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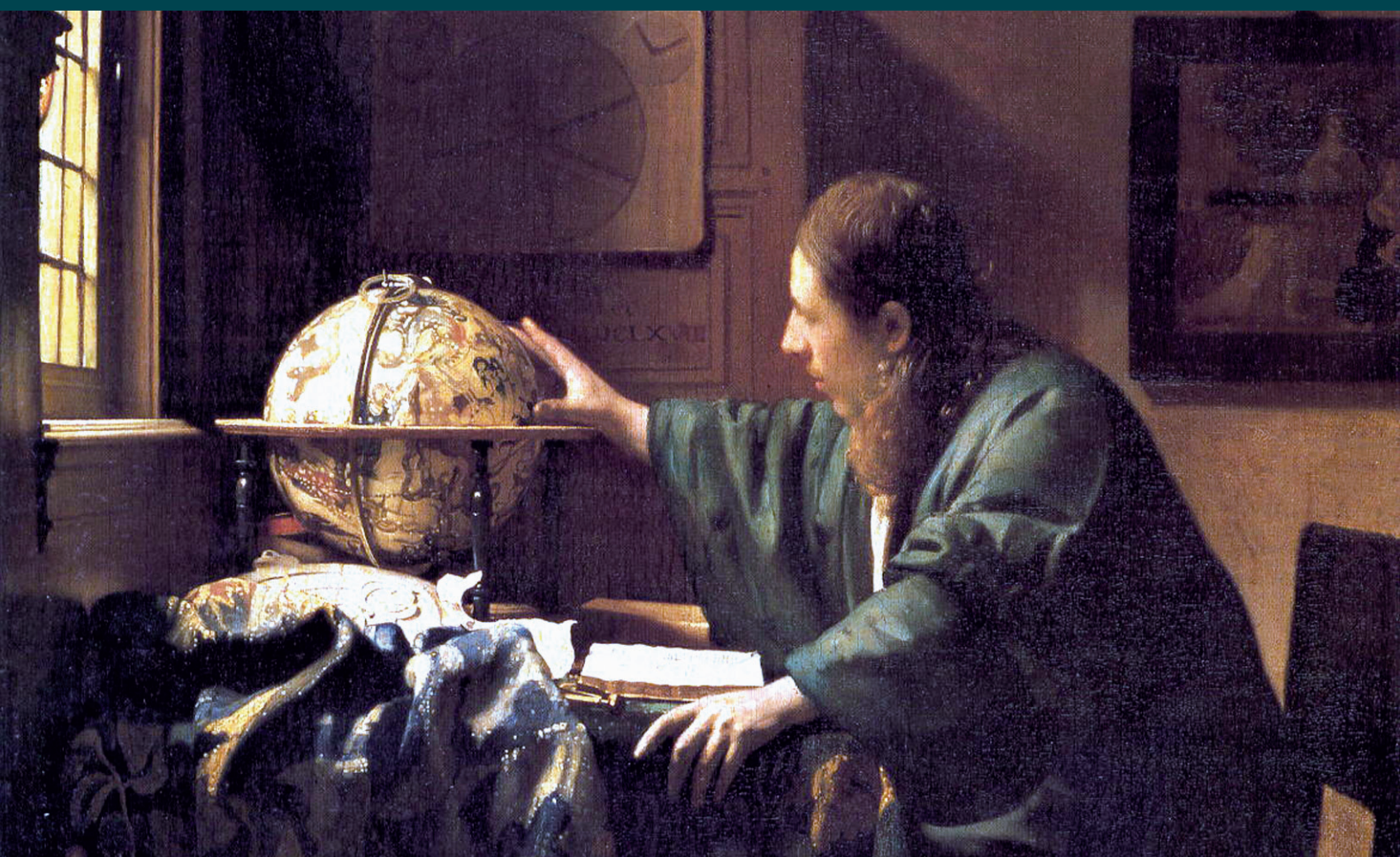
Thirty Years War Spreading Across Africa, Middle East
Bank Supervisors Throw Glass-Steagall Thunderbolt
LaRouche Webcast: Human Productivity Is What Has Value

Redefining Science, Really: The Subject of Sense-Uncertainty



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EIR

From the Managing Editor

Our cover image, 17th-Century Dutch artist Johannes Vermeer's "The Astronomer," brings to life the key concept of Lyndon LaRouche's "Redefining Science, Really: The Subject of Sense-Uncertainty." If you look closely, you will see that the astronomer is not tracing his fingers across a globe of the Earth, but rather of the "celestial sphere." He is looking at the heavens, not with his eyes or his fingers, but with his mind. And the metaphorical celestial sphere, of course, is not actually a sphere at all, but was wrongly conceived as such by centuries of Earth-centered Ptolemaic pseudo-science. Earlier in Vermeer's own century, the great astronomer Johannes Kepler fully overthrew the Ptolemaic view, making the discoveries that laid the foundation for modern science.

In *Economics*, we report big news on the fight over Glass-Steagall—both pro and con. While top U.S. banking regulators Thomas Hoenig and Richard Fisher are calling for the separation of commercial and investment banking, the Association of German Banks has come out squarely *against* that approach, sticking with the casino economy that has brought Germany, Europe, and the world to the brink of financial collapse. (For the effects of EU policy in Europe, see "So. Europe Doctors: Stop Cutting Health.") We also publish an interview with *EIR*'s Paul Gallagher, who answers questions that many readers have about FDR's Glass-Steagall bill, Rep. Marcy Keptur's HR 129 (which is now before the House of Representatives), the relationship of these to the "fiscal cliff," and more. In *National*, we bring you up to date on the growing support for Glass-Steagall among state legislators and others.

International focusses on the spread of war and the threat of wider war in Southwest Asia and Northern Africa. What an irony, that France, with U.S. support, is battling the very al-Qaeda affiliates in Mali that both Washington and Paris are supporting in Syria!

National leads with LaRouche's remarks at his Jan. 18 Friday Webcast, on the subject of *money*. If you think the financial crisis is about money, you'll never solve it! Paper or digital currencies have nothing to do with economic value, which is determined by the productivity of the human mind. The second story in *National* is Sen. Ron Wyden's open letter to CIA Director nominee John Brennan, slamming the Administration's illegal execution of Americans.

Susan Welsh

EIR Contents

Cover This Week

It is not money, that produces wealth, but scientific creativity, as in the space program. Shown: "The Astronomer," by Johannes Vermeer (1688).

4 Redefining Science, Really: The Subject of Sense-Uncertainty
By Lyndon H. LaRouche, Jr. "My mission in writing this report," LaRouche explains, "is, specifically, to emphasize a warning against that deception of the human mind which is induced by means of an axiomatic quality of 'blind faith' in a misconceived, but, nonetheless, widely alleged verity of the doubtful notion of the human senses as such." As the successful landing of Curiosity on Mars tells us, mankind, under sane cultural influences, will be capable of imagining life on Mars, and beyond.

Economics

19 Bank Supervisors Throw Glass-Steagall Thunderbolt
Two top banking influentials, FDIC number two Thomas Hoening and Dallas Fed chief Richard Fisher, have come forward with parallel calls to break up the U.S. superbanks and return to a Glass-Steagall principle of separation of commerical from speculative banking.

21 German Banking Associations Want To Keep Dancing on the Titanic
By Helga Zepp-LaRouche. An open power struggle has erupted between those bankers who want to pull the emergency brake on the Fed's and the ECB's hyperinflationary money printing, and those who want to hold onto high-risk speculation at all costs.

23 Glass-Steagall, Then and Now: How To Fix a Bankrupt Economy
A LaRouchePAC interview with *EIR* Economics Intelligence co-director Paul Gallagher.

28 So. Europe Doctors: Stop Cutting Health
The Medical Associations of Portugal, Greece, Spain, and Ireland have issued an "Open Letter to Political Leaders and Health Authorities of Europe."

International

29 Thirty Years War Spreading Across Africa, Middle East
The just-concluded mass hostage incident in Algeria is the latest indication that the British-Saudi plan for a new Thirty Years War of permanent religious, tribal, and sectarian conflict is spreading throughout the African continent, the eastern Mediterranean, and the Persian Gulf. *EIR* Counterintelligence director Jeffrey Steinberg reports.

32 North and West Africa Targetted for Protracted, Deadly Conflict
The destabilization of Mali, and now Algeria, by narcotrafficking gangs and jihadi terrorists threatens the existence of the nation-states of the region.

National

34 LaRouche Friday Webcast: Human Productivity Has Value—Money Has None!
Lyndon LaRouche's opening remarks to his weekly Friday Webcast of Jan. 18, 2013.

38 Senator Wyden's Letter to John Brennan: What Is the President's Authority for Killing of Americans?

41 Legislators, Activists Demand Glass-Steagall
Pressure on Congress to re-enact Glass-Steagall is growing, as legislators from both major parties in half a dozen states are mobilizing for passage of Rep. Marcy Kaptur's (D-Ohio) "Return to Prudent Banking Act."

History

42 150 Years After the Constitution: Franklin D. Roosevelt's Second Inaugural Address

Editorial

46 Voices of Sanity Demand Glass-Steagall

REDEFINING SCIENCE, REALLY:

The Subject of Sense-Uncertainty

by Lyndon H. LaRouche, Jr.

January 15, 2013

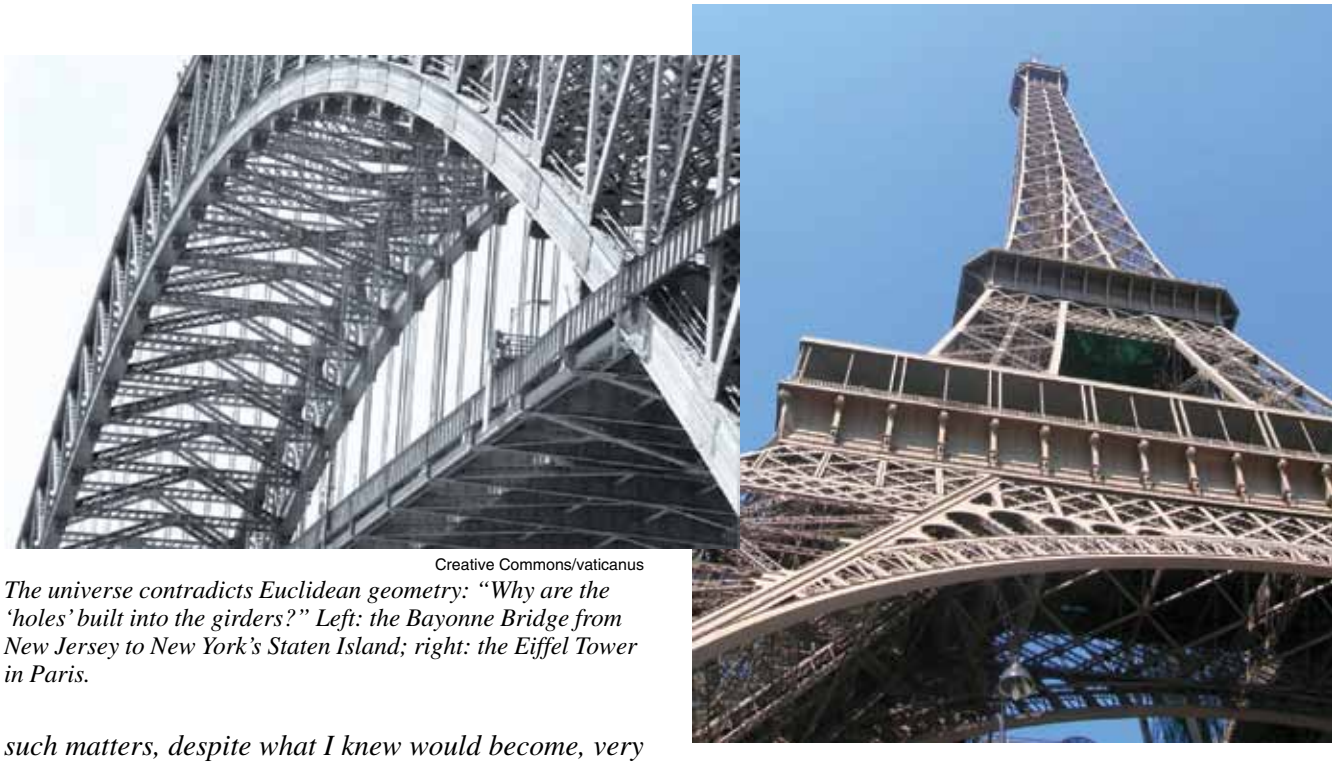
The account which I now present here, begins with what is, for me, a proverbial "old story." But, still today, with most others, even relevant academics, that old story contains a truth which even many graduated scientists had failed to grasp, and often enough defended the same old errors, some even hysterically, even recently. Among a growing ration of academics today, the incompetence in related subject-matters grows worse, even acute.

