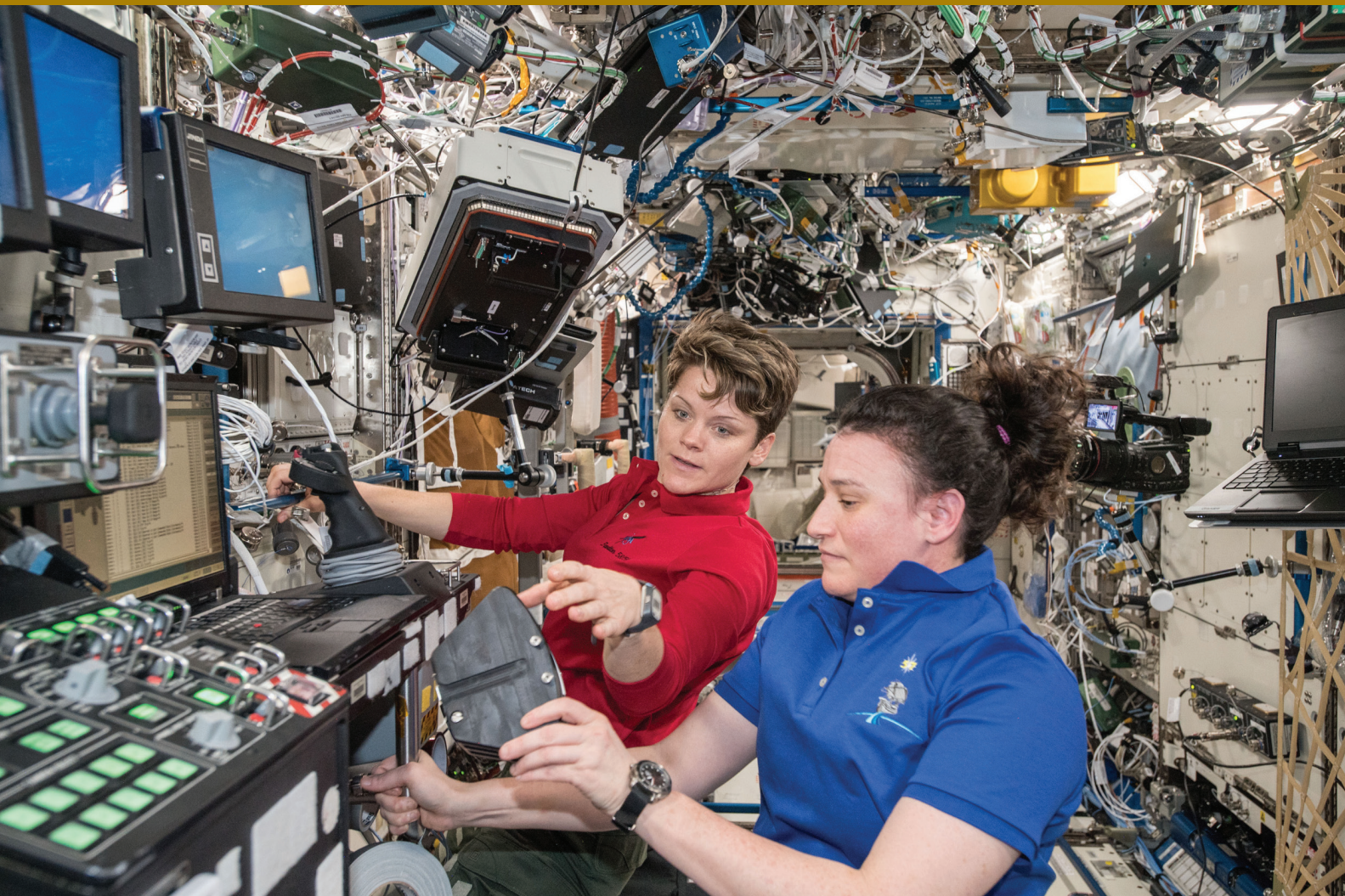


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## A Spacefaring Species Can Conquer All Challenges





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# A Spacefaring Species Can Conquer All Challenges

## EDITORIAL

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# The Fight Is On

Aug. 29—To wait until the next financial crash hits before launching an all-out, tooth-and-nail fight for the LaRouche recovery program, would be to wait too long. If we are to succeed—and there is simply no choice but to succeed—we must begin now; today. Over the coming days and weeks, we are going to bring this program, not just to the Federal Congress, but to state legislatures, county government bodies and city councils, as well as trade unions and other groups. All Democratic Presidential campaigns will have to address it. We will do all this to ensure that LaRouche’s recovery plan becomes law under this President, with his support, before the world is catapulted into a new, worse depression than that which began in 2007-08.

If that new depression is allowed to unroll, along with the wars that will likely accompany it, what will be left of humanity before it ends? No one really knows.

The recovery plan relies on the proven expertise of the world’s pre-eminent economic forecaster of the 20th and 21st centuries to date, the late Lyndon H. LaRouche, Jr. (1922-2019). But to join us in leading this fight, you must master the basics of the plan for yourself—as we will help you to do through classes and discussions, beginning here.

The plan has two overlapping parts: domestic and international.

The domestic part was summed up by Mr. LaRouche on June 10, 2014 in his “[Four New Laws](#) to Save the U.S.A. Now!” Although that paper has vast implications, it is only four pages in length, and should be read in conjunction with this editorial. But to summarize the four laws for our purposes here:

The First Law is the re-instatement of Franklin Roosevelt’s Glass-Steagall law, to separate out Wall Street’s speculative junk assets from what must remain as a viable commercial banking system. Only honest banking, not speculation, will get Federal support if needed. This, rather than \$23 trillion of bailouts for Wall Street’s gambling debts, was the first step that should have been taken in 2007-08. This time around, the bad gambling debts will simply be split off and written down, in a way which does no harm to the real economy.

The Second Law calls for “a return to a system of top-down, and thoroughly defined as National Banking,” referencing the model of President Lincoln’s “Greenbacks” policy. That is, the credit which the Federal Reserve and our current, sick banking system refuse to provide for uses such as industry and agriculture, will instead be provided at low interest by a Federal institution under the U.S. Treasury, subject to the limitation which follows.

The Third Law specifies, “The use of a Federal Credit-system is to generate high-productivity trends in improvements of employment, with the intention to increase the physical-economic productivity and standard of living of the persons and households of the United States . . .”

The Fourth Law calls for a crash science-driver program to achieve controlled thermonuclear fusion power, and a Moon-Mars mission leading to human colonization of Mars. Only such science-driver crash programs can provide the leaps in productivity, through scientific and technological spinoffs, which can revive our economy after decades of decay. (At the



same time, this requires concurrent crash-programs of education of our largely wrecked youth and our labor force.)

The international component of the LaRouche Plan is integrally an inseparable part of it. It calls for the “Four Powers” of the United States, China, Russia and India to initiate the creation of a new world credit system (not monetary, but credit system), to replace the failed speculative financial system of the City of London, Wall Street, and the IMF. LaRouche called this the “New Bretton Woods System,” because it echoes the intention Franklin Roosevelt had for the original Bretton Woods system, while also learning from the errors committed back then.

The system will be oriented especially towards development credits which will allow massive, high-technology capital-goods exports from the “advanced” sector to developing countries. This way, both sectors will become prosperous together, as Roosevelt intended. Otherwise, like the original Bretton Woods, it will be a gold-reserve, dollar-based system of relatively fixed currency parities—without which long-term, low interest credits are impossible.

Most (but not all) contemporary historians blind themselves to the abundant evidence that Roosevelt’s

whole approach began with these questions of international development. A major article concerning Brazil by Richard Freeman in this issue of *EIR* will set this straight.

As we campaign for LaRouche’s Plan, we will also campaign for LaRouche’s exoneration from the false charges on which he was convicted in 1988 and imprisoned for five years.

In spite of his demonization by major media, which nevertheless insisted that he was insignificant, after eight Presidential campaigns with numerous television infomercials, combined with the mass circulation of some of his writings, Lyndon LaRouche has a massive support in the United States. The proverbial 99% of these supporters are not members of any organization publicly associated with LaRouche, but they tend to be the organic leaders among their friends and associates. Alongside these older generations, many students are becoming newly acquainted with LaRouche’s ideas on campuses around the country, even now as you are reading this.

It is time now for the older veterans to join alongside the young recruits for the sort of relentless, no-holds-barred campaign rarely if ever seen in this country—one we must win whatever the odds.

## Cover This Week

NASA astronauts Anne McClain (behind) and Serena Auñón-Chancellor in the International Space Station training on the robotics workstation ahead of the rendezvous and capture of a SpaceX Dragon cargo ship on December 8, 2018.



NASA

### A SPACEFARING SPECIES CAN CONQUER ALL CHALLENGES

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[Watch](#) **The LaRouche Case** video

[Watch](#) **the LaRouche Memorial** video

[Sign](#) the Petition to Exonerate LaRouche  
at [lpac.co/exonerate](http://lpac.co/exonerate)

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# I. Dispatches from the Global Battlefronts

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SCHILLER INSTITUTE SEMINAR

## The Role of the Belt & Road in Peace and Stability in West Asia and Africa

by Harley Schlanger

Sept. 2—The Schiller Institute hosted a high-level seminar in Berlin, Germany on August 29 to provide a report on the true significance and substantial progress of the Belt & Road Initiative (BRI), especially regarding developments in Southwest Asia and Africa. Forty-five people attended, including representatives of Germany’s *Mittelstand* (small and medium-sized industries), the diplomatic community, and other institutions. A visiting delegation of scholars from the Chinese Academy of Social Sciences (CASS), an important academic organization and research center, presented papers on the role of the BRI in stabilizing the region through economic development. A common theme of virtually all presentations was that for peace to be achieved in this region, a commitment to real economic development is necessary, centered on advances in science and application of new technologies.

Moderator Stephan Ossenkopp of the Schiller Institute opened the event by emphasizing that there is an urgent need for a “rational dialogue” on what the Chinese are actually doing, as

opposed to the negative reports in the western media. The BRI is not a unilateral, imperial project, but one which is comprehensive and inclusive.

### Zepp-LaRouche Keynote

The keynote, from Helga Zepp-LaRouche, the Chairwoman of the Schiller Institute, expanded on this theme, noting that the BRI is “the most important strategic policy on the agenda.” The speed of its growth in



Schiller Institute/Harley Schlanger

*Speakers at the Schiller Institute seminar. Front row (left to right): Claudio Celani, Helga Zepp-LaRouche, Prof. Tang Zhichao, Prof. Yu Guoqing, Dr. Wei Liang, Prof. Wang Qiong. Back row (left to right): Stephan Ossenkopp, Hussein Askary, Dr. Zhu Quangang.*

the last six years has been amazing and it is of particular importance for rebuilding the war-torn nations of southwest Asia, and overcoming the suppression of nations in Africa, where Europe could have contributed to the industrialization of Africa, but has not.

Instead of allowing the opponents of development to turn China into an “enemy,” the truth of what China is doing needs to be more broadly known and understood. The Belt and Road Initiative is necessary for peace and stability, and should be joined by western governments, especially the United States.

Reviewing the present strategic crisis, which has worsened due to the unleashing by the British empire of destabilizations around the world, including against China and Iran, Zepp-LaRouche said that Europe has an important role to play, if leading nations are to free themselves from their geopolitical strategic orientation.

She spoke of the tremendous potential for German *Mittelstand* companies to engage in joint ventures in third countries, noting that the policies of the present government do not favor that potential. She emphasized that key to creating change in the trans-Atlantic region is to inspire optimism, to particularly emphasize the potential unleashed by the new initiatives in space exploration. We must think at least fifty years ahead, she said, and reject the pessimism that is being spread by the Greenies and the financiers who back them.

### Chinese Presentations

There were five speakers from the Chinese Academy of Social Sciences (CASS). Prof. Tang Zhichao, the leader of the delegation, spoke on “China’s Concept on Security and Middle East Security,” providing a broad view of the BRI approach to the subject.

He was followed by Prof. Yu Guoqing, who spoke on the topic, “BRI and the Peace Between Palestine and Israel,” emphasizing the importance of economic development for Palestine, which is essential to realizing the two-state solution to the ongoing crisis. Prof. Wang Qiong addressed the “BRI in the Gulf Coopera-



Schiller Institute/Jonathan Thron

*Dr. Zhu Quangang, Assistant Research Fellow, Division of International Relations Study, Institute of West Asian and African Studies at CASS, making a point during his presentation on the BRI in Egypt and China-Egypt cooperation.*

tion Council and Gulf Security” and Dr. Wei Liang, “Iraq’s Reconstruction and China’s Role,” in which he highlighted the difficulties in rebuilding a nation subjected to a war that had destroyed much of its infrastructure. Dr. Zhu Quangang spoke on “BRI in Egypt and China-Egypt Cooperation,” presenting an optimistic evaluation of how the cooperation between the two states has provided tangible benefits.

Other Schiller Institute speakers were Hussein Askary, co-author of *Extending the New Silk Road to West Asia and Africa*, a book-length [report](#), who gave an impassioned account of the progress of the BRI in the two regions, and Claudio Celani, whose [report](#) on the Abuja, Nigeria conference on Lake Chad and Transaqua provided a concrete picture of what is possible with international cooperation—but also the obstacles created by international financial institutions and their geopolitical strategies which must be overcome.

There were questions from the audience after each presentation, evidence of a hunger for real solutions and a desire to draw out more of the thinking of the representatives from the CASS. Several questions were directed to Helga Zepp-LaRouche, including one on Malthusianism, another on the India-Pakistan crisis. A lively discussion continued after the formal proceedings concluded.



# The Bank of England's Attack on the Dollar Could Be Defeated

by Paul Gallagher

Aug. 31—Bank of England Governor Mark Carney's statement last week, at the Jackson Hole, Wyoming Federal Reserve conference, that the dollar should be replaced by a digital world currency run by the major central banks, was a declaration of intention by the big central banks of Europe to put *monetary* policy completely out of the reach of national governments. As discussed below, China and the United States could use their sovereign power as nation-states to roll back that attack.

Put Carney's shocker together with the other "regime change" proposal made at Jackson Hole by the huge Wall Street fund, BlackRock LLP: This was that the Federal Reserve and other central banks should take over *spending* policy from national governments and should simply print new currency for spending purposes as they—and their unelected "committees of experts" see fit. The BlackRock scheme was also put forward by veteran governors of the Fed, Bank of France, and Bank of Canada, all of whom are currently BlackRock executives.

The policy amounts to a "proposed" global dictatorship over *economic* policy, and the issuance of currency, by central banks which represent the largest London- and Wall Street-centered too-big-to-fail behemoths. Some try to "interpret" Carney's British imperial attack against the dollar's role in trade and investment, as a proposal to study, for some time in the future; but his own speech claimed that it was necessary now. And he used as a model, Facebook's intention to introduce a worldwide, private digital currency—next year. Though the U.S. Congress is trying to stop Facebook from introducing the so-called "Libra," Carney offered encouragement for such a scheme, saying, however, that the central banks—led by the Bank of England presumably—should run it.

Carney's claim of validity for his outrageous proposal was that in spite of everything the central banks had done since the 2007-08 crash—reducing interest

rates to zero and below zero, and bailing out the biggest banks with \$15-plus trillion in no-cost loans and money printing for their reserves—they can't "stimulate" either inflation or aggregate demand to produce economic growth. In fact Lawrence Summers, the former U.S. Treasury Secretary, who was at Jackson Hole, acknowledged that zero and negative interest rates discourage investment, aggregate demand, and economic growth.

But Carney placed the entire blame for the central banks' self-created incompetence and failure to stimulate growth, on the strength of the U.S. dollar. The central banks haven't been able to "inflate" the dollar—lower its relative value—he said; therefore, replace it with a digital currency over whose printing and spending the central banks would have fingertip control.

The Bank of England chief could consider that the wild speculation fed by the \$15-plus trillion in bank bailouts since 2007, was the reason they have lost control. Global currency trading was about \$2 trillion a day in 2004 and is now at about \$5.5 trillion a day; 99% of it is speculation in currency values altogether unnecessary for trade purposes.

But Carney at Jackson Hole admitted no role for this.

As to what the central banks would do with such complete control of currency issuance and spending: Hyperinflationary "green new deals" top their agenda, and Carney's personal agenda as instigator in 2017 of the "Green Finance Initiative" of 24 central banks.

## What America and China Could Do

The U.S. dollar is overvalued. President Donald Trump clearly knows this and is upset by it, in particular relative to the Chinese yuan currency, as disadvantageous to American manufacturers and exporters of industrial and farm products.

But the President is playing directly into the hands of the European central bankers' attempted coup, when



WEF/Greg Beadle

Mark Carney, Governor of the Bank of England.

he demands that the Federal Reserve adopt their negative interest rate policy, which stifles productive investment and encourages London's and Wall Street's unregulated and "off-balance sheet" speculation. He is not acknowledging why the dollar is too strong.

There is the immense \$5.5 trillion daily volume of unchecked and unregulated currency speculation noted above. There is the central banks' incompetent negative interest-rate policy, which makes even record-low U.S. Treasury interest rates look "high" by comparison. These are the major reasons for the overvaluation of the dollar.

The dollar's overvaluation is underlined by the fact that labor productivity in China, according to standard measures, has been growing more than twice as fast as in the United States for nearly 30 years. This should have continuously strengthened the value of the yuan against the dollar. Simple labor productivity has grown every year, beginning in the 1990s (average growth rate 6.5%/year in China vs. 2.7%/year in the U.S., since 1992), as has "total factor productivity," which attempts to measure the impact on growth of technological progress in industry and in building new economic infrastructure (average growth rate 3.16%/year vs. 1.6%/year).

With China's recent decades of very large and continuous investments in new, high-technology infrastructure—and the innovations and breakthroughs necessary to build it—this stronger productivity growth is not surprising, and points to the overvaluation of the dollar relative to the yuan.

We can illustrate the same overvaluation through another basic comparison. The average income per capita of an individual in the United States is about two and one-half times that of a person in China. But if the American were to somehow receive that American average income in Chinese yuan—at the recent exchange rate between the two currencies—and spend it while living in China, his or her "local purchasing power" would be, not two-and-a-half times, but just a little under twice that of the average Chinese earner next door (according to the CEIC Data firm in Hong Kong, the Organization of Economic Cooperation and Development (OECD), and others whose studies of purchasing power in the two countries basically agree).

Thus, purchasing power and productivity growth comparisons both suggest that uncontrolled speculation has carried the relative value of the dollar too high.

These facts indicate that the United States and China could make a nation-to-nation agreement *at any time* to establish a *fixed exchange rate* for their currencies with an up-valuation of the Chinese yuan, and the removal of

their new tariffs and tariff increases of the past 18 months.

