through a performance of Arthur Miller's *Death of a Salesman* or Lillian Hellman's *The Children's Hour*. This was American art, and it had a broad audience. No more. Today, we find tens of millions of adult Americans spending billions of dollars to wallow in the nonsense of the "Lord of the Rings" film trilogy—drivel designed to titillate, shock, scare and excite the lower emotions.

A British Empire franchise entices its victims into a world devoid of reality, a world governed entirely by magic.

Today, among the most popular and profitable of movie and television franchises is a plethora of productions featuring comic book figures, drawn from the pantheon of Marvel and DC comics. In earlier times, this type of fare was directed toward ten-year olds. Today, it is devoured by adults. Similarly, we find the massive popularity of the writings of Britain's J.R.R. Tolkien and Britain's J.K. Rowling, whose works draw the reader—or the film-goer—into a world entirely devoid of reality, a realm governed entirely by magic.

This is all the unleashing of the irrational self-obsessed infant. You even see it in the way people dress, with 40- and 50-year-old men daily donning the unofficial uniform—t-shirt, blue jeans, and sneakers—of an 8-year-old boy. This is a population which simply lacks the rudiments of a mature adult self-identity.

IV. – An Intervention by LaRouche

Lest one think that what is stated in the section immediately above is exaggerated, too negative, or too harsh, we interpose here the words of Lyndon LaRouche, in the form of several lengthy excerpts from his *Toynbee Factor in British Grand Strategy*. Long quotations are not usually desirable, but in this instance, the sharpness and insight of the argument as presented by LaRouche is essential to further clarify the point at issue:

> We have become a hedonistic counterculture, rejecting all higher purposes and morality for sake of an anarchistic philosophy which argues that the function of society is to gratify irrationally defined individual "inner psychological needs." We have become degraded into such a Hobbesian morality, into the immoral, irrationalist radical hedonism of such 19th-century British philosophical radicalism as that of Jeremy Bentham, and such followers of Bentham as John Stuart Mill, William Jevons, Alfred Marshall, Aleister Crowley and our own existentialist pragmatists such as William James, John Dewey, and the intellectual elite orbited around the Socialist Party of America. The burgeoning of that "Age of Aquarius" proposed at the beginning of this century by such arch-fascists as Friedrich Nietzsche and theosophist Dionysus-worshiper Aleister Crowley, is presently reflected by the growing degradation of our youth into the hedonistic rock-drug-sex counterculture of that modern court of the Emperor Nero known as our "jet set."
>
> In other words, we are destroyed by a Hobbesian every-man-for-his-own-pleasure degeneracy, steeped with that same reek of dionysiac cultural

pessimism which earlier produced such phenomena as Benito Mussolini and Adolf Hitler, a culture whose Nietzschean principle is that "everything is permitted" according to the individual's "inner psychological needs."

Driven deeper into cultural decay in that direction, over the past hundred years our national institutions have undergone a succession of phase-changes, an ordered succession of descent into hedonistic philistinism reminding us properly of the descent into the Pit in Dante's *Inferno*. So, beyond the banal philistinism of our own turn-of-the-century "Edwardian" period, we plunged into the dionysiac "Roaring Twenties." At the end of the war [World War II —ed.], most veterans quickly lost that firm moral resolve never again to allow the world to degenerate so, and too many among them occupied themselves with seducing their neighbor's wives in the new real-estate developers' "earthly paradise" called corporate suburbia. The pretty children stuffed with toys by adulterous parents of the 1950s became the infantilism rampant in the emergence of the "New Left counterculture" of the 1960s and 1970s. So, step by step, we have marched toward the Pit.

EIRNS/Stuart Lewis

Lyndon LaRouche in a LaRouche PAC webcast of July 26, 2013.

Our people have lost their moral moorings. They have lost a sense of their individual connection to an historical process, lost all sense of the connection between one's own individual practice and the consequent good or evil bequeathed to subsequent generations. They stir in narrow mental circles, in a society whose benefits were bequeathed to them by the work of our Founding Fathers … Of the good they enjoy, that chiefly because of our Constitution and its ordering of our affairs, they speak as if they, individually, or their little family, had accomplished everything for themselves, as if to argue that the world had been created with the founding of the family fortune by a grandfather, or simply the day they were born into the undeveloped primeval forest they improved entirely by their own efforts. They may not assert such things in those exact words, but what they do say and believe implies nothing but such an ungrateful, arrogant assumption. . . .

They have lost the distinguishing moral and intellectual qualities of true citizens of a republic; they have renounced our constitutional commitment to shape the consequences of all of our present policies of national practice as those consequences impinge upon our posterity. Me, mine, and now become in the main part, the outer limits of their "practicality," and immediate, tangible relations to family, neighbors and local community become, in the main part, the outer limits of application of their morality. We as a people have neither an historical sense of the existence of either the nation or ourselves, nor a sense that there are higher, universal principles of lawfulness which determine whether entire nations rise or destroy themselves.

This defect in our transformed national character defines the prevailing political ideology of our nation. It is that ideology which governs our national credulity in such matters as the delusion that Britain is our dearest ally, or the delusion that second-hand horse-manure delivered as foreign intelligence by putatively friendly sources is the ingathering of actually competent policy-shaping intelligence. . . .

and:

> The immediate general effect of shifting a sense of reality from the real world into ever-narrower circles converging on the interior of the walls of

the house or apartment, is to mystify the real world, and so make the problems of the real world relatively more frightening to the victim. This generates what is to be defined quite literally as a condition of dependency upon the soap opera and associated acting-out of soap opera-like fantasy-life, a form of addiction.

Not political, one argues? Very much to the contrary, it is the essence of the political process within the electorate which is shaped by such methods.

… [T]he general effect is infantile regression in the mental life of the addicted viewer. This correlates with not only a fear of any change in the outside world which might affect the home, but a growing unwillingness to recognize such changes as they occur. Second, the persons and objects of the real world, except as they are members also of the artifacts and persons within the range of soap opera fantasy-versions of personal life, lose their quality of sensuous reality. Like the physician, lawyer and so forth within the soap opera as such, what he or she is in the real world is merely what he is reputed to be within the non-real world of the soap-opera setting. What the television screen, the household's daily newspaper, or the visiting gossip say to be the significance and value of objects and persons in the real world, becomes for the victim of psychological conditioning by soap opera the values which the victim will attribute to those objects and persons in real practice.

The political behavior of the electorate is changed to reflect this kind of brainwashing-effect, this behavioral modification.

and:

To the extent our citizens are estranged from mankind, from the notion of our higher national purpose to advance civilization as a whole, and, worse, narrowed in their consciousness in the way illustrated by the behavioral-modification effects of soap opera, they cut themselves off from the Good, and stultify that very attribute of themselves which reflects the divine. To employ the appropriate image of Dante's *Commedia* they fall lower in moral condition within the "Purgatory," to that cross-over-point at which they fall into the company of the *Washington Post*'s editorial staff, into the "Inferno."

As the scope of reality is narrowed for them, drawing in upon immediate community and family circles, the impulse for Goodness within those citizens approaches the point it is snuffed out of existence. At that latter point, hedonistic and irrationalist perceptions of individual and small-group "inner psychological needs" take command of their judgments, and a succession of phases of degeneration of their personalities proceeds, in the direction of the "Inferno's" Pit. …

As the shift into the "Inferno" becomes predominant, then we begin to see popular toleration for such emulations of Nazi genocidal policies as the Global 2000 Report or promotion of medical policies representing in practice a re-enactment of Nazi euthanasia policies against our aged, on grounds of "cost-benefit analysis" of insurance-cost and similar considerations.

and:

It is we who are being hoodwinked, and it is we who suffer those flaws of judgment which render us easy prey of the hoodwinkers. We shall cease to be sorrily hoodwinked people and a woefully hoodwinked nation, only on condition that we permit no passion of misguided pride to prevent us from discovering and remedying such a flaw in ourselves.

It has been, and continues to be the style of this present report, to see the workings of our own minds, and to gauge the connection between certain characteristic ways in which we so think, against the demonstrable consequences of a practice informed by such thinking. We must see such matters as the unfolding of a process. We must see that process as if it were a drama unfolding to our observation on a stage, and we for a moment here, reading this report, are directing our consciousness to see our own consciousness elaborated on that stage.

As the tragedy of the drama manifests itself to us, we must sense the wish that the self we see on stage might avoid the tragedy by the obvious means. "No," we in the audience wish to cry out

to our self on that stage. "Don't you see to what you are leading yourself?" At first, it is our impulse to shout out to the character on stage. "Don't do it—Please, don't do that!" Then, we become more anguished, and without one color of sacrilegious oath-making, we wish to cry out: "For God's sake, stop doing that before it is too late!" Then, our frenzy sinks into a moment of depression; we cannot stop the drama from unfolding so. The script has been written; Fate can not be altered in this matter.

Can this not be altered? Can the tragedy be turned? Why could we not change the consciousness of that character, our selves, on that stage? Of course it could be changed. Whence our depression, then? We reached a moment in which we passionately desired to change the ordering of our own processes of conscious judgment. At that precise moment, we lost the power to act. We lacked precisely, in that moment, the quality of strategic command which Clausewitz's *On War* attempts to circumscribe with the German term *Entschlossenheit*. Even seeing our own consciousness as a character apart from our selves, we could not bring ourselves to change what we recognized as our own consciousness. That is the tragedy of the characters on the stage; that is our own tragedy in real life.

We have in each of us the power not only to view our own conscious processes as an object to willful consciousness. We have the power to change our consciousness in such ways as are most celebrated as fundamental scientific discoveries. We do this more or less unwittingly in the transformation of our first bawling hour as a hedonistic, irrational infant through childhood, adolescence into that state some of us finally attain, called maturity. This is a reflection of that aspect of our nature which we associate with the divine potentiality of every individual person, on which grounds we are obliged to regard each life as sacred. It is sacred not because it is living, not because of that which it shares with a cow, but because that quality, that power so reflected is a reflection of the divine. So, we must appreciate the grandeur of Dante Alighieri's *Commedia*, perhaps the greatest exposition of the fundamental principles of statecraft ever composed. . . .

V. – Strategic Implications

Beginning with the 1944 national election, and then escalating dramatically after the death of Franklin Roosevelt, the British Empire engineered a great transformation in American strategic outlook. This is sometimes referred to as the post-Roosevelt "right-wing" turn in U.S. politics, but that pragmatic formulation misses the axiomatic essence of the nature of the shift.

This was first, and foremost, a profound cultural manipulation, much as had occurred in 1917, but far more powerful and deeper in its effects. Beginning in 1945, everything Russian or Soviet became the subject of fear, of mistrust, even hatred. Earlier, FDR had attempted to calm people's fears; now, the friends of Britain used fear to effect a wrenching moral downturn among the population. At the same time, everything British became safe and amicable. The 1953 coronation of the 26-year-old Elizabeth II, the first major international event to be broadcast on television, was viewed by millions of Americans, almost simultaneous with the national broadcasts of the witch-hunt conducted by Senator Joseph McCarthy.

The intended target of this cultural warfare was only secondarily the Soviet Union. Britain's premier enemy was America and American culture. American belief in progress, science, fairness and a "community of principle among nations" was to be eradicated. As red spies were hunted under every bed, and the execution of the Rosenbergs was used to terrorize the population, the American people were instructed to "stop thinking" about such matters and, as LaRouche points out, to confine their sphere of concern to enjoying the earthly pleasures of corporate suburbia—to play house while the very essence of what it meant to be an American was disfigured beyond recognition. Fear of the "outside world," combined with the lure of the "home with the white picket fence," was used to make people "small."

Gradually, over time, and particularly with the arrival of the Baby Boomer generation to adulthood, the moral and mental anchor which connected Americans to an historical process of upward human progress, that which had previously characterized American culture, was severed.

Not unimportant in this dynamic of degeneration, was the 1964 "British Invasion" of the Beatles, et al., simultaneous with the release of the first James Bond

films. Together, they created a great affinity among the young Baby Boomers for "all things British."

On the world stage, the World War II creation of the "Five Eyes" intelligence apparatus (Britain, the United States, Canada, Australia, New Zealand), combined with the 1949 founding of NATO, pulled the United States directly into a strategic global alliance and increasing integration with the British Empire. The role of the 1948-founded RAND Corporation, and similar entities, is notable as to how this process developed.

At the same time, the gradual post-War transformation of the International Monetary Fund, the World Bank, and other international financial institutions into vehicles of financial exploitation and oppression signaled the success of British interests in creating a global Anglo-American financial and economic order, one fully subservient to the imperial interests of the City of London. FDR's plan for post-War economic development was tossed in the trash can, and the centuries-long nightmare of British colonial looting would continue, under a new guise and now with U.S. backing—yet axiomatically unchanged.

President Eisenhower resisted this trend. President Kennedy resisted this trend. In 1983, as a result of Lyndon LaRouche's intervention around what became known as the Strategic Defense Initiative, President Reagan threatened to break with this arrangement. Yet, all of these efforts failed. In recent decades, Republican neo-cons and Democrat neo-liberals have allied to demand that this un-American "Special Relationship" with Britain must remain as the sacred cornerstone of U.S. strategic policy. Thankfully, since 2016, these voices have become a minority view within the U.S. electorate. Yet, as we see with Gen. James Mattis, Robert Mueller, and others, this pro-British faction will fight to the bitter end. London-authored screeds proclaiming that "Russia is our enemy, China is our enemy" still ooze out of the mouths of elected U.S. officials and appear in editorials of the *New York Times* and *Washington Post*.

Breaking Out of the Cage

What defines the pathway to permanent victory for our cause? Can success be measured merely in practical political terms? Would not a battle, defined by such limited parameters, almost certainly result in defeat?

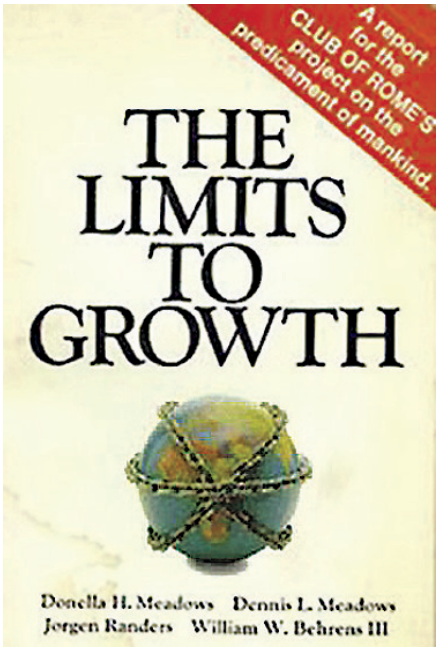
British cultural warfare has thus far been near-triumphant, because the British oligarchy has succeeded in infecting the culture and minds of the American people with key oligarchical axioms, axioms which have become almost unquestioned and part of our organic identity. These core beliefs—such as "geopolitics," "environmentalism," and "monetarism"—are now deeply entrenched within American culture, and this process has worsened with the ongoing increase in drug consumption. These are foreign bacilli, satanic infections of the worst kind, and they have done far more damage than any particular piece of legislation adopted by the U.S. Congress or other legislative body.

For example, look at the ludicrous proposal now circulating among certain layers within the Democratic Party for a "Green New Deal." Look at the abandonment of nuclear energy in Germany, Spain, and now even beginning in France—not for scientific or economic reasons, but out of fear of "nuclear radiation." Look at the howling which arose from the throats of the delegates at the recent COP24 Climate Change Conference when President Trump refused to go along with the fraud of man-made "climate change." On a more simple level, look at the insane phenomenon of "recycling" to "protect the environment," which is now a daily universal ritual throughout the trans-Atlantic world. Everything is Green. If you live Green you are rewarded with societal approval. You can feel good about yourself. Mommy loves you. You are helping to "Save the Planet."

Library of Congress

The Beatles arriving at JFK Airport in New York City, Feb. 7, 1964.

This is not science. It is an irrational hysterical British-imposed pathology. It flies in the face of all evidence of upward human progress. It is simply the Malthusian agenda of the British oligarchy, as that agenda was publicly stated by Prince Philip Mountbatten in his desire to reduce the world's population to fewer than one billion souls. It was the British oligarchy, through the Club of Rome, the World Wildlife Fund, and related institutions which launched the environmentalist movement in the wake of the murder of John F. Kennedy for the purpose, as stated in the Tavistock Institute's "Rapoport Report," to wean the American people away from their belief in scientific and industrial progress—to begin the process of killing off the Kennedy-era policies of the space program, nuclear energy development, infrastructure building, and industrial modernization and expansion.[4]



This study pioneered the widespread delusion that drastic reduction of the human population is necessary.