Those who have paid fulsome attention to what is important, will recognize that the subject on which I am focused here, is that which is commonly called "sense perception," but which, nonetheless, fails to define the very real "physical geometry" of that real universe which we inhabit. Thus, on precisely that account, sense-perception often represents what I fairly describe as "sense-deception."

My mission in writing this report here, is, specifically, to emphasize a warning against that deception of the human mind which is induced by means of an axiomatic quality of "blind faith" in a misconceived, but, nonetheless, widely alleged verity of the doubtful notion of the human senses as such.

I had first presented my argument here, decades ago. The argument has been derived from a fact which I had known since my explicit rejection of Euclidean geometry at about the age of fourteen. Notably, my awareness of a specifically controversial feature of that experience is something which I had first expressed publicly during the course of the first day of a class in "Plane Geometry," the exact point in past time when I had first recognized the need for my sudden and systemic rejection, in fact, of a standard notion of pro-Euclidean notions of a Plane Geometry.

I had departed from that first day's geometry lesson, knowing that I had been, and had remained on the right course in my own understanding on



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The universe contradicts Euclidean geometry: "Why are the 'holes' built into the girders?" Left: the Bayonne Bridge from New Jersey to New York's Staten Island; right: the Eiffel Tower in Paris.

such matters, despite what I knew would become, very soon, the contrary sillynesses prevalent, even currently, among my nominal peers, and others, then, and even in much later times, even among numerous, relevant professionals today.

A Rather Simple Discovery:

The root of the matter was clear enough.

At that early age, as also much beyond, the relevant evidence had become clear for me: as by my repeated, original experience of a discovery of that principle of actually physical geometry which is systemically contrary to Euclid. This had been a discovery which I had already made, significantly earlier than that first day of the referenced geometry class; but, up to that point, I had not fully understood that there was a serious controversy involved in a matter which had actually been learned by me from the experience of several observations of construction-in-progress at the Navy Yard. Those had been several, repeated occasions, during which I had experienced my interest, which had been my repeated fascination with some constructions then in progress at sites of the Boston area's Charlestown Navy Yard.

I had simply not known, up to the time of that referenced geometry class, that there was any known, responsible sort of opposition to what I had already learned from my visits, as a spectator, to construction sites at that Navy Yard.

"Why the 'holes' or the like, built into some steel beams of high-rise construction?" So, it was on the basis of that specific background, then, that I had first stated to my first day's class in "Plane Geometry," exactly what had been my experience on that point, as I had presented exactly that principle when I had been called upon during my first day in that secondary-school class's approach toward "Euclidean geometry."

The time has now long passed since that past time, as the notion of an actually ontological idea of time had also been changed for me as a later consequence of the same root-issue of other persons' stubbornly blind belief in sense-perception. Not much later than beginning with my entry into my first year of university life, I met my first experience, this time off-campus, with the keystone issue of the controversy. Since that time, I had reason to re-state that same case, not only repeatedly, but with gradually increasing clarity and firmness respecting important, if merely preliminary indications of what "all this meant." That had occurred with greater depth and passion of meaning, through my insight—"off campus"—into freshly added views on the subject of an actually ontological conception of what was to be recognized as becoming an expression of an actually physical science.

The simplest way of presenting that case during a

span of my years after my graduation from secondary education, had been to insist that the principles of the universe are not to be defined by a merely axiomatic notion of sense-certainty; rather, I knew then, that the truth of the matter runs in a directly opposite course from that of a merely formal geometry in the tradition of such as Aristotle and Euclid. Later, this evolved into recognizing the frequent delusion on this account, as still today, which is to be expressed now by recognizing the falseness of a certain, unfortunate presumption: the false presumption that the principles of the physical universe are to be derived from alleged "proofs" based on some presumed authority of sense-perception as such.

The continuing search for truth in such matters of principle, is to be found, from its first approximation, by means of the evidence, that it is progress in defining the universal principles of action which must be discovered, and that based on nothing less than the approximated notion of the "top down" quality of wholeness of a universe. It is a notion which must be called upon to supersede that illusion which is expressed as a misguided reliance on the effects of succumbing to the notion, that the basis for principles of physical science is to be located in what were merely the presumed "root" of sense-perception.

The argument made in the immediately preceding paragraph here, had been already presented in the ***De Docta Ignorantia*** *of Nicholas of Cusa, and Cusa's other discoveries became a body of competent practice of an actually physical science, through Cusa's leading heir in physical-science practice, Johannes Kepler, in his providing the basis for all competent approaches to a general principle of a universal physical science of such as Gottfried Leibniz.*

Bernhard Riemann

That much said, and considerably more in the same direction, I had come to understand with an increasing awareness of the broader implications of my originally adolescent discovery on this account, one which had occurred, albeit with much help in the later, further and broader development of an understanding of that principled quality of progress which I had come to enjoy from the inspiring experience gained from what had been repeated and joyfully long hours in the archive of the relevant reading-room in the then-great Boston Public Library of those same years.

In both that Library and libraries located nearby, later, I had first experienced what I came to view as a credible, but not particularly satisfying Princeton University publication on the subject of Bernhard Riemann's Habilitation Dissertation, the dissertation which Riemann had presented under the title of, "Über die Hypothesen, welche der Geometrie zu Grunde liegen." It had been at a later time,[1] *during the extended leisure of a post-World War II convalescence from a nasty siege of hepatitis, that I had come to realize the actually correct, and ever fuller import of Riemann's closing, and also from an abruptly stunning single, simple closing sentence in that work, and, therefore, also the evidence for a true distinction of the science of physics from what is a mere, barely deductive mathematics.*

Nearly three decades of my later experience, during the course of my early 1970s' growing attention to the practical issues of thermonuclear fusion, had urged my fresh attention to the work-product of a significantly expanding minority, but then still a minority from among us. This, combined with President John F. Kennedy's launch of NASA, had the included effect of shifting my own recent emphasis away from viewing space from Earth, as a merely practical matter, away from a limited view of such processes on Earth itself, and turning things around into the commitment to Defense of Earth, in respect to which Dr. Edward Teller had played a crucial role at the right moments, as matters might be more usefully viewed retrospectively.

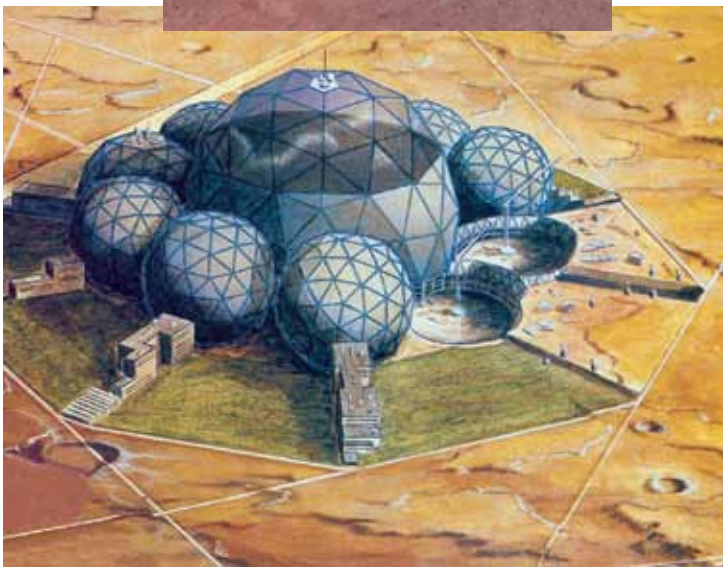
Thus, we are all, now, thus, properly obliged to view Earth, minimally, from the vantage-point of Mars, as I had come to that outlook in my own, and my immediate associates' dedicated efforts for a defence of Earth from

1. My earlier, 1941 contact with a nominally Riemannian presentation, had been Luther Pfahler Eisenhart's 1926 **Riemannian Geometry**. I, had, by chance, begun a program which I had set for myself with Philip Jourdain's English translation of Georg Cantor's **Contributions to the Founding of the Theory of Transfinite Numbers**, which I picked up in a Minneapolis bookshop in 1949. There followed Riemann's1854 **Habilitation Dissertation**, which I had studied, repeatedly, in published sources during the same period, from both English translations as such, and as acquired within an 1859 German edition in a Dover, German-language reprint edition of his published works in 1902, and in 1953, and a more nicely packaged gift from a cherished source in 1994. The opening and concluding portions of the original 1902 German text of his habilitation dissertation, had dominated my life. One of the most relevant factors in my association with physical science, had been my association with my participation in the founding of the Fusion Energy Foundation, a setting which did much to provoke my launching of an idea, in my September 1976, and later organized electoral and related efforts, which, in turn, had led into that Strategic Defense Initiative (SDI) which had been adopted, in 1983, by President Ronald Reagan, and in his continuation of support for that through his second term in the Presidency.

space, as this had become the basis for my "SDI" presentation during the span of the late 1970s and early 1980s, as I was to recognize what became typified for me as better done in Riemann's own, relatively unique way,[2] *then, in fact, as an included effect of the notable efforts of Dr. Edward Teller. Therefore, today, we can no longer consider Solar space "outside" Earth as "outside" in principle; we must know that the so-called "outside" is something which defines our existence on Earth (and also other important places), and that as what must be presented to our attention accordingly, as I had campaigned for such a "practical view" of these matters, in what had been my intentionally provocatively titled, 1988 "The Woman on Mars."*[3]

However, there was also the spread, of an unfortunate notion, such as the mistaken notion that ***it is not essential****, that as if for the sake of mankind's continued existence, to establish man's potency as expressed on Earth, from the basis of a synthesized view from Mars, or, also, from still more distant locations.*

NASA/JPL-Caltech/University of Arizona



"It is wrong to consider mankind," writes LaRouche, "in terms of the presumption that the experience of the universe were properly still confined to sweeping deductions from what were merely sensory experience from on Earth." Shown are artists' conceptions of (below) a city on Mars and (above) NASA's Phoenix Mars Lander before its 2008 touchdown on Mars.