They could keep the new currency exchange rate stable by establishing exchange controls to stop the speculative inflows and outflows of currency.

And both nations could establish a strict Glass-Steagall separation of commercial banking and lending, from speculative trading and derivatives activities of investment firms and hedge funds. These speculations put tremendous pressure, not only on currency exchange rates, but also on interest rates. And since 2006, this has been almost continuously downward pressure, as the speculators have profited by riding along the central banks' policy track.

China has legislated "Glass-Steagall" separation since 1994, but the regulations of it have been loosened and need to be re-established in full. The United States Congress has pending legislation to restore the Glass-Steagall Act, which requires the President's encouragement to move.

As presidential candidate Donald Trump proposed in 2016, "Pop the gigantic bubble on Wall Street," and later, "Enact a 21st-Century version of Glass-Steagall."

### A New Credit System

Such a U.S.-China agreement on fixing exchange rates and separation of speculative banking from commercial banking, if made with the mutual intention of reversing the currently worsening trade war, would increase both the ability and the incentive for China to invest some of its foreign exchange holdings alongside American investors in a U.S. national credit institution for new economic infrastructure in the United States. These are two of the basic principles—"new economic laws"—laid out by Lyndon LaRouche in 2014 as "not an option, an urgent necessity." Those principles include re-establishing the Glass-Steagall principle and creating national banking institutions for investment in infrastructure and manufacturing on Alexander Hamilton's principles.

A U.S.-China agreement would effectively invite other major economic and technological powers to join in a new international fixed-exchange-rate system to replace speculative flows with investments in new technologies and capital goods, particularly into developing countries.

They would be taking firm control of the issue and circulation of their own national currencies, as in the United States is required by Article I of the Constitution. This would block the plan of the European central banks, as revealed by Carney and by BlackRock LLP at Jackson Hole, to take over with the issuance of a world digital currency, and to order how it is to be spent.

# European Union Globalists Pursue Regime Change in Italy

by Claudio Celani

Sept. 2—The globalists of the European Union are attempting to implement regime change in Italy. In May of 2018, the newly-elected Italian Parliament voted in a “[government of change](#)” composed of the populist parties “Lega” and “Five Stars” (*Cinquestelle*). After Brexit and then the election of Donald Trump, this was the third major signal that voters had rejected globalization. The two parties in the new government led by Prime Minister Giuseppe Conte had both strong differences and strong common elements. They struck an agreement based on a deal: I let you implement elements of your program that I don’t like, and you do the same for me. This “yellow-green” government brought fresh air into the decaying European Union (EU), by its simultaneous rejection of austerity in economic policy, and of geopolitics in international affairs.

One of its major achievements was a [Memorandum of Understanding](#) with China, which gave Italy a leadership role in Europe with respect to China’s Belt and Road Initiative. Prime Minister Conte also got along



*President of the Republic Sergio Mattarella (left) with Prime Minister Giuseppe Conte, after asking Conte to form a new government, August 29, 2019.*

very well both with Donald Trump and with Russian President Vladimir Putin.

The EU, the European Commission, and Italy’s “partners,” especially the governments of France and Germany, immediately declared war against the new government and plotted to overthrow it. They ultimately succeeded, because, as often happens, they found a traitor.

The traitor was the Five Stars party. Although formally it was Lega head Matteo Salvini who launched the government crisis on Aug. 9, the Five Stars party had already been conducting back-door negotiations with the opposition Democratic Party (PD) for weeks. The conspiracy had become visible when the Five Stars gave the decisive votes in the European Parliament to elect Germany’s Ursula von der Leyen as the new President of the EU Commission on July 16. As their reward, the Five Stars obtained the position of Deputy Chairman of the European Parliament from David Sassoli, European Par-



*Etienne Ansotte*

*Ursula von der Leyen, EU Commission President.*





EU

Matteo Salvini, Minister of the Interior.



UN/Cia Pak

Matteo Renzi, Prime Minister (2014-18).

liament Chairman and leading PD representative.

The platform for that deal was von der Leyen’s radical green agenda to totally “decarbonize” Europe by 2050.

Prominent Lega representative are speaking out now, and exposing that their Five Stars partners in the Italian government had turned against the Lega in this election campaign, at a level that was not compatible with a government partnership. Additionally, Five Stars leader Luigi Di Maio and others had accused the Lega of corruption, and of being akin to what they consider the hated old figures of Italy’s post-war establishment. In a speech in Parliament, Prime Minister Conte, who is nominally independent, but has been close to the Five Stars for years, went so far as to allude to the fake allegations of Lega receipt of illegal Russian money.

### Deal to Decarbonize is EU-Led Genocide

Meanwhile, in the Italian government, the Five Stars were backing Finance Minister Giovanni Tria, a protégé of President Sergio Mattarella, in his decision to draft a deflationary budget, with no place for the Lega demands for more investments, tax cuts, and the famous “[mini-BOT](#)” proposal—monetization of outstanding debt to government vendors.

Perhaps the most serious issue was that the Conte government has been negotiating the reform of the European Stability Mechanism (EMS) with the EU Commission without briefing either Parliament or any Lega member of the government.

The EMS reform, together with the reform of the Stability Pact, is a crucial step in the globalist so-called “integration” of the European Union, towards a fully fledged European government with revenue and budget. The EMS is intended to become a fund which could back government debt, but under strict austerity conditions. So far, Italy has poured money into the EMS which was used to bail out the creditor banks (mainly French and German banks) of Greece, Ireland, and Spain. At the same time, Italy is forbidden to expand its budget to finance investments or social measures. The Lega no longer wants to play this game.

For all these reasons, plus the fact that Five Stars ministers had sabotaged infrastructure projects and the government’s own agreed migration policy, Salvini and the Lega leadership decided to initiate a government crisis rather than join in an austerity budget for 2020.

At that point, the other traitor went into action: former Prime Minister and former PD Secretary-General Matteo Renzi. Renzi did not betray a partner, but he has betrayed Italy by submitting to the EU’s supranational power all along—and for this reason he was voted out by the Italians. However, Renzi still controls the PD representatives in the Parliament, who were elected on his slate, and therefore retains political clout in Italy’s parliamentary system.

As Salvini pulled the plug on the Conte government and called for snap elections, Renzi came out proposing that the Five Stars flip their alliance and form a government with the PD. Renzi’s surge has seemingly sabo-



tagged Salvini's strategy of going for snap elections—at least so far. His offer has been accepted by the Five Stars leadership, which includes founders Beppe Grillo and Davide Casaleggio. The latter runs the Five Stars' "Rousseau" digital platform and is seen as the real *éminence grise* of the movement.

As we go to print, it is not yet known whether outgoing Italian Prime Minister Conte will succeed in forming a new government based on a coalition of the Five Stars and the PD. Conte received a mandate for this from President Mattarella on August 29, but he has still to form a cabinet, which must be approved by the President; draft a semblance of a joint program; and go to Parliament for a vote of confidence. He may yet fail at any of these stages.

What is increasingly clear however, is the EU-steered conspiracy for regime change. If Italy goes to early elections, the Lega will become the largest party, and might even rule without coalition partners. This is a nightmare for the EU dinosaurs, who are complaining about lack of democracy in China, while they suppress democracy at home.

The Lega's allegations of a coup steered by the EU were corroborated by an interview of EU Budget Commissioner Günther Oettinger of Germany, who said the Commission will help the new government of Italy, if it comes into being. Speaking on Germany's SWR regional public radio, August 30, Oettinger said that it is "a good development" if "a new, pro-Europe government" comes to power in Italy. This will marginalize Lega head and former Interior Minister Salvini, "a populist who does politics in a bathing suit." Brussels is ready "to do everything to facilitate the work of the new Italian government, and to reward it," he said.

An August 27 tweet by Donald Trump has been misinterpreted to mean that the U.S. President was blessing the projected Five Stars-PD coalition. He wrote:

Starting to look good for the highly respected Prime Minister of the Italian Republic, Giuseppe Conte. Represented Italy powerfully at the G-7. Loves his Country greatly & works well with the USA. A very talented man who will hopefully remain Prime Minister!

### **A New Paradigm Is Still Possible**

Trump's tweet was not support for that coalition, but more a statement of personal thanks to Conte. Conte, in



kremlin.ru

*Paolo Gentiloni*

fact, has been the only G7 leader—only recently joined by French President Emmanuel Macron—to support President Trump's call for reintegrating Russia into the G7. Trump knows well that the new prospective government partner of the Five Stars has been his enemy ever since Renzi openly backed Hillary Clinton in the U.S. Presidential elections.

There is more: There are suspicions that under Renzi and his ally, former Prime Minister, Paolo Gentiloni, Italian intelligence helped British intelligence in the Russiagate coup-attempt against Trump, as former Trump campaign aide George Papadopoulos has pointed out. Papadopoulos pointed to multiple agent Joseph Mifsud in this connection. President Trump is well aware of it also.

All options are still open. If a pro-EU government comes into being in Italy, it will be a disaster. But it won't last long. Although the Five Stars-PD coalition has a solid majority on paper in the Chamber of Deputies, it does not have a majority in the Senate and will be forced to beg for votes among smaller parties. These will demand compensation. Furthermore, many in the Five Stars and PD parliamentary factions are getting queasy, and there may be surprises when it comes to a vote on issues entailing conflict.

Additionally, many Parliamentary committees are controlled by the Lega, which won't give them up. Among these are the important House Budget Committee and the Senate Finance Committee, which could hinder or even block government economic policies.

# Space Scientists, Engineers Call for ‘Sustained Human Presence on Moon’

*Seventy-six lunar and planetary scientists, engineers, and entrepreneurs have called for “a sustained American human presence on the Moon,” in a letter to leaders of the U.S. Senate Committee on Appropriations. They wrote in reference to NASA’s Lunar Discovery and Exploration Program. The following letter was [posted](#) by SpaceRef, a new media company focused on the space sector. A subhead has been added.*

August 9, 2019

Dear Chairman Shelby and Ranking Member Leahy, and Chairman Moran and Ranking Member Shaheen:<sup>1</sup>

As we celebrated the 50th Anniversary of the Apollo 11 human lunar landing this summer, it was painfully apparent to many Americans that the United States has not built upon the historical successes of the 1960s and early 1970s. Subsequently we have learned much in low-Earth orbit over the past two and a half decades with a continuously tended space station; however, exploration of the Moon continued only with orbital robotic missions until China landed a robotic rover on the Moon’s nearside in 2013. Earlier this year, China became the first nation to successfully land a rover on the Moon’s farside. It is now evident that other nations consider the Moon as an important destination not only for robotic exploration, but also for human explorers. As scientists and exploration experts in the broad and growing lunar and planetary science community, we write today to voice our strong support for the FY2020 Budget Request for NASA’s Lunar Discovery and Exploration Program and moving humans forward to the Moon sustainably, this time with long-term objectives for developing a sustained human presence.

As you are aware, the Lunar Discovery and Exploration Program (LDEP) is the continuation of a credible

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1. The letter is addressed to the chairman and the ranking member of the U.S. Senate Committee on Appropriations, Richard C. Shelby (AL) and Patrick J. Leahy (VT), respectively, and to the chairman and the ranking member of its Subcommittee on Commerce, Justice, Science, and Related Agencies, Jerry Moran (KS), and Jeanne Shaheen (NH), respectively.

plan to re-engage in lunar surface exploration that has evolved and matured in the past few years, and shown significant progress in the last year. After years of planning next steps toward the Moon, we believe this program is designed for both expediency and cost-effectiveness. That is why we urge its full funding in FY2020, thereby ensuring the continued operation of the Lunar Reconnaissance Orbiter spacecraft, and restoring U.S. access to the surface of Earth’s nearest neighbor for the first time in almost five decades.

With the LDEP, NASA, in coordination with American universities, research institutions, and commercial companies, is now empowered to start addressing decades-long lunar science and exploration objectives. These were articulated at length in comprehensive strategic reports such as the 2007 National Research Council’s Report on the Scientific Context for the Exploration of the Moon, the NASA Planetary Science Decadal Survey, the 2016 Lunar Exploration Roadmap formulated by the Lunar Exploration Analysis Group [LEAG], and the 2017 LEAG Advancing Science of the Moon. In addition, the program will provide opportunities to address Strategic Knowledge Gaps for the Moon Permanent Human Exploration Scenario. We believe that the LDEP is critical to a vibrant space economy that will bring new and exciting employment opportunities to the next generation of scientists and engineers, as well extend beyond to all sectors of society.

The LDEP will give the United States the opportunity to, at long last, systematically prospect for lunar resources, gather comprehensive new samples from many new locations, explore lunar lava tubes, investigate magnetic anomalies, and address a long list of unanswered geophysical questions whose answers have deep implications for advancing our knowledge of the formation of the Solar System and key planetary processes. As the 2017 LEAG Advancing Science of the Moon report stated, “The Moon is a resource-rich, readily accessible target for future United States human and robotic missions that will enable fundamental scientific advances impacting our understanding of the Solar System.” The LDEP has the potential to answer signifi-

cant questions regarding lunar resources, not least of which is to show the reserve potential (i.e., sufficient quantities of extractable and refineable material that can be utilized at lower cost than being transported from Earth), which is enabling for a sustained human return to the lunar surface, constructively and successfully working in a space environment that would prepare us for sending humans to Mars.

### Creating a Vibrant Lunar Economy

Because of your committee’s leadership in the FY2019 CJS [Subcommittee on Commerce, Justice, Science and Related Agencies] appropriations bill, NASA has been able to establish a program within the Science Mission Directorate (SMD) to procure transportation and logistics services from private U.S. companies for lunar surface missions. The Commercial Lunar Payload Services (CLPS) program has nine teams on contract. The teams compete amongst themselves for task orders NASA puts together for delivery of science instruments and experiments to the Moon. To much fanfare, two companies are now delivering on awards from NASA to deliver such payloads beginning in 2021. These companies are currently busy readying their landers for their assigned tasks while lunar scientists anxiously prepare for lunar surface access for the first time since 1972. This program represents the beginning of a new era of US-led lunar exploration and discovery, starting with small robotic landers and leading to sustained human presence on the Moon; a necessary condition to truly harness the economic potential of the Moon and enable a vibrant cislunar economy. By incorporating the Moon into our economic sphere, we will realize the enormous potential to create new wealth, new jobs, new technologies, and new industries for Americans.

The CLPS program leverages NASA’s previous work with commercial entities through the Lunar CATALYST [Cargo Transportation and Landing by Soft Touchdown] program. There are currently planned mis-

sions using these commercial partners that will begin to address key science and exploration objectives on the lunar surface. The CLPS program highlights NASA’s intent to catalyze the science community to gain knowledge and insight on Solar System evolution, while gathering important data for human exploration and sustaining human life off-Earth. It has become very evident that the data needed for science are the same as those needed for exploration. Also, the knowledge we regain about how to operate in the lunar environment will inform future science and exploration missions that are larger in scope with likely extensibility to systems that will be used to return humans to the Moon’s surface. While the CLPS program is within SMD, it has vital cross linkages with the human exploration side [Human Exploration and Operations Mission Directorate] that need to be encouraged.

As other countries like China and India continue to mature their own space exploration campaigns—each containing robust plans and capabilities for the Moon—we recognize the importance for the United States to press ahead and demonstrate leadership in this arena. It is vital to our future in space that we not cede leadership in surface exploration of the Moon and in cislunar space, as well as the lunar lander market to other nations. As such, the science and exploration experts represented below strongly support the proposed Lunar Discovery and Exploration Program within the FY2020 budget request and its approach to ensure the fastest possible return to the lunar surface, as well as getting Americans on the surface of the Moon to explore, prospect, and prosper. A sustained American human presence on the Moon is vital to our continued leadership in space and our prestige with our international partners. A new sustained human presence will expand on the legacy of Apollo’s history-changing first forays 50 years ago to explore another world, by continuing our quest for knowledge and its promise to benefit all humanity back on Earth.