Recognize the Pathology

A similar irrational pathology is seen in all matters related to money and finance. British monetarist ideology—whether of the Keynes or Von Hayek flavor—is now hegemonic within our culture. The American people have been cut off from any understanding of how nation-states developed in the past, of how succeeding generations lawfully reproduced themselves into higher, more prosperous and more scientifically powerful cultures. The irreplaceable historic role of science, invention and human creativity has been obscured. Alexander Hamilton's brilliant invention of national Public Credit—the most successful banking and economic system in human history—has been written out of the history books.

Think of the 1903-1904 success of the Wright brothers in developing powered human flight or the experiments on rocketry in the 1920s by Robert Goddard, and then consider those endeavors within the context of Alexander Hamilton's 1791 *Report on the Subject of Manufactures*. This defines the historic American approach to both science and economics, and this was understood as such prior to World War II. Today, that indispensable relationship of economics to human invention and scientific progress—what LaRouche defines as Physical Economics—has been erased from the minds of most Americans. It has been replaced by a belief in the magical properties of money as a means to achieve security, happiness and perhaps personal wealth. In essence, the get-rich-quick schemes of the once humorous Rev. Ike now define the mental map of how people think about banking, finance, government expenditures and their own personal budgets.

In all of this, we see the success of the British Empire in entering our very minds, as if some invading colonial army, killing off that which is most precious in our heritage, in our souls, and replacing it with oligarchical axioms—giving birth to an oligarchical outlook within ourselves. This is precisely what H.G. Wells hypothesized when he spoke of controlling populations through fear, while offering them the outlet of infantile gratifications, particularly sexual gratifications.

Irrational fear has been perhaps the British oligarchy's most effective weapon, and it continues to reap success. Fear of poisoning the Earth, fear of Carbon Dioxide, fear of nuclear energy, fear of economic insecurity, and—most important of all—infantile fear of the outside world, of processes which we can not control and which ultimately we do not understand. What has been done is that people have been made afraid, like a child's fear of the dark, of monsters under the bed.

Cultural axioms are not simply external. They become internalized as "who we are." They define how individuals react to almost any issue or event. They are inseparable from our most basic sense of personal identity. Create and manipulate those axioms and you control the people. This is essence of British

4. For a more in-depth presentation of the matters discussed here, see: *There Are No Limits to Growth*, by Lyndon H. LaRouche, Jr., 1983.

JFK Library

From left to right: Defense Secretary Robert McNamara and Joint Chiefs Chairman Gen. Maxwell Taylor confront President John Kennedy after he ordered a full withdrawal of U.S. troops from Vietnam. The White House, Washington, D.C., Jan. 25, 1963.

Cultural Warfare—behavioral modification on a grand scale. In all of this, the enduring intention is to make people "smaller," "littler," and to shrink the moral and intellectual capabilities of the individual citizen.

VI. – The Order of Battle

For more than 70 years, the United States has existed as a living re-enactment of the ancient image of "Laocoön and His Sons," struggling within the serpentine grip of British tentacles. We have now arrived at a moment where freeing ourselves as a nation has once again become possible. It is a moment of stupendous opportunity. The decision by President Trump to withdraw U.S. military forces from Syria is unprecedented in the last half century, and the consequences of his action define a potential turning point in all of human history.

No U.S. President has attempted a comparable action since October 11, 1963, when John F. Kennedy issued NSAM 263, ordering the beginning of a withdrawal of U.S. military advisors from South Vietnam. Forty-two days later Kennedy was assassinated, and four days after his murder, Lyndon Johnson signed the McGeorge Bundy-authored NSAM 273, cancelling the planned military withdrawal.

We should expect no less danger, nor weaker response, from the desperate British today. The future of the human species is now being decided.

In this war, we have many prospective allies, beginning with China, Russia and India. Yes, there are differences and areas of disagreement both among these nations as well as with the United States, but these Four Powers, as Lyndon LaRouche has called them, also have one great shared interest in common. All of these nations, and numerous others in Africa, South America and elsewhere desire peace and economic development. From that common shared vision, agreements can be reached, and work can be accomplished which will make the world a far, far better place.

The British are desperate and bloodthirsty. They are demanding an end to China's Belt and Road Initiative, which is now uplifting poor nations throughout the world. They are demanding obedience to their genocidal "Climate Change" agenda. They state, "This is non-negotiable. Disobey and we will bomb you, kill your leaders or overthrow your government." It is the arrogance of the British Raj.

But the British are no longer calling the shots. The potential loss of their American ally is a death blow to their interests. And if we free ourselves from British geopolitics, is it not then possible to free ourselves from British monetarism? Under these conditions, where economic development and scientific progress are desired by the overwhelming majority of the world's nations, does not a New Bretton Woods agreement and a Hamiltonian policy of credit for in-depth economic development become realizable?

There remains, however, great work to be done. The British cultural warfare that has been waged against the American people has produced enormous damage, and the effects of this damage are by no means gone from the scene. Our message to our fellow Americans must be clear: "Almost everything that has been wrong in America throughout your lifetime has come from Britain." Free your minds. Learn the difference between an empire and a Republic. Begin to think like Hamilton or Lincoln. If you do so, the war is already half won.

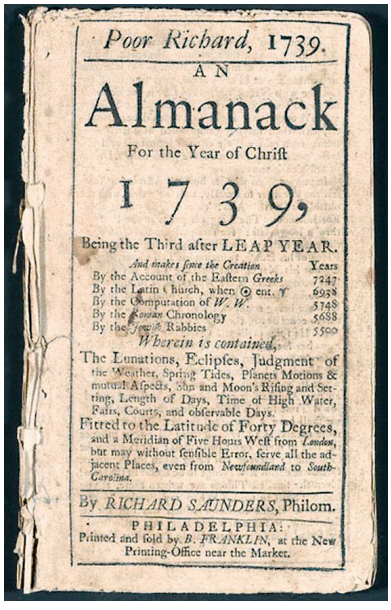
Foreign Affairs Magazine Dons a New Cap

by Dennis Speed

> The person who says it cannot be done should not interrupt the person doing it.
>
> —Chinese proverb

> When a true genius appears in the world, you may know him by this sign, that the dunces are all in confederacy against him.
>
> —Jonathan Swift, "Thoughts on Various Subjects, Moral and Diverting"

Jan. 1—Robert Ingraham's article appearing in this issue takes up the matter of how British intelligence, particularly under the auspices of what is called, in intelligence parlance, "cultural diplomacy" has sought to undermine the practice, tradition and memory of American foreign policy as expressed by Presidents Washington, John Quincy Adams, Abraham Lincoln, William McKinley, Franklin Roosevelt and John F. Kennedy.


Poor Richard, 1739.
AN
Almanack
For the Year of Christ
1739,
Being the Third after LEAP YEAR.
And makes since the Creation Years
By the Account of the Eastern Greeks 7247
By the Latin Church, when ⊙ ent. ♈ 6938
By the Computation of W. W. 5748
By the Roman Chronology 5688
By the Jewish Rabbies 5500
Wherein is contained,
The Lunations, Eclipses, Judgment of the Weather, Spring Tides, Planets Motions & mutual Aspects, Sun and Moon's Rising and Setting, Length of Days, Time of High Water, Fairs, Courts, and observable Days.
Fitted to the Latitude of Forty Degrees, and a Meridian of Five Hours West from London, but may without sensible Error, serve all the adjacent Places, even from Newfoundland to South-Carolina.
By RICHARD SAUNDERS, Philom.
PHILADELPHIA:
Printed and Sold by B. FRANKLIN, at the New Printing-Office near the Market.

A precautionary note to the reader, however, is in order. The primary distinction of this publication, and of the political activity of those associated with the physical economist and statesman Lyndon LaRouche, is that for 45 years, LaRouche and his associates have stood, despite threats, ridicule and indifference, against the British Empire, or "the Anglo-Dutch Empire, descendant of Venice" to be more precise.

We have stood especially against what Winston Churchill infamously described as "the empire of the mind"—British empiricism in its various forms, especially in the realm of what are mistakenly divided as "science" and "art." Against this, LaRouche since 1977 has emphasized the American Revolution's Alexander Hamilton, and the unique American intelligence service and pre-government created by scientist Benjamin Franklin, himself a protégé of the earlier Massachusetts Bay Colony's sovereign republic, suppressed in 1690, the year of the birth of Franklin's literary creation, "Poor Richard."

Therefore, after more than four decades of nearly daily campaigning against—and discussion of—the moral inferiority of British-imperial liberal democracy to the republican tradition of the United States, *Executive Intelligence Review* can state that it has kept faith with "Poor Richard." Therefore, if you think that the last half-century of British manipulation of United States policy has been an act of evil genius, or a "grand deception," think again. In truth, the perpetrators have also been a victim of their own designs. Decade by decade, British-inspired cultural decadence has compromised the intelligence of the very authors of the "permanent British empire" hoax, who were never too Swift to begin with.

Lackeys Lacking Literacy?

Once upon a time, those who wrote for *Foreign Affairs*, the journal of record for the Council on Foreign Relations (CFR), had at least a self-credible pretense of literacy, if not intellectual depth. It may not have been shared by all of their readers, but their analysis, as presented, was at least a statement consistent with the interests of the trans-Atlantic Anglo-American, "liberal-imperial" alliance that they purported to competently represent. If, however, we briefly review an article, originally published in the May/June 2018 issue of *Foreign Affairs*, entitled "The End of the Democratic Century," and subtitled "Autocracy's Global Ascendance," we find something alarming, though lawful. Omissions of fact with respect to matters as elementary as the true American form of government, something much heard on Presidential election night in 2016, have now

become acceptable in the pages of *Foreign Affairs*.

Perhaps there is another explanation. Certain, presumably younger, *Foreign Affairs* writers may be suffering from the effect of congenital ideological inbreeding, leading them to write stupidities which should have been obvious to their editorial board, and summarily rejected in order to protect the guilty from indictment. In former times, an eighth-grade civics class would have prevented any literate writer from stating, in the very opening paragraph, the following:

> By the turn of the millennium, [the United States'] position as the most powerful and influential state in the world appeared unimpeachable. As a result, the twentieth century was marked by the dominance not just of a particular country but also of the political system it helped spread: liberal democracy.

Regardless of the propagandistic or ideological intent of the piece, literate writers would never have blundered so blatantly. The United States is a Constitutional republic. Its electoral processes are those of a republic, not a democracy—which is why the United States, for example, has, and should have, an Electoral College.

Even if the intent of this entire article *is to misinform*, or to propagandize on behalf of "liberal imperial democracy"—to, for example, divert readers from the realization that the United States, in the name of "Project Democracy," has fought a series of unlawful and unjust wars, including against nations that never attacked it, and that, under the control of a British imperial design, the United States was exporting a practice and form of government contrary to its own self-interest—even if the article is intended to twist the truth, literacy demands that it at least *state* the truth. The *Foreign Affairs* article's opening is illiterate, and this illiteracy expresses a qualitative degree of mental collapse of the trans-Atlantic "knights of the Round Table."

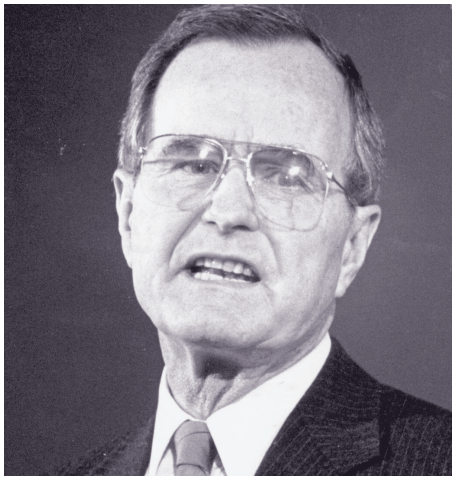
This is not the first time in recent years that a justified concern that the dumbing down of the formerly-literate trans-Atlantic bureaucratic and administrative elites is an increasing national security risk, has been brought to the attention of writers and contributors to this magazine.

A person formerly associated with a foreign intelligence agency, now a permanent resident in the United States, reported five years ago that over the previous 25 years, a secular decline in the intelligence of Israeli, American and British interlocutors, had been noticed. These were people with whom this individual was required to interact in order to convey sensitive evaluations intended to affect policy on the part of several nuclear weapons-capable nations. The importance of maintaining certain standards of historical and political literacy including among one's adversaries, becomes even clearer when considering only one of many foolish conclusions recorded in "The End of the Democratic Century":

> In the span of a quarter century, liberal democracies have gone from a position of unprecedented economic strength to a position of unprecedented economic weakness.... So the future promises two realistic scenarios: either some of the most powerful autocratic countries in the world will transition to liberal democracy, or the period of democratic dominance that was expected to last forever will prove no more than an interlude before a new era of struggle between mutually hostile political systems.

Not only does the latter conclusion not necessarily follow from the former accurate statement of fact—neither of the asserted "realistic scenarios" is realistic at all. Neither is thinkable in a post-"hypersonic weapons" world. Russian President Vladimir Putin's March

1, 2018 national address, and China's pre-eminence as the world's leading physical economy, make both "realistic scenarios" untenable, as anyone thinking about these well-documented strategic areas would know.



EIRNS/Stuart Lewis

George H.W. Bush, in 1988.

The Takeaway from the Giveaway

The giveaway to the underlying pathology under scrutiny here, is indicated by the article's passage, *"the period of democratic dominance that was expected to last forever."* That is actually stated without a trace of irony. Apparently, the authors are incapable of, or unconcerned with counting back twenty-five years to the 1990s, and asking the question, "Is it possible that what was done at the time by our trans-Atlantic alliance was utterly stupid?"

This brings us briefly to reference the Presidency of the recently officially-deceased George Bush 41. Though former CIA head George Bush's Presidency was one that was, as Edgar Poe called it, "the soul of crime," the incarceration of Lyndon LaRouche, and the rejection of the policy initiatives he offered the United States from his jail cell in Rochester Minnesota, was the Bush crime that had the most long-standing consequences for the United States. (By this crime, the United States was shrunk, and the minds of the citizens were shrunk.)

The notion that a Thatcher-Bush-Mitterrand liberal democratic "New World Order" that cannibalized the former Soviet Union, that prevented the consolidation of Germany as a major industrial power, as well as launched wars in Panama and Iraq, and escalated internal war in the United States through the crack-cocaine epidemic—that such a "New World Order" should be permanent, as asserted by the *Foreign Affairs* writers, identifies an utterly moronic view of history.

The pathology under discussion here is the secular religious belief in the permanence of British thought (empiricism), British economy (monetarism) and the British Empire (liberal democracy). But the pathology is embedded in the "cultural DNA" of the CFR itself.

Cecil Rhodes' 1891 founding of the British Round Table Group created the mother body of the Council on Foreign Relations, for which *Foreign Affairs* magazine is the house organ. To fully grasp the continuing delusions motivating the CFR crowd, it is always worth referring to Rhodes' last will and testament, establishing the Rhodes Scholarships, in which he states the fantastic design for the "extension of British rule throughout the world … the ultimate recovery of United States of America as an integral part of the British Empire, consolidation of the whole empire … and finally the foundation of so great a power as to here after render wars impossible and promote the best interest of Humanity."

After the departure of Ronald Reagan from the White House, this "Rhodesian" perspective surfaced with the post-1989 neocon military strategy, adopted after the November 9 fall of the Berlin Wall, by what was called the "5/20" committee, including then Secretary of Defense Dick Cheney, Lewis Libby, Paul Wolfowitz, et al., under "Sir George" Bush 41, and the perpetuation and expansion of that policy under the twin Bush 43/Obama Iraq/Afghanistan wars. Later Obama's "Tuesday Kill Parties" and Libya war, were further implementations of the same Rhodes strategy. Tony Blair was merely the "Fool Britannia" version of that Rhodesian outlook, as Libya's Qaddafi was to learn the hard way.

Punch/D.L. Sambourne

Cecil Rhodes, the imperial colossus, astride Africa from Cairo to Cape Town.

The 1990s idea of the United States, and its ally Great Britain, acting as the world's military hegemon, once expressed in the neo-

C-SPAN

Former President Barack Obama delivering Mandela Lecture in Johannesburg, South Africa, on July 27, 2018.