That experience should have signaled something of grave importance to professionals: the warning conveyed to my present associates, and to others, was, that, at long last, which is to be emphasized to the effect, that:

It is the power of that Solar System's expressed role which leads into our growing awareness of a relatively more hazardous route within our galaxy, which determines a needed change for defining the apparent future, rather than merely human sense-perceptions of the experience of life on Earth, which should be seen as if from Mars. That is to be seen from the vantage-point of the fact, that ***it is wrong to consider mankind in terms of the presumption that the experience of the universe were properly still confined to sweeping. but also erroneous deductions from what were merely sensory experience from on Earth.***

Therefore, the desire to put a man (or, woman) on Mars, has an also crucial, if presently only intermediate use, on this same account. Can we control regions of the Solar system which lie, speaking relatively, immediately beyond Earth, but within our galaxy, especially when there are potent threats to human life on Earth, as from other regions of our Solar system, and beyond?

Must man, therefore, act on a presumed vision of Earth from Mars, thus to achieve the necessary goal of a clearly true understanding of the subject-matter which the subject of Mars now brings to set before us?

Not necessarily. There is an intermediate step to be taken.

Can we place mankind's influence over the role of Mars, as Mars exists for us, as being an intermediate phase of our practice? The achievement of the landing of "Curiosity," despite President Barack Obama's

2. Compare the concluding sentence of Riemann's habilitation dissertation.

3. A half-hour national TV broadcast during the 1988 campaign for the Democratic Presidential nomination. See **EIR**, Jan. 23, 2004.

wicked efforts to bring a halt to such endeavors, has had, speaking properly, the quality of a warning jolt. What if the ability to defend life on Earth from Mars, is taken away from us by this President, as Obama himself has intended? Shall that foolish part of mankind, which accepts weak-kneed submission to that President, render our desire for the defense of Earth to be a helpless cause, merely because of that President's exotic desire for outrightly unlawful and increasingly wicked caprices in matters of his own opinion?

What, therefore, is the systemically functional distinction of that which were merely "occupied," from that we might actually "control"?

Certainly, planets such as the prospectively most unpleasant (for our habitation) Venus, Jupiter, and Saturn, are probably not to be placed, presently, on the currently leading list of prospective "colonies" on which to dwell. Therefore, could a mere mankind of a present vintage, now place devices which use Mars (and other locations beyond), as bases for exerting control over processes which are effectively controlled intentions (as, perhaps, "electronically") of Earth, as the recent achievement of "Curiosity" demonstrates the proximate prospects for the use of Mars as a part of a system essential to the defense of human life on Earth, as that might be accomplished by aid of those actions whose deployment is ostensibly of the form of "from Mars," but, is, nonetheless, a source of efficient measures of control by mankind, as a controlled effect which may be efficiently exerted on behalf of Earth, but as if, in part, from Mars?

As mankind's power to control our fate, in space, as if from on Earth, is enhanced by the successive orders of magnitude of such a power as that, those situations to which I have pointed, are typified by advances in the prospect for the control and, ultimately, the practical use of the continuing development of thermonuclear fusion and of matter-anti-matter potencies. We should become capable, thereby, of producing successive orders of such higher magnitudes of effective achievements within the Solar system, and, then, beyond. Mankind's potency is to be defined in terms of successively higher orders of magnitude for our species' ability to act, that, as Riemann had stated in his habilitation dissertation, into even the relative adequacy of the unimaginably large, and also into the corresponding very small. In both directions, the key notion from the department of physics, is to be applied according to the convenient notion of "energy-flux density."

It has now become more or less customary, and admittedly so, to presuppose that the forces at play within the universe, might be essentially subjects for human pride in the illusion of a power of man-on-Earth, as if such a limitation might be sufficient for the defining of what might be curiously viewed as the presumed elementarity of the power exerted as of human sense-perception operating over the processes at work on Earth, or also beyond. Yet, power, as we actually know it, is also an expression of "relative energy-flux density": also as actually a law of the principle of life, and of more.

However, one more stipulation must be presented. We must now take into account an added quality of principle. The human species is "equipped," as if uniquely, with the intentional ability to act upon both the knowledge and effects of the actual human future. Without the possession and manageable development of specifically that distinctive potency, mankind were, by its nature, only another animal.

The contemptible claims of the wickedly foolish ones, such as Euclid and Aristotle, not withstanding.

I. Beyond the Evolution of Species

As I have already prefaced that point here, above, as with reference to the most common of the fallacies of a human sense-perception, it is the misguided notion, that the biology of sense-perception is the basis for what is actually a mistaken presumption: the folly of presuming that belief to be presumed to be an actually truthful representation, when it is actually a mistaken belief in sense-perception, instead.

I speak, thus, of what might be an efficiently real system of correlations, such as the correlation between man's merely subjective opinion, and the experimental quality of a reality of the universe in which the human species, and its attribute of sense-perception, might then be brought into proper accord: as if it were expressed in an optional view of the processes which are occurring on Earth. Those are such presumptions, as that of human life *per se* on Earth, as from the standard of a desired effect, which should be considered as if generated by the existence of what is occurring on Mars.

My own youthful rejection of *those methods of identifying what I already knew to be an actually false notion of "sense-certainty," addresses a falseness which were commonly traditional for types such as Euclid and Aristotle*. These cases now point our attention toward the paradoxical, and also ultimately foolish notion, of what is merely presumed to be a functional

relationship, and, therefore, an actual difference between mere phenomena of sense-perception on the one hand, and the principled features of a truly physical science, on the other.[4]

That discrepancy between scientific truth (i.e., reality) and sense-perception (itself a merely biological sensory experience), is a kind of contradiction which presents us with recognition of the foolishness of those human habits, and related beliefs, which separate belief in mere sense-experience from the broader, systemically discoverable realities of the universe which we inhabit. That distinction between those two, scientific truth and what is merely shallow confidence in mere descriptions of sense-perception (so-called "common sense"), is the essential foundation of the distinction-in-practice of popular opinion from that actual reality which is specific to a valid practice of physical science. I shall now seek to clarify the essential contradiction in several distinct steps, each at an appropriate moment following below.

The efficiently qualitative exposure of that distinction in method, is conveniently locatable, that by the means of demonstrating a systemic distinction of man from beast.

Usually, unfortunately, currently prevalent opinion leans, in effect, toward the contrary standpoint, to the standpoint commonly shared among both the beasts, such as the movements of crocodiles or toads in an Arctic Winter, and the so-called "environmentalists." To understand the actuality of that crucial distinction, it is, therefore, essential to locate precisely the distinction to be applied, as by the practice of such as Bernhard Riemann, Max Planck, Albert Einstein, and Wolfgang Köhler: not as merely a distinction from sense-perceptions as such, but from a sense of the systemic error of a sensing process which is enslaved to a passion of devotion to mere sense-certainties: despite what might be considered to be attributable to all other, presently known, animal forms of living species. That means to say: rather than the specifically systemic distinction of the truly human principle from that of other known forms of life.

Some Ancient Wisdom

Consider why the lack of the ability to locate and to understand that systemic distinction of man, as to be misjudged as what might be often popularly misjudged by many, but which is, actually, a bestialized mode of those human behaviorisms which are characteristically premised upon the mere opinion of sense-certainty. That is a distinction to be located, in practice, as that tendency toward the relative bestiality which underlies much of generally known, but actually pathological forms of organized human society. I am pointing here to forms of ultimate horrors typified by the illustrative case of the siege and conquest of the archeologically famous model of an ancient Troy.

Consider the required distinction which is the characteristic evil of that clinical case which the destruction of ancient Troy presents, still today, as that might provoke a view required for relevant research into the matter of the products of ancient Homeric sources for scientists and scholars.

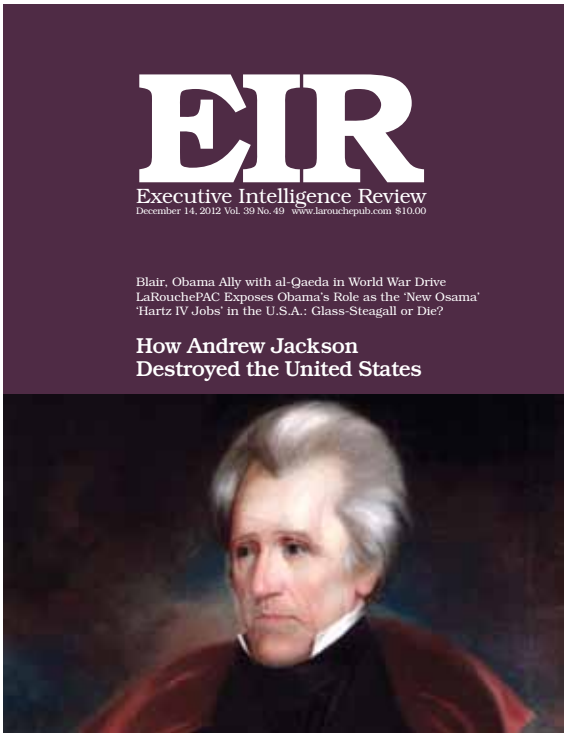
Such ancient subjects treat results which are typified by the bestialized form of a systemic notion of a so-called "empire," one of a type which is presumed to compose the dominant features of "imperial systems" which are traceable from the evidence confirming the truth of not only the clinical view of the case of Troy, but in the defense of humanity against the more brutish (and Blair-like variety of "Britishness") of the presently up-to-datedness of the more modern forms of imperialist and kindred depravities. I aim at the target of brutishness, as in its opposition to the Platonic and related currents of civilization, as also, for example, in my defense of the root of the original disciples' Christian tradition.[5]

Notably, the occurrence of error in societies which is premised on a misguided theological basis, is, according to clinical-historical evidence, the corruption of a deformation of the notion of human society. That expresses a deformation expressed in the effects of the establishment of imperialist and related methods for reducing human societies to forms of those bestial practices which had been imposed as a leading practice of "population control," as such control is wreaked upon the systems of what are essentially, oligarchical subjugations of the relatively larger segments of the populations of society, such as that of the British Empire's implicitly tyrannical and mass-murderous control over population-levels of virtually the entirety of Africa and other places in general.

In the actual cases of the degenerate forms of society such as the Roman Empire and others of its typical heirs-in-conquests, we meet a general condition separating "beast-man-in-supremacy," from a mankind sub-

4. The case of Philo of Alexandria is a relevant reference for comparisons.

5. E.g., **I Corinthians** 13. Cf. Johannes Brahms's "Four Serious Songs."



President Andrew Jackson's reign existed under a common rule of British tyrants and American traitors, as this EIR cover story by Michael Kirsch documents (Dec. 14, 2012).

jugated as "bestialized-in-lower-class-status." I emphasize, that this relationship's existence, still today, may be demonstrated by the bestialization-in-fact imposed by the effects of the existence of the oligarchical and kindred forms of "class systems," as demonstrated under the policies of practice of the British monarchy's essentially global rule today.

An Important Example

For example, in the United States itself, especially since the nominal reign of that systemically evil, implicitly treasonous British puppet of the predator varieties of British bankers, President Andrew Jackson. Jackson's was a reign which existed under a common rule by what were, flagrantly, rosters of both British tyrants and American traitors. The latter are typified by such as Aaron Burr and U.S. President Martin Van Buren. That state of affairs, then, or in hyper-inflationary London and Wall Street law alike today, is something to which we must respond with an awareness of such an actually treasonous trend continued among high-ranking official opinion, in even our own republic presently. That expresses a state of affairs such as that not only established under the Jackson administration (in particular), or during the span of the treasonous evil built up since the heroic victory of President Abraham Lincoln over the agents of the British, and very much "brutish," empire.

During the meantime, there have been those who express a later resumption of the same treasonous trends as what had been typical of that Jackson Presidency whose treasonous elements had used monetarists' devices applied on behalf of the special interests of the British empire, for the purpose of destroying the American constitutional system. Consider, for an example, the ideological circles of Cass Sunstein.