Sincerely,

**Clive R. Neal**, Professor, University of Notre Dame, IN

**Dr. Harrison H. Schmitt**, Apollo 17 Astronaut; Independent Lunar and Planetary Scientist, Albuquerque NM

**Anne Spudis**, U.S. Lunar Enthusiast, Houston, TX

**Dr. Gary Lofgren**, Original Apollo PI; U.S. Lunar Scientist, TX

**James Head III**, Original Apollo PI; Professor, University of Rhode Island, RI

**Robert M. Kelso**, Founder/CEO, Kelso Aerospace LLC, TX

**Scott Hughes**, Texas A&M University in Kingsville, TX

**J. B. Pleiscia**, Adjunct Professor, University of Maryland, MD

**Dr. Peter J. Chi**, Research Geophysicist, UCLA, CA

**Kirby Runyon**, Lunar Geologist and Exploration Planner, MD

**Cameron Mercer**, U.S. Lunar Scientist, Greenbelt, MD

**Carle Pieters**, Professor (Research), Brown University, RI

**Cesare Grave**, Southwest Research Institute, San Antonio, TX

**Nicolle Zellner**, Professor, Albion College, MI

**Ian Garrick-Bethell**, Associate Professor, University of California, Santa Cruz, CA

**James Crowell**, Founder, Crow Industries, AZ

**Timothy Glotch**, Professor, Department of Geosciences, Stony Brook University, NY

**Nicholas Schmerr**, Assistant Professor, University of Maryland, College Park, MD

**Youxue Zhang**, Professor at the University of Michigan, MI

**David A. Williams**, Professor, Arizona State University, AZ

**Andrew Shaner**, U.S. Lunar Educator, Houston, TX

**Dr. Dana Hurley**, Planetary Scientist, Laurel, MD

**Dr. Heidi Haviland**, U.S. Lunar Scientist, Huntsville, AL

**Dr. Ryan N. Watkins**, Research Scientist, Planetary Science Institute, MO

**Matthew Borden**, Undergraduate Student, University of Notre Dame, IN

**Hannah O'Brien**, Undergraduate Student, University of Notre Dame, IN

**Dr. Edward L. Patrick**, Sr. Research Scientist, Southwest Research Institute, TX

**Dr. Brett W. Denevi**, U.S. Lunar Scientist, Laurel, MD

**Michael Torcivia**, Graduate Student, University of Notre Dame, IN

**Juliane Gross**, Associate Professor, Rutgers University, NJ

**Donald Welsh**, Undergraduate Student, University of Notre Dame, IN

**Geoffrey S. Webb**, Graduate Student, University of Notre Dame, IN

**Dr. Karl Cronberger**, Research Technician, University of Notre Dame, IN

**Kim A. Cone**, Graduate Student, Colorado School of Mines, CO

**Dr. David Blewett**, U.S. Lunar Scientist, Laurel, MD

**Dr. Kris Zacny**, VP, Honeybee Robotics, Pasadena, CA

**Kevin D. McKeegan**, Distinguished Professor of Cosmochemistry & Geochemistry, UCLA, CA

**Dr. Charles Wood**, U.S. Lunar Scientist, Wheeling, WV

**Amanda Nahm**, U.S. Lunar Scientist, AZ

**Jack Burns**, Professor, University of Colorado, CO

**Dr. Morgan Shusterman**, U.S. Lunar Scientist, Tempe, AZ

**Bradley L. Jolliff**, Professor, Washington University in St. Louis, MO

**Dr. William Ambrose**, Senior Research Scientist, Bureau of Economic Geology, University of Texas at Austin, TX

**Leonard David**, Space Journalist, Golden, CO

**Dr. Lillian R. Ostrach**, U.S. Lunar Scientist, Flagstaff, AZ

**Craig Hardgrove**, Assistant Professor, Arizona State University, AZ

**Dr. Alan Stern**, New Horizons PI, Southwest Research Institute, CO

**Dr. Carleton Moore**, Original Apollo PI, Founding Director of Center for Meteorite Studies, ASU, AZ

**Farouk El-Baz**, Original Apollo Scientist, Professor, Boston University, MA

**Dr. Steve Simon**, U.S. Lunar Scientist, Albuquerque, NM

**Stephen M. Elardo**, Assistant Professor, University of Florida, FL

**Dr. Joshua Cahill**, U.S. Lunar Scientist, Laurel, MD

**Dr. Kurt Klaus**, Boeing, Retired, Houston, TX

**G. Jeffrey Taylor**, Emeritus Research Professor, University of Hawaii, HI

**Dr. Catherine A. Dukes**, Director, Laboratory for Astrophysics and Surface Physics, University of Virginia, VA

**Mark Robinson**, PI, Lunar Reconnaissance Orbiter Camera; Professor, Arizona State University, AZ

**Dallas Beinhoff**, Founder, Cislunar Space Development Company, LLC, Annandale, VA

**Dr. Carolyn Crow**, U.S. Lunar Scientist, Boulder, CO

**Dr. Benjamin T. Greenhagen**, U.S. Lunar Scientist, Laurel, MD

**Abhijit Basu**, Emeritus Professor, U.S. Lunar Scientist, Bloomington, IN

**Rachel Klima**, U.S. Lunar Scientist, Laurel, MD

**Dr. Julie Stopar**, U.S. Lunar Scientist, Houston, TX

**Nicholas J. Dygert**, Assistant Professor, University of Tennessee, TN

**Dr. Gerald Patterson**, U.S. Lunar Scientist, Laurel, MD

**Dr. Georgiana Kramer**, Planetary Science Institute, Houston, TX

**Dr. Micah J. Schaible**, Post-Doctoral Fellow, Georgia Institute of Technology, GA

**Sarah Roberts**, Graduate Student, University of Tennessee, TN

**Dr. Linda Martel**, U.S. Lunar Scientist, Honolulu, HI

**Dan Hendrickson**, VP, Business Development, Astrobotic (astrobotic.com), PA

**Dr. Amy Fagan**, U.S. Lunar Scientist, Sylva, NC

**David J. Lawrence**, U.S. Lunar and Planetary Scientist, Laurel, MD

**Dimitri A. Papanastassiou**, Visiting Associate, Geological and Planetary Sciences, Caltech, Pasadena, CA

**Dr. Stephen Mackwell**, U.S. Lunar and Planetary Scientist, Columbia, MD

**Dr. Charles K. "Chip" Shearer**, Senior Research Scientist III, University of New Mexico, Albuquerque, NM

**Bob Richards**, Founder and CEO, Moon Express (moonexpress.com)

**Dr. Bradley Thomson**, U.S. Lunar Scientist, Knoxville, TN



# London's Scam in the Amazon: Chicken Little Redux

by Dennis Small and Cynthia Rush

Sept. 1—Over the past ten days, French President Emmanuel Macron and other heads of government, joined by Pope Francis and a gaggle of sanctimonious Hollywood celebrities, have engaged in a hysterical, ideology-driven campaign purporting to save the Amazon from what they claim are unprecedented fires. International media are bolstering this campaign, citing “experts” loudly demanding emergency action before the world comes to an end. Lurid pictures of burning forest fires have been posted and reposted on social media, along with sensationalist headlines proclaiming that there is a record number of uncontrolled fires burning in Brazil’s Amazon, which are rapidly reaching the “tipping point” of destroying the largest rainforest on the planet.

Heard throughout was the argument that the Amazon is “the lungs of the planet” producing “20% of the world’s oxygen,” and that the Amazon is the regulator of planetary climate change by “capturing carbon.” A supranational authority must be imposed over the region in order to protect indigenous people and “pristine nature,” according to these hysterics.

In fact, there seems to be an intense competition underway among Macron, liberal media conglomerates such as *CNN* and the *New York Times*, and “green” activists Greta Thunberg and others of her ilk as to who can cram the greatest number of lies about the Amazon into a single sentence. As climate expert Michael Shellenberger documented in an Aug. 26 *Forbes* [article](#), many of the posted photos claiming to show Amazon fires, weren’t even pictures of the Amazon, but fires in other countries, several from twenty or thirty years ago!

These deliberate lies are all concocted with only one purpose—to justify the elimination of national sovereignty, to usher in the British Empire’s policy of Green Malthusianism and unleash a modern eco-fascist form of medieval flagellants among hysterical



NASA/Jesse Allen



White House/Andrea Hanks



Agencia Brazil



NASA

*French President Emmanuel Macron has pressed for supranational intervention to “save the Amazon rainforest,” in a global drive to subvert sovereignty. Clockwise from upper left: NASA satellite view of the Amazon River’s vast drainage area; Macron; several fires burning in the Brazilian states of Rondônia, Amazonas, Pará, and Mato Grosso, viewed by satellite in 2019; combatting vegetation fires in Brazil.*

youth. Witness the deployment of the London-spawned Extinction Rebellion and the affiliated FridaysForFuture movement of brainwashed youth who have protested at Brazilian embassies and consulates around the globe—several of these were labeled “die-ins”—not only to blame the Brazilian government for de-

stroying the Amazon, but to “grieve” for what these young people described as the destruction of the planet and their hopes for their future. This is a real death cult designed to instill pessimism and depression in vulnerable youth.

### Liar, Liar, Pants on Fire!

Let us start with the facts, and then turn to the geopolitical policies behind London’s current assault, and end with a discussion of the actual physical economy and science involved in the Amazon matter, including measures that should be taken.

First, the net contribution to the world’s oxygen from the Amazon is effectively *zero*. *EIR* published material on this decades ago. Today, even some leading environmentalists are publicizing this scientific reality, out of explicit fear that the backlash against the “lungs” lie could sink the bigger “man-made climate change” lie they propagate.

A case in point: Yadvinder Malh, founding director of Oxford University’s Centre for Tropical Forests, on Aug. 24 posted an [entry](#) on his blog debunking the “lungs” story, as follows:

The Amazon rainforest accounts for about 16% of the oxygen produced by land-based photosynthesis globally, he details. But when you add in the photosynthesis by phytoplankton in the oceans, which produce almost five times as much oxygen as the Amazon, the Amazon’s share of global oxygen drops to 9%.

Furthermore, at night, plants consume over half of the oxygen they produce during the day, through respiration. The remaining oxygen is consumed mainly by microbes breaking down dead leaves and wood (“heterotrophic



respiration”). Thus, Malh explains:

The net contribution of the Amazon *ecosystem* (not just the plants alone) to the world’s oxygen is effectively zero [which] is pretty much true of any ecosystem on Earth, at least on the timescales that are relevant to humans (less than millions of years).

Second: It is said that there are catastrophically more fires in Brazil’s Amazon this year. But NASA’s Earth Observatory reported on Aug. 22:

As of Aug. 16, 2019, an analysis of NASA satellite data indicated that total fire activity across the Amazon basin this year has been close to the average in comparison to the past 15 years. . . . Though activity appears to be above average in the [Brazilian] states of Amazonas and Rondonia, it has so far appeared below average in Mato Grosso and Para.

In fact, all estimates of fires since 2016 are “preliminary, and should be interpreted with caution,”

NASA warned, because fire impact involves more than their number, but also the type of fire, extent, and interactions with climate conditions. The year 2019 may prove the highest fire year since 2012, and the fires may be more intense “than previous years, measured in terms of fire radiative power,” NASA wrote, but it is not the never-before-seen “catastrophe” proclaimed.

Neither is the Amazon *forest* burning down. Daniel Nepstad, who was the lead author for the most recent report by the Intergovernmental Panel on Climate Change (IPCC) told *Forbes* con-

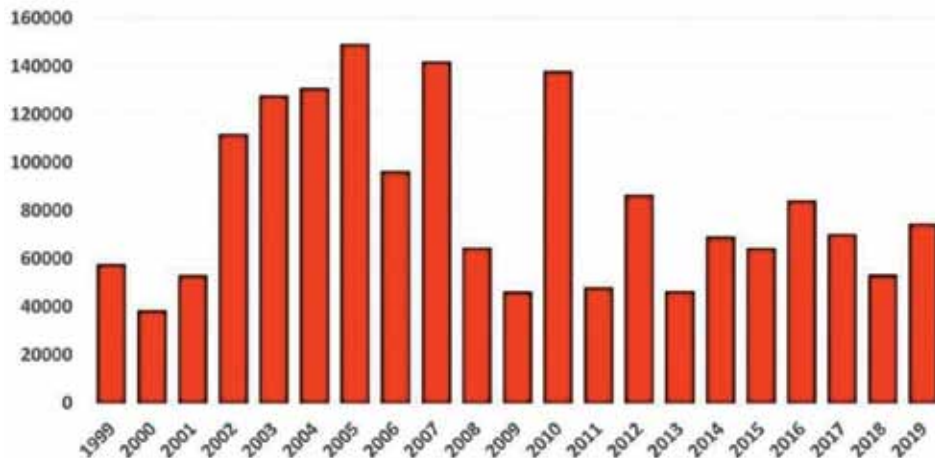


CC/Neil Palmer, CIAT

Dr. Daniel Nepstad

## Forest fires in Brazil from January to August by Year (1999-2019)

Total forest fire spots detected by satellite



Source: National Institute for Space Research

tributor Shellenberger that most of the fires that are burning in the Amazon *region* are in the dry scrub and tree areas that border the forest. Amazon forest fires are not detected by satellite because they are hidden by the tree canopy, Nepstad [explains](#), reporting:

We don't know if there are any more forest fires this year than in past years, which tells me there probably isn't. I've been working on studying those fires for 25 years and our [on-the-ground] networks are tracking this.

But perhaps the biggest lie of all, because it is the carrier of the deadly British lie that man is an innately destructive force at war with his environment, is the fairy tale about the Amazon being "pristine nature," which man has come along and destroyed. The same liars claim that the "lifestyle" of the small groups of miserably poor people living as primitive hunters and gatherers, a lifestyle appropriate to the Amazon, has been destroyed.

### A Developed Civilization Once Inhabited the Amazon

The truth is quite different. The rich soil, organized distribution of trees, and

great mounds of pottery shards hidden under now tree-covered, man-made earthen structures rather demonstrate that the Amazon is in reality a gigantic "orchard," shaped by earlier, more-developed civilizations that had improved the forest they once inhabited.

Over a quarter of a century ago, an [article](#) published in the Jan. 22, 1993 issue of *EIR*, "Myths Surrounding the Amazon Region," reported:

One myth that was recently demolished, concerned the cultural levels of the populations that occupied the prehistoric forest. According to an archeological view backed by environmental determinists, the forest could not have supported a technologically advanced population before the arrival of the Europeans. This line of thought held that cultural development in South America originated in the Andean region and that horticulture was introduced into the Amazon by invaders from the Andes who displaced the native hunting and gathering populations. Presumably the native populations could not evolve more complex societies because of the limitations of the forest's resources—or so the argument goes.

But, since the nineteenth century, explorers had been coming across evidence that contradicts that. And, in 1987, American archeologist Anna Roosevelt of Chicago's Field Museum of Natural History, and her collaborators, presented nearly incontrovertible evidence that relatively advanced cultures arose in the Amazon region. During excavations in Taperina, near Santarem, the archeological team discovered evidence of human settlements that date variously from 7,000 to 8,000 years ago. These findings,



CC/Yurileveratto

Painted Rock Cave (Caverna da Pedra Pintada), near Monte Alegre in the State of Pará, Brazil, showing evidence of human civilization over 10,000 years ago.



which included pottery fragments, are the oldest indication of civilization on the American continent.

According to Roosevelt, the Amazonic floodplain must have constituted one of the most densely populated regions during the pre-history of the Americas, given the heaps of shell middens and earthworks extending for tens of square kilometers that are commonly found all along the lower Amazon River. This discovery, she says, proves that the Amazon Basin supported populations that were much more numerous and technologically advanced than the remnants found when the Europeans arrived.

Closely related is London's Worldwide Fund for Nature's (WWF) promotion of the "noble savage" claptrap, arguing that the impoverished and backward "way of life" of indigenous populations living in the Amazon must be protected. The WWF and affiliated environmental NGOs have used this as a justification to impose nature reserves in which the only thing "preserved" is backwardness. The creation of the Yanomami Indian reserve in 1991 had been a pet project of the WWF and its president, the Queen's Consort Prince Philip, since the early 1960s. Its creation had nothing to do with protecting the Yanomami, but rather everything to do with preventing development of the region's plentiful resources and the building of infrastructure projects required for economic advancement.

In a December 25, 1992 interview with *EIR*, Sen. Gilberto Mestrinho, previously the governor of Amazonas state, eloquently counterposed the racist and anti-human frauds of "indigenism" so long defended by the British Crown, with a Christian, human view of man, whose "capacity for creation is fantastic":

These issues are raised periodically by people who don't even know what Indians are, don't consult them, and defend their alleged rights when the Indians don't even want them. . . . The Indians seek integration; they don't want to maintain their pseudo-culture . . . they want to improve their quality of life.



Govt. of France

*French President Emmanuel Macron (center) tried to commandeer the G7 summit agenda, insisting that Amazon fires were the most pressing issue facing the planet. He attempted to get the leaders of the G7 countries to act with supranational authority over Brazil. Shown is the G7 meeting in Biarritz, France on August 28, 2019.*

As for ecology, Mestrinho asserted:

This is a fascist, anti-Christian sentiment, because the human being is more important than nature. The most important thing in nature is man; he is the beginning and the end of everything, and all of society's actions are geared toward benefitting man; he is superior to everything, and in fact, only he is capable of protecting the other animals, the forests, and not the other way around.

### **British Geopolitics Butts In**

French President Emmanuel Macron tried to commandeer the agenda of the Aug. 24-25 G-7 summit, insisting that Amazon fires were the most pressing issue facing the planet. On the eve of that summit, on Aug. 22, he tweeted:

Our house is burning. Literally. The Amazon rain forest—the lungs which produce 20% of our planet's oxygen—is on fire. It is an international crisis. Members of the G-7, let's discuss this emergency first order in two days!

While Macron grandstanded with his offer for the G-7 to give Brazil a trivial \$20 million for "Amazon reforestation," Canadian Prime Minister Justin Trudeau chimed in, demanding the world declare an "international emergency," and that it de facto put the Brazilian government in receivership to supranational institutions.



Pope Francis' involvement is particularly evil. He has convened the "Synod of Bishops for the Pan-Amazon," to be held in Rome Oct. 6-27, providing a religious "moral" veneer for an international eco-fascist drive. The [preparatory document](#) for the synod, entitled "Amazonia: New Pathways for the Church and for an Integral Ecology," includes several scare stories about the Amazon's ecology. The document states at one point that "from an environmental point of view, the Amazon is a lung of the planet and one of the sites of greatest biodiversity in the world."

What this all boils down to is the British imperial doctrine of "Responsibility to Protect," which Western powers have used for two decades as a pretext for intervening in several nations to effect "regime change" operations. The Amazon case is no different, and Brazilian President Jair Bolsonaro, along with key national institutions such as the armed forces, understands this.

### **Brazil Asserts National Sovereignty**

The Brazilian President responded angrily to the overt threat of foreign intervention, and in a short address to the nation Aug. 23 announced the deployment of 43,000 troops to help combat the fires.

Fires occur every year during the hot, dry and high-wind season in the Amazon, and they are worse in warmer, drier years such as this one, Bolsonaro pointed out. He further stated that there are more than 20 million Brazilians who live in that area, who have been waiting for years to develop, along with the rest of the country. Brazil, he emphasized, is open to dialogue, and will do more to combat fires, but "we are responsible for protecting the Amazon."

Gen. Augusto Heleno, head of Bolsonaro's Security Cabinet, stated that "the Brazilian Amazon is a patrimony of our people, who will know how to protect it from the threats of those who harm the forest with illegal actions and will react against those who intend to violate our sovereignty." Other military statements reflected the same sentiment.

In offering his measly \$20 million to Brazil, Macron arrogantly repeated the fraudulent premise that the Amazon forest is a "subject for the whole planet," because it is "the lung of the planet" and we cannot "allow you to destroy everything." Brazil's response was unequivocal: "We refuse [the aid] because we see interference. . . . The G7 help was decided without Brazil," the country's Ambassador to France, Fernando Serra, told



Força Aérea Brasileira

*Gen. Augusto Heleno Ribeiro Pereira, Minister of the Institutional Security Office of the Presidency.*

French television network BFM TV on Aug. 27. The previous evening, President Bolsonaro had tweeted again that Brazil rejects such plans "to save the Amazon, as though we were a colony or no-man's-land."

Brazil's response is consistent with what it has affirmed historically. Led by the British monarchy, the City of London and its Wall Street appendages have for decades proffered numerous schemes by which to establish supranational control over the Amazon under the pretexts of "saving the environment" and "saving indigenous peoples" from economic development.

Blocking all such attempts has been an official tenet of Brazilian national military doctrine since 1990. That year, the Armed Forces' Superior War College published a [document](#) titled *1990-2000: The Vital Decade*, which outlined a ten-year national development perspective, in which it warns that the Amazon "continues to be a target of international avarice." International ecological movements are specified in some detail as one of the "several layers of sheepskin [worn] to hide its wolfish intentions." The Brazilian military's elaboration of that doctrine was influenced at the time by Lyndon LaRouche's *EIR* and its exposés of the British Crown's WWF and related environmentalist movements.

For example, *EIR* was instrumental in exposing the British hand behind the creation of the "Guyana Shield Initiative," related to the region known as the Guyana Shield. This area, which incorporates current-day Guyana, Suriname, French Guiana and a portion of the Brazilian state of Roraima, has historically been the geopolitical target of the Anglo-French-Dutch oligarchy, as the preferred entry-point for establishing a foot-

hold in the Amazon.