DoD/Johancharles Van Boers

U.S. Army soldiers conducting house-to-house searches in Samara, Iraq, on Oct. 1, 2004.

cons' "Project for a New American Century," has now been relegated to the dustbin of history, thanks to recent Russian military breakthroughs. Barack Obama's post-2016 post-Presidential junkets, including his recent deployment to the African continent against the New Silk Road policy of China and Russia, especially on the issue of advanced technology transfer, including nuclear reactor capabilities, is a particularly ugly expression of the persistence of Rhodes' "liberal-democratic imperialist" outlook.

The Grins of the Fathers

In one of his *Los Caprichos* engravings series, the painter Francisco Goya sketches a picture of a donkey in a suit, who displays proudly to the viewer a book showing eight different pairings of his donkey-lineage. The caption? *"Asta su Abuelo"* (And So Was his Grandfather). The current generation of *Foreign Affairs* writers is not alone in its British-inspired, intellectually-challenged transgressions. Idiocy can be congenital. Forty years ago, *EIR* attempted to warn even the CFR members about the leaky mental condition of their "Ship of Fools." An article from our archives forecasted this current state of *Affairs*. Notably, it also accurately forecasted what would turn out to be the state of the 2019 Democratic Party, as well as the American party system and trans-Atlantic politics as a whole:

Francisco José de Goya's Caprichos, *No. 39: "And So Was His Grandfather."*

> For four-odd years, beginning in mid-1975, an unusual ferment of activities has been dominating New York's Harold Pratt House, the Council on Foreign Relations' elegant offices at 58 E. 68th St. A group of over 300 public personalities met frequently, held seminars, presented reports, analyzed computer print outs, exchanged correspondence, led special study groups, stayed up late in mahogany lined libraries, and spun out plots between cigars and brandy. As a result of this activity, countless policy memos, strategic projections, implementation papers, etc. were written and passed hands.
>
> In January 1977, upon the inauguration of President Carter, a rupture occurred in this distinguished group's activities. All its leaders transferred to Washington, D.C. to become cabinet

members of the Carter administration. . . . After the departure of the project leaders to Washington, the group's work shifted gear and went into the write-up and public relations phase: the policy formulations and strategic concepts which had already been agreed upon were now distributed among various academics who were instructed to put them in writing and some presentable, sugar-coated form. By late last year this phase was concluded and the manuscripts were taken to the publishers. As Project 1980s is winding down, McGraw-Hill is currently putting into circulation 30-odd volumes of policy essays. . . .

White House/Shealah Craighead

President Donald Trump addressing U.S. Troops at the Al-Asad Airbase in Iraq on Dec. 26, 2018.

But the CFR crowd had a problem—though it has the power to install its people in positions of public authority and power, although it can dominate the composition of every administration since the assassination of President McKinley, it does not possess ideas that would be sufficiently powerful to win over and motivate people. The CFR is stupid.

In fact, the element of stupidity in the CFR conspiracy is critical; *it is in fact so critical that under appropriate circumstances in political analysis, one must justifiably assume that the presence of stupidity, ipso facto, constitutes sufficient evidence to prove the presence of conspiracy.* [emphasis added]

Why would rampant stupidity in government be evidence of conspiracy? The cited *EIR* article went on to report that many in the 1970s objected to the idea that the self-destructive policies of that period—deregulation of the trucking industry, "controlled disintegration" of the world economy, allowing the Hong Kong and Shanghai Bank (HSBC), the notorious drug money laundering bank, to take over Marine Midland Bank of New York, turning away from nuclear technology—that these policies were the work of any form of conspiracy. Like today's opposition to Russia, China, and any obviously positive actions of the Trump Presidency, the policies were seen more as expressions of political difference, ideological blindness, and perhaps abject stupidity, rather than anything intentional. *EIR*'s unidentified writer explained:

> The point is this: if one observes that every single position of power in the United States government is held by a stupid person, one must ineluctably conclude that only a powerful conspiracy could arrange to have all these idiots in power at the same time. The uniform dominance of stupidity in government proves the existence of conspiracy because idiots do not have the intellectual resources to propel themselves to positions of power.

Axioms are hereditary, but stupidly does not have to be. That is what the Declaration of Independence promises citizens for the first time in all of history. The "conspiracy of morons" that today is being dismissed from Washington, in a colorful way, largely through the personal initiative of President Donald Trump, means there is less chaos now in Washington, not more. (It may be painful to face, but, yes, it really was that bad.)

The confederacy of dunces, however, was not successful in stopping Lyndon LaRouche. It need not be successful in stopping this Presidency from asserting the national interests of the United States in a new international community of principle. That community, on the frontier of space science, can rediscover Alexander Hamilton in the guise of an advanced, even extra-terrestrial physical economy, as LaRouche has defined it. Jonathan Swift was right.

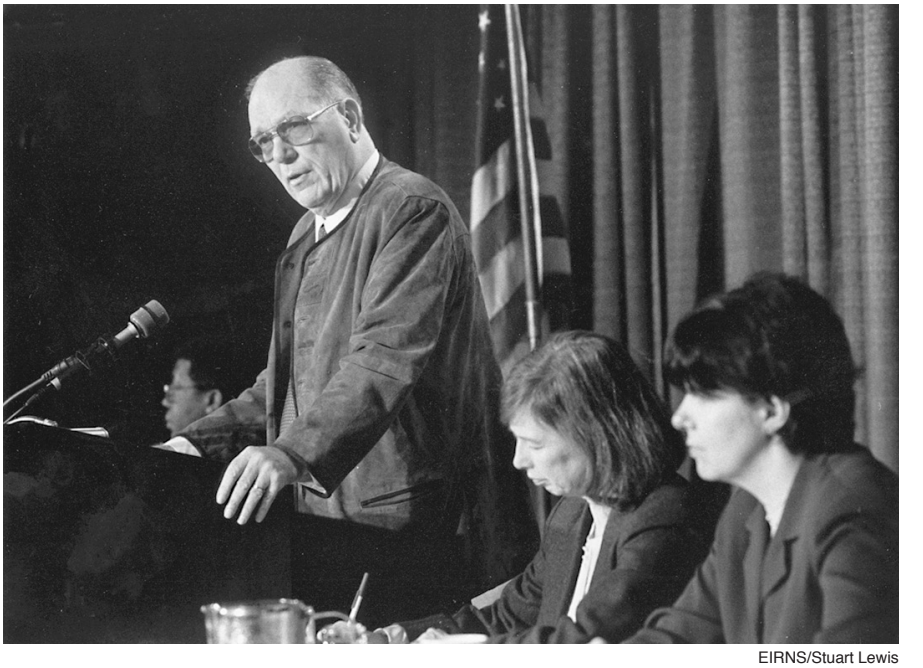
III. Lead, or Get Out of the Way!

March 18, 1998

Toward a New Bretton Woods

by Lyndon H. LaRouche, Jr.

The following speech was delivered to an EIR *seminar in Washington, D.C. on March 18, 1998. It was first published in the* EIR *of March 27, 1998.*



EIRNS/Stuart Lewis

Lyndon LaRouche addresses EIR's seminar in Washington, D.C., March 18, 1998.

We are now past the Ides of March, the 15th of March. We have now entered into the onset of a new crisis which echoes, and is worse than, and will be worse than, anything experienced between the middle of October and the middle of January. At this time, what was called "the Asia crisis" by people who wished to put their heads under a barrel, which is really a global systemic financial and monetary crisis, will hit Europe with harsh force. We don't know how harshly, but it will be harsh. And, it will hit the United States in a way which makes the stock market collapse of last year-end seem a very mild exercise, a rehearsal for what is about to occur.

For example, you have, in Germany, two processes going on. Germany is an export-oriented country. It can not exist, except with an export orientation, high-tech exports. Germany's economy has two principal markets: one, the export markets into Asia, and, to some degree, the machine-tool industry in the United States, which is largely a subsidiary of German machine-tool manufacturing. You scrape a U.S. machine tool on the belly, and you will find "Made in Germany," in some respects, there.

The second thing is the investment in global infrastructure. Now, Germany is hit, both by the fact that Southeast Asia and Asia are collapsing as markets, Germany's most important customer, and, also, to some degree, France's. At the same time, the insane attempt of Germany to meet the standard of the so-called Maastricht agreements, the so-called "Euro" agreements, is collapsing the internal economy of Germany at an accelerating rate, especially through the collapse of the infrastructure sector. That, in fact, Germany is in a situation, in which every cut in the budget made to bring the budget into Maastricht standards of balance, causes a collapse of the economy which shrinks the tax-revenue base by a larger degree than the cut in taxation. So,

Germany is in the position of a snake trying to survive by eating its tail: When the head gets to the head, that's the end.

The combination of this insanity of the Euro, and the panic in Asia, particularly in the new crisis, will hit all of Europe, since all of the European economy depends upon the German economy. Without a healthy German economy, there is no healthy economy in Europe. A collapse of the German economy, means a collapse of the economy of all Europe.

There are other crises. In Southeast Asia, look at metal consumption. The metals consumption in Southeast Asia, as a result of the last and ongoing crisis, is down by at least 30% from what it was before the crisis. In the case of Indonesia, the fourth-largest nation of the world in population, the collapse is down to about 50%. This means a collapse of markets. Nations which could export in Asia, are unable to export, even to markets to which they *could* export, because the local credit is not available to permit them to export, or to buy the resources they require to produce for export.

This means that a chain-reaction collapse of the world economy, coming out of East and Southeast Asia, is going to hit Europe very hard. When Europe is hit hard, already with the effects of the Asia crisis on the West Coast of the United States economy, you're going to find the collapse of the U.S. economy is going to take off in a way which no one, perhaps, on Capitol Hill is willing to acknowledge as a possibility.

This crisis has begun. We are now approaching the end of the first quarter of the calendar year. In Japan and elsewhere, there is a great scramble to cover their rear ends, financially, by fixing the books, as they have to fix the books as the end of an accounting period approaches. This is going to cause a crisis. This can be the detonator for the crisis. In general, in Europe, in Switzerland and elsewhere, we have agreed for some period of time, that this period, the end of March, is the dangerous period at which we can expect the detonator to blow the system out again: this time a much more severe crisis than anything experienced back at the end of the year, a crisis whose reverberating effects on the world economy, particularly in Europe and the United States, will be much greater.

In the meantime, what is being done to manage the last crisis, is clinical insanity. By "clinical insanity," I refer you to the Versailles agreements, which a famous fellow, Keynes, described at the time in a paper called "The Economic Consequences of the Peace," which, considering that Keynes was a very bad economist, was a very prophetic piece of work. The most direct result of the Versailles agreements was the 1921-1923 hyperinflationary crisis in Weimar Germany, a crisis which could have caused a chain reaction, blowing out the entire world economy at that time. The reason that Germany did not blow up altogether, was that the United States, which was then the world's principal creditor nation, stepped in with what was called the Dawes Plan, which we created by credit agreements. Germany held its breath for a while, until the reserves came in. The crisis abated somewhat, and then the United States bailed out the Reichsmark, and Germany was able to continue.

But notably, politically, at the same time that the Weimar hyperinflationary crisis reached its peak in the autumn of 1923, we had the first appearance, under the sponsorship of General Ludendorff, of Adolf Hitler, as a new political figure on the European scene.

The IMF, Arbiter of a New Versailles

Today, what is happening in Japan, and in the New York Federal Reserve System, is a piece of insanity, precisely like that against which Keynes warned in the Versailles Treaty. We are back to Versailles. The arbiter of the new Versailles, is a group of lunatics called the IMF bureaucracy. Here we have countries which are in trouble, where their economies are collapsing. The IMF comes in and says, "What you must do, is pay these creditors by shutting down your economy." That was what they said in Korea, that is what they said in Indonesia, that is what they said in Malaysia, that is what they said in the Philippines, that is what they said in Thailand.

That is what they said in Korea. Korean unemployment is past the 1 million level, which is already potentially a social crisis level. Under these conditions, *none of these economies can ever recover.* None. *This is clinical insanity.* You can not find any basis, and I shall indicate today some of the reasons for this—you can not find any basis under which financial reorganization of the type proposed by the IMF and accepted by most nations, can succeed. These kinds of proposals are simply the insanity of Versailles, re-enacted many times over.

And in the United States, we're pumping up a balloon, in terms of the financial markets, through what? Through hyperinflationary methods. The printing of money, to steer it into financial markets, where it is heavily financially leveraged, and thus results in an as-

cending balloon, in terms of the stock market prices, which creates the spectacle of a man clinging to a balloon without a carriage, and without an oxygen flask, reaching the 60,000-feet level and going higher. He's going to suffocate and die, if the balloon doesn't explode. And that's what we're doing.

There is no recovery in the United States. There never was a recovery from the levels of the crisis of last year. But, many people wishfully wish to believe that. Many people in the Congress, many illiterates in the Congress—which is what we seem to be tending toward among the younger generation there these days, people who no longer have, a Congress that no longer has institutional memory, because the people who got into the Congress as young people, *never studied history.* Most of them who got into the Congress, they'd never had a passport before they got into the Congress. They don't know the outside world exists. They don't know the United States existed before they were born. They're not even sure they *were* born, and they don't want to discuss it. You ask 'em, "Were you born?" and they say, "Don't go there."

So, that's the crisis. Under these conditions, as I shall refer to this matter in a number of points here, under these conditions, there is no government in the world, presently, while some of them have good ideas in particular, there is no government in the world which has a plan of action, a policy under which that nation, or the world community, could survive.

We are now going into this new crisis, which will occur this spring. Whether this will be the crisis that blows the system out entirely or not, we don't know. There are too many unknowns in the short term, in a crisis like this, to predict exact dates. But, *we are in the spectrum of a succession of crises, in which one of these crises, probably in 1998, will blow out the entire system, unless we fundamentally, radically change the rules of the game, from the bottom up, of the whole system, in the meantime.*

The meetings which are to be held here in Washington, during mid-April, and a few other conferences scheduled in the same period, must be treated by any serious statesman as *probably the last opportunity, to prevent this planet entirely from collapsing into a New Dark Age like that which struck Europe during the middle of the Fourteenth Century,* after a century or almost 100 years of moral and cultural and economic decline of Europe, since the death of Friedrich II Hohenstaufen, until the bankruptcy of the House of Bardi and Peruzzi, in which Europe was struck by a New Dark Age, during which 30%, at least, of the population of Europe was exterminated by the economic crisis and disease; in which, over the 100 years since Frederick II, 50% of the parishes of Europe disappeared, as a result of these measures; in which insanity roved the streets, as it tends to rove the streets of the United States today; out of which we survived, because we got a Renaissance in the following century.

We are now headed toward such a New Dark Age, coming out of the collapse of this banking system, just as Europe was plunged into a New Dark Age, by the detonator effect of the collapse of the Lombard banking system in the middle of the Fourteenth Century. That's what we face. And there seems to be, at this moment, not a government on this planet, which has mustered the competence and will, to address the severity of the nature of this situation, with competent proposals.

Now, in reviewing this situation—and I shall limit myself for the presentation to the summary features of the problem—I shall make use of something which will appear, not in this week's issue of *EIR,* but in the next one. We've received, sometime past, a paper from an acquaintance of mine, you might say a friend of mine, a Dr. Sergei Glazyev, who is a brilliant young Russian economist, a man who reflects, if not entirely incorporates, the thinking of the leading circle of the scientific circle of economic thinkers in Russia. His teacher was Academician Dmitri Lvov, of the Central Economic Mathematical Institute. I know his acquaintances, his background: He does reflect the thinking of this layer. He's probably one of the most competent exponents, in terms of a young exponent who covers the spectrum.

So, we're publishing his paper, on the new measures proposed to take a Russia on the brink of doom: those measures which would revive the Russian economy. And so, I've published a commentary to that, a prefatory commentary, on the implications of Dr. Glazyev's paper, which will be published in next week's *EIR.*[1] And, since the introduction to that contains the same material which is relevant here, I shall quote myself, so to speak, in part, from the beginning of that commentary, as follows:

Three Leading Topics

"The world is waiting for the outcome of the 22-nation, Washington (Willard Group) conference on in-

1. In this [March 27, 1998] issue, pp. 53-63.

ternational and financial and monetary matters, now scheduled for April 16. All rational participants in the preparation and conduct of that conference should agree, that there are three leading topics of interrelated financial, monetary, and economic policy-shaping, topics which must be considered as crucial for a true solution to that global, systemic crisis, the which has pushed the world to the present brink of a threatened, sudden plunge into a global New Dark Age.