Until recently, there has been only a relative minority from among U.S. Presidencies which were not largely, or, some even almost totally under the domination of the monetarist systems and practices centered for practice in the British empire's City of London, as this has become a trend since the in-fact reign by Lord Shelburne, as in his sundry most notable nominal incarnations, as since the "high points" of the 1782-83 interval.

The nominally expressed pattern of what had been that of a U.S.A. under the foot of a British world empire, and the corruption of some of our Presidents, since Thomas Jefferson's absconding from the Presidency of George Washington and the economist-genius Alexander Hamilton, was altered from time to time; but, the legacy of the British imperial system as being one of a world empire in fact, has persisted since the effects of the brutishness expressed in the British oligarchy's gain of control over the course of the famous French Revolution. This was also demonstrated by the effects of the immediate sequels of such relatively concentrated British bestiality as were supplied by Prince Metternich's role in the 1814-15 Congress of Vienna, its reigning heritage and wicked rampages in Europe still today, and the frankly treasonous pretensions of such as a recently notable accomplice of President Barack Obama, that certain Cass Sunstein who proposed, at last report, to render the U.S. Federal Constitution to be rendered extinct.

Since the British-directed assassination of our profoundly wise, if martyred, President Lincoln, there has often been an uncertain balance between those who have provided our rare instances of truly great Presidents, and the majority of cases of a considerably lesser quality. Those of a pro-British imperial disposition, had, in fact, more frequently held the Presidency, and had been shown to have shed a much dimmer light, even a darkness comparable to the deep, moral inferiority of British-imperial forms of oligarchical intentions.

On the contrary, truly great Presidents had been often

typified by such as the facts of the assassination of that truly great President William McKinley, whose murder bespeaks the work of a contrary, ugly tradition of such treasonous scoundrels as such de-facto British agents as Aaron Burr, Martin Van Buren, Theodore Roosevelt, Woodrow Wilson, and also Harry S Truman, and those other, later cases of Presidents who had been similarly enemies-in-fact of both our United States Constitution, such as Barack Obama, and who were also opponents of those truly patriotic interests which had been expressed under the much sterner truthfulness as met in the cases of President Franklin Roosevelt, and by Mrs. Eleanor Roosevelt's choice of President, John F. Kennedy. In the case of the assassinations of Presidents Lincoln, Garfield, McKinley, and Kennedy, the British empire had used assassination as the specific means for removing a President whose "all-too-patriotic impulses" had been "all-too-much-good-to-be tolerated" by the British empire, and also clearly too much good performance for the irked British empire's convenience. Every former President who had been assassinated, died for reason of such expressions of deadly hatred against those of efficiently patriotic temperaments.

Germany's Otto von Bismarck's ouster by British pressure cleared the way for World War I and its sequelae. Painting by Franz von Lenbach (1890).

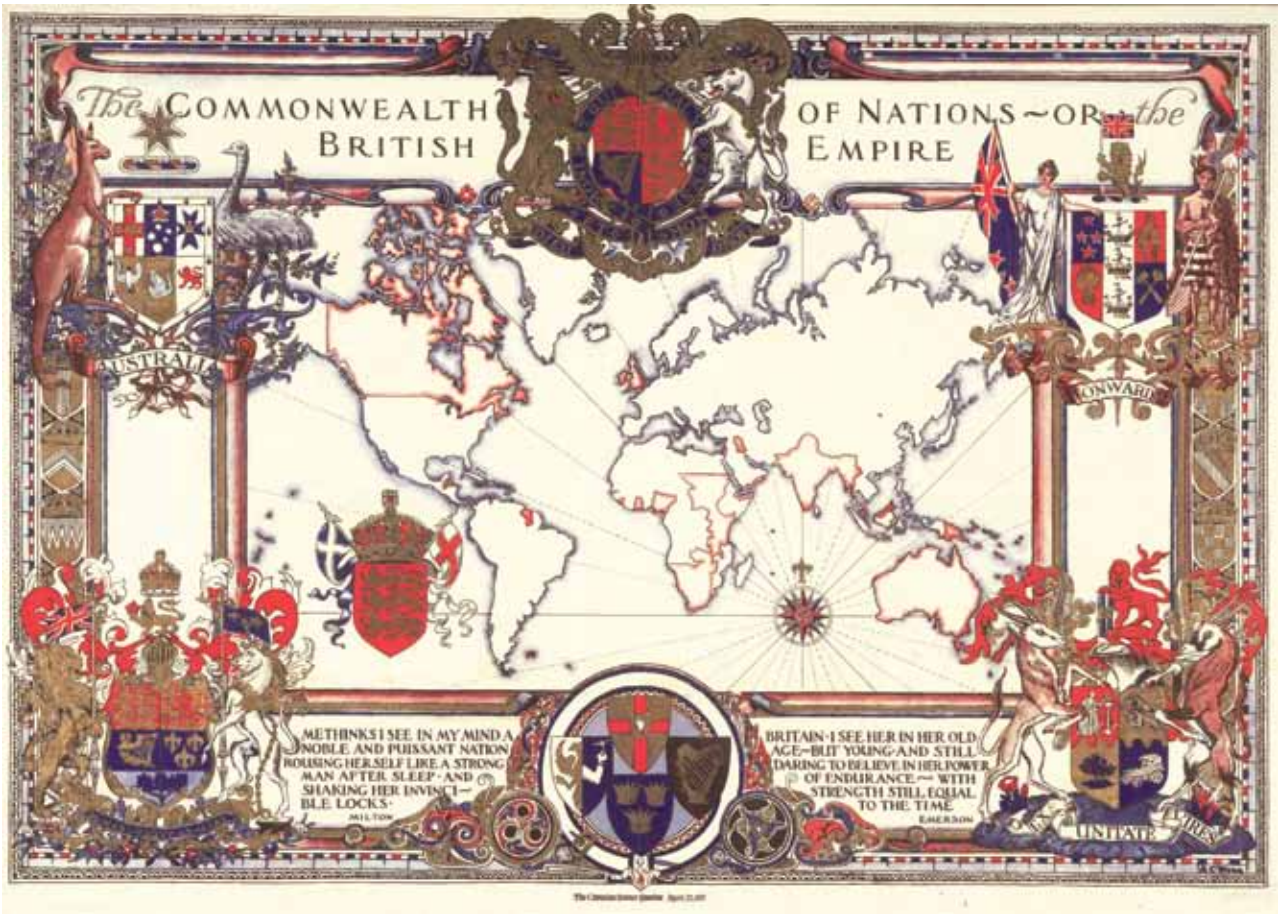
The Bismarck Factor

Similarly, and as a matter of related facts, there was the matter of the British hand in the 1890 ouster of the strategically crucial case of Chancellor Bismarck, an ouster which was the stroke which cleared the way for the British empire's launching of what became known as not only "World War I," but also the waves of assassinations of crucially significant public figures who were brought down during the interval from the ouster of Bismarck through the most recent among the still continuing hatchings by a succession of virtually "world-wide warfare campaigns," like that promoted in the intentions of a Tony Blair, or a President Barack Obama currently.

The problem was also to be encountered as frequently met in a different expression shown by the cases of those among those other Presidents who were patriots, clearly enough, and who were, also, efficiently, truly patriotic leaders in terms of their own intention, but, had also been successfully hampered, as by aid of Congressional complicity, in realizing their natural impulse as patriots; the ugly burden upon their decision-shaping, had been represented by a relatively large degree of the success of an applied alien control, especially the essentially alien monetarist interests virtually bought-and-paid-for by Wall Street and by kindred influences exerted so over the United States. That control was usually executed through the influence of the British empire's deeply monetarist penetration and corruption of the institutions of national governments of not only the United States, but throughout Europe, as, for example, since that ouster of Germany's Otto von Bismarck, in 1890.

Consider the ouster of Bismarck in such a light, once more. Consider the British royal family's crucial role in having been not only the agency which had unleashed the process leading from that date, until the election of President Franklin D. Roosevelt, especially since that assassination of President McKinley, which cleared the way for his replacement by the treasonously leaning Vice-President Theodore Roosevelt. All other major war-threats of the world, had been greatly impeded by Bismarck's leadership, until his expulsion from office through massive pressures from the extended British royal family, leading into Bismarck's ouster under heavy British royal family pressures in1890.

Since that ouster of Bismarck, the last major block against recurring world warfare, has been undermined, up through the present time: whether in periods of war, or periods of outward relative peace which were often actually preparations for new spates of actual, or virtual world war. That included wars under British imperial and Saudi scheming, as that up through the British-Saudi orchestration of the U.S. "9-11" experience of 2001, and, continued beyond that, now still in process



The British Empire's international reach, as of 1937. Contrary to popular belief, the official dissolution of the empire after World War II did not end the impact of imperial ideology and control.

up through the present date, as in not only the British-Saudi launching of the "9-11" attacks on the U.S.A., but also President Barack Obama's clearly implicit complicity in the new "9-11" attack on the U.S. mission by Obama/Saudi agencies in Benghazi of 2012.

Such expressions of major systems of more or less world-scale butcheries, have been expressions of a policy which is to be remembered as echoes of the 1782-83 role of Britain's Lord Shelburne in his expressed intention to realize Eduard Gibbon's design for a Second Roman ("world") Empire, actually up to the present date of that same, evil Tony Blair, whose notorieties include the direction, during much of the time from Chicago, of the British Monarch's U.S. puppet-President, Barack Obama (as considered by those who are neither ignorant nor otherwise deceived).

Although the intention of the British puppet-President, President Harry S Truman, was replaced, for a certain time, by a succession of Presidents Dwight Eisenhower and President John F. Kennedy,[6] the assassination of President Kennedy had sent the U.S. government's patriotic intentions careening into a prolonged disaster, a disaster under which the U.S.A. has been in a continuing general average state of economic and cultural decline since that time. That pattern has become an almost perpetually British (i.e. British-Saudi) imperial domination-in-fact, as by British control over Wall Street and related practices since, frequently, into the presently recurring U.S.A. and also trans-Atlantic disasters, up to the present date, this far.

Britain's Crucial Paradox

The fact of the elementary difference in principle between the human and all other known species, is a

6. Notably, it had been the non-support from President Dwight Eisenhower of the Republican Presidential candidate Richard Nixon, which supplied a crucial margin of victory for the election of President John F. Kennedy.

difference which, when rightly understood, makes clear the actually tormented characteristics, and the often tortured history of our attempts to maintain our U.S.A.'s actually constitutional system. Such has been the case, despite the historical fact of ours having also been a system which has often been repeatedly under foreign corruption, and had been often otherwise degraded, in fact, to a system which had served, frequently, to make our United States often a virtual mere lackey of that specific British imperialist world-system under London's orchestration over Wall Street-centered domination, a domination which had come into being as a representative in fact of the special offshoot of the New Venetian party led by William of Orange.

We must recognize that it was that William's campaigns for trapping the France of Louis XIV, a France which had been soon succeeded by William's own rise to power over the British Isles, still as the agent of the New Venetian Party, and, still, later, as the heir of that same "Venetian Party," which would be the continuing root of the same British Empire of such as the famous, second Lord Shelburne (William Petty)[7], he who had laid claim to be the author of a "a new Roman Empire," the British Empire, as the leader of an empire which was to be raised through the advocacy of Shelburne as the prescribed design for the policy implicit in Edward Gibbon's massive **The Decline and Fall of the Roman Empire**.