In October of 1999, *EIR*'s representatives in Brazil publicly exposed the role of the WWF, the International Union for the Conservation of Nature, and several other national and international environmental NGOs in establishing the "Guyana Shield Initiative," by which they succeeded in setting aside 177,000 hectares of "conservation land" in Roraima, as either Indian reserves or conservation areas. This was done for the sole purpose of stopping any rational development of the state, and preventing any activity aimed at civilizing these large territories.

### **Brazil Not the Only Geopolitical Target**

Nor is Brazil the only target. Amnesty International and unnamed groups claiming to represent "Amazonian indigenous peoples" issued an [open letter](#) on Aug. 22 calling on the UN's Office of the High Commissioner for Human Rights and the Special Rapporteur on the Rights of Indigenous Peoples to take action against Bolsonaro and Bolivian President Evo Morales for committing "genocide" against indigenous populations. Paraguay was similarly targeted.

In response, Morales on Aug. 23 called for an urgent foreign ministers' meeting of the Amazon Cooperation Treaty Organization (OCTA), known informally as the Amazon Pact. This includes the eight countries in the Amazon region (Bolivia, Brazil, Colombia, Peru, Ecuador, Guyana, Suriname and Venezuela). The call was an appropriate response to the imperial assault on the region, to formulate a plan to address the Amazon fires from the standpoint of "defending our sovereignty and natural wealth," as Bolsonaro put it. But his and most other member nations' insistence that "undemocratic" Venezuela be excluded from such a meeting is a mistake; it plays into British "left-right" geopolitical games dividing the continent along ideological lines, which Morales had warned against. A summit of the Amazon Pact is now planned for Sept. 6 in the Colombian city of Leticia on the Brazilian border.

### **Amazon Basin: Too Much Development, or Too Little?**

There is a real problem with the way in which agriculture and clearing are currently done in the Amazon



CC/Denis A.C. Conrado

*Lush vegetative growth in the Chapada plateau in northwest Brazil.*

basin. This is a result of *too little* technology and development, not too much. What should be done is to transform the Cerrado region of south-central Brazil and similar areas into breadbaskets of modern agriculture. The Cerrado is Brazil's great national treasure—a well-watered grassland of 205 million hectares or 24% of Brazil's total land area of 846 million hectares.

This huge physiographic region—less well known than the Amazon rainforest—is a world-class opportunity, given its "man-made natural" resource potentials, for population settlement, agriculture and industry. Its soils, in their native condition, are geologically very old and poor; but with the right fertilizer and lime applications, the agro-climatic potential is vast. The temperature regime for much of the Cerrado will permit two, and sometimes three crops a year.

It is a priority development area of the hemisphere, which requires first-rate infrastructure development (waterways, rail, urbanization, health and sanitation infrastructure, and more). New infrastructure should include the building of a trans-continental railroad from the Atlantic to the Pacific, to facilitate both cargo and passenger transport and boost trade, including to Asia.

For years, however, the Cerrado has been dominated by large multinational cartels such as Cargill, Bunge, and Archer Daniels Midland, and the global financial institutions they partner with, whose main focus is twofold: monoculture production, such as soybeans or livestock processing, and land grabs to exploit and export raw materials or other resources, to keep the

global speculation bubble afloat. Less than half of the soy crop goes for domestic consumption, for example.

### Solution: Science and Classical Culture

As Lyndon LaRouche wrote in his Sept. 11, 1987 *EIR* [article](#), “Design of Cities: in the Age of Mars Colonization”:

We know that the maintenance of highly productive biomass, in the forms of crops, pasturage, water management, and well-managed woodlands, is essential to maintaining the general environment. The best way in which to accomplish this, is to entrust this work to entrepreneurial farmers, continue this maintenance of cultivated farm, pasture, and forest land as part of the necessary cost of agricultural production as a whole.

The more fundamental issue to be addressed is the actual science of biogeochemistry as discussed by the great Russian scientist Vladimir Vernadsky, whose concept of the Noösphere emphasizes the central role of science and human creativity. There are many fundamental issues of science posed by the role of the

Amazon River and Basin in the entire biosphere, and possibly also in weather formation. These must be approached, however, from the standpoint, not of the hysterical pseudo-science of “climate change” peddled by today’s green Malthusians, but by pursuing hypotheses such as those of Danish scientist Henrik Svensmark, who studies climate change as a function of variations in galactic cosmic ray flux, with changes in solar activity being the controlling factor over decade- and century-long timescales.

Given the centrality of space science, one immediate objective for the Amazon region would be to develop Brazil’s Alcântara Launch Center located on the northern Atlantic coast near the Equator, as well as the European Space Agency’s Kourou Space Center in French Guiana, as centers of hemispheric space science, with the potential of participating in a Four Powers Moon-Mars mission.

As in the period of the Black Death, the solution to great crises facing mankind is not mass self-flagellation and hedonistic debauchery (two sides of the same coin), but rather engagement in science and classical culture as the Renaissance brought to 14th and 15th Century Europe.

“You know, the Earth can only carry 1 billion people.”



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## II. The Vision of Franklin Roosevelt and Lyndon LaRouche

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THE GOOD NEIGHBOR POLICY AND BRAZIL

# Roosevelt's Bold Creation of the Anti-Entropic Bretton Woods System

by Richard Freeman

Sept. 1—This article is a Wake-Up call. Today we are faced with a derivatives-laden global financial and economic crisis of enormous proportions. There is a way out of this crisis—a solution—but one that is only possible if we understand how we got here and the nature of the mistakes we have made.

Many of the economic and financial crises we have lived through over the last 48 years, including the crises of 1987, 2001 and 2008—as well as the de-industrialization, the orgy of financial speculation, and the now exploding crisis of today—have resulted from decisions that the City of London forced upon President Richard Nixon on August 15, 1971, decisions that ultimately led to the complete abolition of the Bretton Woods System, as it had been established by Franklin Roosevelt in 1944.

As the current trans-Atlantic banking system now approaches doomsday, we once again find the long-neglected topic of “Bretton Woods” becoming a subject of discussion, occasionally referenced sympathetically, but more often distorted by Wall Street and City of London mouthpieces who attempt to turn history on its head by using the *name* “Bretton Woods” to argue for an even more dictatorial monetarist regime, a more ruthless system of fascist austerity and financial bail-outs. There is much confusion about these matters, and here we shall attempt to clear the air and state the matter truthfully.

FDR’s intention was never to simply create a “monetary system.” That was the oligarchical outlook of Britain’s John Maynard Keynes. For Roosevelt, as for Alexander Hamilton, monetary and banking matters must be subservient to the intention of increasing



President Franklin D. Roosevelt on January 19, 1937. AP

human productivity and uplifting the population. The goal is always physical economic development and the upward development of the people. This is absolutely primary—and banking and credit policies are designed to serve that end.

The actual origins of Bretton Woods are to be found in Roosevelt’s Good Neighbor Policy, and especially the 1942-43 U.S. Technical Mission to Brazil.

This is a story that has been obscured, misrepresented and largely forgotten, but it is a story of crucial importance and one that points the way toward the approach which must be taken today.

### **The Community of Principle of Good Neighbors**

“In the field of world policy I would dedicate this Nation to the policy of the good neighbor,” Roosevelt



asserted in his March 4, 1933 inaugural address. Several historians represent this as increased friendliness. But Roosevelt's idea of it is far more profound.

That idea was distilled into the *1942-43 U.S. Technical Mission* to Brazil.

That mission, along with the parallel building by the U.S. and Brazil of the revolutionary steel plant in Volta Redonda, Brazil (located in Rio de Janeiro state), starting with the planning in the late 1930s, was the core-paradigm for U.S. collaborative development of Ibero-America as a whole, and it blossomed into the paradigm for the Bretton Woods institutions' post-war development of the world, as conceived by Roosevelt.

Roosevelt's intention for the Bretton Woods was, as he repeatedly made clear, to forever end the British-French-Dutch imperial system, and the genocide it entailed. In its stead, he would build a Grand Design, an interconnected panoply of infrastructure on a mind-boggling scale, and the mass transfer of high-technology machine tools of all kinds to Europe, Japan, but especially to what was still then the colonial world.

He would start with, initially, the transformation of a group of about a dozen Ibero-American nations, but ultimately, the intention was to develop or reconstruct every nation on every continent, *producing self-feeding anti-entropic growth*. The funding for it would flow from a multilateral institution of sovereign republics, utilizing a *Hamiltonian international credit system* (as opposed to a monetarist monetary system), with *abundant, inexpensive credit, at 1-2% interest rates*, supported by a gold-reserve, fixed-exchange-rate system, and provision—in the earliest drafts by U.S. Assistant Secretary of Treasury Harry Dexter White—for developing countries to apply capital controls and tariffs that would protect their fledgling industries, and prevent pillaging.

The 1942-43 U.S. Technical Mission to Brazil was the paradigm for the Bretton Woods system to develop mankind, with its overarching feature, the scientific-physical transformation of these countries. In the Fall of 1942, Morris Llewellyn Cooke, one of Roosevelt's clos-

est allies, who headed many of the New Deal's most important programs (and who is virtually unknown today), led a team of 12 other U.S. engineers and scientists to Brazil, where they were joined by a waiting team of more than 100 Brazilian scientists and engineers, and that country's top leaders. The idea was unique: two nations—the underdeveloped Brazil and the industrialized U.S.—together through a series of surveys, intensive discussion, and planning, would direct the accelerated transformation of an *entire economy*, its labor force, and thereby its population and society, to benefit Brazilians, and secondly, to serve as a proof of principle.

For the first time, perhaps for any nation in history, *the United States willingly transferred not just goods, but its science and technology, in entire scientific-technological packages, at very low cost, or in several cases for free, to the Brazilian nation*. This scientific-technological principle would be infused directly into the Brazilian economy and mind, and would be deployed to upgrade every major Brazilian manufacturing, infrastructure, and agricultural sector. Over decades, economist Lyndon LaRouche repeatedly raised this as the fundamental principle to develop the third world.

The U.S. Technical Mission planned explicitly to electrify Brazil. One focus was to build a

“Brazilian TVA” in the São Francisco River Valley, using the river's falls to generate hydro-electric power and develop the whole valley. Another plan would transform transportation, such as dredging and connecting the Orinoco and Negro Rivers, and then connecting them to the mighty Amazon and Rio de la Plata river systems. It would concurrently raise tens of millions of Brazilians out of poverty, uplifting their living standards, with special emphasis on nutrition and protein intake, health, housing, and the educational-technological level of the labor force. It would upgrade the cognitive-productive powers of labor.

The relationship was not one-sided, but profoundly collaborative. Brazil's outstanding leaders—President Getúlio Vargas, nicknamed “the Father of the Poor”;



PA Rural Electric Association

Morris Llewellyn Cooke, Rural Electrification Administrator and close ally of FDR.



TVA

*The Chickamauga Hydroelectric Dam and Reservoir; built in 1941 on the Tennessee River.*

Foreign Minister Osvaldo Aranha; the Coordinator of Economic Mobilization of Brazil, João Alberto Lins de Barros; and others of Brazil's patriotic intellectual-development tradition—had scores of proposals, based on projects that they had cherished the wish to develop for decades. They were excited that they now had the means, *as collaborating republics*, to bring those projects into existence.

### Roosevelt's Method

Roosevelt—who wrote his thesis on the role of Alexander Hamilton's philosophically dirigist economic thinking and his actions in establishing the American Republic—had understood and adopted the view of John Quincy Adams, expressed in the 1823 Monroe Doctrine, that the United States and Ibero-America should establish in the Western Hemisphere a community of principle of perfectly sovereign nation states.<sup>1</sup> This idea was developed with the implicit, and then explicit, idea of joint physical development.

1. Freeman, Richard, "Then and Now: Why Roosevelt's Explosive 1933-45 Recovery Worked, Part 1," *Executive Intelligence Review*, April 26, 2002, pp. 27-29.

collecting the debt by grabbing customs duties. This deplorable policy, known as Dollar Diplomacy, persisted for a third of a century (1901-33).

Roosevelt decided to wrench the national debate back to this fundamental issue, denounce Dollar Diplomacy, and bring the nation back to the Quincy Adams policy. In an article in the July 1928 issue of *Foreign Affairs* entitled, "Our Foreign Policy: A Democratic View," Roosevelt threw down the gauntlet, asserting:

We must admit . . . that the outside world almost unanimously regards us with less good will today than at any previous period. This is serious unless we take the deliberate position that the people of the United States owe nothing to the rest of mankind and care nothing for the opinion of others so long as our sea-coasts are impregnable, and our pocketbooks are filled.

*An analysis of our own history disproves the accusation that this selfish spirit is the real American spirit.* In the debates during the war of the



FDR Library

*A lineman working for the Rural Electrification Administration to bring electricity to rural America.*



Official Photo

Getúlio Vargas, President of Brazil.



Oswaldo Aranha, Brazilian Foreign Minister.



Coordinator of Economic Mobilization  
João Alberto Lins de Barros.

Revolution and in the long discussions immediately preceding the adoption of the Constitution it was plain that careful thought was being given to every conceivable form of government in the hope that what the United States finally adopted might serve as a pattern for other peoples, especially in regard to the spirit that should govern the relations of one state with another. (emphasis added)<sup>2</sup>

Roosevelt called for the abandonment of the use of the Marines in Central America, and he contends:

He concludes his 1928 article:

We can point the way once more to the reducing of armaments; we can cooperate officially and whole-heartedly with every agency that *studies and works to relieve the common ills of mankind*; and we can for all time renounce the practice of arbitrary intervention in the home affairs of our neighbors.

*It is the spirit, sir, which matters.* (emphasis added)

2. Roosevelt, Franklin D., "Our Foreign Policy: A Democratic View," *Foreign Affairs*, No.4, July 1928, pp. 573-588.

### National Sovereignty for All

Thus, Roosevelt enunciated the principle of national sovereignty as a strategic aim of what would become the Good Neighbor Policy, four years before he became President.

Later, in his March 4, 1933 inaugural address, Roosevelt sketched the outline of his policy.

In December 1933, he instructed U.S. Secretary of State Hull to deliver, in his remarks to the Seventh International Conference of American States, held in Montevideo, Uruguay, his manifesto, renouncing the policy of armed intervention into neighbor countries, which was signed as an agreement at that conference. This was a thunderstroke.

Recognizing the 180-degree reversal of the policies of Teddy Roosevelt and Woodrow Wilson, Mexico's great leader, then Mexico's Secretary of Foreign Affairs, José Manuel Puig Casauranc, concluded: "I wish to submit my profound conviction that there is in the White House an admirable, noble and good man—a courageous man." While astonished that the U.S. would do this, some other Ibero-American leaders also signaled their praise.

In 1935, Roosevelt began assembling a team that would make a strategic shift to a New Paradigm and implement physical-economic development for third world countries. It would work out plans, foremost for Brazil and other neighbor nations in Ibero-America, and then

apply the knowledge gained to nations around the world. The U.S. also had a very direct, mounting strategic alarm at the considerable spreading influence extended by Hitler's Germany, Franco's Spain, and Mussolini's Italy, into Ibero-America.

Roosevelt's leadership came to the fore: a warm, but sometimes biting sense of humor; a creative playfulness; and a steely inner commitment to mobilizing a nation behind a national mission of transcendent purpose.

Roosevelt attracted creative people—unorthodox thinkers who would not have lasted a week in another administration—but who flourished under him. This team—it was never officially designated as a team—consisted of Assistant Secretary of Treasury Harry



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*Secretary of State Cordell Hull (left) and Deputy Secretary of State Sumner Welles.*



*Assistant Secretary of Treasury Harry Dexter White.*

Dexter White; Deputy Secretary of State Sumner Welles; Morris Llewellyn Cooke (see below); Vice President Henry Wallace; Director of the State Department's South American Division, Laurence Duggan; Chair of the Reconstruction Finance Corporation and then Federal Loan Administrator, Jesse Jones; Harry Hopkins; Treasury Secretary Henry Morgenthau; William Clayton; Secretary of the Navy, 1913-21, and then U.S. Ambassador to Mexico, 1933-41, Josephus Daniels; and Assistant Secretary of State for Latin American Affairs, A.A. Berle.

## Roosevelt and LaRouche

There is a rich connection between the contribution of Lyndon LaRouche, and Roosevelt. LaRouche made a fundamental breakthrough in 1948-52, that scientific discovery and human creativity, through the machine tool and analogous machinery, causes increases in productivity and the productive powers of labor. For LaRouche, productivity did not mean a linear increase in output per se, although it would not be turned down, but rather non-linear leaps to higher platforms of development of anti-entropic growth, greater energy-flux density, and greater power and efficiency for mankind's advance. This is the well-spring of economics, and the underpinnings for a new Bretton Woods. Franklin Roosevelt was no longer alive to know of LaRouche's unique, higher breakthrough. But in doing something great for the benefit of mankind, his mind, lawfully, moved in the direction of an approximation of that idea.

## I. The 1942-43 U.S. Mission to Brazil

To head the 1942-43 Mission, Roosevelt chose one of his most trusted allies, Morris Llewellyn Cooke, who had headed several of the most important programs in his administration.

Cooke was one of those people—like Josephus Daniels, Laurence Duggan, A.A. Berle—who was not a “star,” at least not in historians' eyes, most of whom could not pick him out of crowd, but who formed the backbone of the administration.

For three decades, Cooke resolutely electrified and industrialized America. He was trained as a mechanical engineer and became a very skilled industrial and hydraulic engineer. From 1911 to 1915, Cooke served as the Director of Philadelphia's Public



Works Department. In the period 1923 to 1925, Cooke directed the landmark Giant Power Survey in Pennsylvania for its Governor, Gifford Pinchot. The survey's conclusion called for extending electric power to every household in the state, rural as well as urban, at reasonable rates, and stated that if the speculative, privately owned utilities would not do it, they would be put under significant government regulation, in order to ensure compliance.

Franklin Roosevelt and Cooke became good friends during FDR's second term as New York Governor, 1930-32, when Roosevelt was working intensively on a project dear to his heart, the fourth of the "Four Corners Projects," which concerned building out the St. Lawrence River Seaway, the river running between Canada and the United States. Roosevelt wanted to bring continuous water flow and ship traffic from the Atlantic Ocean to the Great Lakes, and to garner hydroelectricity from the falls—such as Niagara Falls—that tumbled into the river. He also wanted to develop a "yardstick" to figure out the actual cost of a kilowatt of electricity. Roosevelt hired Cooke as a research adviser, but Cooke soon was giving insight and policy suggestions.

Cooke was a passionate, lifelong advocate of rural electrification. In 1935, Roosevelt appointed Cooke as the first director of the Rural Electrification Administration, a signature New Deal program, in which capacity Cooke transformed American agriculture and rural people's lives, bringing electricity, for the first time, into farmers' homes and their farm operations.