"First, the fact that the present crisis is *global and systemic,* rather than *regional* or *cyclical,* must be acknowledged. This acknowledgment is the required premise for any rational discussion of policy to follow. Within those bounds, those recent decades' institutionalized changes in policy, which are responsible for a three-decades build-up of the present crisis, especially since August 1971, must be identified, and entirely removed."

That is, the policy changes, the relevant policies made since approximately 1966-1967, in the policies of the U.S. government and the British government, the policies which came expressed by the 1967 collapse of the British pound sterling, the ensuing disorders in the dollar, the first step of collapse of the Bretton Woods System in March 1968, and then the collapse of the whole Bretton Woods System in August, mid-August 1971, that the changes which have come in that process and out of that process, are the cause of what is today a *global systemic crisis.* It is not a cyclical crisis, it is not a business cycle crisis, nor is it regional. It is global. The entire system has destroyed itself, and the unravelling, which has taken over three decades, has now brought us to the end point, to the boundary conditions of extreme turbulence, as many boundary layers tend to be, in which we either *eliminate* those policy changes which were popularized and institutionalized during the past three decades, *or this world is not going to make it, in its present form.*

Nothing less than radical excision of those institutionalized practices which are now generally accepted, will suffice to halt this crisis.

Second, the present fatally ill global financial and monetary system, must be radically reorganized. It can not be reformed, it must be reorganized. This must be done through the concerted actions of a key initiating group of governments. This must be done in the manner of a reorganization in bankruptcy, conducted under the authority not of international institutions, but of *sovereign governments.* The acceptable model for the reorganized international monetary and financial system, is the incontestably superior successful functioning of the old Bretton Woods System of the pre-1958-1959 1950s, over anything existing since those axiomatic changes in direction of policy-shaping which were introduced by the United Kingdom and the United States, during the period 1966-1972.

The required measures include:

a) periodically fixed exchange values of national currencies;

b) limited convertibilities, as may be required;

c) exchange controls and capital controls;

d) fostering of necessary protectionist measures in tariffs and trade regulations; and

e) outlawing of the creation of markets which conduct financial speculation against targetted currencies.

Third, as measured in physical instead of the usual monetary terms, the world's economy is presently functioning at levels of *negative free energy,* which are presently far below a breakeven point. The current levels of net physical output *are insufficient* to prevent the existing populations and economies from continuing to collapse into a spiral of accelerating general physical-economic contraction, and ultimate physical collapse.

Unless this shortfall in per-capita physical output is reversed and soon eliminated, no financial and monetary system, however otherwise sound in design, could function. No mere medication could save a man who is being starved to death. There is no financial and monetary system which could possibly succeed, unless it were accompanied by a general program of forced-draft physical-economic recovery, a program which must rapidly approach and reach the levels of sustainable, positive free-energy ratios. This means a recovery analogous in important respects to the Franklin Delano Roosevelt recovery in the United States, and on a global scale.

Franklin Roosevelt Returned to the American System

Remember, in March 1933, in the First Inaugural Address of President Roosevelt, he announced the fact that the United States and the world were in a crisis, a deep, severe crisis, and that he was prepared to take drastic measures to address the issues of this crisis. He said that if the Congress would not act, that *he, as President, would act, in order to save the United States, and rescue it from this crisis.* And he did that.

Now, he didn't do it blindly. Roosevelt, as I'll refer

to this again later, Roosevelt announced his general direction of thinking, in a paper published in 1928, in *Foreign Affairs,* the journal of the New York Council on Foreign Relations, in which he announced, in diplomatic terms, in a sense, a complete break with the idiotic and criminal policies of his predecessors, Theodore Roosevelt and Woodrow Wilson, toward the nations of Ibero-America, and other nations, but focussed on Ibero-America: that we must not become a debt collector. We must show a decent respect for the opinion of mankind, the common opinion of mankind. We must *help* nations.

We must not allow the sharks of Wall Street, who didn't like Roosevelt too much, just as the *Wall Street Journal* doesn't like me, or doesn't like Clinton today; we must not allow these people to continue the kinds of policies which were enforced in this country, and forced upon this country under evil Presidents, such as Theodore Roosevelt, and, in 1915, the re-founder of the Ku Klux Klan, directly from the White House, Woodrow Wilson, who was responsible, as President, for launching the second incarnation of the Ku Klux Klan in the United States, which reached the level of over 5% of the U.S. adult population during the 1920s. And Woodrow Wilson was the ideologue from the White House who did that. The man was no good.

We had a President during the 1920s, Calvin Coolidge, who was no better. Worst of all, we had a Secretary of the Treasury, Andrew Mellon, who was worse. Hoover didn't cause the Depression: Andrew Mellon and Coolidge did, helped by Woodrow Wilson.

So, Franklin Roosevelt rejected this degeneration of our policy, and returned to the American System, as expressed, typically, by what Lincoln and Henry Carey, the leading economist of the mid-Nineteenth Century, did between 1861 and 1876, as reflected in the 1876 Centennial Exposition at Philadelphia, at which point, during the period 1861 to 1876, the United States had become the world's most powerful economy, and the economy which was technologically the most advanced in the world.

The Only Successful Economic Model

This model, on the basis of the 1876 exposition, was the basis for the industrialization of Japan, which used the American model to build an economy in the Japan system. This was copied immediately by our friends in Germany, typified by Siemens, and by Emil Rathenau, whose son was Walther Rathenau. They copied the American System, as identified by the 1861-1876 revolution in economy launched by Lincoln, on the advice of Henry C. Carey.

This model was also used by Russia, which was our ally against Britain and the Confederacy during the time of the Civil War: Russia as represented by Tsar Alexander II, as represented by the great chemist Dmitri Mendeleyev, who was at the 1876 Exposition, and who became the great railroad builder of Russia, and the great industrializer of Russia, and carried the American System, as far as he could get by with it, into Russia, successfully under Alexander II, not so successfully under his successors.

The same policy, the American System policy of Mendeleyev, was also the policy of Count Sergei Witte, the Foreign Minister, Finance Minister, and, also, Prime Minister, briefly, of Russia, who was a specialist in the writings of an American System economist of German extraction, Friedrich List.

Every successful model of national economy which emerged in the late Nineteenth Century and the Twentieth Century on this planet, was based on the model of the American System, not merely of Hamilton and Franklin, or John Quincy Adams, but on the specific form of that model developed by Abraham Lincoln and Henry Carey during the period between 1861 and 1876. That is the American System.

That is the legacy, economic policy legacy, of the United States, a continuation of the legacy of Franklin, a continuation of the legacy of the Washington-Hamilton administration. This is what distinguished the United States, which made it great. We were the only nation on this planet, which constitutionally actually believed that *every man and woman is made in the image of the Creator,* and that the responsibility of society is a *commitment to every man and woman, and to every child, to provide those conditions and opportunities, which are consistent with the dignity of a personality born as made in the image of the Creator.*

The only nation on this planet which adopted that as a constitutional principle of government, self-government, the American System of political-economy, was based on that principle. It was an effort to find a mode of economic life, as well as of political life, which was decent, from the standpoint of this obligation: to recognize the sacredness of the individual life, not merely as some kind of animal, but as a creature endowed with the creative power to make and to utilize fundamental discoveries of principle, of physical principle, and also

to use, in a similar way, the fundamental discoveries of artistic principle, and the lessons of history.

This was our unique genius, at least among the best of us. And, this model of economy by that great President, Lincoln, who understood and enforced that constitutional principle, was what made us great. And, every nation whose people aspire to have the kinds of benefits which they saw in us, tried to copy that model, or at least assimilate its lessons into their particular institutions, as the President of China says that his reform is with "Chinese characteristics," but that China is perfectly happy to accept anything good it can use from the United States.

Those Who Lack the Will to Act—Get Out of the Way

So, we've come to a time where we need a new Roosevelt. I'll come back to this again. That kind of decision, not the kind of shilly-shallying decisions we get from politicians today.

To what I've said, there's an obvious objection to be expected from most critics. The customary objection will be, that such a sudden and radical approach is "politically impossible." Perhaps those critics are right. Perhaps it will prove impossible politically to find a significant number of governments willing to push through such radical measures in a short-term period. *If* those critics are right on that point, *then civilization will not live out the present century in its present form. If* those critics are right, then the first generations of the coming century, will experience a planet-wide New Dark Age, a catastrophe on a global scale like that which Europe experienced during the middle of the Fourteenth Century.

I would therefore respond to such critics, with the following impassioned recommendation. I say to these critics, as President Franklin Roosevelt forewarned the Congress, during his First Inaugural: *Let those political leaders who lack the will to carry out the measures I have proposed, get out of the way, and pass the authority to act to those among us who are willing and able to enact these measures, and do so suddenly.*

The immediate future of this civilization, if it is to have an immediate future, lies in the hands of those who are willing to act with pungency and force, along the lines I've indicated. That said, let us be optimists. Let us push the voices of those useless critics out of our minds, and concentrate on the actions which must be taken to avert the catastrophic economic collapse which now threatens to crush us all in the very near future.

There's an example of this in the case of the famous German strategist, von Schlieffen, Graf Alfred von Schlieffen, who was, until 1905, the Chief of Staff of the German military. In 1891, it was apparent to von Schlieffen that the efforts of the British to prevent the realization of what we might call the Land-Bridge program, that is, the extension of railway links across Eurasia, both to the Indian Ocean and to the Pacific, that the British determination was to crush Germany, and that Germany must expect that France would capitulate to Britain on this issue, and become a revanchist ally of Britain against Germany, and that Britain and France together, would mobilize Russia, through its pan-Slavic influences in its military and elsewhere, to become an ally of France and Britain, against Germany. They also took into account that Belgium would be a puppet of the British in conducting such a war.

Therefore, beginning 1891, von Schlieffen conducted a series of exercises among his staff, studies which were to plan the reaction of Germany, should such an attack, a simultaneous attack by France, and Britain, and Russia, occur. This became known, in due course, as the Schlieffen Plan.

Had the Schlieffen Plan been executed when the British, French, and Russians did launch war against Germany, for geopolitical reasons, then France would have, and the British Expeditionary Force, would have been crushed in the opening weeks of the conflict, by the hammer of the right flanking movement from the north.

However, von Schlieffen left office at the end of 1905, and was replaced by young Helmuth von Moltke, a man of weaker disposition, working for a timorous, weak-minded Kaiser. Remember, the Kaiser was a descendant of Queen Victoria. And Queen Victoria was like a cow who produces cows with weak feet; only in this case, the cows had weak minds. And, the Kaiser was one of these cases, as also was the Tsar of Russia, Nicholas. Their uncle, their common uncle, Uncle Albert, later called King Edward VII, played these two weak-minded relatives of his, like fools, and set them to destroying each other. Russia and Germany were both destroyed, and the kaisers of both countries were destroyed, by British manipulations organized by Edward VII.

The difference between von Schlieffen and von Moltke, under the influence of a weak-minded Kaiser, and other weak-minded types, was that von Schlieffen

understood, as did Hannibal at Cannae, as did Alexander the Great outside Arbela, as other great commanders like Sherman, William T. Sherman, one of the greatest commanders in military history, understood, that *to win war, you must take risks. Those who try to minimize risk, lose wars.* The difference was that Schlieffen's plan concentrated Germany's limited resources on those points at which a decisive victory could be obtained. And, this was not an impulsive action, it was a thoroughly worked-out action. Whereas von Moltke took the Schlieffen Plan, and diluted it to cover all possible options, to minimize all risks.

Now, the weakness of the President, is exactly that kind of problem. The President is following in the pathway of doom, that of younger von Moltke, of trying to minimize his political risks, which will maximize the certainty of his defeat. Whereas, a leader is precisely a person—otherwise, we don't need leaders—who is able and willing to take the moral responsibility of risk. Not to take a reckless risk, but to take a risk *to win,* to turn the devil away. Whereas those who temporize, who try to be all things to all people, who try to find a consensus among the generals—

Let's take the case of Lazare Carnot, another great commander. In the early 1790s, France was invaded by armies of every other power in Europe. These armies were victorious on all fronts. The defeat and dismemberment of France were inevitable. At that point, the Jacobins appointed a man who was a great military scientist, as well as a physical scientist, Lazare Carnot, the man who invented the Machine-Tool Principle, among other things. They appointed Carnot to command the reorganization of the French army, and to direct it. Sort of like a Minister of Defense.

The thing he did: He fired major-generals in lots, in wholesale lots, and replaced them, in many cases, with sergeants, because one wouldn't go across the river at night, but would wait till morning; or keep the troops in the barracks, rather than moving them out into the field; would not make the assault when ordered; would temporize.

But, that wasn't the only thing he did. He also took a bigger risk. In two years, in his command of defense, together with his friends, such as his former teacher, Gaspard Monge, who later founded the Ecole Polytechnique, the genius, the scientific genius of France, such as survived, was mobilized to create a machine-tool industry around Paris and other locations, but chiefly Paris. And, in two years, Carnot revolutionized warfare, and turned certain defeat into absolute victory. Until Napoleon ruined the French instrument, there was no force in Europe which could defeat the French military system created by Lazare Carnot.

Every case in history, military history or political history, of a great crisis, requires leadership which will take risk. Not foolish risk, but necessary risk. And take precisely that risk which is necessary to avoid a crushing catastrophe. Weak, incompetent leadership is that which will temporize, and say, "No, we can't do that. We have to think about *this* first, we have to think about this group in the Congress, we have to think about this, our ally in Britain. We have to think about this, we have to think about that." And such leadership, is the leadership of a nation which has doomed itself by such leadership. Leadership is not an unimportant thing. There's a whole theory involved in that, the science of this.

Post-Industrial Changes in Axioms

Therefore, all rational discussion of these matters depends upon a clear understanding of the following point: The essential moral responsibility of the participants in these forthcoming and related proceedings, is their obligation to recognize that the mere fact that this is a global systemic crisis, rather than either a regional one, or merely a global cyclical crisis, is sufficient proof-of-principle evidence, that the causes for this crisis are the fundamental errors of judgment and practice embedded in those axiomatic changes in official and other thinking, about the subjects of economics, finance, and monetary policy, which have dominated international policy-shaping during, approximately, 30 years to date. These are those axiomatic changes, first introduced during the period 1966-1972, in the so-called cultural paradigm shift, which hit the so-called Vietnam Baby-Boomer generation. And, those changes in policy, away from a commitment to investment in scientific and technological progress, away from a commitment to infrastructure development, away from a commitment to exploration of outer space—we got to the Moon, and then we stopped. We haven't been back there since. And the payoff, remember, the payoff on the aerospace project, the Kennedy acceleration of the aerospace project, the Kennedy crash program, was that we got back over 15¢ for every penny the government put into space exploration. At least 15¢, in terms of improvements in technology, in new designs, in new industries, in greater productivity, in a higher standard of living.

Under the influence, or the combined influence of the military forced draft technological driver of the postwar period, and the combined impact of the far superior measure of the Kennedy space program, this country reached the highest rate of growth in its history, since at least 1861-1876. And, along came the Baby Boomers on campus, and said, "*Shut it down!* Don't invest in technology! Stop wasting money on infrastructure! Take the money back from the Moon, and bring it here!" It never got here, as many people can tell you.

Then we set a policy. Instead of basing an economy on performance, on what you produced, on those kinds of considerations, we based it on psychotherapy group discussions: "Well, how do you *feel,* Mrs. Jones?" We went into a touchy-feely psychotherapy mode, a politically correct mode. No longer was telling the truth important: It was *how somebody felt about what you said,* not what was the truth. We were no longer concerned about justice; you were concerned about somebody looking at you cross-eyed.

We stopped being a people, and we became a slime mold. No longer were we a unified people, in which all people are equal. No; you have to be unequal. You have to have—if you've got an emotional problem, you need a support group. What's your support group? We divided ourselves into a zoo, a collection of species called a Rainbow Coalition. No longer were people equal, no longer did people have equal rights to education, equal rights to medical care, equal rights to opportunity, equal rights to opinion, equal rights to truth, equal rights to justice. All that passed. Everything became a zoo. You feed this animal in this cage one thing, this animal in this cage another thing. Technological progress is bad for your health. Zero economic growth is good.

And, under the increasing impact of that kind of thinking, as it moved into political and other institutions of government, and society generally, every policy that was made, was shaped and adapted to fit these new criteria.

Reality Is Asserting Itself

This, now, is coming to an end. This began to come conspicuously to an end in the last year-end process. We saw a turn internationally—we saw it in Southeast Asia, for example. There's a cultural paradigm shift now occurring in Southeast Asia, which was first led by the Prime Minister of Malaysia, Mahathir Bin Mohamad, which is now expressed in the movement around Habibie in Indonesia, which is expressed by the King of Thailand, as well as other Thai officials. "This garbage doesn't work," they say. "The IMF doesn't work. This is a swindle, this is wrong. All these things which are politically correct, are wrong. They are destroying us. We want reality."