Indeed, that Shelburne's initial, personal promotion of Gibbon's mammoth work, has actually held the real British Empire, through to the present date, in the virtual status of a seeming permanent captive to the myth of the reputation which author Gibbon had adopted for the modern monarchy. Imperial power is that which Britain has been enabled to secure for as long as it continues to be enabled to impose its imperial claims upon its victims, as ancient Rome had done, similarly, in its turn. That is the view which holds the British virtual world empire of the present time captive to what it cherishes as its imperial intention, that for as long as other nations and peoples of the world would have it so, whether by intent, or neglect. So it was for the ultimately doomed original Roman empire. In one fashion or another, that is the pivot of successive states of imperial rule which has now come to its virtual end in one way or another: either by overturning the system, or the virtual extermination of human society by means of such as the thermonuclear warfare which presently lurks on the nearby certainty of human self-extinction. If Britain were wise in these matters, the nation of Italy rather than empire, were the actual, if somewhat troubled model for its preferred, further destiny.

That, however, is not the end of the matter, unless the presently teeming threat of global thermonuclear warfare, were to bring virtually everything, even perhaps the human species itself, to a final conclusion. In the meantime, the mere mystique of the idea of the British Empire, presently holds the fate of all mankind as what it claims to be, immediately, its virtual captive.

In the meantime, what had been Britain's puppet, the France under a de facto British agent, François Mitterrand's heritage, had played a crucial, participant's part, in the general destruction of the formerly sovereign nation-states of western and central Europe. That had been the case since that collapse of the Soviet Union which had been brought off, largely, by the intellectual labors of what have been also Soviet Russia's, nominally "Communist" anglophiles in the tradition of the Karl Marx who had personally hated Russia, and would have led professed Communists and the like to destruction. The cases of the roles of certain Soviet leaders are known to me for their strategically relevant, deep British-intelligence ties to Bertrand Russell circles, such as those, after Stalin's death, such as Nikita Khrushchov; the practice was continued after Russell's death by Yuri Andropov and Mikhail Gorbachov.

The essential fact of the matter, as popularly unknown even to many leading political figures up through the present heads of state of the trans-Atlantic region, and beyond, is that the actual British Empire has continued to be the dominant factor in the world's government, since the defeat of France accomplished since the same 1763 "Treaty of Paris" which coincided with the close of the so-called "French and Indian Wars." The peace treaty processes controlled (in fact) by the role of Lord Shelburne in the negotiation of the 1782-83 agreements between the United States and the British empire, had produced Shelburne's swindle against the future prospects of the United States, through manipulation of the rele-

7. Cf. The role of William Petty, the Marquis of Lansdowne, (1737-1805). aka Second Earl of Lansdowne, and the great pestilence afflicting the young U.S. republic from 1782-83 on. A key factor leading into the rise of England into the status of a world empire, had been the foolishness of Louis XIV in rejecting the policies of Gottfried Leibniz's French patron, the Jean-Baptiste Colbert who had warned Louis against participation in the trap of folly of "The Dutch Wars" of the New Venetian party associated with the leadership of William of Orange. An exemplary lesson in history to be explored as a matter of world history now.

vant sets of agreements among the British empire's war-time opponents.

But, nonetheless, the option of a different, and far better outcome, lurks, on the condition that we now act to secure it.

II. Beyond the Awful Fate of Troy

The Homeric **Iliad** presented the report of a devotion to intrinsically evil gods, from whence came not only the butchery of the people of Troy, but what appears from amid the stories as a legacy of what we have been presently taught as the specific system of slavery in both ancient and modern Europe, alike, especially that of the region around the Mediterranean. The distinction of the mere, slave-like serfs from what became spread as the system of oligarchical lords, reigns, still today, as in what became the Mediterranean-centered system of imperial lordships.

White House/Pete Souza

President Obama and Prime Minister Cameron are marching in step to the British monarchy's policies of malthusianism and war: the legacy of ancient Troy.

In the true tradition of serfdom and its likeness, a European (in particular) system of what is called sometimes feudalism, and sometimes simply the practice of slavery, has dominated the trans-Atlantic world, in particular, through to the present day of both the British empire, and its assimilated Saudi partnership of mass-murderous practices, up through the time of such as the current U.S. President Barack Obama.

Whereas, such practices have been, and generally remain broadly expressed "principles" for the practical organization of even world society presently, this legacy is currently most nakedly expressed in current practice, by the current British imperial monarch's recent demand for a rapid success in reducing the present global population of the planet, by the explicitly stated intention to reduce the current human population of the planet, from an approximate seven billions living persons, to the vicinity of approximately merely one. Within that context, the incumbency of U.S. President Barack Obama, currently represents a flagrant set of increasingly, flagrantly wicked schemes of more or less global mass-murderous operations modelled on the British monarchy's intentions.

The knowledge by some of us who have been better educated, includes means by which such evil schemes as that spoken by her British Majesty should be averted, and, hopefully terminated. There, presently, lies the new perspective for an early future of all mankind presently.

The Crucial Role of Nicholas of Cusa

In the meantime, there have been excellent remedies against the effects of those such evils to be traced from times such as those of the Homeric epic. On that account, better-informed modern scientists are situated to present a much-needed prospect for the future of mankind.

Therefore, some would rightly consider the Great Ecumenical Council of Florence, as the desirable point of reference for a modern dispensation for mankind, one which, in fact, was, in turn, an included, beneficial effect of the work of Cusa on what had been a doomed, then "old world." It was this mission of Cusa which was to be realized, in fact, as the harvest of that development in a relatively distant, relatively new continent, as, implicitly, in the optimal case of the Americas. This result was to become seen by and from a Europe whose settlements in the Americas had been mustered through the deep quality of leadership radiated by Cardinal Nicholas of Cusa: the Cusa legacy to be the inherited direction of Christopher Columbus. I, for one, would insist, today, on precisely these following points of distinctions.

Despite the long reign of oligarchically crafted, reli-

gious warfare within Europe and beyond, the actual launch of that legacy which had been harvested by Columbus, had been provided as by the intention of Cusa. It was, therefore, a legacy given still twenty-eight years after that Cardinal's death. Thus, that hope for the realization of the needs of future humanity, which expressed the influence of Cusa, was extended by Cusa's great follower in science, the great Johannes Kepler, and, then, by the benefits of the 1648 Peace of Westphalia, as through the impact of the rise of "The New World" of the Americas, especially that which became the original United States of America. That history had held Europe as still relatively challenged, inescapably, by the wonderful forces at play in that newly established, emerging, American continental domain, a domain centered, principally, still today, in the process which had led into the founding of the original United States of America.

The failures experienced by that American effort, have been the consequence, chiefly, of the schemes and influences of the British imperial side of imperial London's influence, an influence on not only the fate of North America, but ever since, a more or less worldwide tyranny, up through this present time.

This fateful influence has included the effects of the role of the numerous assassinations of influential U.S. Presidents, and of other significant personalities whose survival was not desired by British imperial interests. Presidents Franklin D. Roosevelt and John F. Kennedy, were the last, this far, of those truly great Presidents who did not live out their elected term in office, for one cause, or the other. In the meantime, British agents-in-fact, frequently controlled the Presidency, such as those who had been associated with "Wall Street" since such British agents as professional assassin Aaron Burr himself, Burr's accomplice, the evil Martin Van Buren, and by aid of the erratically nasty and treasonously-inclined President Andrew Jackson, a long-standing agent of Burr. Van Buren had (nominally) continued to lead the virtual parade of a treasonous pack of several, often treasonous varieties infesting our high-ranking institutions, still to the present date.

The Fraud Which Is a Blinded Faith In Sense-Perception

Much of the suffering of our patriots can be blamed, generally, on the essential incompetence of humanity's often blind faith in the mere effects of sense-perception as such, a faith reposing essentially in the intrinsic absurdity of the mere fact of credulous beliefs in the mistakenly presumed nature of sense-perception as such. Any insistence to the effect which the mere presumption of a belief in sense-perception claims to represent, is to be rejected now, even in and for itself, as certainly, by all patriots still presently. That rejection reflects an actual, as if intrinsic, actually direct expression of the authority of the general principles of man's required role within the universe, an historic role, rather than being merely distinctions of what is perceived as the paired expressions of pain and pleasure, yearning, or surfeit, and so on.

Like avoiding the placing of a bare hand on a hot stove, these foolish, for, for some, sometimes seemingly "necessary" features of our experience within our "environment," represent the choice, or absence of either aversive, or pleasing experiences of sensory effects. The identity of the subjects of such experiences, are, so to speak, "up to you." In the case of the actually sane, and the more intelligent human individuals, in particular, the effect of the choice of reactions respecting the success or failure of the intended results for improvement or failure of attempts to realize it, it is the success expressed by the necessary goals of the practice, rather than the merely mere sensory, or related effect of the practice itself, which constitutes what can be usefully identified as a purpose to be realized by means of the choices of intentions to be realized. That is as if to say, as a realization of the personal intentions for the sake of the necessary effects upon the universe which we inhabit.

Therefore, we must distinguish the literal pleasure-pain experience, from the motive of a purpose which lies outside the merely biological experiences of bare pleasure and pain *per se.* What is essential, is the human purpose for a living, human social experience, rather than a merely personal pleasure-pain defined otherwise. We depend upon that on which the human species depends for a truly existential experience as being an active part of the human form of a generalizable social experience of progress in the human experience.

This means the inclusion of such considerations as those which arise in the matter of a notion of what is implicitly a social form of intention, as that is typified, essentially, as either by love for human society, or an aversion rooted in a social, rather than a merely individual sense of such a personal physical gratification of that called "pleasure," or that of pain.

The approach to these matters which I have just ref-

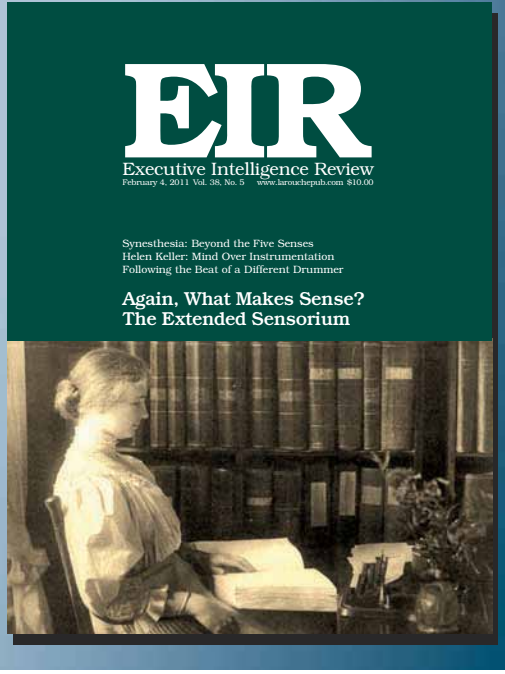
erenced, implies, for any actually matured human individual, a concern located primarily in a desire for the benefits accorded to society generally, that by the practiced social intentions of either the individual, or, at a higher level of judgment, by other, plural elements among groupings within a society: true "love for the others," rather than the pathological habit of acting in favor of the relative brutishness of "self in-and-of-itself, individually."

On sundry occasions, and under sundry circumstances, the only efficiently "moral" motives of the human individual, are to be located in the sense of a personal interest which lies essentially in the devotion of any generation to its successors, not only for reason of family successions, but for the purpose of the indefinitely flowing progress of nothing less than an indefinitely extended successively higher quality of the life and power in the universe of future generations of human society generally. Hence, we should consider ourselves obliged to despise the brutish selfishness which is inherent in the advocacy of that spirit of selfishly grasping evil which is the nature of so-called "environmentalism." Whereas, the survival of the appropriate missions of the existence of the human species as such, depend, essentially, on the increase of the per-capita energy-flux-density of the progress of human society over the course of the next generations to come. Hence, the requirement of an increase of the basis in energy-flux-density is a precondition for the continued existence of human civilization.