In 1936, at Roosevelt's behest, Cooke chaired the Third World Power Conference, held in Washington, D.C., drawing delegates from nations all over the world, developing a *world development perspective*, discussing how to build massive new power capacities for nations in each region in the world. Here Cooke met leaders from all over Ibero-America.

In 1942, Roosevelt assigned Cooke, now 70 years of age, to head the U.S. Technical Mission to Brazil, the heart of the Good Neighbor Policy and the spearhead for the development of Ibero-America as a whole. He had all the qualifications to help jointly build a nation.

## Prelude: The Development of Brazil, 1938-42

U.S.-Brazil physical-economic collaboration had been established as a stepping-stone since 1936-37. In 1938, the Brazilian government gave the final go-ahead to build the Volta Redonda steel plant in Rio de Janeiro state, which was communicated to Washington. Projects for rail development were mooted.

The pace of U.S.-Brazilian planning quickened.

On September 19, 1939, Henry Dexter White, director of Monetary Research, U.S. Treasury Department, dispatched an internal Treasury Department memo to his boss, Henry Morgenthau, titled "Specific Proposals for Immediate United States-Brazil Cooperation." It is an integrated plan to develop Brazil. In this context, the reader will appreciate its far-reaching nature.

The memo had four parts. The first part proposed a monetary stabilization loan of \$50 million in gold, to help Brazil stabilize its currency. The second part proposed a U.S. Export-Import Bank \$50 million revolving credit to United States exporters, so that they could export goods, especially capital goods, to Brazilian companies. Part three of the memo is titled a "Special credit of \$100 million for [Brazil's] purchase of railroad rolling stock supplies and railroad shop equipment in the United States for reconstruction of the Brazilian railroad system."

The memo's fourth part is a real blockbuster, building upon part three. It is titled, "The immediate inauguration of an elaborate joint Brazil-U.S. engineering, geographic and economic study of long-term projects for the development of Brazil."

Discussion of the physical elements of this memo went back and forth between Brazil and the United States from late 1937 through early 1939.

The memo proposed:

On the basis of information available there seems to be great potentiality for the development of long-term projects on the following basis:

a. United States to finance Brazil's purchases of machinery, materials, and technical skills in the United States. . . .



Morris Llewellyn Cooke

FDR Library

c. Ultimate control of the economic enterprises to rest in the hands of the Brazilian Government or Brazilian nationals.

The next section was:

The Transportation System—Construction of new strategic railroad lines in Brazil:

(1) The construction of a *1500 mile [railroad] north and south through the interior of Brazil* which would open up the resources of the vast Brazilian plain.

(2) Construction of a railroad to bring the valuable iron ore deposits of Itabera [a city in São Paulo state] down to the waterfront.

(3) The construction of a railroad to connect Brazil with Bolivia.

(4) Raising of capital by the Brazilian government to purchase the British owned railroad line. . . .

(5) *A long-term program for the construction of highways* in coordination with the railroad system.

*The construction of a merchant marine* for coastwise and river traffic and the improvement of river transportation through the interior. . . .

b. *The development of Brazil's waterpower resources.*

Brazil at the present time imports a large amount of coal from England to produce the necessary electric power. No serious attempt has yet been made to *harness the Brazilian waterways for the purpose of developing power resources.*

c. *The development of an iron and steel industry in Brazil* based upon the rich iron deposits in Itabera and coal exports from the United States.

d. *The development of complementary agricultural production.* (emphasis added)<sup>3</sup>

This astonishing, far-reaching memo-plan is sweeping in scope: build networks of railroads, a merchant

3. White, Henry Dexter, *Specific Proposals for Immediate United States-Brazil Cooperation*, Sept. 19, 1939, Henry Dexter White Papers, at the Seeley G. Mudd Manuscript Library, a division of the Rare Books and Special Collections, Princeton University Library, Princeton, New Jersey.

marine fleet for goods transport, highways, hydro-electric power generation, iron and steel production, and agricultural development. Many of these plans, such as that for railroads and steel, were based on *concrete projects*, that had been already been vetted and partly designed.

Thus, the 1942-43 U.S. Technical Mission to Brazil was not creating an entirely new mission, but was there to implement, strengthen and *raise to another level*, work that was conceived and underway in a limited fashion, when Cooke and the rest of his Mission planners arrived in Rio de Janeiro in late Fall 1942.

### Working in Brazil

Morris Llewellyn Cooke and his counterpart as the head of the Brazilian Technical Mission, João Alberto Lins de Barros, Brazil's Coordinator of Economic Mobilization, concluded that Brazil's multifarious problems, all springing from lack of development, could not be solved by plodding, piece-meal reforms. Only unified, top-down methods, which superseded underdevelopment by systemic development, led by the transfer of scientific-technological packages, would work.

Brazil constituted 48% of Ibero-America's land mass, and already was the world's tenth most populous nation, but it was scarred by illiteracy, malnutrition, and vast poverty.

The plan was to wrench the Brazilian economy from its staid past and thrust it into a new dimension. Expressing this outlook and this purpose, Cooke and Lins de Barros wrote on December 1, 1942, a "Mission Statement" addressed to Presidents Roosevelt and Vargas.<sup>4</sup>

Its philosophic outlook was revolutionary, and its suitability for application today, is overwhelming.

The Cooke-Lins de Barros memo extended the Sept. 19, 1939 memo written by U.S. Treasury official Harry Dexter White, cited above.

The Cooke-Lins de Barros memo called for rapid electrification, and emphatically, the development and expansion of Brazil's own indigenous manufacturing sector, covering every type of manufacture. It stated:

[Brazil's] industrial centers are surrounded by a countryside in which wagons and oxcarts out-

4. The Papers of Morris L. Cooke: 1914-53, at the Franklin D. Roosevelt Presidential Library and Museum, Hyde Park, New York.

number automobiles.... Brazil's roads, railroads, and electricity-generating capacity are relatively limited.... The gauges of Brazilian railroads differ, so that not all cars can pass over all roads; and the frequencies of her electric current also vary, so that power plants cannot be generally interconnected.

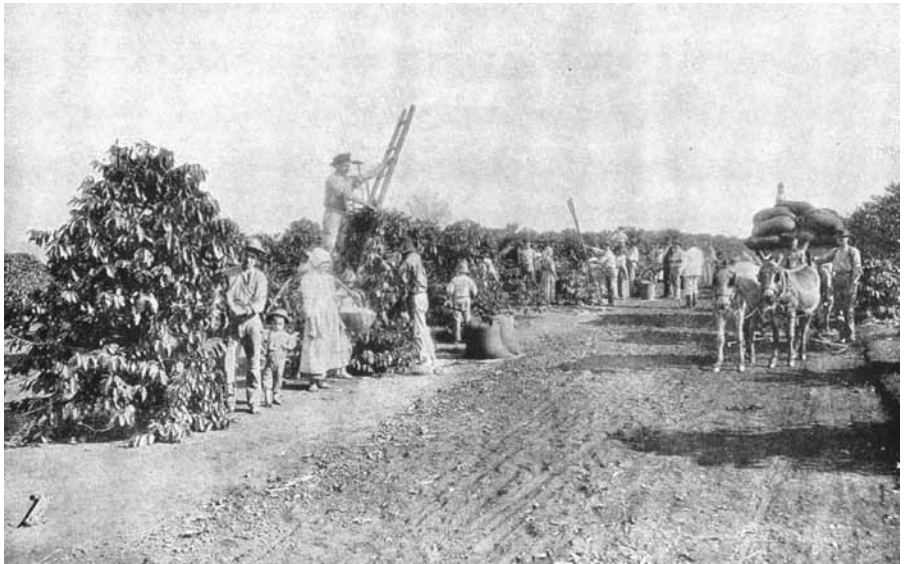
Some industries that with us [the United States] occupy strategic positions are simply nonexistent there. Brazil's largest industry—textiles—needs almost 100% modernization, especially in the machine equipment.

(Textiles and clothing production constituted Brazil's largest industry, but it used machines that were 40 years behind the times.)

The memo added:

Later-day technological developments, especially in the large-scale production and long-distance transmission of electrical power, have sealed the doom of typical [British] nineteenth international trading, in which the stronger and more highly developed countries carried raw materials great distances to the home country for fabrication and then sent the finished goods to the four corners of the earth, where they were sold at generous profits to peoples not in a position to do their own manufacturing. Today technology and the wide availability of electric power can change all this. Brazil should plan to do as much of her own manufacturing as is economically feasible and as much of this as is possible near the point or origin of her raw materials. This is a far cry from ... *the bombastic theories of industrial development based on the right of one nation to dominate the lives of other peoples because of an alleged superiority of race.* (emphasis added)

Further:



*Coffee picking in early 1900s Brazil, before mechanization.*

Whatever activities may be undertaken in the direction of *guiding our neighbor out of the abundance of our technological knowledge and experience* must be in the nature of assisting in the development of Brazilian plans. (emphasis added)

Earlier, Cooke had chaired the 1936 World Power Conference, which discussed how to build vast new power generation supplies for nations in each region in the world. As the first director of the U.S. Rural Electrification Administration, in 1935, Cooke pioneered in the stringing of power lines across the vast rural areas of the United States, comparable in distance to Brazil's.

The second part of the approach of the Lins de Barros-Cooke mission statement and the U.S. Technical Mission's Final Report, is its plans, and its accomplishments. This is voluminous, with plans too detailed to present here. But five critical project areas are a microcosm unfolding the macrocosm of the Mission plan as a whole.

In looking at each of the five project areas, the reader should keep in mind that in attacking deep backwardness, one should select and strike at fundamental areas of manufacturing, agriculture, and infrastructure, whose significant scientific change will accelerate transformation of the whole economy; second, that as good as each of the five is, each operates as part of an integrated whole.

### Plan 1. Turning São Francisco Valley into a TVA

Brazil's São Francisco River is 1,760 miles long, covering a basin of 247,000 square miles. It is the third largest river, surpassed only by the Amazon and the Plata-Paraguay.

Cooke paints a picture of the river as it reaches a point below Joazeiro, in the state of Bahia. Here begin—

the rapids and falls regions; then the river drops between 800 and 900 feet, and at last charges over the *Paulo Afonso*, one of the highest falls in Brazil. The electrical potential of these great cataracts has been estimated as at least 1,000,000 horsepower.

Cooke then quotes an American observer:

The falls of Paulo Afonso deservedly rank with the great cataracts of the world. In height and volume discharged, the main fall of 195 feet and 85,000 cubic feet per second is probably the greatest single concentrated power in the world.

The American who surveyed the falls, documented the São Francisco's immense development potential:

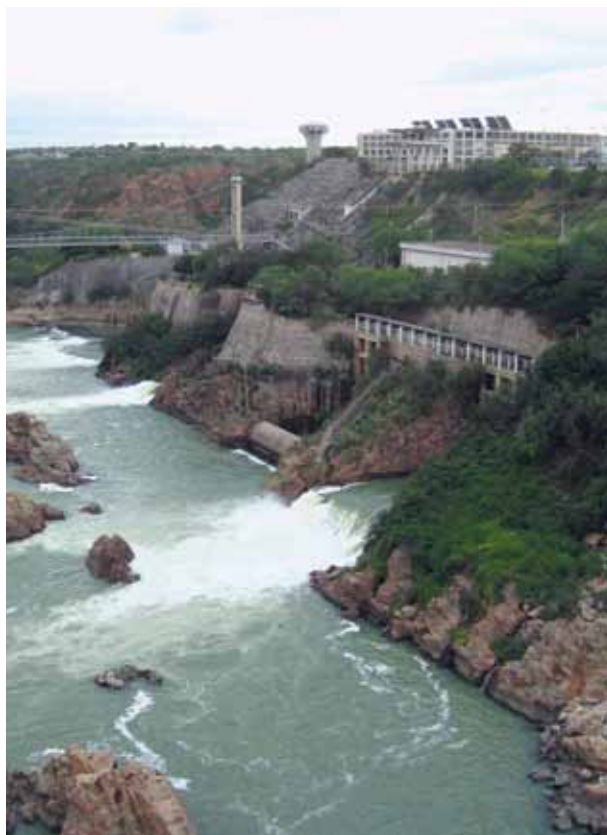
The São Francisco is a great stream, comparable with the great rivers in the world. *Its valley offers irrigable acreage as large as that of cultivated Egypt.* Its annual inundation, like that of the Nile, that other great northward flowing river of the five continents, covers its banks with rich alluvial silt each year, to a width of 10 to 20 miles over a course of more than 1,000 miles, from the moun-

tains at its source to the lowlands of the sea. (emphasis added)<sup>5</sup>

The São Francisco also had immense hydro-electric power potential, which would soon be home to thousands of farms and factories.

Accordingly, in 1945, with America's Tennessee Valley Authority (TVA) as a model, Brazil formed the Companhia Hidro-Elétrica do São Francisco (CHESF)

to direct construction of dams on the São Francisco River, at the point of Paulo Afonso. On January 15, 1955, Brazilian President Dr. João Café Filho inaugurated Paulo Afonso Unit #1. Several more units were subsequently built. Today, the Paulo Afonso Hydro-electric Complex has 23 operational units, with nameplate generating capacity of 4.28 megawatts (5.7 million horsepower).



CC/Mkossick

*The Paulo Afonso Hydroelectric Power Complex in Bahia, Brazil.*

### Plan 2. Tens of Millions of Kilowatts: Electricity

Based on the need to electrify Brazil, Morris Cooke wrote,

The developing of Brazil's waterpower cannot be exaggerated. Unless electricity produced from water power, hydroelectricity, can supplement

Brazil's supply of low grade coal, not enough metals can be smelted, not enough railroads can be run, not enough machinery can be built, not enough cloth can be woven, not enough paper can be made to carry out the plans of our two countries for either the emer-

5. Cooke, Morris Llewellyn, *Brazil on the March—A Study in International Cooperation; Reflections on the Report of the American Technical Mission to Brazil*, New York and London, Whittlesey House, a division of the McGraw-Hill Book Company, Inc., 1944, pp. 193-208.



gency of war or the necessities of peace.

It turns out that a pioneer, if not the leading pioneer, who spearheaded Brazil's development of hydro-electric power was an American, Asa White Billings, who was a hydro-electric engineer. Billings settled in Brazil in 1922 and lived there for all but the last few months of his life, before his death in 1949.

One notable project, exemplifying his work, and beginning Brazil's era of hydro-electric power: Starting in 1927, Billings planned and oversaw the construction of a dam across the Rio Grande (today known as the *Rio Pinheiros*) in São Paulo, which dammed up and reversed the multiple streams in the Sao Paulo area. Completed between 1935 and 1937, it created an immense 49 square mile (127 km<sup>2</sup>) reservoir which, taking advantage of a 600-foot drop, produced hydro-electric power for the budding manufacturing base of São Paulo, Brazil's largest manufacturing center.<sup>6</sup>

The goal of Morris L. Cooke, who knew Billings, was to take Billings' work—the work of the São Francisco Valley's Paulo Afonso Hydroelectric complex, which was still a gleam in the planners' eyes, to electrify all of Brazil, replacing the water wheel, and the steam-powered belts and pulleys in Brazil's manufacturing plants—to bring electricity to the farm and the home.

Cooke also sought to electrify Brazil's railroads, a technological

6. Ackerman, Adolph J., *Billings and Water Power in Brazil*, Madison, Wisconsin, published by the author, 1953; and Hager, Willi, "Hydraulicians in the USA 1800-2000," Monograph by the International Association for Hydro-Environment Engineering and Research, 2015, p. 1829.



*Asa White Kenney Billings*

breakthrough. He wrote:

Today, [Brazil] has the edge on [the United States], because the day of the dependence of railroads, on coal is passing. Brazilians no longer need to rely on that long-past age which laid down the coal measures; they can use electric energy instead.<sup>7</sup>

This momentous thrust from Cooke, Brazilians, et al, produced remarkable results: Brazil today is the world's eighth largest electricity-producing nation, at 590,900 gigawatt-hours annually, only 63,000 GWh behind Germany. The Itaipu Hydroelectric Complex, with an installed generation capacity

of 14 megawatts, is the world's second largest electricity generating dam, eclipsed only by the Three Gorges Dam in China. Seventy-two percent of Brazil's electricity comes from hydro-electric generation, pow-

7. Cooke, *Brazil on the March*, p. 189.



itaipu.gov

*The Itaipu Hydroelectric Dam on the Paraná River between Brazil and Paraguay, completed in 1983.*

ering the world's eighth largest economy. Now, some Brazilians see the need for expansion of nuclear as well.

### Plan 3. Giving Brazil a Future

The British and Portuguese empires sought to keep Brazil, and innumerable other countries, in subjugation as backward raw-materials producing states. Cooke, and the United States, sought to have Brazil develop its own manufacturing base—two irreconcilable views of the world.

On behalf of the U.S. Technical Mission to Brazil, Cook stated:

Modern industrial progress is measured by the degree to which the machine is able to displace the work of man in the production on of useful articles. This concept is a challenge to the intelligence, imagination, and ingenuity of the executives and engineers of industry. The function of the engineer is to analyze the process of production with the aim of constantly reducing the amount of human effort involved.

The Mission started with Brazil's then largest industry, though in the future, as Brazil developed, it would not be the most important: textiles and clothing. It proposed to convert to automatic looms.

The Mission's study report is hundreds of pages long, containing detailed plans of how to modernize Brazil's industrial, agricultural, and mineral base, including the manufacture of soda ash, the production of alumina from bauxite, and the use of new technologies to produce tungsten, chrome, rubber, and varied chemicals. The report proposed to introduce modern industries that did not even exist in Brazil. Altogether, the report had plans for dozens of industries.

Two communiqués written in October 1942 by

Frank Hodson, the metallurgical engineer expert of the U.S. Technical Mission to Brazil, show how the operation was run. In one communiqué, Hodson instructs people to contact the director of a machine tool company in New York City, whom he knows, to ship a Simplex pulverizing machine to Brazil on an expedited basis.<sup>8</sup> Brazilian engineers were being trained. These were not hypothetical plans; they were hands-on.



*The Amazon River basin.*

EIRNS

### Plan 4: Connecting the Negro and Orinoco Rivers

On November 22, 1942, American consulting engineer Dudley South sent a communication to U.S. Ambassador to Brazil, Jefferson Caffrey, delineating that Brazilian President Vargas had become intrigued by a proposal “to open the natural river connection between

8. October 16, 1942 letter from Frank Hodson, metallurgical engineer expert of the U.S. Technical Mission, to Mr. Alec Taub, in the Franklin D. Roosevelt Presidential Library and Museum, Hyde Park, New York.

the Rio Negro and the Orinoco rivers to permit shallow draft barge and river boat traffic.” Upon engineer South’s arrival in Rio de Janeiro, Brazil from Venezuela, he was met at the airport—

by Mr. Cyro Aranha, who took me to the office of Dr. Oswaldo Aranha [Brazil’s Foreign Minister]. Dr. Oswaldo Aranha spent about two hours discussing the river improvement project with me. He had complete maps, and expressed himself as being very much interested in the Rio Negro-Orinoco connection as well as the strategic and economic value to Brazil of opening up of the southern Brazilian rivers.