You have, in the United States itself, the issue of HMOs. You have not only Democrats, but Republicans who are running for office, for election in November of this year, on the basis of being against HMOs, to bring them back under regulation, to end the free-trade system in medical care.

The issues of the American people today are becoming, more and more, bread on the table, meat on the table, conditions of life, safety in the school, a real education, not having a support group in place of a teacher. Less Ritalin and more knowledge. Those are the real issues, where people are rejecting, in the collapse of this self-discredited system, this self-discredited culture of the past 30 years, people are saying, "I would rather *live,* than be politically correct. I would rather have my children eat, than be politically correct. I would rather have my children not stupid, than politically correct." Reality is asserting itself.

However, unfortunately, the people who went through the institutions, out of universities from the 1966-1972 interval, are now occupying the top positions in government, in business, in the media, in the professions. And thus, you have a sort of a psychological interest group occupying the top positions of power, along with Generation Xers, who don't know anything, because they never studied history. They weren't allowed to! They never got it in the school system. We destroyed the history instruction. People passed tests, because the questions were more stupid. We have a sliding scale, the bell curve, which runs the testing section, and everybody's doing better on the bell curve. If everybody becomes more stupid, everybody does better. If you have a few intelligent people, you've killed the bell curve, and then people seem more stupid.

So, if everybody is stupid, then you can produce statistics based on test scores which show there's an improvement in education. You put five intelligent people into a classroom with the typical stupid people, and suddenly, you shift the bell curve, and they begin to flunk. So the absence of intelligent people coming out of the school system, results in test scores which show an improvement, when they're actually becoming more

stupid. It's a swindle.

So, you have an entrenched interest in trying to defend the illusion of the Golden Generation, which is not "golden" at all. That stuff on the top there, on the head, was not gold, that was clay. We talk about giants with feet of clay; then, we've got the other types, giants with heads of clay.

Return to Performance Standards

So, this is the problem that we have to face. You have to go back to performance. The question is not what is politically correct. The question is: What is necessary, so that people can survive, so that nations can survive? Who cares about the IMF? Indonesia represents the fourth-largest nation on the earth, in terms of population. You want to kill it? *Who cares what the IMF thinks?* Those bunch of guys, they can flip hamburgers for a living, if they have to. (I wouldn't trust them at it, but I'd let them do it.)

What about the whole of Asia? Asia is what? East Asia, Southeast Asia, South Asia: What's that? That's the majority of the human race! The archipelago, South Asia, China: That's the majority of the human race. And, what are we doing to the majority of the human race by these IMF conditionalities, and this Soros nonsense, and these things we are allowing? *We are murdering them, just as much as Hitler murdered people in slave-labor camps.*

We are turning entire nations into slave-labor camps. We are destroying the standard of living. We are increasing the morbidity.

Look at the collapse, in terms of life expectancy, in Russia, under the reforms. Life expectancy has collapsed, by more than 15 years. The sickness rate, the death rate: We are getting an epidemic of new kinds of diseases, and old ones, spreading around the world. Don't talk about chemical warfare, biological warfare; we're already running biological warfare: it's called the IMF. IMF conditionalities will kill more people than any chemist in a biological warfare laboratory, simply by taking people out of food, out of sanitation, and the other things which are necessary for an enhanced life expectancy. And, the education which enables them to function more sanely.

The discussion, therefore, in these conferences, must contrast the generally downward trends of the 1966-1997 period, with the upward trends which were predominant during the great postwar recovery of 1946-1966. In face of that evidence, the notion that the present international system of free trade, floating exchange rates, and globalization, should be saved by a few added reforms, must be regarded as a wishful delusion, common to those who are not yet prepared to face the reality which already grips this planet.

Those present financial and monetary policies, of a floating exchange rate system, are not institutions to be rescued. They are the *disease* to be expunged. *Unless these policies are radically excised, the present economies and nations, will not outlive the passing of this present century.*

Now, in the current [March 20] issue of *EIR,* we have a reference to two tracks of policy. One track is Franklin Roosevelt's policy, the policy under which the U.S. recovery and the postwar plans of Roosevelt were based. The second one, is a paper written by a Dr. Wilhelm Lautenbach, presented at a secret conference in Germany of the Friedrich List Society in 1931. And Lautenbach said a number of things in that paper, which should be read by everyone in Washington today; if they don't read it, you should kick them out of office, because they're not to be turned loose under these circumstances. They're like firebugs: You don't want 'em in the neighborhood.

He said the idea of cutting of production to stabilize financial systems, is the worst idiocy you can imagine. The trick in a crisis is to mobilize credit *selectively,* in a dirigist mode, as Roosevelt did, and as every sane leader did in similar circumstances, to focus credit on getting people off the unemployment rolls into productive work; to foster investment in basic economic infrastructure; to absorb the unemployed in useful work; to foster investment in technologically progressive industries and other projects, which will raise the average productivity of labor; and to starve—not to starve the economy to save the financial system, but to starve the private financial system to save the economy. Which is why Roosevelt was not popular with the Wall Street bankers back during the 1930s, or later. They never forgave him.

And that's a recovery policy. There was thinking in that direction around the world; it's traditional American thinking, as opposed to the garbage that's become popular, the free-trade garbage, the insanity which has hit the economics profession in the past 30 years. That was traditional American policy, as I said earlier. Lautenbach, who reflects, of course, the influence of Friedrich List and people like that in Germany, reflects also something else.

The Exceptional Importance of the United States

Get back to this question of, what is the United States? *This is a very important nation.* There is no nation on this planet which is as important as the United States, for the world as a whole. We may not look like that now; we may not be living up to that now; but that is our heritage, and all of the great leaders of the United States, in which Roosevelt can be included, proceeded from an understanding of that heritage.

We are essentially a European nation. We are a nation of the European Fifteenth-Century Renaissance. We are a nation which is born, in a sense, of a long struggle in Western Christian civilization, to perfect a form of society which is consistent with the proposition that all persons, men and women, are created in the image of God. And, therefore, we cannot tolerate a system in which some people, even the majority of people, live as human cattle under the rule of an oligarchy. That the mass of people should not live as human cattle, for the benefit of a ruling minority and oligarchy, whether a landed aristocracy, a state bureaucracy, as in ancient Babylon, Akkadia, or, a financier aristocracy, such as that of Venice, or London today. That it is not right that human beings, who should live in the dignity that should be accorded to people created in the image of God, that such people should be reduced to human cattle, for the benefit of those who belong to these classes of state bureaucracy, financier oligarchy, or landed aristocracy.

The object was to create such a form of society, a society consistent with this image of the nature of man, the intrinsic nature of man, man's ability that no animal has, that no monkey has—even Prince Philip, who professes to be a monkey, who claims to be a monkey—the ability to discover, and validate, a physical principle. The ability in the field of art, to take a similar contradiction, called a *metaphor,* and to adduce from that metaphor a new conception, a new principle, the principle of cognition, which governs improvement in the way people relate to each other, in social relations; which, together with the study of history, from the standpoint of Classical art, informs our minds of the way in which society ought to be run: always for the single purpose to create a form of society which is consistent with the nature of man, as Western Christianity conceived man, as Christ conceived man. As Christianity, for the first time on this planet, established the principle that *all* persons, with no racial or ethnic distinctions, are equal in the respect, that they are made in the image of the Creator, by virtue of this power, which sets man apart from and above the beasts.

And, the object of society must be to take this nature of the individual, from birth, to nurture the development of that individual, in a way which is consistent with that: This is something made in the image of God; treat it accordingly! Develop it! Develop those powers which lie there. Give this creature an opportunity to perform *good,* to live as an angel, who came to this life, developed, did a good that was needed, like the Good Samaritan, and then wandered off, at the end of life, having been a necessary person, who came as an angel, did a good, and left. And, you said, "Wait for the next angel." And, to look at every child as potentially that kind of person, that kind of angel. And, to live in a society where we can regard one another in that way, and regard ourselves in that way.

That was the purpose.

Out of this great ferment in Europe, which had a long history, we came, in the Renaissance period, finally, to the beginnings of the modern nation-state, European nation-state. But, that was not entirely successful there, because, in Europe, the powers of the old oligarchy were still great, the landed aristocracy, and the Venetian and similar kinds of financier oligarchies. Parasites, sucking on the blood of humanity, with great power, determined to crush anybody who would take that power, that privilege, away from them. In Europe, that never succeeded. But, the greatest minds of Europe brought their ideas to the United States, where we, on this continent, with the strategic advantage of a distance from the long arm of the European oligarchy, were able to form a nation, a republic, which was committed to perfecting itself in the service of that principle. And, in that period, at the end of the Eighteenth Century, throughout Europe, all of the good people admired the United States, and looked at the American Revolution as the great liberating experience which they hoped would spread to Europe.

In the subsequent period, with many fits and starts, there were many reforms introduced into Europe, in the direction of creating nation-states there. Most of these were done in the sense of expansion of the parliamentary representation of the people, so you have parliamentary government in Europe, as a tradition which is really not overthrowing the old oligarchy, but making heavier demands upon it, demanding a greater degree of power-sharing.

As Britain, for example: The United Kingdom has

no constitution! The United Kingdom is a pure empire. That is, there is only one constitutional law in the United Kingdom. First of all, the Act of Settlement, which put this northern branch of the House of Welf on the throne of England, where it sat, and sat, and sat to the present day, where the brains seep down to the rear end, to increase the sitting power. The second thing was a typical pagan, pantheonic institution, in which custom, social custom and religious custom, were managed by the monarchy, by the oligarchy. And the oligarchy was told, and the monarchy was told, "Don't offend custom too much." In the old days of empires, that could get an emperor killed; if he was very offensive to the customs of one of the subject peoples, or even offended the gods, as the Pantheon prescribed, he could be knocked off, as committing a crime. But there was no constitution, in the sense of a positive assertion of the nature of the human individual, a conception of the individual on which the construction of the whole society must be based, and to which the development and functioning of that society *must be accountable.*

That is our particular genius.

Clean Out the Corruption

Therefore, under those circumstances, in the United States, some of the greatest ideas of Europe found soil in which to flourish. Not always, because we also adopted an oligarchy in the United States; we developed it out of the New England opium traders, who pushed opium on China, from India and Turkey, during the Nineteenth Century, as partners of the British East India Company in that "noble" drug-pushing traffic, and became wealthy and powerful, in New England and elsewhere, as a result of it.

We had Manhattan bankers, who, beginning with Aaron Burr, largely tended to be treasonous agents of the British Foreign Office, or the British banks, who have no particular record of patriotism, where the United States is concerned. (They are attracted to U.S. dollars, but not to U.S. souls.)

Then, we have the Southern slaveocracy, and people like John Crowe Ransom, and other people from Nashville, the Nashville Agrarians, who represent the same kind of oligarchical decadence, immorality, the stink of the mint julep-sipping backer—not a member, but a backer—of the Ku Klux Klan, sitting on a Nashville porch someplace, sucking mint juleps, whose opinion of people in this country is not too good.

Yes, we had the same affliction in our own country. We had corruption; we have corruption today. Many parts of the permanent bureaucracy of our government are corrupt. The Criminal Division of the Justice Department is a monstrous cesspool of corruption, which ought to be cleaned out. Some of us thought that maybe Janet Reno was going to clean that mess out, but she became a prey of that, rather than its expunger. The same bunch of filth is actually running behind this idiot Kenneth Starr—I don't think he could even read a law book rightside up. But the people behind him—like Hickman Ewing, a notorious racist, who is typical of the Justice Department mafia which is controlled by the oligarchical wealthy families, not by the people—should be cleaned out, so that we have a Justice Department which is dedicated to justice, not the interests of Wall Street, and particular families on Wall Street.

We have corruption throughout our government, largely embodied in permanent bureaucracies which are not controlled by elected officials. You elect a President: He doesn't control the Executive branch. The permanent bureaucracies largely control the Executive branch, as in the Justice Department, the Treasury Department, the State Department, and so forth and so on. As the people complain, we are ruled by a bunch of bureaucrats. What the American citizen recognizes from experience, the thing he or she hates the most, is these blasted bureaucrats! Not as an individual, but he recognizes that there is a slime-mold-like institution, called bureaucracy, which invades his life and destroys it, and destroys the life of his community, and strikes terror in the population. These are like the lackeys, the hired lackeys in livery, of the old lackeydom of feudal empire, the ones who ran around with the clubs at night and killed people, who did the dirty work for the ruling landed and financial aristocracies.

And, that's what we have in many parts of our government, many parts of our society. We have this corruption.

The Issue of Leadership

And, generally in our history, it's only in a period of crisis that we in the United States, as in most other cases, have come back to ourselves. The greatest examples of that—the greatest of all, was that of Abraham Lincoln, without doubt the greatest President, one of the greatest intellects, we ever had in high office in the United States, despite the rumors and slanders against him. Look at his work, read his writings, as I have, look at his work in that light. This man was a great, gifted,

noble genius, rarely found, and often killed, when found.

Franklin Roosevelt was a much lesser man than Lincoln, but in his time, like an angel, he served his purpose for our nation. He recognized our heritage, at least in part, and acted upon that with pungency and force, despite the Congress, and despite opposition. He was a President who, had he lived, would have transformed this world, as he threatened Churchill with doing, to eliminate empires, to shut down, immediately, at the close of the war, the British, French, Dutch, and Portuguese empires. To give the people of each of these former colonies the right to their independence, and to give them also the right to free access to the same kinds of economic and technological advantages, for their own use, which we prize for ourselves. And to cooperate with them, in this great venture.

That didn't happen. In the spring of 1945, Roosevelt died. And lesser men, much lesser men, came into power: the friends of Harriman, the friends of Teddy Roosevelt, like Stimson, for example, who was a stooge of Teddy Roosevelt in the former period, the beginning of the century. That kind of person. They took over. We went in the wrong direction, away from Roosevelt's direction.

Kennedy, when he came into office, made some effort to try to turn things back in that direction. They got rid of him. Johnson was scared. I don't think Johnson was as bad as people think he was; the two civil rights bills he enacted, although under considerable pressure, nevertheless attest to a man who had a conscience, but a man who was convinced that he, too, could be shot, just as his precedessor had been before him. And, who got out of office, when the pressure got too great.

After that, we had essentially nothing. Reagan was relatively the best, but we all know his weaknesses. And now, we have this President, with his weaknesses.

But, you know, they say, "God works in mysterious ways"; and, sometimes, you can take a weaker man, like a Clinton, a man who's a Baby Boomer, who has many of the faults of his generation: a tendency to waffle, a tendency to minimize risk, which is better known as waffling. Vacillating. Crying at the fact, "I have to do this" to somebody. Take a man of minimal, or limited capabilities, like a Clinton—who is not intellectually a bad person; he's probably intellectually good as any man since Kennedy who has occupied that office, just with these peculiarities of his generation. And somebody has to touch him, and say, "You must become this."

People Will Rise to the Occasion

Those of us who went through military experience, particularly some experience in *training* raw recruits, have a sense of this. Or other experiences may give you the same sense. Someone comes into a position for which they are ill-prepared, and someone says, "You're going to become a soldier." And they become a soldier. "You're going to adopt a vocation." And they adopt a vocation, and serve it at least with good conscience, and sometimes well. It's the nature of man, that you can call people from obscure, or improbable circumstances, and find that they will rise to the occasion, like the person who suddenly acts as a hero, in a fire in a theater, or something else. Persons rise to the occasion. And, one would hope that we could touch this President, and that he would rise to the occasion of becoming, at least, functionally speaking, a good continuation of what Roosevelt represented earlier.

The Truman-Churchill policy was to reestablish the power of the Anglo-American oligarchy, the financier oligarchy, over this planet. And, a lot of evil was done. You had President Eisenhower, whom I used to refer to as President Eisenhowever, because on the one side, he'd do *this,* and on the other side, he'd also do *that.*

We have some good things that have happened, but *we have not been ourselves*. And we have now come to a great crisis, in which people have to be touched, like heroes who come forth in battle, to do a job. And they will succeed, if they can pick up the great legacy of the United States. The things that people, even in the 1940s, during World War II, all over the world, in India, for example, and elsewhere, would, look at me, as a soldier, and say, "When the war is over, are the Americans going to help us get our freedom? Are they going to help us develop an economy, a society like the United States?" We were admired; we were loved. And the Truman-Churchill policy, which was inaugurated instead of the Roosevelt policy, at the end of the war, caused us to lose much of that love. Because we betrayed it. Like the husband who betrayed his wife, we betrayed that trust and love.