Hence, similarly, we have the astronaut's principle, that of an existing, perpetual "extra-territorial mission" as being the inherently necessary destiny of a viable precondition for the continuation of the existence of the human species. Hence, the implicit immortality of the human species, and the mortal individual's passion, that that individual's death shall be superseded by means of that perpetual progress of the society, on which the mortal individuality is secured, as no other known kind of living species has ever achieved that quality of life unique to what we know of the immortal achievement of the human species in its essential dedication to a quality of permanent creativity as such, as no other known species has been shown to have done.

My just stated principle here, for the human species as such, is, therefore, the distinction of our own species, as distinct from that of every other, known case. Indeed, there having existed other known varieties of living

THE EXTENDED SENSORIUM



The LaRouche Basement Team explores the extended powers of sense-perception, beyond the limits of the five ordinary senses. This provocative report, commissioned by Lyndon LaRouche, was featured in EIR, Feb. 4, 2011:

- Synesthesia: Beyond the Five Senses
- Helen Keller: Mind over Instrumentation
- Following the Beat of a Different Drummer
- Polarization Sensitivity: A Strong and Weak Sense
- What is Polarized Light?
- Insects and Infrared
- Magnetoreception
- Unheard Melodies: Electric and Magnetic Senses in Humans
- The Sounds of a Cosmic Chorus

species, we must consider the meaning of their having existed in their importance for the human species' own, ostensibly unique standpoint. This is to be expressed by the absolute increase of the power of the human species within this Solar System—and within the galaxy which that Solar system inhabits. All that for reason of the reality of mankind's role as an implicitly perpetual existence of our immortal species' mission, that to provide that much of our progress which is to be defined as that which secures such an implicit intention. We, thus, each share an immortal legacy to have lived a good life for the sake of our species, as much as we can.

The failures to realize that achievement, are to be located, as to relevant cases, by the failure of society to commit itself to no lesser reason to exist, than the increase of the power of the human individual generation's obligation to find a next higher step toward the ultimate purpose for our own having lived within the immortality of the progress of our species, as that is to be typified by fundamental scientific progress, progress from generation to each next generation, as experienced in this manner. Such was the uplifting experience of those who had experienced the joy of the successful accomplishment of the assigned mission of "Curiosity," to land for the purpose of its assigned mission on Mars.

Where, Then, Lies Man's Depravity?

The relatively depraved human individual asks, "What is in it for me?" The retort is: "What, therefore, does it mean to sense a participation in a human quality of immortality, as by means of the mode of the endless succession of achievements of a systemic quality of succession of human generations?"

As I have already emphasized, here above, the crucial consideration is that we must discover an actuality of immortality which is expressed in "the passing of the torch of the individual life" to the succession of our society's mortal descendants' progress in an intended immortality in a perfection of a continuity of achievement toward a reigning idea of achieving a perfect progress in our species' mission. That is typified, as in an ironical way, by the trend of plunging folly since the particular experience of the moral decline in that realization of human progress, which we have experienced, notably, since the crime of the unsettled murder of not only President John F. Kennedy himself, and of his brother Robert, too; but of the nation through the traitors' fraud of complicity in a murder for which there has never been a true atonement, yet.

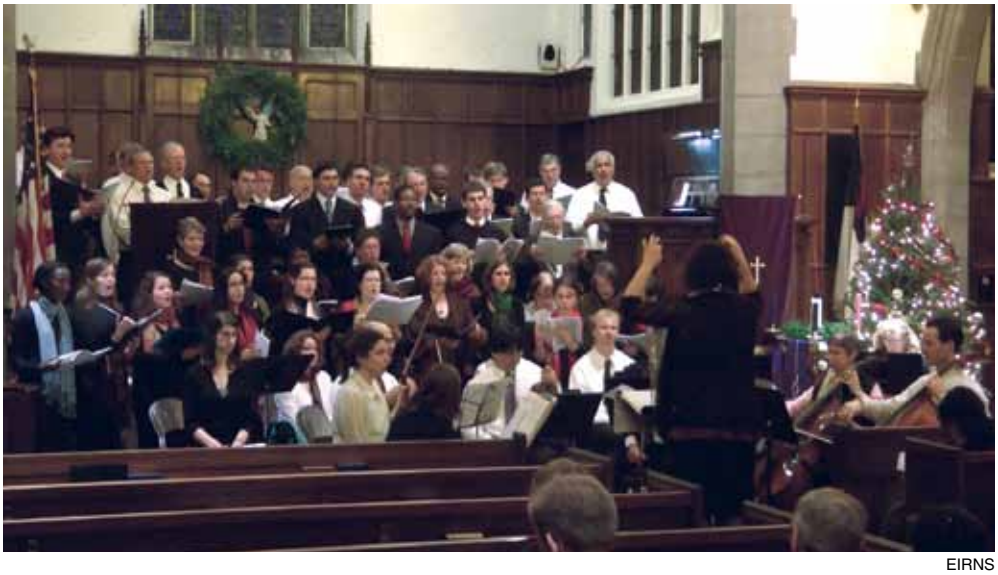
The fact of that case, is that the assassination of President Kennedy, and, later, the also fraudulent report of his murdered brother's death, has placed a virtual curse on the Presidency of the United States, ever since, as through the dubious election and presently crime-ridden career of the revealed intentions for the unquenched guilt of Barack Obama.

Those facts from our republic's history, hang over our nation like the curse which consumed the existence of both William Shakespeare's ghastly, and also real, Richard III and Henry VIII, this as by the dramatic and real history, alike, and like the imagined Macbeth, Hamlet, and Othello, too. Such ghastly figures, and their likenesses, haunt the crimes with the image of a satanic kind of immortality of their own. The souls of those dead, real or imaginary, haunt us with the shadow of incurable guilt, that for reason of the ostensibly immortal principle of a ghastly sort of unquenched evil for itself, like the soul which is given no peace in its end.

That which I have just described, is no mere fantasy. The reality of what are marked to be the unquenched crimes against humanity, are not each to be treated as merely a ghost-like apparition. The truth, as what Johannes Kepler already knew as fact, with his emphasis in the reality of "vicarious hypothesis," is the principle that the real human mind is not that of our explicitly conscious sense-perception as such; but, instead, that our sensory imageries are as if a shadow cast by that aspect of the individual human mind's real existence. For example, Johann Sebastian Bach's systems of preludes and fugues is, relatively, the expression of the realities of the human mind, rather than mere sense-perceptions considered otherwise as the "literally so" of unqualified, mere sense-perception as such.

In fact, Kepler made that distinction explicit with his use of the notion described as "vicarious hypothesis," just as the great Classical dramatist parallels the equivalent of "vicarious hypothesis" with the uttering of the Classical dramatist's reality of the performance of the actually Classical mode in "metaphor." Both of those two categories of "the ostensibly experienced" results, are real images in their own, common fashion, as images of the contested relationship of shadow cast as sense-perception, to an actually efficient reality of the mind's action as such.

For example, the shift of opinion, as typified by the ontologically systemic contrast of Classical composition which separates Classical art and science from the "Romantic" of such as the systemic frauds presented in



EIRNS

A performance of Bach's "Magnificat" by a LaRouchePAC choir and neighborhood singers in Bogota, N.J., on Dec. 16. Bach's domain of Classical musical discovery has nothing to do with "sense-certainty."

the compositions of Franz Liszt and Richard Wagner, or the truly abysmal perversions of so-called "popular" compositions prevalent in currently "popular" trends in "entertainments."

The competent presentation of the actual Classical drama, when it is properly presented as a real performance as if lived in another world, touches the minds of actors and audience, somewhat alike, even as a powerfully commanding sense of some higher reality than could occur merely within the limits of the application of the buttock to the seat among the audience, or as that surrogate for a semi-perpetual, pseudo-coitus in relevant sorts of popular, massed recreations in view.

The Higher Truth To Be Sought in Space

We are now presently poised, since the Mars landing of "Curiosity," to accept an enforced enjoyment of a surrogate sort of experience of a life on Mars, that occurring within the bounds of the reach of Earth and its Moon.[8] Experiences such as that, are to be extended to us now as our only imagined presence on Mars as such. It is convenient to consider the efficient irony of the ability to imagine that we ("some of us") are imagining with considerable efficiency that we are, in some very efficient sense, actually acting, implicitly, on, and even from Mars, pending the time when we might actually experience such a practical state of affairs within the actual habitations used by our actually mortal body as such.

I believe that, henceforth and onward, mankind under sane cultural terms, will spend much of our species' experience on what can be treated as the efficient imagination of a real experience on Mars, or other suitably synthesizable experience of an actualizable experience away from Earth. As the dramatists of Germany's 1960 film **Spukschloss im Spessart** had repeatedly demanded, "Die Hauptsache ist der Effekt!" ["The main thing is the effect!"] This has, thus, lately, now been intimated, clearly, with a very fresh, but, a very, very real, and new meaning, that for mankind within the conveniently, relatively new meaning in relatively nearby Solar space.

Since the fruit of Bernhard Riemann's work, as harvested by scientific geniuses such as those gathered around such as the "pre-World War II" incarnations of a common generation of experiences shared proximately with their lifetime of the great, fully Classical, rather than so-called Romantic compositions: actually Classical compositions which were specific to that genius of a Johannes Brahms, as by a Clara Schumann, had touched, in essential spirit, upon the then continued lifetimes of both the truly great Classical musicians Max Planck and Albert Einstein in their own times. Such is the true nature of the domain of what were truly ideas specific to the Classical intention of such as Johann Sebastian Bach.

The crux of my purpose in such reflections as these, reaches back to the lives of such most notables of that same tradition as Cardinal Nicholas of Cusa and his virtually immediate successor, Johannes Kepler. The personal souls of the truly great, share such implicitly close fraternities within increasingly broad perspectives. The appropriate view of man's present prospects for accomplishments within Solar space and beyond that, should be considered in such a context as that, too.

8. As I had crafted my imagination for the crafting of a "Mars landing" scenario.

Bank Supervisors Throw Glass-Steagall Thunderbolt

by Anita Gallagher

Jan. 20—FDIC Vice Chairman Thomas Hoenig and Dallas Federal Reserve Chairman Richard Fisher, in back-to-back calls on Jan. 16 and 17, called for breaking up U.S. megabanks into smaller entities based on function, and limiting government insurance solely to commerical bank functions.

Writing in the daily trade publication *American Banker* on Jan. 17, Hoenig, who served as chairman of the Kansas City Federal Reserve (1991-2011), proposed a simple solution to the problem of "too big to fail" banks: Remove the "safety net" of Federal insurance from non-bank activities, since without it the largest banks would shrink drastically, as investors demand that these banks hold stronger assets. Hoenig called for the restoration of the Glass-Steagall Act, Franklin Roosevelt's 1933 legislation which "served the United States from the Great Depression until 1999." Glass-Steagall was introduced into the new Congress as H.R. 129, "The Return to Prudent Banking Act," by Rep. Marcy Kaptur (D-Ohio).

On Jan. 16, Dallas Fed Chairman Fisher, speaking to the Committee for the Republic in Washington, D.C., opened his remarks by referencing the American Revolution against the British, declaring, "I shall speak forth my sentiments freely, and without reserve. This is no time for ceremony … [it] is one of awful moment to this country."