Soon, engineer South was whisked away to “see Dr. Joa Alberto at his home.” Dr. Joa Alberto was João Alberto Lins de Barros, Brazil’s Economic Mobilization director, and the counterpart of Morris L. Cooke, who co-wrote the Cooke-Lins de Barros Mission statement. South wrote that “Dr. Alberto kept me from four o’clock until 7 o’clock on a Saturday afternoon,” discussing connecting the Negro and Orinoco rivers.” Lins de Barros then set up a meeting with engineer South and Morris L. Cooke on the subject of “the Rio Negro-Orinoco inland waterway connection.”<sup>9</sup>

The Brazilians kept pushing to deepen the proposal, and eventually there appeared a proposal to connect the Negro and Orinoco rivers, with the intention for a connection to the mighty Amazon and Plata rivers, a Charlemagne-type project. This equally shows that the U.S.-Brazil Technical Mission to Brazil received Brazil’s full and heavy input, as it did in many areas, and was truly a collaborative mission.

9. November 22, 1942 letter from Dudley South, Consulting Engineer to Jefferson Caffery, U.S. Ambassador to Brazil, in the Franklin D. Roosevelt Presidential Library and Museum, Hyde Park, New York.

## Plan 5. Revolutionary Plan for a Giant Steel Mill in Volta Redonda

The construction of the Volta Redonda steel plant represents a crowning achievement in Brazilian-U.S. relations; it is the *sine qua non*, as Brazilian President Vargas had advocated since 1931, of Brazil’s industrialization.

Up until then, Brazil produced steel products usable only by light manufacturing industries, nothing heavier. It had a steel ingot capacity of less than 200,000 tons. A Brazilian steel executive commission was set up to devise the Brazilian construction design. Once again, Brazilian-U.S. relations came into play. To evaluate the



CC/HenriqueBarraMansa

*The Companhia Siderúrgica Nacional, Brazil’s second largest steel complex, located in Volta Redonda, began production in 1946.*

plan, the Brazilian commission brought in Mr. William Haven, vice president of the U.S.-based Arthur G. McKee Engineering Company.

This led President Vargas, in January 1941, to establish by decree the government-owned Companhia Siderúrgica Nacional (National Steel Company). It selected as its site Volta Redonda, which was on a bend on the Paraíba River, situated 90 miles from Rio de Janeiro and 200 miles from São Paulo. High-grade iron ore would be brought in from mountains of billions of tons of such ore, located in Minas Gerais state, 240 miles away. It would utilize Brazilian and American metallurgical coal, used for coking. It would use manganese, limestone, and dolomite, all obtained from within a rea-



sonable radius of the plant. This required the total upgrading of, as well as building of new railroads, as cited earlier in this report.

Despite its enthusiasm, Brazil hit a roadblock: it did not have the capital investment to build the plant. Brazil's Minister of Foreign Affairs, Oswaldo Aranha, was sent to Washington in 1939, where he met with Undersecretary of States Sumner Welles. The two then met with Federal Loan Administrator Jesse Jones. By September 1940, an agreement was hammered out: The United States Export-Import Bank would lend Brazil \$45 million out of the total \$65 million of the plant's total construction costs—two-thirds of the total cost. The loans would become effective March 22, 1941.

This enabled Brazil to start purchasing in the United States all the capital goods for the plant: heavy machinery and equipment to build coke ovens, blast furnaces, an open-hearth plant, a blooming mill, a rail and structural mill, a plate mill, and hot- and cold-strip mills. The abundant electric power would be supplied to the plant by the Brazilian Traction, Light and Power Company, the company where the American hydraulic engineer, Asa White Billings was a leading force.<sup>10</sup>

### Measureless Pride

It is difficult to put into a measure the pride that Brazilians felt on building this plant. On May 7, 1943, President Getúlio Vargas delivered a speech at Volta Redonda itself, saying:

In the presence of an undertaking of the magnitude of the one we are carrying out here, I cannot conceal my patriotic enthusiasm and my confidence in the capacity of Brazilians. . . . The meaning of this picture to us is that our eyes behold the final milestone in the economic emancipation of our country. Here it is, solidly built in concrete and iron, challenging skeptics from any



*On first visit of a sitting American President to Brazil, FDR meets with President Vargas in 1936.*

quarter, the mentality of public opinion that persists in favor of a semi-colonial solution, the pressure of industrial countries [other than the United States] that are interested in keeping us on the level of mere suppliers of raw materials and consumers of manufactured goods! . . . Even the stubbornest agrarian conservatives realize that it is unthinkable that we should go on depending upon the importation of machinery and tools when a hoe, that indispensable and elementary instrument of agriculture, costs the farmer 30 cruzeiros [\$1.50], that is to say, an entire week's labor on the basis of the prevailing wage. . . . The Volta Redonda mills are planned to increase production up to a million tons a year. . . . The fundamental problems of our economy will soon be on a new basis. The semi-colonial agrarian economy, importer of manufactures and exporter of raw materials, will be able to meet the exigencies of an autonomous industrial life, providing its own most urgent defense and equipment needs.

He added:

This industrial city will not only be a milestone of our civilization, but also a monumental testimonial of the capacity of our people—an exam-

10. Rogers, Edward T., "Brazilian Success Story: The Volta Redonda Iron and Steel Project," *Journal of Inter-American Studies*, Vol. 10, No. 4, Oct. 1968, pp 637-652, and Cooke, *Brazil on the March*, pp. 236-237.



ple so salient as to eliminate any doubt or apprehension for the future, instituting, as it will, a new standard of living, and a new mentality in our country.<sup>11</sup>

Brazil built an entirely new city, an industrial city, in Volta Redonda.

In June of 1946, the blast furnace, the open-hearth furnace, and the blooming mill were complete, and put into operation. In 1947, although compelled to operate at approximately 50% of capacity due to the fact that several of its units had not been completed, it was still able to produce 145 tons of steel ingots; by 1951, it was producing 465 tons of steel ingots, and would later reach nearly one million.<sup>12</sup>

This is the Good Neighbor Policy. All the different comprehensive plans were integrated into a single mission. The U.S. was transmitting scientific-technological packages and infusing them directly into the Brazilian economy. This is the cornerstone of the Bretton Woods system.

## II. Developing All of Ibero-America

With Brazil as the spear-head and paradigm, the U.S. set out to develop the industry, agriculture and infrastructure of all of Ibero-America.

Franklin D. Roosevelt created the U.S. Export-Import Bank by Executive Order 6581 on February 2, 1934. The Bank raised its capital by selling the vast majority of its preferred stock to the Reconstruction Finance Corporation, so it was a division of the RFC. The RFC, under Roosevelt's design, had acted as a Hamiltonian national banking institution; it extended the largest share of directed credit of any financial institution to the



*FDR jokes with President Vargas during an inspection tour of the Army, Navy, and Air Forces in January 1943.*

OWI

U.S. economy between 1933 and 1945, in particular to Roosevelt's New Deal of 1933-38, and the economic mobilization for World War II of 1939-44. The Ex-Im Bank's mandate was to "assist in financing and facilitating U.S. exports of goods and services." Following the RFC's domestic direction, the RFC's Export-Import Bank served as a positive foreign policy instrument of the United States.

It would play a critical role in the development of other Ibero-American countries.

In 1937, Ex-Im Bank president Warren Pierson championed a 50% financing of locomotives of the government-owned railroads of Chile. In 1938, the Ex-Im Bank helped finance loans for the improvement of the Central Railway of Brazil, even though Brazil had not made arrangements to compensate American bondholders for its earlier default on Brazilians bonds.

In July 1940, Roosevelt called for increasing the Ex-Im Bank's financing authority from \$200 million to \$700 million (which would be about \$15.4 billion in today's dollars). The Congress acceded to his request in September 1940, and so the Export-Import Bank had a significant amount of money it could use, and it could leverage those funds by asking private investors to join in FDR's selected projects.

11. Cooke, *Brazil on the March*, pp. 54-56.

12. Rogers, Edward T., "Brazilian Success Story: The Volta Redonda Iron and Steel Project."

## Outreach

At the outbreak of World War II in 1939, many Ibero-American nations were cut off, in part or wholly, from European markets, damaging their economies. The Ex-Im Bank extended lines of credit to nations' central banking authorities to prevent these nations' financial systems from fatal crashes: It extended lines of credit to Argentina (\$60 million), Brazil (\$25 million), Peru (\$20 million), Uruguay (\$5 million), and smaller sums to Cuba and Costa Rica.

At the same time, credit was extended for public works programs. Loans went to Cuba, Mexico, and Panama for road-building projects. Argentina received loans to purchase equipment for its railways and for building two dams. In addition,

Bank assistance to programs to diversify agriculture programs in Venezuela, Colombia, Bolivia and Ecuador provided funds to improve food supplies, lessening the need for imports. These credits likewise promoted projects to expand the productive capacity of strategic materials, such as rubber, metals, fibers, and plants needed for medicines.<sup>13</sup>

## Ibero-America's Development Corporations

A new step in development was taken in the period 1939-42: Ibero-American nations formed *fomento* corporations; *fomento* means development. These were dirigist corporations, under the sovereign control of each republic, which set an agenda of development projects for industry, agriculture and infrastructure that the corporations would finance to ensure development. In all cases, these corporations received funding from the U.S. Export-Import Bank.

This constituted an interesting chain, the Reconstruction Finance Corporation's Export-Import Bank funneling funds to Ibero-American countries' republican institutions, *fomentos*, whose specific purpose was these nations' development.

These included the Chilean *Corporación de Fomento de la Producción de Chile (CORFO)*, the Colombian *Instituto de Fomento Industrial*, the Haitian *Société Haitiano-Américaine de Développement Agricole*

13. Becker, William H., and William M. McClenahan, Jr., *The Market, the State, and the Export Import Bank of the United States, 1934-2000*, Cambridge University Press, Cambridge, England, and New York City, 2003.

(*SHADA*), the Cuban *Development Commission*, the Ecuadorian *Corporación Ecuatoriana de Fomento*, the Peruvian *Corporación Peruano de Amazonas*, and the Bolivian *Corporación Boliviana de Fomento*.

In the course of this, for example, the Ex-Im Bank extended low-interest credits to Colombia's Instituto de Fomento Industrial to build a tannin plant, a plant for milk pasteurization, a company to expand the sugar industry, a sulphuric acid plant, and a plant processing salt derivatives.<sup>14</sup>

All told, the Export-Import Bank extended, in today's dollars, billions of dollars of low-interest credits.

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## III. The Aborted Inter-American Bank & Bretton Woods

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In 1937, the U.S. Export-Import Bank increased its role in directed financing for Ibero-America's development. In that year, Ex-Im Bank president Warren Pierson pushed through financing of locomotives for the government-owned railroads of Chile. In 1938, the Ex-Im Bank financed loans for the improvement of two rail lines in Brazil—the Central Railway of Brazil, and the Sorocabana Railway of Brazil in the state of São Paulo. It was anticipated that Brazil would ask for a large Ex-Im loan to build the Volta Redonda steel mill, for which the government had worked out plans by the end of 1938.

At the same time, U.S. Ex-Im Bank loans went to Cuba, Mexico, and Panama for road-building projects. Argentina received loans to purchase equipment for its railways and for building two dams. Other Ibero-American republics indicated projects that they wanted to build, requiring additional funding. The type, and frequently the specific characteristics of the projects, and their technological role in the overall development of the country, were known. They multiplied the financing need.

The increasing density of Ibero-American physical-technological projects compelled Henry Dexter White, then U.S. Treasury Department Director of Monetary Affairs (and later Assistant Secretary of Treasury), to innovate. He came up with a brilliant idea, which had direct bearing on Bretton Woods. He reasoned, *instead*

14. Soule, George, David Efron, and Norman T. Ness, *Latin America in the Future World*, Farrar & Rinehart, Inc., New York and Toronto, 1945, pp. 273-285.

of the U.S. Export-Import Bank handling this exclusively, why not build a multi-national institution, composed of the U.S. and Ibero-American sovereign republics, that would construct a Hamiltonian credit institution, an Inter-American Bank, to finance these projects, while constructing a new credit system for the Americas?

White, who wrote the proposal for an Inter-American Bank, also wrote the majority of the Bretton Woods accords: Sovereign republics of the whole world would form a Hamiltonian credit institution to finance such physical-economic projects everywhere. Thus the conception of this side of Bretton Woods came directly from a proposal of the Good Neighbor Policy of a few years earlier.

The seed crystal was enclosed in a draft proposal White wrote on June 6, 1939, called, "Loans to Latin America for the Industrial Development of Latin America."

Because of the importance of this proposal, we present some sections from it:

1. Latin America presents a remarkable opportunity for economic development. Only capital and technical skill are needed to develop the area so that it could provide for a much larger population, for a higher standard of living and a greatly expanded foreign trade.

2. If Latin America could obtain sufficient capital under favorable terms and conditions and if that capital could be devoted exclusively to productive development of the various countries, Latin America could within a generation become a prosperous and friendly neighbor and a great market for American products. It is quite within the realm of possibility that if properly developed our economic relations with Latin America could become within a generation as important as our economic relations with the rest of the world combined.

3. We have now a surfeit of both the capital and technical skill that Latin America so badly needs. To raise Latin America from its present status to that of a progressive, prosperous neighbor calls for a bold program conceived and executed in a spirit appropriate to the possibilities



Ex-Im Bank

*Dr. Raúl Prebisch and Warren Lee Pierson sign a loan agreement to Argentina on December 11, 1940.*

and involving economic aid in amounts commensurate with the task and provided under conditions consonant with our Good Neighbor policy. Each of the countries to the south of us have, of course, their special problems and economic assistance to each of them will vary in form, amount, terms and conditions. Yet all of the Latin American countries have in common the one handicap which we can remove to our mutual advantage, i.e., shortage of capital and technical skill. . . .

### **Thinking Into the Future**

White gave features of the Bank's proposed operations:

*What can we do about it now?*

Create by legislation a government Bank whose sole function should be to assist in promoting the long-run economic development of Latin America.

The bank should have a capital of \$300 million in common stock, purchased entirely by the government, with the power to issue \$700 million in bonds guaranteed by the government as to interest and principal. The bank would have the power to issue an additional billion dollars in guaranteed bonds as the need arose. The pur-

chase of common stock of \$300 million might come out of the gold profit now in the Stabilization Fund or out of the \$1.5 billion unissued silver certificates. Thus it would not involve an increase in the deficit.

The most important type [of loan] would be in the form of long-term loans for productive purposes. Loans in general should be devoted to domestic rehabilitation programs, including public works, creation of new Industries and the modernization and expansion of existing Industries. The program selecting the types of Industries to be encouraged should be worked out by a joint planning board.

The above program is not dollar diplomacy.... The program is completely in the spirit of democracy for the objective of the mutual advantage of the United States and Latin America.<sup>15</sup>

This echoes Franklin Roosevelt's July 1928 *Foreign Affairs* article, which took apart dollar diplomacy.

The Inter-American Financial and Economic Advisory Committee was formed by the Foreign Ministers of the Americas on Oct. 3, 1939. U.S. Deputy Secretary of State Sumner Welles, who was supporting the current Inter-American Bank proposal, and a leading member of Roosevelt's "team," chaired this Committee.

In May 1940, Sumner Welles for the United States, strongly joined by Mexico and seven other Ibero-American nations—Bolivia, Brazil, Colombia, the Dominican Republic, Ecuador, Nicaragua and Paraguay—signed a Convention to create an Inter-American Bank.<sup>16</sup>

In 1941, President Roosevelt submitted to the Senate for ratification the Convention for the Establishment of an Inter-American Bank (IAB). It was written by Harry Dexter White, with perhaps some input from Sumner Welles, and members of the Roosevelt "team."

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15. White, Harry Dexter, "Loans to Latin America for the Industrial Development of Latin America," June 6, 1939, Harry Dexter White Papers, in the Seeley G. Mudd Manuscript Library.

16. The proposal for an Inter-American Bank was a hot item of discussion in Ibero-America. In 1939, at a meeting in Guatemala of Finance Ministers of the Americas, Mexico's Eduardo Villaseñor submitted a detailed proposal for the creation of an Inter-American Bank, which he proposed, should "act as a channeling agent for investment capital intended to foment the economic development of the different countries of the Americas," reported Stephen Macekura and Erez Manela, in their book, *The Development Century: A Global History*.

There is a very clear presentation of the Bank in "Section 5. Purposes and Powers," which states:

A. The Bank is created by the American Republics to carry out the following purposes:

(1) Facilitate the prudent investment of funds and stimulate the full productive use of capital and credit.

(2) Assist in stabilizing the currencies of American Republics; encourage general direct exchanges of the currencies of the American Republics....

(3) Function as a clearing house for, and in other ways facilitate, the transfer of international payments....

(5) *Promote the development of industry, public utilities, mining, agriculture, commerce and finance in the Western Hemisphere.*

(6) Foster cooperation among the American Republics in the fields of agriculture, industry, public utilities, mining, marketing, commerce, transportation, and related economic and financial matters.

(7) *Encourage and promote research in the technology of agriculture, industry, public utilities, mining, and commerce.* (emphasis added)<sup>17</sup>

What was going on underneath the Inter-American Bank proposal, was a beehive of rich, advanced development of anti-entropic scientific-technological transformation.

The City of London and Wall Street, terrified of a rising Ibero-America, mobilized all out—against the Bill. The Bill never made it out of the Senate Foreign Relations Committee. It was killed in 1941, ultimately blocked by Wall Street economic hitman W. Randolph Burgess, Vice President of National City Bank of New York, who had told Treasury Secretary Morgenthau as early as May 1940, that he preferred to see central banks, such as the U.S. Federal Reserve, buy up and own the

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17. "Convention for the Establishment of an Inter-American Bank," submitted by U.S. Secretary of State Cordell Hull on behalf of President Franklin D. Roosevelt to the May 5 and 6, 1941 hearings held by the Subcommittee of the Senate Foreign Relations Committee, on that convention. It can be found in "Hearings before a Subcommittee of the Committee on Foreign Relations, United States Senate, Seventy-Fifth Congress, First Session, May 5 and 6, 1941," U.S. Government Printing Office, Washington, D.C., 1941.



proposed Inter-American Bank's stock, and appoint its directors, as in the case of the [pro-Nazi] Bank for International Settlements. Thus, the IAB would be turned into its opposite.