But, we come to a time when we must do it again.

A Systemic Crisis

The problem is this. The reason I got onto this: It's crucial, to understand the difference between a cyclical and a systemic crisis.

Now, there is nothing in economics which requires us to have business-cycle crises. This does not come

from economics; it comes from politics. Ours is a society, including the United States, as well as European society, which is based on two conflicting forces.

On the one side, you have the forces of *national economy:* These are *entrepreneurs,* the people who actually *produce;* these are workmen; these are normal people; these are professionals, the people whose interest is in scientific and technological progress for the betterment of life and for national security. These are the people who rally to save the nation and to build it. That's their *interest:* They want to make things better; they want to increase productivity, to address problems. We call these *the social forces of national economy.*

If we had to deal only with the social forces of national economy, we would never have a business cycle. The business cycle arises very simply, because we have a parasite on our backs.

The parasite is the financier oligarchy, which exists today as a clone of ancient Venice, which sits on top, which controls our central banking systems, controls our private financial institutions, and exerts great and corrupting power, which it then uses to extract usury from the real economy. And, as these people become richer, during a period of prosperity, the rate at which they suck blood from the economy increases. At a certain point, the amount of rent, and interest, and other charges, financial charges on the economy, becomes very large. And therefore, the flow of wealth from production does not flow back into society or into production, but instead flows into the assets of these financier oligarchy interests, who are much too wealthy for their own mental and moral health, who can be seen, with their degenerate practices, and so forth, displaying them in public. They try to act like Hollywood actors and actresses, or something, or some similar kind of degenerate.

And therefore, we have a crisis.

Now, in former times, when national security was a matter of issue, you would have depressions, periodic recessions or depressions, which were entirely the result of the interest and influence of this parasitical *thing* sitting on top of society, whether in Europe or in the United States, called a financier oligarchy. The loan sharks: They sucked your blood. If they were poor and dirty and unwashed, you called them loan sharks; if they were wealthy and powerful, you called them financiers. Same thing, actually, when it came down to it! A loan shark is simply a thief without a Wall Street office.

So, the characteristic of society in the Eighteenth and Nineteenth Centuries, the Eighteenth Century in Europe, the Eighteenth and Nineteenth Centuries in Europe and the United States, the Twentieth Century, up until the Kennedy administration, was of a balance, where the loan sharks, the financier oligarchy, would suck the blood of society, and have a periodic accumulation of this blood-sucking; the economy would go into negative growth, as a result of financial looting, and you would have a recession or depression.

Now, along would come a crisis, such as a threat of war, or the perception of a possible threat of war, or some other great crisis, and you would find that the national economy forces would somehow get back into power, in order to rebuild the economy, either to prepare for a possible war, to conduct a war, or deal with some other provocative emergency. So, you would have a period of growth.

If you look at the history of the United States and Europe, you would find that pattern. When does growth occur? Is there a decennial crisis, as Marx said? No, that was nonsense. There's a pulsation which is based on this relationship—the intersection of political events and crises with this economic process, which is this struggle between two political forces: the financier oligarchy, which generally sits on top, and the forces of national economy, whose interest is in growth, what normal people would want.

So, the problem has been *that.*

The Shock of the Cuban Missile Crisis

Up until 1962, what was different? In 1962, certain people engineered a nuclear crisis called the Cuban Missile Crisis, and the people who engineered this had the objective of eliminating the nation-state, and similar kinds of policies: people like Bertrand Russell and his co-thinkers. Khrushchov was among the people involved in this conspiracy, in a sense, with Russell, from 1955 to 1962-1963; Bertrand Russell and Khrushchov were essentially a pair, an "item," so to speak, a political item.

So, what they did, is they orchestrated a missile crisis, which produced a great *shock*—a cultural shock, which made possible what became known as the Baby-Boomer phenomenon; accumulated fear of the postwar nuclear conflict building up in people who were born either during the war, or after it, young people, who lived all their conscious lives in fear that the United States was going to be involved in a nuclear war. This *terror* struck the population! And suddenly one day, in

1962, *bang! It hits!* For several weeks, people are going in every saloon, looking for a church, because they think the world is going to come to an end tomorrow. *Terror! Pure terror!*

Now, Kennedy did essentially the right thing. But what was said about this conflict was something different. As a result of that, the people in the oligarchy—McGeorge Bundy, Henry Kissinger, people like that were all part of this—said, "Now, we have got into a position in which the United States, Britain, and the Soviet Union have agreed to enter into a process of détente, that because of their fear of a nuclear war, or having visited the brink of a nuclear war, they will now no longer think of going to a general nuclear war. We can still have war, but it will be limited. We will tend to have surrogate wars, such as—the Vietnam War was a surrogate war. Or, we will have other kinds of conflict, called irregular warfare, terrorism, other kinds of things, as a way of adjusting and shaping diplomacy, called cabinet warfare. We'll do that. But, we're no longer *in danger* of a general war."

A scene from "Hair," one of the hallmarks of the 1960s counterculture. "The predominant characteristic of this student population, of that period," says LaRouche, "was lability, suggestibility—they were changing their sex, and their political spectrum, from one morning to the next!"

Therefore, it follows, from their standpoint, that "It is no longer necessary to maintain the kind of preparedness of national security economic policy which we previously have maintained. So now, we can go to a different kind of policy; we can begin to *take down* industrial society. We can begin to eliminate the strength of the forces of national economy. We can go into a society in which people are generally serfs, or human cattle, who stroke their forelocks and bow, as the aristocracy arrives back in the evening—if it's not on its horses, then its Cadillacs, or whatever."

From Reality, to Make-Believe

And, the cultural change was introduced: "We're saying we are no longer going to rally to crisis with mobilization of the economy, the way it happened under Roosevelt, or earlier." And, that's how their policies are introduced. This became known as the great cultural paradigm shift of 1964-1972, so-called by the London Tavistock Institute, which was involved in this, and which was the most avid student of this process.

And thus, you had in Europe, and the United States, and elsewhere, you had what was called a "march through the institutions"—that the university student-population, of the 1964-72 period, began to move out of the universities, in a normal way, to occupy the professional positions, and related positions in government and business and elsewhere. And so, more and more, through the normal process of attrition and promotion, higher and higher ranking positions in government, in business, in the professions, were occupied by people who tended to share this special kind of thinking which occurred in the Baby-Boomer phenomenon, in the aftermath of the '62 Missile Crisis, the assassination of Kennedy, the assassination of Martin Luther King, and Bobby Kennedy, and so forth. So, the population was put into a shock.

Now, when a population goes into shock, as the Tavistock Institute describes it—Remember, this study by the Tavistock Institute was based on World War I experience. It was Brig. Gen. Dr. John Rawlings Rees of Britain, who was involved in study of what were called "shell-shock" cases, from the trenches in World War I, who found that the shell-shock victim was a person in a

heightened degree of suggestibility and lability of behavior. And the question was: "How could you *artificially,* apart from actually having trench-warfare, how could you induce this same quality of lability and suggestibility into a population, a large population, or individuals, without taking them out in the trenches?" That became the concern, the *stated* concern, of the Tavistock Institute.

What we had, therefore, as a result of the prolonged nuclear crisis leading up to '62, the impact on the minds of the young, the nuclear crisis, the assassination of Kennedy, the assassination of Martin Luther King, the assassination of Bobby Kennedy, and the Vietnam War, you had a *shock effect* on a generation which had been poorly prepared to cope with this in childhood, because of the conditions of life in the 1940s and '50s, and which was totally unprepared psychologically or morally to cope with the crisis represented by this chain of events of the 1960s.

What do people do when they are confronted by that kind of shock, with that kind of moral weakness, a weakness of character, mass-induced in our children? They become highly suggestible, and they flee into unreality. They flee into various kinds of virtual reality. Now, we didn't call that virtual reality before. We used to call it *make-believe.* Fairy stories: "make-believe." And, if you studied closely, as I did, the behavior of the leading stratum of students on university campuses in the 1960s, late 1960s and early 1970s, that's exactly what you saw.

The predominant characteristic of this student population, of that period, was lability, suggestibility — they were changing their sex, and their political spectrum, from one morning to the next! Always running from one thing to another. There was *extreme* lability, and *extreme* suggestibility. You would examine the students, as I did, and ask them things, to find out what's going on in these funny heads of theirs, and you would find out what there was: There was a flight into make-believe; that the entire rock-drug-sex counterculture was a flight into pleasure, momentary pleasure-seeking make-believe.

The idea of happiness, as we had understood it earlier, no longer existed. Happiness, of course, is the conception: "I'm doing good work. I enjoy what I'm doing for humanity. I feel my life is worthwhile. I'm doing a service. I'm like an angel, here on a mission, I'm doing just fine. It's very good to be an angel! And this is beautiful, and that's beautiful." That's *happiness:* knowing you're going to die, and knowing that your life is meaningful, despite the fact that you're going to be leaving it in a fairly short time. That's called *happiness.* Happiness to see generations coming after you, prospering. Happiness to see the country becoming better. Happiness to see beauty in works of art. Happiness to have a thought which solves a problem. *This* is happiness.

But these young people didn't know what happiness was. They only knew a substitute for happiness, called "momentary pleasure," and momentary pleasure is that—just momentary. So, once you've had it, where do you go next? It's a short trip between filling stations. And, that's what happened, is extreme suggestibility.

So, what we've produced in our country—the shock-effect here—is we've produced a population which is saturated, as your entertainment media will show you—There is no cognitive content to most entertainment on television. None. It is a world of make-believe and pleaure-seeking, from sensual effects in a world of make-believe. Pyrotechnics in a world of make-believe.

And that's our population. Look at our news media; look at all our entertainment media. Look at the behavior off the job, of people. Look at the standards of what behavior is in the corporation or the government office, today, as compared with the performance-period of the 1950s or early 1960s. We do not have performance-oriented people, in terms of the physical result of what they're doing, or the effect of what they're doing on the physical result. We have people oriented to political correctness, to perceptions, to fantasy, to *make-believe!*

Now we come into this situation, where people say, "What you have to do in making policy, is you have to make policy to *fit the consensus.*" What's the consensus? It's fantasy. It's make-believe.

Well, we're coming to a real crisis, and one must say, "Buddy, the Mongols are *here*! They're gonna kill you."

"Huh? The Mongols, man? Huh?"

You get that kind of reaction.

A Reverse Cultural Paradigm Shift

But, as you have seen in the reaction in Southeast Asia, and elsewhere, and also in the United States, as we closely monitor it, in this period, there is a reverse cultural paradigm shift in process in the world today. It's in process in the United States.

The Democratic Party is in a fight, between the old Democrats, the traditional Democrats, who represent,

in a sense, a sensitivity to bread-and-butter issues, to real-life issues, and the New Democrats, who are completely fantasy-ridden.

Then you have—In the Republican Party, you have several varieties of Yahoos, plus some old Republicans, who are actually human beings, and who are dismayed by everything going on in the Democratic Party *and* the Republican Party, and among the independent voters, at the same time.

So, you have a process of tumult, in which the Republican Party, as you see from what's happening in the Congress recently, in is the process of fragmenting. The slime-mold principle is coming back into operation. The Democratic Party is fragmenting. The majority of the voters aren't associated with either party, and don't vote. And yet, the nation is in an existential crisis. And we find that in the field, out in the field, in the boondocks there, individual American citizens, the natural, organic leaders, the people who tend to respond with thinking most quickly, are responding, and they're organizing their friends and neighbors. For what? Just to talk about ideas. But important ideas, that bear on this situation.

You see in this attack on the President: The popularity of the President persists, because of a reverse cultural-paradigm shift, of disgust against Starr and Co. in the population, and against the Congress. The HMO issue, as it spreads among Republican candidates, exemplifies the same thing.

So, what you have to have now, is a leadership like a leadership in warfare, which doesn't say, "What is the bell curve showing what public opinion is up to now?" You have to have a leadership which says, "What are the people demanding as something *new,* which they want as an idea to replace that which they now fear?" The leader is a person who stands out *in front* of the people.

You know the old joke of the French Revolution? A couple of guys, political guys, are sitting in a café, discussing politics, and a mob runs by the café. The guy says, "I gotta go out and lead that—that's my mob." That's a typical American politician, isn't it? He says, "Well what do I think? Well, what's my pollster think?"

Collapse of the U.S. Physical Economy

Now let's look at some fun: just a few animated, or quasi-animated charts and graphs, which give you some indication of this change which occurred in the U.S. economy from the period of 1946, into 1966, and then the degeneration of the U.S. economy which has occurred since about 1972.

FIGURE 1
U.S. Import-export Trade as Percentile of Foreign Exchange Turnover

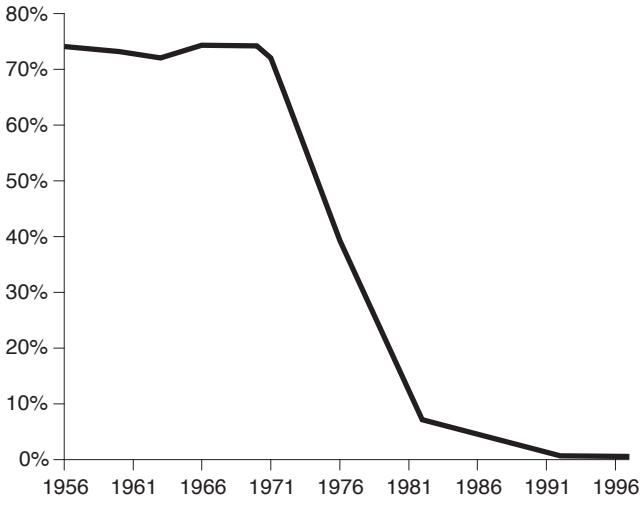


Figure 1: Here we have the relationship between the turnover of imports and exports, as trade, compared with the total foreign-exchange turnover. In other words, what percentage of foreign-exchange turnover is caused by imports and exports? We were running at about 70% plus, consistently, from 1956, into 1966 and beyond, up to 1971. Now, look what happens after 1971: We've gone from 71%, approximately, on average, which was traditional up until 1971. Seventy-one percent of the foreign-exchange turnover, in dollars, was related to imports and exports. Those were the good old days. Then, from 1971, with the introduction of the floating-exchange-rate system, following Nixon's decision of April 15, 1971, you had a rapid collapse in turnover, so that we're now down to where less than one-half of one percent of the total foreign-exchange turnover is accounted for on trade account. That's called the door to bankruptcy. That means that most of our foreign exchange involves speculative hot air.

Figure 2 shows a similar kind of pattern. Take productive employment—that's people who actually produce physical things: infrastructure, agriculture, industry, and so forth. Look at that as a percentile of the total labor force, again to 1971. So, you have a secular decline from about 50% in 1946—in 1946, about 50% of us were actually working at producing physical wealth.

FIGURE 2

Productive Employment as Percentile of Total Labor Force

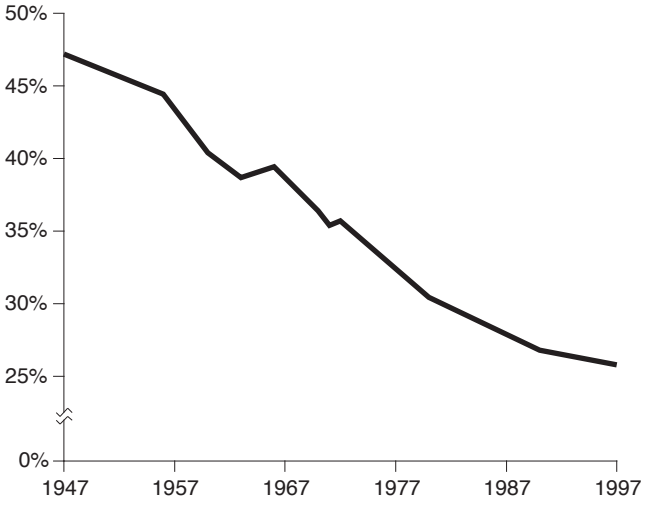
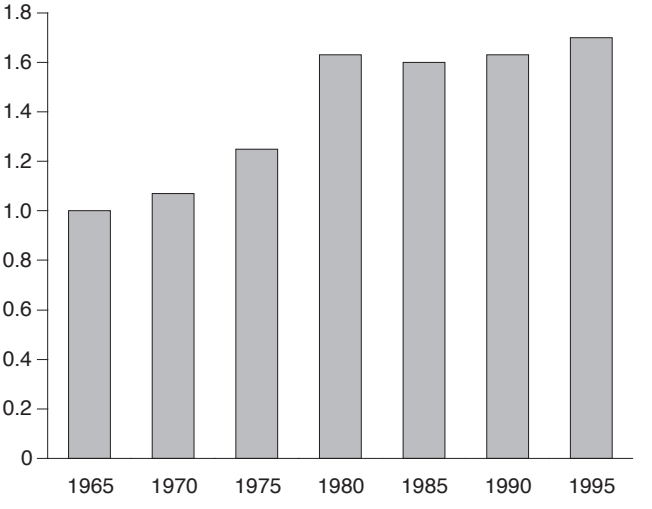


FIGURE 3

Number of Jobs Required To Meet 1965 Standard of Living



It dropped down to 30-40% as we went into the 1960s. Then, what happened?