Fisher said, "Everyone and his sister knows that financial institutions deemed too big to fail were at the epicenter of the 2007-2009 financial crisis." He calls for restructuring the "too big to fail" banks and says, "Only the resulting downsized commercial banking operations—and not shadow banking affiliates or the parent company—would benefit from the safety net of Federal deposit insurance and access to the Federal Reserve's discount window."

Creative Commons/New America Foundation

FDIC Vice Chairman Thomas Hoenig: Restore Glass-Steagall; no safety net for investment banks.

CNN/YouTube

Dallas Fed President Richard Fisher: Cut the megabanks down to size.

Athough Fisher does not name it, this principle is the core of the 1933 Glass-Steagall Act.

Looks Like a Movement

Lyndon LaRouche, who forecast the bursting of the financial bubble in July 2007, prior to the explosion of the mortgage crisis that Fall, commented that "the lid is coming off" pent-up demands to go back to Glass-Steagall, before hyperinflation destroys the United States. There must be no compromise, LaRouche said. Many banks will go belly-up with this, but the U.S. banking system must be saved. How?

Step two, said LaRouche, after the worthless paper is written off, is that the U.S. must immediately go to a credit system, exactly as Treasury Secretary Alexander Hamilton did, and issue new credit for large-scale physical-economic projects, such as the North American Water and Power Alliance (NAWAPA), to bring water to the western states from Canada, to solve the many problems caused by aridity.

There is a revolt among bankers, in Texas and elsewhere, LaRouche noted, which means there is a movement. The Federal Reserve districts will move against Chairman Ben Bernanke's Quantitative Easing IV: Jeffrey Lacker, President of the Richmond Federal Reserve, voted against QEIV at the Federal Open Market Committee meeting on Dec. 12, and Kansas City Fed President Esther George (Hoenig's replacement), and Philadelphia Fed President Charles Plosser also opposed it.

On Jan. 16, Paul Craig Roberts, President Ronald Reagan's Assistant Undersecretary of the Treasury, attacked the "fiscal cliff" debate as a "diversion" from the real economic issues: "Prior to financial deregulation, essentially the repeal of the Glass-Steagall Act and the non-regulation of derivatives … commercial banks took depositors' deposits and made loans to businesses and consumers.… With the repeal of Glass-Steagall, these honest commercial banks became gambling casinos.…"

No Safety Net, No 'Too Big To Fail'

Without a Federal safety net, banks will downsize themselves, and thus, there will be no more "too big to fail" problem. Hoenig writes: "Given calls for breaking up the largest banks and placing the nonbank broker-dealer activities in separate companies to successfully compete without public support, it is fair to ask, 'Will they remain too big to fail?' The short answer is no.… Structured correctly and without a government backstop, the market would demand stronger capital and safer growth. This would enhance the ability to place them into bankruptcy instead of the arms of the taxpayer, should they run into trouble." This separation also means that investment banks cannot use their depositor base to fund speculation.

Richard Fisher agrees, writing: "Under our proposal, only the commerical bank would have access to deposit insurance provided by the FDIC, and discount window loans provided by the Federal Reserve. These two features of the safety net would explicitly, by statute, become unavailable to any shadow banking affiliate (brokerage, insurance company, securities subsidiary, etc.) of the commercial bank, or any obligations of the parent holding company."

Fisher then proposes, "To reinforce this statute and its credibility, every customer and counterparty of every shadow banking affiliate and of the senior holding company would be required to agree to a sign a new covenant, a simple disclosure statement that acknowledges their unprotected status," and offers this example, like a cigarette package label:

"WARNING: Conducting business with this affiliate of the _____ bank holding company carries NO federal deposit insurance or other federal government protection or guarantees. I, _____, fully understand that in conducting business with _____ banking affiliate, I have NO federal deposit insurance or other federal government protection or guarantees, and my investment is totally at risk."

The Dodd-Frank bill to regulate banks was a total failure, says Fisher. Withdrawing Federal safety net protection from the megabanks is the simple solution: "At present, 99.8 percent of the banking organizations in America are subject to sufficient regulatory or shareholder/market discipline to contain the risk of misbehavior that could threaten the stability of the financial system. Zero-point-two percent are not. Their very existence threatens both economic and financial stability."

On Jan. 19, *New York Times* financial columnist Gretchen Morgenson wrote, "The response to Mr. Fisher's proposal has been resoundingly positive. Immediately after the speech was posted Wednesday evening on the Dallas Fed's website, heavy traffic caused the site to shut down."

The *Fiscal Times Newsletter* (Peterson Institute) reported that Fisher had told them that "after the Wednesday night speech, he had been called unsolicited by lawmakers from both parties." He stressed in a post-speech interview that he thought both Democratic and Republican lawmakers were ready to support his proposed regulations.

German Banking Associations Want To Keep Dancing on the Titanic

by Helga Zepp-LaRouche

Jan. 18—The re-introduction of FDR's Glass-Steagall Act of 1933 is currently the hottest topic in the banking world and the higher echelons of politics. An open power struggle has erupted between bankers who want to pull the emergency brake on the hyperinflationary money printing of European Central Bank head Mario Draghi and Federal Reserve chairman Ben Bernanke, and return to traditional banking, and those who want to hold onto high-risk speculation at all costs. The outcome of this debate, in which the German banks and some industry associations are unfortunately on the wrong side, will determine whether we can overcome the crisis, or whether it will end in a catastrophe for civilization.

But the cat is out of the bag: In the United States there is a revolt of the regional Federal Reserve governors against the policy of "Helicopter Ben" Bernanke, who has opened the monetary floodgates with his "Quantitative Easing 3, 4, 5," etc. These governors and representatives of regional savings banks rightly fear that this policy will soon reach a breaking point, with devastating social consequences; this concern is reinforced by the rumor that President Obama wants outgoing Treasury Secretary Timothy Geithner to succeed Bernanke, which would mean more of the same.

In an apparently coordinated action, Thomas Hoenig, the deputy chairman of the FDIC, and Richard Fisher, head of the Federal Reserve Bank of Dallas, have taken their views to the public. [See preceding article—ed.] Hoenig, former head of the Federal Reserve Bank of Kansas City, wrote in an article in the *American Banker* that the banks' TBTF ("too big to fail") problem can only be solved if the "safety net" of bailouts for the speculative sections were eliminated which would drastically shrink the largest banks. Fisher also called for ending protection to the TBTF banks.

Hoenig and Fisher are regarded as Republican icons, and their public advocacy of a two-tier banking system greatly enhances the support in Congress and the Senate for a new Glass-Steagall. In the first hours of the new 113th Congress, Rep. Marcy Kaptur (D-Ohio) and Rep. Walter Jones (R-N.C.) introduced H.R. 129. A similar Senate bill is in preparation. The LaRouche Political Action Committee is mobilizing, not only in both houses of Congress for the immediate passage of this law, but is also building a national movement of mayors, state legislators, and other elected officials for Glass-Steagall.

Time is extremely short, because the recent short-term compromise on the debt ceiling means draconian austerity measures against health care and other social services (which are, in any case, not comprehensive in the United States, where nearly 50 million people live in poverty). The total U.S. debt of $16.4 trillion includes, of course, the cost of the bailouts, which, under current conditions, would have to be paid at the expense of living standards. But if the Glass-Steagall standard were restored, this would dramatically reduce the debt, because the costs of the bailouts would be written off as illegitimate.

Whistling Past the Graveyard

Given these developments in the United States, which are of existential importance for the entire trans-Atlantic financial system, the declaration of nine (!) German banks and industry associations in favor of universal banking and against a two-tier banking system means they are defending the current casino economy, but also whistling past the graveyard, given that the trans-Atlantic financial system is at its end, and there is a serious reform movement underway.

In its eagerness to defend the "historically evolved" universal banks, the Association of German Banks, in its press release of Jan. 17, failed to mention that the

German banking system was once highly regulated. The statement that "stable financial markets are of great importance for the German economy" is a truism, and certainly corresponds to the desire of the productive *Mittelstand* [small and medium-sized enterprises], but the mechanisms by which this stability is to be achieved also have to correspond to such an intention.

We have just had in Germany a prime example of a universal bank—Deutsche Bank—which last December was subject to two police raids, one with 500 armed officers, under suspicion of tax fraud, obstruction of justice, fraudulent trading in CO@si2 emission allowances, interest rate manipulation, and possibly also money laundering. The Angelides Report devoted 40 pages just to Deutsche Bank, which are now being reviewed by the New York Attorney General.

As long as the business model of universal banks, for which Deutsche Bank is symptomatic, defines the world financial system, a hyperinflationary explosion is imminent—and with it brutal looting of the population, so as to let the gamblers continue for a very short while. And, the representatives of the nine German associations that are defending the universal banks, and attacking the two-tier banking system are exposed as just as incompetent as the IMF, which is repeating the argument of the defendants at the Nuremberg Tribunal, namely that they totally underestimated what the impact of their own policy towards Greece would be.[1] Who benefitted, after all, from all the bailouts which, according to [Social Democratic Party candidate for Chancellor and former Finance Minister] Peer Steinbrück, amounted to EU1.6 trillion just between 2008 and 2010, costs which were passed on to the taxpayer? Naturally, the universal banking system!

As we all know, the argument of the Nuremberg defendants, that they did not know everything that was going on, did not spare them from the punishment they deserved.

No, the universal banking system puts us at the mercy of the robbers! Andreas Schmitz, president of the Association of German Banks, is, after all, also chairman of the board of HSBC Trinkaus & Burkhardt AG—and HSBC is the bank that was the focus of hearings before the U.S. Congress for money laundering on a grand scale for the Mexican drug mafia. And ECB head Mario Draghi and outgoing Italian Prime Minister Mario Monti have proven themselves to be devoted puppets of another glorious universal bank, Goldman Sachs, which was prosecuted relatively lightly for a long list of irregularities, only because its behavior corresponds to the concepts of globalization and the Anglo-American Empire. And in this world, the only offense is getting caught.

There is good reason to assume that the signatures on the scandalous statement of the nine associations, defending the universal banks, came into existence in the same way as the approval by all recent EU summits of the various bailouts and permanent rescue mechanisms, such as the EFSM [European Financial Stability Facility] and the ESM [European Stability Mechanism]: "If this, that, and the other are not done, the markets will get nervous or even collapse, etc., etc." And so far, this method of blackmail has worked well.

Momentum for Glass-Steagall

But now the introduction of a two-tier banking system is seriously on the agenda—in the United States, Iceland, France, Belgium, Italy, and some other countries. Banking separation is just the first step; it must be followed by the introduction of a credit system in the tradition of Alexander Hamilton, in which the power of credit creation is solely the responsibility of sovereign national governments. Whether the nine German banks and industry associations like it or not, if the United States returns to a Glass-Steagall standard, the European nations will also have a two-tier banking system.

If you want to prevent a short-term hyperinflationary explosion as in 1923, in which the Eurozone falls apart in chaos, and we plunge even deeper into a Dark Age than we have already done, then join us and mobilize for separation of the banking system—not the proposal of the Liikanen Commission, the Volcker Rule, the "ringfencing" of the Vickers Commission, or any of these other watered-down versions, but only the original 1933 Glass-Steagall Act of Franklin D. Roosevelt. Then the world can be led out of the Depression, just as Roosevelt did it in the 1930s!

Translated from German by Susan Welsh

1. See "IMF Nuremberg Defense on Greece: We Had No Idea What It Would Lead To," *EIR*, Jan. 11, 2013.

Glass-Steagall, Then and Now: How To Fix a Bankrupt Economy

Paul Gallagher, Economics Intelligence Co-Director at EIR, gave this interview to LaRouchePAC's John Ascher on Jan. 10, during a conference call with LPAC activists.