Though the City of London and Wall Street bankers won the battle, they lost the war. Three years later, Harry White, who had forged the underpinnings of the Inter-American Bank in the crucible of the battle to scientifically and technologically transform Ibero-America, would bring it back, in expanded form to the 1944 conference at Bretton Woods, New Hampshire. There is an indispensable continuity between the thinking and principle behind the Inter-American Bank and Bretton Woods.

The losing fight was worth it to establish the principle.

### **The Process Toward Bretton Woods**

This upwelling of a new physical principle of development and the science and technology transfer to Ibero-American republics, embodied in the U.S. Technical Mission to Brazil, included the building of new railways, including perhaps the advanced step of electrifying them; the constructing of complexes of innovative and mighty hydro-electric dams; finding better ways to produce alumina from bauxite; the building of a revolutionary steel complex at Volta Redonda in the heart of Brazil; the advanced sector nations conceiving and applying the same scientific-technological principles to transform and upgrade themselves; reconstruction of the European nations and Japan after a devastating war; and the United States, among other nations, converting its war machinery to producing the most advanced machine tools and capital goods to scientifically transform the world.

These are in totality the content and spirit of Roosevelt's 1944 Bretton Woods system. They are the cardinal ordering, the predominant reason, that the Bretton Woods system was created.

That is the real intent, based on the principle of the future guiding the present, of the Bretton Woods. Roosevelt and his team fashioned a multilateral institution, comprised of sovereign republics, all equal, that would



*John Maynard Keynes addressing the Bretton Woods Conference, July 1944.*

deliver on the policy of scientific-technological transformation, of which the Good Neighbor Policy, from 1936 to 1944, was a first installment.

### **The All-Out War Called Bretton Woods**

The Bretton Woods Conference from July 1 to July 22, 1944 accomplished much good, within a context that was an all-out war. This full story, which was quite eventful, will be covered in a forthcoming *EIR* article.<sup>18</sup>

But a few indications of the significant impact on the conference of the Good Neighbor Policy and U.S. Technical Mission to Brazil can be presented here.

Nineteen countries of Ibero-America—Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela—were invited to Bret-

18. Roosevelt used the successful method of the Good Neighbor Policy and the U.S. Technical Mission to Brazil for the United States' plan for development of Russia, China and India. In 1933, the first year Roosevelt was in office, a report was written titled, "A Good Neighbor Policy for Russia." One Roosevelt administration proposal in the 1940s called for a \$10 billion post-war development loan to the Soviet Union, which would be \$220 billion equivalent in today's dollars. The U.S. had ambitious plans for China, using Sun Yat-Sen's "International Development of China," as a touchstone. The U.S. sent a Technical Mission to India, parallel to that Mission to Brazil. There were development plans for other Asian nations.

ton Woods, out of a total of 44 nations in attendance. That is 43%. The number of Brazilian delegates to the Bretton Woods conference (13) were the fourth most, behind only the United States (45), China (33) and Britain (15). Brazil, where the U.S. Technical Mission had been collaborating with Brazilian patriots in 1942-1943, had only two fewer delegates than imperial Britain, and more than every other European country. There was a reason.

Roosevelt had stacked the conference with the development oriented Ibero-American nations, which not only knew well the content of Roosevelt's policy, but had played a critical role in developing it. The British went nuts. John Maynard Keynes, a genuine fascist and an officer of the Eugenics Society, and the head of the British delegation, wrote in 1944, that:

Twenty one countries have been invited [to Bretton Woods] which clearly have nothing to contribute and will merely encumber the ground, namely Colombia, Costa Rica, Dominica, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Liberia, Nicaragua, Panama, Philippines, Venezuela, Peru, Uruguay, Ethiopia, Iceland, Iran, Iraq, Luxembourg. *The most monstrous monkey-house assembled for years.* To these might be perhaps added: Egypt, Chile, and (in present circumstances) Yugoslavia. (emphasis added)<sup>19</sup>

Keynes wanted 14 Ibero-American nations effectively excluded.

Keynes had wanted private meetings to be held between the British and U.S. delegations to the conference, without any other nation present, where a joint policy would be worked out, through which Keynes sought to preserve the British Empire in modified form. Henry Dexter White, one of America's leading delegates, who helped formulate U.S. policy, rejected that.

A taste of the Bretton Woods accomplishment and direction can be gained by looking at the purposes stated in the World Bank's (officially the IBRD, the International Bank for Reconstruction and Development) founding Articles of Agreement. Article I of the Agreement states:

19. *The Collected Writings of John Maynard Keynes*, London, Macmillan Publishers; New York, St. Martin's Press, for the Royal Economic Society, 1971-89; Vol. 26, p. 42.

The purposes of the Bank are:

(i) To assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including the restoration of economies destroyed or disrupted by war, the reconversion of productive facilities to peacetime needs and the encouragement of the development of productive facilities and resources in less developed countries.<sup>20</sup>

Further, in Section iii, it calls for taking actions in—particularly less developed—countries “by encouraging international investment of the productive resources of members, thereby assisting in raising their productivity, the standard of living, and conditions of labor.”

This directed credit was to be extended intensively all over the world.

This reflects the Roosevelt administration's total outlook, including, in particular the Good Neighbor Policy and 1942-43 Mission to Brazil. This is Roosevelt's tradition. But you, the reader—this is your tradition, as well.

Today, most discussions of Bretton Woods center on monetarist issues, revealing that these “analysts” don't know what they are talking about. Roosevelt's intention, as also that of White, Cooke and other key collaborators, was always characterized by a commitment to scientific-technological transformations of the economy, led by the transfer of scientific-technological packages and machine tools to other nations, and the employment of the same in one's own country. This is all to be driven by a Hamiltonian credit system, employing a fixed exchange-rate system. This is the single most important reason that the Bretton Woods conference was convened and that a new system was formed.

At the heart of understanding the true Bretton Woods system, is the scientific-technological physics of it, as Lyndon LaRouche has uniquely explored and developed. It presents a challenge to each of us. This is the underlying method required today.

20. *Articles of Agreement: International Monetary Fund and International Bank for Reconstruction and Development*, U.S. Government Printing Office, 1945, p. 51.

# LaRouche Outlines His New Bretton Woods Plan in New Delhi on December 5, 2008

*From December 1 to 11, 2008, Lyndon LaRouche and Helga Zepp-LaRouche were in New Delhi, India, where they held a number of seminars and private discussions, to promote LaRouche's concept of a Four-Power alliance against Britain's imperial drive for a New Dark Age.*

*On December 5, 2008, Lyndon LaRouche addressed the United Services of India, a private, membership organization of more than 12,000 active and retired officers. Here is the edited transcript of his remarks to that organization.*

*On December 3, he spoke before the Forum for Strategic and Security Studies (FSSS), a leading military think tank. See EIR Volume 35, Number 49, December 19, 2008, for his [speech](#), that of Helga Zepp-LaRouche, and Jeffrey Steinberg to that organization.*

*In our next issue, EIR will republish a piece by Lyndon LaRouche, on Nationalizing the Federal Reserve Bank.*

Good to be with you again, for those who were here yesterday. I saw some of you, when we spoke yesterday, and I presented an estimate on what I called "Plan A" and "Plan B" (see box) for the world today.

On the one hand, with the Clinton crowd, as you might call it, taking over much of the future government of the United States, under prospectively, President-elect Obama, there are reasons for optimism. In a sense, I'm sort of a part of that crowd, by ties to it, and particularly, with the credibility which I have come to enjoy as a result of my successful forecasting of the greatest financial crash in modern history, which is now in process, and my proposals for measures to be taken,

**Editorial Note:** This article first appeared under the title, "As \$1.4 Quadrillion Crashes, There Is Reason for Optimism," in *EIR* Vol. 35, No. 50, Dec. 26, 2008, pp. 28-33.

on that account, are rather influential in these circles. So there's going to be, not a clear shot at having my policies adopted, but certainly, there's an increasing propensity in these circles, to resort to my proposals for reforms, both on the U.S. domestic side, and also, internationally.

Now, the principal international reform, which I discussed somewhat yesterday, is to establish as a pivot: cooperation among the United States, India, Russia, and China, to launch a general reform of the international monetary-financial system. Because without that kind of reform, there's no possibility of avoiding what would become a New Dark Age.

As to the New Dark Age itself, the problem is this: Since 1987, the process of degeneration of the United States, and of economies of other parts of the world in general, especially Europe and the Americas: This degeneration has been associated with the use of what are called financial derivatives, which are actually a form of gambling. This mass of financial derivatives now totals about \$1.4 quadrillion in nominal value. This is now crashing. This bubble of derivatives has been crashing since, in fact, the end of July 2007. The rate of that collapse is accelerating. We're at a point of unpredictability, in which the inevitability of a crash is almost certain; the exact timing is not certain, as it can not be in these matters.

So therefore, what is required, is a way of getting the world economy out from under this financial derivatives bubble. Because there's not enough money and wealth in existence to pay off this bubble, or to come to a resolution of sentiment on this bubble. And therefore, we simply are going to have to put the world system through financial bankruptcy reorganization, in the same way you would with a firm that you wish to save because it was valuable for society, but it was hopelessly bankrupt. And therefore, you put that firm into financial reorganization, in order to ensure the continu-



EIRNS/Helene Möller

*LaRouche outlined his proposal for an international reform, pivoted around cooperation among the U.S.A., Russia, China, and India, without which, he said, “there’s no possibility of avoiding what would become a New Dark Age.” He is shown here speaking to a conference in Kiedrich, Germany, 2007.*

ity of its functions on behalf of society, while getting some of the creditors to eat a lot of the losses. And we’re going to have to do that.

### **The Anti-Monetarist U.S. Constitution**

Therefore, to put that across, against the very powerful international financial interests which are defending that bubble, we need a powerful coalition of nations, *to break the back of the opposition to reform.*

Now, what I have proposed is that there are four nations which are crucial. The United States is crucial, not only because of its dollar, and because of its historic situation in the process, but because of the nature of its Constitution. We’re the only nation on this planet, the United States, which by its Constitution, is anti-monetarist. Our system is not based on an international monetary system, as most other nations are subject to. The U.S. system is a constitutional system based on credit.

Let me explain that, because it’s not well understood: Under the U.S. Constitution, no money can be uttered, except by the approval of the U.S. Congress. It is uttered, as a sovereign utterance by the U.S. government, *not* any banking institution. Banks are not allowed to utter currency, under U.S. Constitutional law. The issue of currency occurs through the authorization of the Congress, the House of Representatives, specifically, which authorizes the Presidency to proceed with a proposed schedule—flexible or otherwise—of uttering credit. This credit is then uttered, usually, through the banking system. And the credit is designated to be used for certain kinds of purposes, certain kinds of investments. These investments then go through the banking system, and normally, we should have a National Bank which would take care of that; we have a reform [proposal] to that effect. This credit, going through the system, is then monetized: That is, the U.S. dollar is uttered on the basis of this credit.

Now, every other system, every other state, in general, has an agreement with the international monetary systems, in which the state may or may not have such an agreement, or it may be imposed, by certain international institutions. Therefore, the world as a whole is actually under the influence of an empire of monetary power, which no nation actually controls. Traditionally, the Bank of England used to be the keystone of control of the world empire, the world empire of *money*.

We’re now at a point, where the world empire of money, the international monetary system in its larger sense—not just the name of the system, but in the larger sense—is hopelessly bankrupt: with over \$1.4 quadrillion debt, which is open debt, which is crashing now, far beyond anything that could ever be paid. The question is, who is going to cancel most of that debt?

Now, there are powerful interests which do not want that debt cancelled. And if each country tried to deal with that problem by itself, it would tend to be crushed. Most nations trying to fight the IMF, for example, would be crushed, or fight these institutions.

Therefore, you need a powerful political combination of states, each of which would be incapable of carrying out the reform by itself, but together represent a bloc which is too powerful for any force on this planet to resist.

The importance of Asia, of course, includes the fact that Asia is particularly important for the future of mankind: because of its population, and because of the urgent need for development in Asia, and the very large





*Russia sits on top of one of the greatest concentrations of raw materials on this planet, especially in Siberia. Its scientific community has the capability to develop this potential. Pictured here, an oil-drilling site in Siberia.*

masses of people who are unskilled, essentially, or marginally skilled; who have no capability of survival, unless there are improvements in the conditions of life, through investment and development in times to come.

### **The U.S.-Eurasia Combination**

The future of the world will depend upon how the world looks at two parts of itself: Looks first, at Asia, where the greatest issue, the greatest crisis is located. In the masses you have in India, 63% of the population, perhaps, is in extreme poverty. In China, and throughout Asia, you have comparable situations. We have a potential explosion on our hands, a social crisis explosion, on our hands. Therefore, unless we have a perspective of development of Asia, which relieves this source of threat and crisis, by effective development, effective measures of development, we don't have much of a chance for the world at large. And therefore, it's very important, that the United States, which is key to the solution, because of our Constitution, and the major nations of Eurasia, be united; and the key nations of Eurasia, are Russia, India, and China.

Russia has a very specific role in this. Russia is not what it once was in terms of power. But Russia has invisible power. Not political power, but invisible power, economic power. Russia is sitting on top of, in its total territory, especially in Siberia, one of the greatest concentrations of raw materials on this planet. You can not

go in there, and carve Siberia up, for example. You actually have to develop those raw materials, which means you need large-scale railway systems and similar systems, power systems, the whole bit. Russia's scientific community has that capability.

For example, take very specifically, the Vernadsky Institute, which is centered in Moscow, is a center of this very specific capability. So, Russia is key, because Asia's development requires a very large increase in raw-materials supplies, especially mineral supplies. And without this cooperation, it would be impossible to develop these resources sufficiently to deal with the problems of the mass of poor—shall we say, across the board, 60% or more, of the Asian population is in terrible condition. And therefore, this is necessary.

The United States is crucial, because it's an English-speaking power, and the world has been divided, since 1763, since specifically, the February 1763 Peace of Paris, between two English-speaking powers on this planet: one, the United Kingdom so-called, the British Empire; on the other side, we in the United States, who were opposed to the British Empire. We are two cultures, or a single culture in part, divided by a common language. And we are divided. There are people in New York who will deny that, in the New York banking community. But the typical American does not like the British, and for good reason, especially the patriots. We don't like the British, not because of the people, with whom we often have affectionate relationships. But we do not like their empire. The biggest fight is that. Therefore, the issue is the British Empire, which is the only empire of any significance on this planet today, contrary to many rumors, and stories, and fairytales.

The United States has not been functioning much lately, as you may have noticed. We've had three Bushes, and we need trees! We've had 12 years of apostasy, and some other periods are not too good from 1968 on; since the assassination of Kennedy, in point of fact. This sort of thing. Reagan had some useful points, and Clinton was a good person as a President, but he never cracked the problem. He probably could not have cracked the problem at that time; it was too powerful for him to control.

Because of Prime Minister Jawaharlal Nehru's forward-thinking decision, India is now a nuclear power, and well situated to rapidly develop its economy. Nehru is pictured here with his daughter Indira Gandhi, and grandson Rajiv Gandhi, both of whom became prime ministers of India; also shown, Units 1-4 of the Nuclear Power Corporation of India Ltd.'s Rajasthan nuclear plant in Rajasthan state.



NPCIL

essentially the same. You have a population which does not have the skills to progress much by itself. But if you provide the appropriate selection of infrastructural development, you can magnify the productive powers of a population, and nuclear power in India is a typification of the many kinds of infrastructural projects, on a large scale, which will do that.

### A Development Perspective for Asia

Therefore, we need that kind of unity, with a perspective on the future. One of the things, which, of course, India is very crucial in, is, because of Nehru's decision, nuclear power. India is a very important nuclear power. Not for nuclear power weapons, but for the use of nuclear power, particularly because of the problems of poverty and similar kinds of things, especially toward the south side of India. Only with nuclear power, which India is particularly well situated to develop—it already has a foot in the door on the thing—can we deal with the problem of the poor of India, particularly along the coasts.

For example, the plutonium charging of the thorium cycle, of the small reactors along the coasts of India, is the solution, in a sense, for providing the power needed for purifying water, and for providing the infrastructure, which can transform an unskilled population—agricultural, and other population, unskilled; we're not going to increase their skills very much in less than a generation or two; but you can, in the meantime, increase their net productivity, through the proper form of infrastructure, such as water resources, power resources, and so forth. Just by walking in with this kind of infrastructure, you can create an environment in which the population can increase its productivity.

You have a similar situation, but a different one, in the case of China. And, all through Asia, the problem is

### Four Cultures To Unify the Planet

The point, of course, of the four nations, is not to exclude any nation. What you need is a combination of nations, which is sufficiently representative, and powerful—and different! The important thing about these four nations, is *four different cultures*.

Therefore, the dissimilarities among the cultures are extremely important, because you're trying to unify the planet. And if you can not show that you can unify the planet around sovereign cultures, of different cultural characteristics, you can not unify the planet. You've not created the image that we want, the image that Franklin Roosevelt desired, to eliminate all semblances of imperialism, of colonialism, from this planet: to create a planet based on an association of *sovereign nation-states*.

To bring sovereign nation-states together, you're bringing together different cultures; you're giving expression, through national sovereignty of the cultural inclinations of each people—you have to be able to bring those cultures together. You have to signal to all parties, that their cultural distinctions are going to be appreciated, in the form of common cooperation. That's the purpose.

The idea of four powers, joining together to force

through a reform, is not to create an empire, or to create a power, but is to break one up in order to make room—.

For example, let's take Zimbabwe, the former Northern Rhodesia: It deserves freedom. It's being starved to death by the British, today. All of Africa, between Anglo-American interests, is looted, committing genocide in Africa, especially Southern Africa. And therefore, we have to break that up. That means, however, at the same time, we have to develop the sense of national culture in these areas, and we have to come in with some very large-scale, multinational, infrastructural projects, in which these various nations, as sovereigns, participate to a common interest.

Therefore, our purpose is not to establish a four-power dictatorship of the world. Our purpose is to *break* the opposition, to break the imperial tradition, as Roosevelt had intended to do, had he lived; and to create a situation, in which the objective of the United Nations as prescribed by Roosevelt—not some of his successors—is realized: a community of sovereign nation-states, united around cultural differences, for the sovereignty of people. And that's the objective which we should be committed to.

### A New Bretton Woods System

As to the feasibility: This is going to be a fight. I first uttered the warning on July 25 of 2007. I said that in a matter of days, we're going to be in the beginning of a breakdown crisis of the U.S. and international financial system. Three days later, that began.

This was never a so-called "mortgage crisis," this was a crisis of financial derivatives. And the reason that I was uniquely able to forecast this, as I had done, was because I was looking at the right problem.