So, this is the problem!

Now, let's look at the effects of dropping the percentile of the labor force which is engaged in doing something useful, to see what happens in terms of some of the other characteristics of the economy, monetary characteristics. What happens? (**Figure 3**) The government is still there; it still costs as much, per capita, *but*, you're earning less. What happens? The tax rate, the effective tax rate, combined tax rate, rises, on state, local, and Federal taxation (**Figure 4**). It rises, because you have fewer people actually producing—half as many, approximately—and therefore, you're tending to double, or approximately double, the burden, for the same government, on the citizen.

Now, look at this in terms of per-capita taxation (**Figure 5**); that gives you an idea of the same thing. Always bear in mind the relationship between per-cap-

FIGURE 4

Federal and State Taxation as Percentile of Personal Income

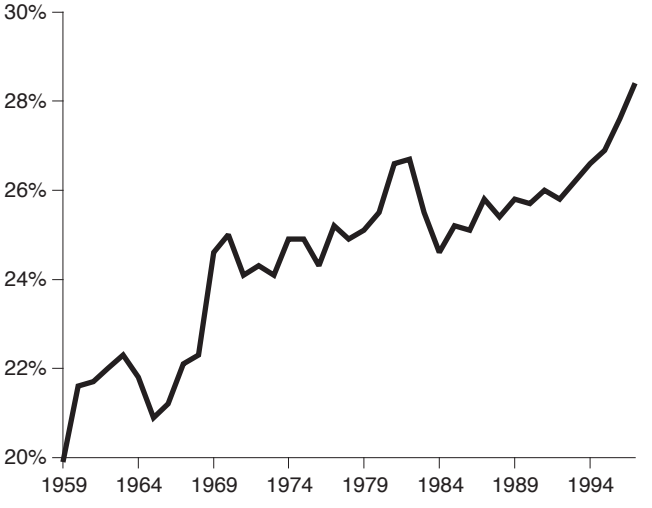


FIGURE 5

Federal and State Taxation Per Capita

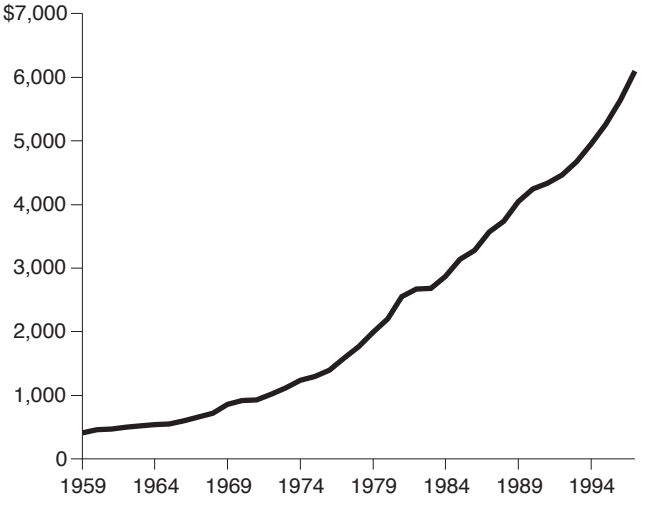


FIGURE 6
Federal and State Taxation as Percentile of GDP

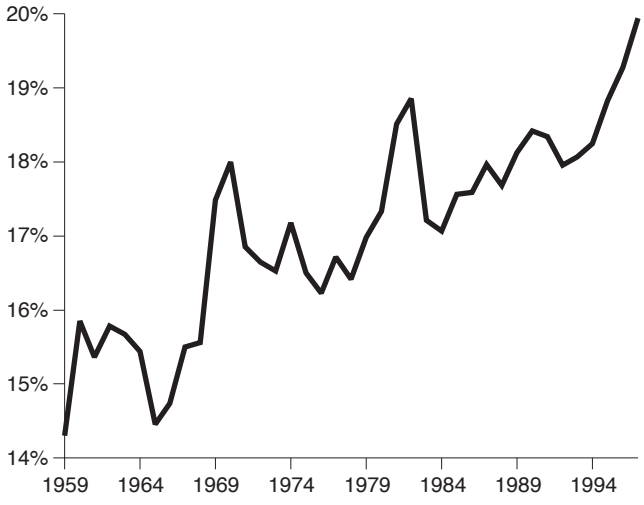
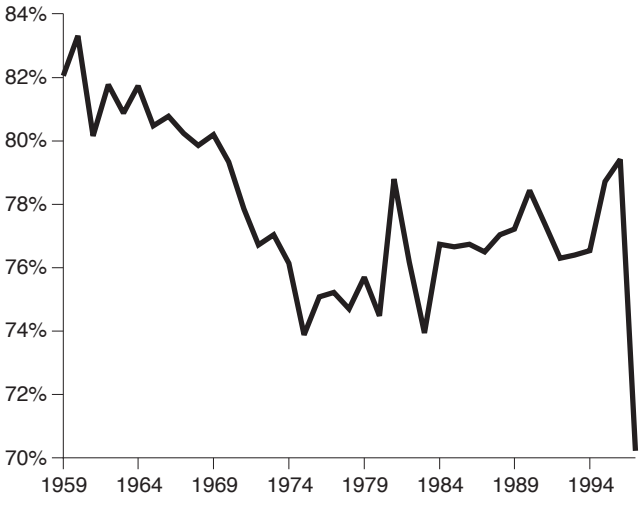


FIGURE 7
U.S. Federal Tax Base as Percentile of GDP



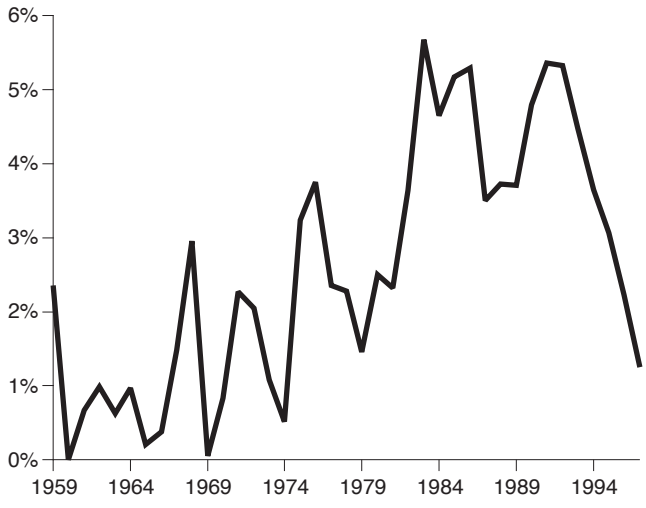
ita taxation and the percentage of the population, labor force, which is actually engaged in productive labor. Now, this is a dollar amount, which is not truly indicative, but it gives you some idea about what people are squawking about, which actually is a result of a decay in the economy. It's not a result of government growing too much; the goverment has actually shrunk, in all relevant aspects, in its goods and services. What you're seeing is the effect of a decay *in the economy* as a productive process. It costs more to get the same result. Less efficient.

Figure 6 is more indicative. You compare the growth of taxation, as a percentile of Gross Domestic Product, which is more directly reflective of the impact of the contraction of the percentage of the labor force which is actually engaged in productive labor. The same thing, same kind of process.

Figure 7 shows the same thing: The Federal tax base is shrinking, as a percentage of GDP. That's what the problem is. The problem is not anything that the Congress likes to talk about; the problem is very simple: If your economy has gone down to about 50% of the productive efficiency it had at one point, then obviously, everything is going to cost more, because fewer people are producing, but your actual costs of maintaining society are approximately the same, in physical terms.

And if you compare the two curves, you will see a correlation between this deficit (**Figure 8**), which began to become serious under Carter—the time we began to

FIGURE 8
Federal Budget Deficits as Percentile of GDP



get this cumulative debt was with Carter. What you're seeing is a collapse, in the recent period, through so-called budget-cutting, a collapse of essential services to the population.

So, you see a correlation between what people experience, and the actual cause of this problem. People try to have a simplistic explanation, but here's the correlation, a very simple correlation. You could enhance this by showing more scale, but you would get the same effect: the tax-base collapse of the recent period.

FIGURE 9

J.P. Morgan & Co.'s Derivatives, Assets, and Equity Compared

(as of Sept. 30, 1997)

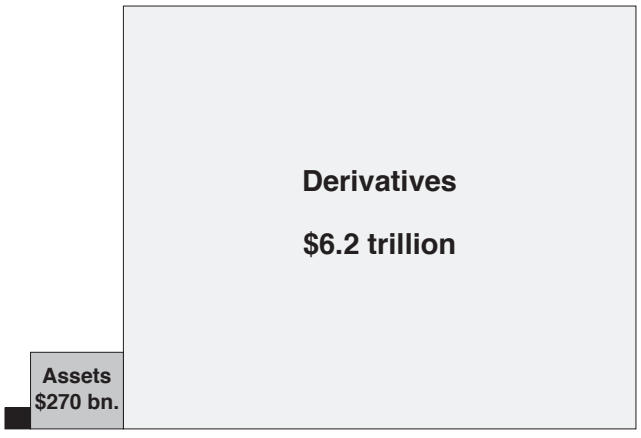
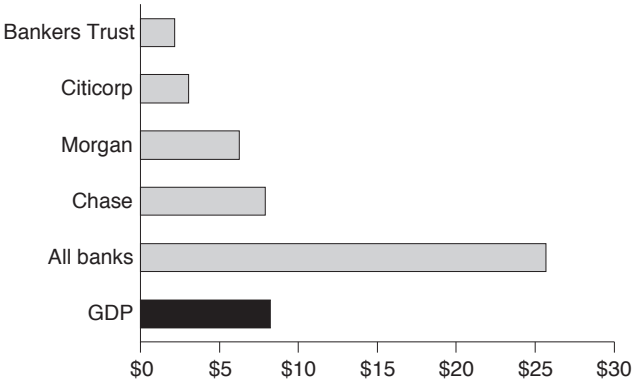


FIGURE 10

U.S. Bank Derivatives Compared to GDP

(trillions $)



Then, you find the fun one here (**Figure 9**), the 300 pound flea on the 40 pound dog. This shows derivatives. Remember, derivatives are gambling side-bets on the financial market; they're not investments, unless you consider gambling a side-bet in respect to Gross Domestic Product.

Now, the crucial point here is simple.

Let's look at the 300 pound flea on the 40 pound dog: equity, assets, of J.P. Morgan. Look what we've got here. Now, derivatives. Look at this! Look at this! There's the 300 pound flea!

What does that mean?

The World Economy is Bankrupt

What it adds up to, is that *the world is bankrupt.* Every central banking system of the world is hopelessly bankrupt. Why? The key indicator is, that we have over $130 trillion equivalent, minimally, of investments in so-called derivatives. Now, the greater part of this investment, so-called, is off-balance-sheet and unregulated, totally unregulated. No one quite knows, because this business goes on, seven days a week, 24 hours a day, through electronic circuits. People sit down with personal computers, plug into the Internet, or similar devices, and they trade. They make trades with all kinds of people, for all kinds of things. They make obligations, which they then peddle, or they trade off on the obligations; they pyramid this. The greatest amount of turnover, of financial turnover, per day, in the world, is *this,* this filth, derivatives, $130 trillion of derivatives. In the United States, we have over $30 trillion on our banking system alone (**Figure 10**). These are all current obligations. This is an amount which is several times greater than the total GDP of all nations combined!

Now, if your current obligations are several times greater than your gross annual income, what do you call that? Bankruptcy! Every banking system, every financial system in the world, is bankrupt. Which is why Bob Rubin has to say, "Not a nickel to bail out the banks." Because, what happens if you try to bail out the banks? It's a bottomless pit. What happened with Japan? Japan is now going into a Weimar hyperinflation-style pump-priming, to try to bail out the banks. On Wall Street, in order to try to politically manipulate and massage the stock- exchange figures, to manipulate the minds of dumb Americans, to get them for one last round: they pump money, in a hyperinflationary mode, into the financial system, in order to leverage, to build up a growth in the price of equities. And people believe it!

Well, what does that mean? It means that, when push comes to shove, when this collapses, *you can not pay off any of this.*

Now, suppose you had a private bankruptcy. You have a firm, or take a bank—"bankruptcy" is named after "bank"—what do you do? What do the auditors, what does the government do? You have to come in and sort out the garbage. You have to decide what, in terms of *policy,* you will pay or guarantee—that is, you may not be able to pay out the savings, but you're going to guarantee them, so people now have that saving as a credit, which can be used. You will find certain assets

which, in a recovery, will have a certain value, so you may freeze those assets, and wait for the recovery. But, you keep those values on the books, because the government thinks they're reasonable, that there will be a recovery, and that these things will come back to their proper value. So, you simply set prices.

Now, you come to the real garbage, which is sitting there at the back of the line. "Buddy, you'd better go home. There's not going to be anything for you, now or ever." We're going to have to wipe off the books, over $140 trillion of dollar-equivalent value, of current financial assets. There's nothing we can do about that! That decision was already made, when we let it become like this. There's a consequence. If you're a drunken driver, and you keep driving, you're going to be killed! Don't blame the accident for your getting killed; blame yourself, for being a drunken driver. If you're doing this, and you're doing this for years, and you come to a catastrophe, don't blame anybody else; blame yourself, for doing that. We have no one to blame but ourselves for this mess. The blame lies with what we allowed ourselves to believe, or to tolerate, over the past 30 years. We tolerated changes in policy, which no sane government or no sane people would tolerate. The accumulated effect of these changes has been to produce that effect: The economy is bankrupt. The banks are bankrupt. So, you have to shut down the banks!

Now, what do you do?

We've done it before: You have a general bank reorganization. The local East Oshkosh bank is necessary, so we keep it in business. But, you say, "It's bankrupt." No, we'll keep it in business. We'll put it in reorganization, receivership. The banker will sit there, the depositors will be assured that their deposits are covered. We will continue to service the community, which you must do. We will supply Federal credit, to make sure that this bank is able to function, has something to give to keep the community alive! Because social policy is the question here: Are you going to keep communities alive, or are you going to write people off?

That's what we did in the 1930s, what Roosevelt did: Find ways to keep people employed, to keep them fed, keep things moving, and, while you're doing that, build a recovery, which will solve the problem. And, we're going to have to do that.

And, what the problem is in Washington, and elsewhere, is they don't have the guts to face up to this. In Japan, as you see in the case of Sakakibara, the minister—he's said things which show, and I know personally, from my contacts in Japan, they know what this is about. I warned, when I was on a trip to Japan in 1995, I met with leading circles in Japan; I warned them exactly that this was going to happen. They all *knew* it was going to happen, and it *did* happen. And some of them won't talk to me now, because they lost face, because they opposed me then. It's a very embarrassing thing, this face-losing thing. Who cares? They were wrong, so what? They don't lose face; if they correct their errors, as far as I'm concerned, they're as good as gold.

But that's the problem.

So, what are they doing? They are politically so involved in bailing out banks that cannot be bailed out, that they're willing to destroy their whole economy, in a great mass *seppuku,* in order to save face for the banking system. And they'll destroy, not only themselves, but they'll destroy, if they're able to, they'll destroy Southeast Asia and other things as well.

This is insanity. You have the same insanity here. "Oh! Oh! Oh! You can't *do* that!"

That's the difference between a leader and a weakling; that's the difference between a commander, in the tradition of von Schlieffen, and a muddler, who averages the risks, who loses wars and other things, like young von Moltke. That's the difference.

A Recovery Program

Now, the key thing here, is this: recovery program.

We've been working on this for a long time; I've always known how to do this, at least in my adult life, most of my adult life, I've been working on it.

Let's go back to Lazare Carnot, a great commander, one of the best. A great scientist, great military commander. He devised, as I said, the Machine-Tool Principle. And it looks simple on the surface, but it's more complicated than that, because he was a great geometer, among other things. But essentially, what the French were able to do, among other things, is to mass-produce mobile field artillery. Now, this was done by machine-tool standardization of construction, assembly. And thus, the French were able to mass-produce mobile field artillery. Now, if you know the methods of warfare at that time, if you could turn up on the field of battle with mass field artillery, you can control a lot of things; you can sort of reshape the terrain. And these were among the things that changed things.

At the end of the Napoleonic Wars, people left France—patriots. Some of them came to the United States. They ended up, in part, at West Point Military

Academy, or at least advising West Point Military Academy, particularly during the period of Commandant Sylvanus Thayer. What they brought, is the Monge program of mathematical and engineering training: the greatest source of engineers, which made our military excellent, that the officers were trained to be engineers, not slobs. And the Corps of Engineers was a product of this kind of training. So, we had an engineering capability which, in that period, the period following the War of 1812, and Thayer, and afterward, came to be centered in West Point. When Annapolis was created, largely under the influence of Alexander Dallas Bache of Philadelphia, who was a confidant of people like Alexander von Humboldt, as well as Gauss, it was created on the same basis: of creating a naval engineering, scientific capability, as the basic program in the establishment of a naval academy at Annapolis.

Along came the Civil War; the United States had been kept backward, and actually somewhat retreated, as a result of the influence of the Southern slaveowner faction, together with the New York bankers, on the economy. We got into a war; the Southern slaveholders had absented from the government, so the government was now free to make decisions without consulting the slaveholders, because there was a war between the two forces. Under these conditions, Lincoln, advised by Henry Carey, set into motion a program of rebuilding the economy for war, and for other purposes. And in that process, as I said earlier, from 1861 to 1876, the United States emerged as the world's leading economy, in economic strength, as well as the most technologically advanced economy in the world.

Why?

Because the U.S. program, which was based on collaboration with people in Germany, such as Gauss and Alexander von Humboldt, German science, and was based at the same time on the influence of the French Ecole Polytechnique, and the program introduced at West Point, in engineering. The United States was able, very quickly, with these cadres and with this science, to create a machine-tool-design industry, which enabled the United States not only to produce the logistics of warfare, but to make a revolution in economy in the same process, a revolution which continued beyond the war itself. That became known as the American industrial model.

The key thing is this: What defines an economy—and I'll indicate what the relevant implication is—what makes an economy successful, is long-term investment in increasing the investment in means of production, in infrastructure, and in people, per capita and per square kilometer. This means a large capital accumulation in these areas.

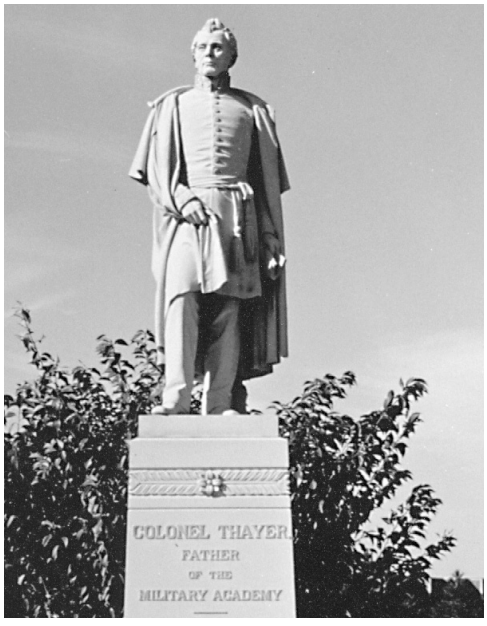
That's the problem that China now faces, in trying to deal with an employment problem, a continuation of its employment program, in light of the fact that there's not going to be any foreign capital coming in to China, as they expected earlier last year; it's not going to be coming in. So, China has adjusted its policy to fit the reality of the world crisis. Now, they're going to have to rely on internal infrastructural programs, rather than what they thought would be a transformation aided by large influxes of foreign financial investment. It's not there anymore. So the Chinese, being very intelligent people, have done the intelligent thing. The leadership, Zhu Rongji, the new Prime Minister, is part of this, and they made a change in their policy, which is not a change in policy, because China's policy is *to survive and grow.* And deal with security problems. So, they're going to continue to deal with the policy of survive and grow, under the program of reform with Chinese characteristics; that's going to go on, but they have to adapt that policy to the weather conditions, and similar conditions, that hit them. And, they're going to do that.

Now, how is China going to sustain a very large investment of employment of previously marginal labor, in new industry? How is it going to do that, and avoid unemployment? How are they going to empty the parasitical aspects of the industrial rice bowl from the state industries, and put some of the people who are living on the industrial rice bowl out to employment in new industries? How are they going to do that? This is going to be a very large infusion of capital, of social capital, into this expansion of employment, under conditions where the world financial markets are collapsing. How is China going to do that?

Well, it's very simple. If you do not have a large factor of technological progress, you *can't* do that. You can only do that with high rates of technological progress. Now, how does technological progress occur, and what is China's problem, and how do we fit in with this, in this case?

The Secret of Modern Industrial Economy

The secret of modern industrial economy is scientific and technological progress. How does that work? Well, you have to improve the infrastructure; you have to build water systems; you have to build power systems; you have to build transportation systems, which



The tradition of France's Ecole Polytechnique was influential in the United States via such institutions as West Point and the U.S. Army Corps of Engineers. Left: The Army Corps of Engineers' construction of the Bonneville Lock and Dam Project, near Portland, Ore. Above: West Point Commandant Sylvanus Thayer.

is largely a state responsibility. This has never happened adequately except under the direction of government. You can not build transportation systems, you can not build power systems, you can not build water management systems adequate to the needs of modern society, except as the economic activity of government, which may farm some of this stuff out to private interests, as we did with our utilities industry. But it is government's responsibility to have this done and to regulate it. Otherwise, no economy. "No hands, Ma!"

The government's responsibility is also to foster a system of education and scientific research, which will create scientific progress, and will create a population, unlike the Russian civilian population under the Soviet system, which is capable of assimilating technological and scientific progress at high rates of efficiency. That's not so easy.

Thirdly, the government must provide the means for fostering the realization of scientific research and this educational program, in terms of investment of this technology into farms, industries, and so forth.

The result of that will be, of course, an increase in the productive powers of labor per capita, and therefore, the trick in this is to get a sufficiently high rate of increase of productivity, to offset the otherwise increasing capital costs of your employment program.

The Machine-Tool Principle

Now, what's the problem then? The problem is, this requires a very highly developed machine-tool-design industry. What is a machine-tool-design industry? Let me walk you through this issue, very quickly, in this concluding section.

Since the middle of the Fifteenth Century, the idea of science has been revolutionized—what we call science today, or what competent people call science today, is not what people thought science was generally, prior to the Fifteenth Century—as a result of the influence of the work of one man, Cardinal Nicolaus of Cusa, and a series of his writings, including a work called *De Docta Ignorantia,* published in 1440, which created the idea of modern experimental science, and also some of the principles of that.

This work, for example, was studied by Luca Pacioli, who was the patron of Leonardo da Vinci, and studied extensively by Leonardo da Vinci. This was the work which, directly and indirectly, shaped the thinking of Johannes Kepler and of William Gilbert and

others, who were the founders of modern science and modern technology.

The basis of modern science, is so-called experimental physical science. What does that mean? If you are given a problem, a crisis, you say, "The figures don't jive. The experimental evidence shows that what we believed to be true, is not quite true. There's some error in what we think."

So, you take this and you think about this, that is, the scientists. And you say, someone says, "Well, I think I've discovered a principle." And a group of people agree: "Yes, that is a valid discovery. We go through the same exercise, we come to the same conclusion. You're probably right."

Now, what do you do next? What you do, is you go to a very sharp machine-tool designer—or you may do it yourself, because you have that capability—and you build an experimental apparatus. It may be a new kind of telescope, it may be something else. But, you build an apparatus which is designed to test that principle you think you've discovered.

Now, when you have completed a successful test, and have proven the principle is valid, by scientific standards, what have you got? You've got a refined machine experimental design, which is a machine-tool design. Now, the application of that design to any field of application, results in the generation of a technology which can be copied from the experimental apparatus, and put into designs of products and designs of industry. This is true in chemistry, it's true in astrophysics, it's true in every other department.

So, therefore, what you require, is a relationship between a government-steered program of scientific research and advanced education development which is science-oriented, in particular; a relationship between that, and experimental apparatus builders, to a machine-tool-design industry. The machine-tool-design industry turns technology into what? It turns designs into designs of products, improved designs, and new kinds of products. It turns these same principles into new conceptions, and new kinds of productive processes.

The result is, that with less labor, you get better result and more result. As a result of this transformation of ideas from the creative mind of man, of educated man, of developed minds, you get a transmission through the machine-tool industry, into the average practice of life, of daily life. And if you invest in this process, if government says, "We will give preference to the promotion of investment in useful inventions, we will sponsor entrepreneurs who will do this, we will give them cheap credit"—as we did during the war. We supplied machine tools to all these guys who were bankrupt, and that's how we got our war machine. You could go around and find machine tools all over the United States: "U.S. government property" all over them. And, that's how we produced. The government subsidized it. And, that's how we built the great recovery of the postwar economy.

The problem, then, in Asia, is what? There are only several countries in the world which have, today, an adequate or reasonably adequate machine-tool capability. We don't really have an adequate one. These are the United States, which traditionally was a machine-tool country, after 1861-1876. We were the beginners of this policy. Actually, it was begun by Lazare Carnot, but we became the first ones to develop an entire economy, based on a machine-tool-design principle.

We've lost that. We destroyed it. We can no longer make a space shot the way we—the same space shot we made in 1969. We lost it! We lost it ten years after that. We couldn't replicate that any more. We've lost essential industries necessary to do that.

The other country, the leading one, is Germany. The other leading country, is Japan. You have a small one in Korea. You have something in Austria, you have something in Switzerland, a bit in Italy, some in France. But generally, the machine-tool powers of this planet, are traditionally the United States, Germany, and Japan.

Now, in the Soviet Union, and now in Russia, we have fallow what used to be called elements of the scientific military-industrial economy, which is the only section of the Soviet economy that really worked, where you had scientists who were taking crap produced by the civilian economy, and making effective weapons. This was a scientific-driven, machine-tool-technology-driven military. The famous Soviet superweapons all came out of this kind of stuff. This is fallow, it's not being used; it can be revived.

But then you go to China: a great part of the human race, 20% of the human race. Go to India, which is going to have a larger population than China in a few years, by the end of the century. Go to adjoining countries like Pakistan, Bangladesh. Go to Southeast Asia: Indonesia, the fourth-largest country in population in the world. What do they have, in terms of machine-tool capability? Not quite zilch, or quite zilch.

China has a deficit in machine-tool capability.

What is the strategic economic interest of the United

States, Germany, and Japan, and so forth, if they're using their heads? China has a problem. China does not need vast amounts of money-capital flowing from the United States into China. They don't need it. What they need, is sufficient access to a machine-tool capability, and to developing their own machine-tool industry, to expanding it, to enable them to convert high rates of employment—the capital investment in new employment—into a sufficiently rapid rate of increase in productivity, so that this capital investment does not become a crushing force.

Therefore, we, who represent the pinnacle of European civilization, who have embedded in us, at least traditionally, this machine-tool capability: Our vital interest is to establish collaboration with the most populous section of the world, which is largely concentrated in East and South Asia, and to enable these people, who desperately need this kind of assistance, to import precisely what we should be exporting.

We should not be exporting shoes, we should not be exporting consumer quantities of this junk. We should be exporting what they really need, as sovereign nations, for a sovereign future. We should be developing a global partnership for the equipping of the entire planet with a machine-tool capability adequate to meet that need.

The Eurasian Land-Bridge Program

Let me just indicate some other things that go with that. The project to unify this, that I've proposed, my wife has worked on, and others have worked on, is called the Eurasian Land-Bridge program. It's sometimes called the Silk Road program. We developed this over a number of stages during the 1970s and 1980s. In 1989, we launched it, in one form—my wife and I, and several others—launched this package, which became first known as the European Productive Triangle. And then later, beginning 1992, my wife negotiated, or had discussions with people in China, on this policy. And this was based on looking at some of the problems in the former Soviet Union, and looking at China, and saying, "Here is a common interest to develop the undeveloped and underutilized great area of Central Asia, which can only be done by this kind of method. And this is something which is in the common interest of China, of Europe, of the former Soviet Union, as well as the United States. So, therefore, we should make this process, which connects the largest parts of the world population to industrial development, and takes the largest area of undeveloped area, outside of Africa, and converts that into an area of growth, of global growth."

Now, what's needed, is several things, changes.

We need high-speed transportation. We're talking about thousands of miles. You're talking about the U.S. transcontinental railroad system, as it was understood by Lincoln, developed on a Eurasian scale, involving not a few million people, tens of millions of people; but, we're talking about *billions* of people. We're talking about the greatest growth on this planet for the next century, if we do it right.

This means new transportation systems, such as high-speed magnetic-levitation rail systems, instead of friction rail systems. This means tremendous amounts of power. We have it: high-temperature nuclear reactors of a new type, the HTR type, which are being mass-produced, or serially produced, in China, and which could be serially produced—of German design—which can be serially produced in other countries. You can find the nuclear energy.

We need vast water management. This area is technically water-scarce. We can solve some of the problems by water management. We also are going to have to change the ecology of the planet. We're going to have to desalinate vast masses of seawater in coastal areas, and save the upriver rainfall for the upriver needs. We're going to have to pipe mined freshwater—mined from oceans, as well as managed from rivers—into areas which are deserts, like the great deserts of Central Asia. We're going to have to do the same thing with Africa. And, that's what's needed.

These are great projects which, in terms of their economic impact, are equivalent to a mobilization for general warfare, in which you have the economic benefits, which we are accustomed to having, from technology and otherwise, from large-scale mobilization for general warfare. We are going to have to transform, increase our own ability as machine-tool powers. We're going to have to revolutionize our educational systems, to become science-oriented again. We're going to have to develop machine-tool capabilities in countries that need it, in partnership with us.

There's going to be a need for food. There are various ways we can meet the need for food in Asia. The great way to meet that need, is Africa. *Africa is at present the greatest potential food-grower on this planet.* That is, it has the greatest area, which is designated operational agricultural land, which, if suitably developed, could very readily become a great surplus food producer.

If you develop a transportation system of this type, and link the so-called Silk Road, or Land-Bridge

system, through Egypt, into a rail link in Africa, which we could build for them—We don't have to charge them anything. The benefits are so great, just give it to them. They don't have any money, so give it to them. Because the benefits, the payoff is tremendous. Once they have that kind of system, then the food-growing potential of Africa becomes tremendous, and that becomes a basis for rebuilding Africa, and giving it that initial start, that kick-start it needs to enter efficiently and fully into modern society.

So, we have before us, two alternatives. We have, on the one hand, the prospect, if we don't do what we have to do, of a New Dark Age descending upon all of mankind, a Dark Age whose best paradigm, for purposes of comparison, is the Dark Age that struck Central Europe with the collapse of the Lombard banking system in the middle of the Fourteenth Century. And that can happen planet-wide, which would mean about two generations or so of New Dark Age throughout this planet, with the world's population perhaps collapsing to levels of the several hundred million which was the world population level during the Fourteenth Century. That's a likely prospect.

On the other hand, if we cooperate with these countries of Asia, to create a just new world economic order on the ruins of a bankrupt system, and engage in great enterprises of the type which we've conducted before, to develop Eurasia, and to bring justice to Africa at last; if we do these things, then the Twenty-First Century can be the brightest century of human existence. Because, by these means, by bringing people into this process, we have the opportunity to establish as universal, a principle which *is* universal: the principle that all persons, man and woman, are each made in the image of God, and must be afforded a condition of life in society, an opportunity which is consistent with a being of such qualities, and to develop and perfect our political systems, to bring them into accord with that objective.

This next century can be the most glorious in the existence of mankind to date, or, it can be the most awful. The decision lies now with us in 1998: Can we summon the leaders, and the leadership, to do what many people, still, at this moment, would consider unthinkable? To maximize the risk, rather than spreading and minimizing it? And, by maximizing the risk, as the great commanders in warfare, to win the war, whereas those who minimize the risk are sure to lose it.

Thank you.

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