Other people were looking at the bottom end of the problem, some of the mortgage problems. I was looking at the top end of the problem, of which the mortgage problems were merely a reflection: *that the financial derivatives system*, which is dominating the world today, was about to crack, because it could no longer be sustained. And since that period, the 28th of July of



*Zimbabwe is being starved to death by the British, LaRouche charged in 2008. We have to break that up, and, at the same time, develop the sense of national culture; we have to come in with some very large-scale, multinational, infrastructural projects. Shown here: A marketplace and bus terminus in Masvingo, Zimbabwe.*

2007, the international financial system has been careening toward a *general breakdown crisis of the entire world system*.

If we do *not* make a reform, in some short time ahead, there won't be much civilization on this planet. So this is not a question of a small reform, this is a strategic issue in the highest sense, the most extreme sense. And we have to bring together nations on this.

In general, you will find, in the United States, but especially in Europe, much chatter about the idea of a "New Bretton Woods" system. The reference is to Franklin Roosevelt's 1944 proposal, for a Bretton Woods system. Unfortunately, many of the people, such as the Russians and Italians, and some of the French, and so forth, who are talking in favor of a new Bretton Woods system, don't know what they're talking about! Because they're talking about a reform of an international *monetary* system, when a new Bretton Woods system means *eliminating* the international monetary system, and replacing it, under a new credit system.

I'll give an example of what that means. The importance of the United States derives from our Constitution, as I said, which specifies that no credit can be ut-

tered, or currency, in the name of the U.S. government or the U.S. people, except by a vote of the House of Representatives in support of this action by the Federal Executive branch. This is unique. What we need is a world system, based on that, Because we're going to have to write down 50%, 90%, 80%, of the nominal assets, financial assets of the world. *They can not be sustained.* The wealth does not exist to sustain them, and therefore, we have to write them off the books.

Now, we won't do that suddenly, but we'll do that through an organized process, by government. We'll set up laws and rules to do that. But we're going to have a new system, which will be based essentially on a new conception of currency. The new conception of currency will go back to the model of the United States, that no currency can be uttered, except by the sovereign nation-state.

We also need, of course, a fixed exchange rate among nations. Because otherwise, that doesn't work, and because we have to create large masses of new credit, to finance the large infrastructure and other projects which will be the drivers for a general economic recovery of throughout the planet.

We're going to have to finance long-term development projects in Asia. We're going to have to finance long-term development projects in Africa.

We're going to have to do similar kinds of improvements in all nations. We're going to go into debt, but this time, we're going to do it the right way. Every debt that's created will be solidly rooted in some useful contribution to infrastructure, or actual productive capacity, or

production. Water problems, power problems, all these things will be primary. And that's where we're headed.

### **The Opportunity: To Create a Credit System**

For the United States, under our treaty agreements—under treaty agreement of the United States Constitution—the same procedure will apply for foreign credit, as it does for domestic credit. Any nation, which enters into a treaty agreement with the United States, in terms of monetary affairs—debt, etc.—that nation has access to the same kind of protection and rights, as a citizen in the United States.

If we organize the more powerful nations of the world to come together, on that basis, to create such a *credit system* among sovereign states, we can generate the credit to do the kinds of things which have to be done.

That's the opportunity. And we have more and more people, particularly with the present, new incoming administration.

I can't guarantee anything, because there are many unpredictables. But I can tell you, that my friends, or people who are allied with me and my friends in the United States, *will be* staffing most of the leading positions in the incoming, new U.S. government. And they are more and more inclined to agree with my proposals. And therefore, I can suggest these proposals to you, now, as I do, not in the sense that I can guarantee anything; but I can indicate to you, that's the way the wind is going. And let's hope it keeps blowing in that direction.

## **LaRouche's 'Plan A,' or The Empire's 'Plan B'**

In discussions with leading military and security forces, and others, in India in early December 2008, Lyndon LaRouche made reference to two possible outcomes of the current global crisis, which he termed, "Plan A" and "Plan B."

Plan A, he said, assumes that the incoming U.S. Obama Administration "actually adopts the kinds of policies which I foresee as required." This would mean, especially, the United States forming an alliance with Russia, China, and India, in what

LaRouche has termed a "Four Powers" combination, with which other sovereign nation-states would ally, to create a New Bretton Woods international credit system. Should this happen, LaRouche indicated, there are reasons for optimism.

On the other hand, if things go the other way, we have Plan B, which can be summed up as "Hell on Earth." The vulnerability is a failure on the part of national leaders to understand that the Anglo-Dutch Liberal imperial system would rather trigger a period of global chaos that lasts for several generations, than lose their grip on financial and political power.

Everything now depends on whether we're in Plan A, or Plan B, in Washington, as of January 20, 2009.



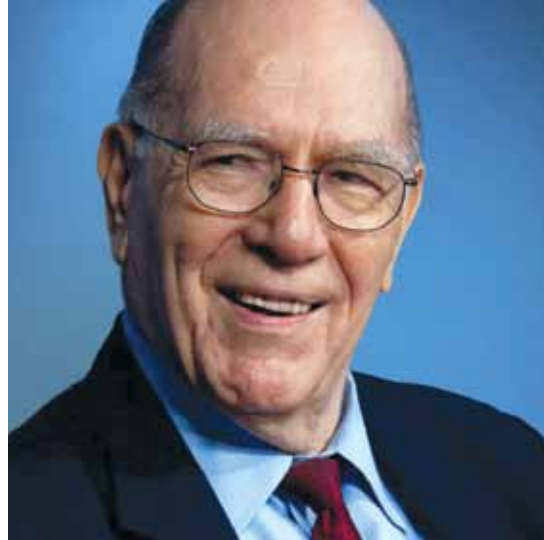
# LaRouche Continues To Haunt the *Washington Post*

by Barbara Boyd

Aug. 29—The *Washington Post* is truly haunted by Lyndon H. LaRouche, Jr. This fact was proved again on Aug. 28 in its [obituary](#) for Albert V. Bryan, Jr., the infamous autocrat and scion of Northern Virginia's Hunt Country squires, who, as Chief Judge of the Eastern District of Virginia's Alexandria federal court, presided over LaRouche's 1988 frameup trial.

Referencing Bryan's almost three-decade career as a Federal Judge, beginning in 1971, continuing as Chief Judge of the Eastern District from 1985 through 1991, and then continuing as a senior judge, the *Post* concludes that LaRouche's conviction was Bryan's most significant achievement.

For those who don't know, the Eastern District of Virginia has been the U.S. intelligence community's preferred venue for judicial dispatch of those who challenge it, largely as the result of Judge Bryan's imposition of the so-called "rocket docket"—shortening the time between indictment and trial in criminal cases, and, most believe, short-circuiting due process. In the LaRouche case, Judge Bryan outdid himself, ruling that the defense would have six weeks between indictment and trial, a ruling which was decried as a fundamental injustice by hundreds of criminal attorneys throughout the United States, who filed an *amicus* brief on LaRouche's behalf, before the U.S.



Lyndon H. LaRouche, Jr. (1922-2019).

Court of Appeals for the Fourth Circuit.

## Judicial Railroad of LaRouche

In order to justify the LaRouche judicial railroad and atrocity as an "accomplishment," the *Post* obituary claims that both Albert Jr. and his father Albert V. Bryan, were some sort of civil rights icons in the desegregation of Virginia. Nothing could be further from the truth. Both Albert Jr. and the father he honored and imitated were complete and total servants of

the Southern aristocracy that was virulently racist and implemented Supreme Court precedent only when its campaign of massive resistance failed. The U.S. Supreme Court, in its 1954 *Brown v. Board of Education* decision, directly reversed Albert V. Bryan, Sr.'s ruling preventing desegregation of Virginia's Prince Edward County School System. It is no accident that the statue of "Justice" in front of the Albert V. Bryan Federal District Courthouse in Alexandria, appears to be fleeing the place.

Lyndon LaRouche's 1988 Alexandria trial followed a six-year campaign, initiated by British intelligence and U.S.-based Tory loyalists, led by Henry Kissinger and then Vice President George H.W. Bush, to smear and defame the political economist and scientist, who had authored Reagan's Strategic Defense Initiative



Sculpture by Raymond Kaskey

*It is no accident that the statue of "Justice" in front of the Albert V. Bryan Federal District Courthouse in Alexandria, appears to be fleeing the place.*

(SDI) and served as a back-channel in negotiating the SDI with the Soviet Union.

The first fake prosecution of LaRouche, in Boston, led by Robert S. Mueller, dissolved in a mistrial after extensive hearings exposing classified operations and, in the words of U.S. District Judge Robert Keeton, “systemic government misconduct” against LaRouche and his associates. Moreover, jurors in that case told the *Boston Herald* that—at the point the Boston case ended in a mistrial, after the government presented its fraud claims—they would have voted not guilty, without even hearing the defense case, believing that the government was responsible for any misconduct.

The Justice Department then quickly switched venues to Alexandria’s rocket docket, indicting LaRouche on conspiracy to hide his tax liability from the IRS, and on loan fraud conspiracy concerning political loans issued by entities associated with him.

Judge Bryan played a key role in engineering the federal loan fraud charges. In 1987, he upheld a totally unprecedented bankruptcy, brought by the federal government, against the political entities which had accepted the political loans, foreclosing the possibility of repayment of the loans at issue in the indictment.

On the date the bankruptcy was brought, the FBI began a nationwide manhunt for witnesses against LaRouche and his associates, having previously been unable, despite substantial effort, to find any witnesses who would say they had been defrauded. At trial, Judge Bryan then barred defense attorneys from referencing the bankruptcy.

One year after the Alexandria trial, Bankruptcy Judge Martin Bostetter found the bankruptcy to be illegal and a constructive fraud on the court, a decision which was upheld on appeal. Judge Bryan also denied LaRouche’s *habeas* motion following conviction, despite volumes of evidence presented to him documenting brazen government misconduct.

### Who, Really, Were the Bryans?

The Bryans were fierce allies of racist Congressman Howard W. Smith, who led the opposition to the 1964 Civil Rights Act. In 1955, Judge Albert V. Bryan,

Jr., endorsed Virginia’s Gray Plan, which flaunted its opposition to the Supreme Court and called for public funding of all-white public schools. Albert Jr. was the elected delegate of Alexandria’s elite families in a convention called to support the plan. The Gray Plan was adopted, but finally declared unconstitutional in 1969.

In 1955, Albert Jr. helped to create Interarms, an international arms company based in Alexandria, Virginia and London. As *EIR* has [documented](#), Interarms was a CIA/British linked gun-running depot. Its first project moved a half-million rifles purchased from the British Defence Ministry to the government of Argentina. Judge Albert V. Bryan’s autocratic and Southern Lost Cause proclivities were so well known, that the noted African-American defense attorney, the deceased



EIRNS/Philip Ulanowsky  
Judge Albert V. Bryan, Jr.,  
in 1989.



William Moffitt, said, upon encountering the Judge at the local Home Depot, “Your Honor, I didn’t know that your kind ever ventured here.” Moffitt told this author that he “just couldn’t help himself.” For [more](#) on Judge Bryan’s biography see “Alexandria’s Racist Tory Establishment,” *EIR* Vol. 22, No. 50, Dec. 15, 1995, pp. 25-28.

As for the *Washington Post*, it initiated the fake news policy on LaRouche, having declared, through an editorial by editorial page editor and CIA asset Stephen Rosenfeld on Sept. 24, 1974, that the nation’s newspapers should either not cover LaRouche at all, or else cover him solely in a defamatory or derogatory fashion. Perhaps it fears, more than most, the *Erinyes* who exact justice upon those who bear false witness, particularly in light of its recent crimes against the sitting President.

# The Age of Reason Is in the Stars!

*We will have International Days of Action starting on Sept. 10 and 12, for which I have just written this leaflet that should be used simultaneously everywhere—in Latin America, in Europe, in Africa, in Asia, and in the United States. We should rally the youth of the world to see that the climate-change madness is completely contrary to the true identity of man as a spacefaring species, which can, with space technology, attack any problem, including that of climate change.*

Helga Zepp-LaRouche  
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<https://schillerinstitute.nationbuilder.com/join>

There is really good news: Man is capable of reason and therefore of limitless intellectual and moral perfectibility! We can do something that neither the donkeys nor the monkeys can do: We can discover new scientific principles of the universe in which we live, without limits! And these qualitative discoveries mean that, unlike donkeys and monkeys, we are constantly able to redefine even what we consider to be resources, therefore making resources unlimited. We can continue to improve the livelihoods of humanity!

We are experiencing unprecedented, fascinating scientific revolutions: the Chinese are exploring the far-side side of the Moon with their *Chang'e* Moon missions, planning to mine helium-3 as fuel for the coming fusion economy on Earth, and next year a Mars mission will investigate the conditions for terraforming the red planet. With their *Chandrayaan 2* mission to the south pole of the Moon, Indians will explore the ice in the craters there, which are always in the shade—water is one of the essential prerequisites for life on the Moon. The European Space Agency is working on concrete

plans for international cooperation on a permanent Moon village! The U.S. is building upon the Kennedy Apollo program with its Artemis program, and Russia, the U.S., and China all see nuclear-powered spaceships as the right choice for future flights to Mars and deep into space!

The great thing about space travel is that it proves that we are not living in a closed system in which raw materials are limited and the murderous views of Thomas Malthus, Julian Huxley, Bertrand Russell, and Prince Philip would be correct, but on the contrary, we live in an anti-entropic universe. Space travel is the irrefutable proof that the universe “obeys” an adequate hypothesis of the human mind, and that there is therefore absolute coherence between the immaterial ideas produced by reason, and the physical laws of this universe, and that these ideas are the spearhead of the anti-entropic dynamics of the universe.

There have been groundbreaking proofs recently: about 100 years after Einstein’s theses on the existence of gravitational waves and black holes, the change in space-time has now been proven, and shortly thereafter, with the help of eight radio telescopes distributed all over the world, images were made of the area around a black hole whose mass is 6.5 billion times larger than that of the Sun, 53.5 million light years away at the center of the M87 galaxy. There is still so much to discover in our universe, where, according to the Hubble Space Telescope, there are at least two trillion galaxies! Space exploration opens up a deeper insight into how the laws of our universe work, and what role we humans play in it!

This is the life-affirming cultural optimism that comes with the idea of humanity as a space-faring spe-

## **INTERNATIONAL CALL TO YOUTH**

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cies, in complete contrast to the contrived doomsday atmosphere which is spread by the apostles of a coming apocalypse—such as Prince Charles and the hedge-fund cover girl Greta Thunberg. Behind the Greta hype are quite vile interests: the trans-Atlantic financial system is facing a more serious crash than in 2008, and the financial sharks and locusts of the City of London and Wall Street are trying one final big deal, to steer as much investment into “green” technology as possible, before the systemic crisis hits.

A closer look at the various sponsors of Greta’s extremely ambitious and well-funded agenda; of the Extinction Rebellion (XR); and of FridaysforFuture (F4F), reveals that this movement is funded by some of the richest people on Earth, including Bill Gates, Warren Buffett, George Soros, and Ted Turner. The fact is that the beneficiaries of the climate hype and the Green New Deal are the banks and hedge funds.

### **A ‘Rebellion’ Funded by the Most Privileged**

The target of this unprecedented manipulation is you, the young adults, the children and teenagers of this world! Shouldn’t it make you stop and think, when your alleged “rebellion” is supported by the whole spectrum of mainstream media and the entire liberal establishment? Yet the vile idea that manipulating the paradigm-shift of an entire society must begin with the indoctrination of children is nothing new. As early as 1951, Lord Bertrand Russell wrote in his book, *The Impact of Science on Society*:

“I think the subject which will be of most importance politically is mass psychology. . . . Its importance has been enormously increased by the growth of modern methods of propaganda. . . . It may be hoped that in time anybody will be able to persuade anybody of anything if he can catch the patient young and is provided by the State with money and equipment. The social psychologists of the future will have a number of classes of school children on whom they will try different methods of producing an unshakable conviction that snow is black. . . . not much can be done unless indoctrination begins before the age of ten.”

The goal of the apocalyptic scaremongering by people like Alexandria Ocasio-Cortez (“We have only 12 years left!”) or the head of the British Commonwealth, Prince Charles (“We only have 18 months left!”), is an induced radical change in the way of life

of mankind. Everything that we have understood as progress during the last 250 years should be abandoned, and we should return to the technological level that existed before the Industrial Revolution. But this also means that then the number of people who can be sustained at that level will drop to about a billion or less.

It would mean that developing countries would have no prospects for ever escaping poverty, hunger, epidemics and a shortened lifespan; it would be a genocide of an unimaginably large number of people! If “climate scientist” Mojib Latif thinks that the Western lifestyle can not be transmitted to all people in the world, and if Barack Obama is outraged that many young people in Africa want a car, air conditioning and a big house, then behind that lurks the inhuman arrogance of members of the totally privileged upper class. It is precisely this view by the colonial rulers that is responsible for the fact that Africa and much of Latin America are still underdeveloped, and many hundreds of millions of people have died early unnecessarily.

For the developing world, the pseudo-religion of anthropogenic climate change means genocide. For the souls of the young people of the world, the cultural pessimism it induces is a poison that destroys confidence in human creativity. When every activity becomes a problem and is suddenly laden with guilt—eating meat, or eating at all, driving a car, flying, home heating, clothing, and indeed life itself—it destroys any enthusiasm for discovery, any enthusiasm for that which is beautiful, and all hope for the future. And if every human being is just another parasite that destroys the environment, then quite a few come to the misanthropic conclusions of the mass shooters of Christchurch and El Paso who, in their “manifestos,” cited environmental reasons for their actions.

Conversely, the scientific and technological advances associated with space travel are the key to overcoming all apparent limitations of our present existence on Earth. “Terraforming”—the creation of human conditions—then becomes possible not only on the Moon and Mars, but also here on Earth, and in the future on many heavenly bodies in our Solar system and perhaps beyond.

In his “Anthropology of Astronautics,” the German-American space pioneer Krafft Ehrlicke writes:

“The concept of space travel carries with it enor-



mous impact, because it challenges man on practically all fronts of his physical and spiritual existence. The idea of traveling to other celestial bodies reflects to the highest degree the independence and agility of the human mind. It lends ultimate dignity to man's technical and scientific endeavors. Above all, it touches on the philosophy of his very existence. As a result, the concept of space travel disregards national borders, refuses to recognize differences of historical or ethnological origin, and penetrates the fiber of one sociological or political creed as fast as that of the next."

Today, we need this culturally optimistic image of mankind, and the passionate love for humanity associated with it as the only creative species known to date!

The fact that we can venture into space means that we can overcome the narrow, earth-bound mindset. "There, in the stars, lies mankind's entry into the long-awaited Age of Reason, when our species sheds at last the cultural residue of the beast," as Lyndon LaRouche put it.

It is an incredible privilege to be young now, to reach for the stars and help shape an epoch of humanity that, for the first time in history, can unleash the unlimited potential of our species!

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