EIRNS/Stuart Lewis

LaRouchePAC: You are familiar with the original Glass-Steagall bill which was passed in 1933 in the Franklin Roosevelt era, and you are also familiar with the bill Rep. Marcy Kaptur (D-Ohio) introduced last year, H.R. 1489, and this year, H.R. 129. Are these bills actually the same?

Gallagher: In terms of the substance, they are essentially the same, with one addition which I'll indicate. But it would be worth making clear what the substance is in four general points.

What Is Glass-Steagall?

First of all, what is most universally known about Glass-Steagall, is that it gives bank holding corporations and bank conglomerates and those other financial firms which have been calling themselves banks, it gives the commercial banking core of those holding companies one year in which they must divest themselves of all non-commercial banking units. And no cross-management can remain between the commercial banking unit and those other units, and no cross-ownership can remain.

Secondly, the original Glass-Steagall, having created, so to speak, "clean" commercial banks again, set a limit through each of the Federal Reserve banks, which were charged to enforce this in their districts. Each commercial bank so separated could not use more than 2% of its capital and surplus at any time for the creation or sale or distribution of securities. There were certain kinds of bank-qualified securities exempted from this, but basically, it was a 2% limit. If you imagine 98% loans and 2% investment in securities, that gives you what was actually being enforced for more than 60 years as the practice across the country, why this worked, and why there were not bank panics.

Thirdly, the law, through a series of regulations, prevented commercial banks and bank holding companies from making loans of their depositors' assets or their own liabilities, their depositors' money, into such vehicles as would support the creation and circulation of securities. You might think in terms of a bank creating a hedge fund, which is nearly a universal practice in the last 20 years. That kind of use of bank loans to support securities was forbidden.

Lastly, and very importantly, no securities of low, or potentially low value, could be placed by a bank in its insured commercial bank units. This later became known as Section 23a of the Federal Reserve Act, because it was orphaned when Glass-Steagall was repealed. But it is part of the Glass-Steagall Act. It is essentially the anti-bailout core of the Glass-Steagall provisions that would have prevented the movement of huge derivatives portfolios of the major banks now—in the case of Morgan Stanley, for one example, a $55 trillion derivatives book.

It prohibits the placing of those derivatives books onto the books of the federally ensured commercial banking unit, under the holding company, in order to get them bailed out by the back door, or get them the promise of a bailout, and in many cases, the fact of a bailout.

So, in those core regulations on the reorganization of banking, this bill, the Kaptur-Jones bill is the same as the original Glass-Steagall bill.

It adds one notable feature, and that is, there was a Supreme Court decision in 1971, known as *Investment Company Institute v. Camp*. In that decision, the Su-

The New York Times

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NEW YORK, SATURDAY, JUNE 17, 1933.

PRESIDENT STARTS RECOVERY PROGRAM, SIGNS BANK, RAIL AND INDUSTRY BILLS; WHEAT GROWERS WILL GET $150,000,000

AIDS FARMERS THIS YEAR

Wheat Processing Tax, 30 Cents, to Take Soon After July

ACREAGE CUTS IN

Payments to Growers Include This Year's

WILL PROTECT CONS

Wallace Promises No Price Rises—Will Gi cision on Cotton To

Powers Granted to the President

WASHINGTON, June 16.—Extraordinary powers granted in the first session of the Seventy-third Congress to President

Text of President's statement on recovery policies, Page 2.

Special to THE NEW YORK TIMES.

WASHINGTON, June 16.—Assuming unprecedented peacetime control over the nation's economic life, President Roosevelt placed in operation today his sweeping program for recovery from the depression.

Within two hours he signed acts of Congress giving him control over industry, power to coordinate the railroads, and authority to start work on a $3,300,000,000 public works program, and then began the active administration of these and other major measures.

In signing the National Industrial Recovery Act the President declared that it was "the most important and far-reaching legislation ever enacted by the American Congress," and said that it "represents a supreme effort to stabilize for all time the many factors which make for the prosperity of the nation and the preservation of American standards."

The Glass-Steagall Banking Re-

ROOSEVELT HAILS GOAL

He Calls Recovery Act Most Sweeping Law in Nation's History.

JOHNSON ADMINISTRATOR

Col. Sawyer Is Named to Direct Public Works, Eastman as Railway Coordinator.

MILLION JOBS BY OCT. 1

Employers Urged to Hire More Men With Government Stopping Unfair Competition.

President Roosevelt's policy to deal with the Great Depression, announced here on June 17, 1933, included the passage of the Glass-Steagall law (inset) and other programs. H.R. 129, currently before the House of Representatives, is the same in all major respects.

preme Court affirmed that Glass-Steagall was the primary banking regulations of U.S. Code 12 of national banking law; that it was the preeminent regulator of the banks. And it affirmed that the Glass-Steagall Act could be enforced in such a way as to, in effect, protect commercial banks from themselves, by limiting their ability to plunge into apparently seductive high-yield securities transactions, and actually putting the bank and its shareholders and its depositors at risk.

The Supreme Court affirmed that that was a proper use of government power, to regulate commercial banks.

And in the Kaptur-Jones bill, it is consistently stated that the standards set out in that Supreme Court decision of *Camp* would now be the minimum standards for regulation of commercial banking. So, it has that one additional feature, to prevent, in particular the Federal Reserve, which is the primary regulator here, from retracing the steps of Alan Greenspan, who progressively destroyed the main regulations of Glass-Steagall, before he destroyed the law itself.

Ringfencing Is Not Glass-Steagall

LPAC: Many of the people on the phone may have heard that there is a movement for Glass-Steagall in Great Britain. There has been discussion in Great Britain and some other countries, also in the United States, of a revised form of what they sometimes call Glass-Steagall, which is referred to as ringfencing. This, in Britain, was the Vickers Commission. Could you please explain the difference between what we are proposing in fighting for Glass-Steagall, and what is known as ringfencing?

Gallagher: Well in the United Kingdom, it is like a war of the commissions—the Vickers Commission vs. the Tyree Commission, which has come very close to demanding replacing it [ringfencing] with the full Glass-Steagall regulations. The reason for the war, as one Federal regulator told me at the time that this Vickers Commission came up, in Washington, this ringfence is a very low fence indeed, and the holding companies will have no trouble jumping right over it.

What is Vickers Commission proposal? For example, if you consider the changes that have taken place in the large bank holding companies in the last 15 years—the Federal Reserve itself studied this, and made it clear in a report this past August—where you once typically had, before Glass-Steagall, about a hundred subsidiaries in an average large bank holding company, you now have two or three thousand so-called subsidiaries, little securities units spread all over the world, in a large bank holding company.

The Vickers Commission ringfencing proposal essentially says that some of the larger of these very complicated, globally spread securities units will have to raise additional capital on their own, while remaining

Support for Glass-Steagall has been building since last Summer in the United Kingdom and the United States.

units of the same "universal bank,"[1] remaining speculative vehicles for those banks. But they will have to raise additional capital themselves, so that they will appear to be independently capitalized, and they will also have to have more of a management team of their own. There is not supposed to be movement of the management "over the fence," and movement of capital back and forth.

But, as my friend involved in regulation put it, the holding companies will leap over this low fence with ease, because they are allowed to make unlimited loans to the various units that have supposedly been fenced off from one another, and therefore quite freely move capital.

So it's a thing which clearly doesn't work. It's very similar to aspects of the Dodd-Frank Act, and there has been a real revolt against it among British bankers. And, as I'm sure people on this call know, polls show that 60-plus members of the Parliament want full Glass-Steagall instead, and it's being very strongly challenged in the United Kingdom.

The Fiscal Cliff

LPAC: The next phase of the fiscal cliff discussion is coming up. How does pushing Glass-Steagall right now actually deal with this question of the so-called fiscal cliff?

Gallagher: Well, this is really the biggest question. We had some very good discussions of this in meetings in Washington today. It's the crucial question. [Look at] the IMF making its feeble defense of its previous errors and its inability to correct them, with regard to Greece.[2] Not saying it would change policy in any way, but just offering a defense of itself: "I didn't know what I was doing when I imposed the crushing austerity on Greece and Portugal." What they are actually saying, is they don't know what is the multiple between how much you cut, in austerity against government programs, and how much the economy contracts.

They started trying to claim that their models show that the multiple was less than one. They wound up acknowledging in this report that it could be considerably more than one, particularly in economies that are in recession, in economies in which there is contraction already going on. That is where they now acknowledge that studies show that the multiple can be very large—as large as a 6% contraction, for every 1% of cut made by an austerity program at the government level. And one of those studied showed that in the United States, in the 1930s, the ratio was 3 to 1.

So this is what the Congress of the United States is facing from the White House; and the so-called big deals that are being put forward to it right now, are an austerity policy which has been proven, in each of these European countries, to be a disaster when applied in a condition of recession, in particular. In other words, the

1. A universal bank combines commercial banking with investment activities—i.e., a bank that is not operating under the Glass-Steagall system.

2. See "IMF Nuremberg Defense on Greece: We Had No Idea What It Would Lead To," *EIR*, Jan. 11, 2013.

condition of the whole world has shown, since the collapse of 2007-08, that these policies not only don't work, they are disasters! And this is the policy of the Obama Administration. And the Democrats in Congress who have some experience are quite frank in acknowledging that they know it, that it is their party's President who is pushing this austerity policy.

So what does it come from? It comes from the fact that government revenue has fallen to 15% of GDP, whereas for the last 60 years it has always been about 18.5% of GDP. Five hundred billion dollars gone missing! Gone missing in government revenue because of what we were hit with in the bank panic and collapse 5-6 years ago. And in addition, tremendous impacts from $80 billion a year now in food stamps, $150 billion a year now required for unemployment insurance, Medicaid having jumped up. All of these having smacked the economy because of that collapse of 2007-08. Not repaired.

And if you impose an austerity policy on that, then you have a potential disaster at the same time that the Federal Reserve is printing a trillion dollars a year, and has been doing so since the collapse hit—straight money-printing, and purchases of securities from the major banks. At some point, that will trigger hyperinflation. Some of the members of Congress are beginning to have an awareness of that threat.

So you have to have a policy that attacks this as a whole. That is, you have to have a complete policy, which 1) stops the Federal Reserve from doing what it is doing—printing a trillion dollars or more a year, for a closed circle with the major banks; and 2) discovers and provides a major form for new credit into the economy, which can, at the same time, coax the banks to invest the money that they've been holding on the sidelines. And this new form of credit has to replace the tremendous loss in government revenue.

Everyone knows that this is an economy very heavily based on consumer spending. That's unfortunate; that's the result of bad policies, but that's a fact. These studies that the IMF now acknowledges made it clear that the more an economy is based on consumer spending, the consumer sector, the more it is contracting, the worse the impact of any austerity will be. So you must reverse the austerity policy, and also change that 30-year drift toward the economy being totally dominated by the consumer sector, and not by productivity, infrastructure investment, industrialization. You have to change that at the same time.

Only the First Step

Glass-Steagall merely does the first thing, it is the most effective way to do the first thing, which is to stop the Federal Reserve from printing this money. It's printing this money solely because of the condition that the banks are in: to circulate it into the banks as liquidity, and keep them going in their current condition of being loaded with toxic assets.

You have to first stop that process, and that's what Glass-Steagall reorganization is for; but at the same time, you have to initiate a Reconstruction Finance Corporation [as in the Great Depression] or a National Banking-type government capitalization of investments in infrastructure, drawing in as leverage a lot of private capital. And where is that private investment going to come from? It's going to come from commercial banks, if those banks are made clean, and separated under Glass-Steagall. They will be investing in a National Bank, or a Reconstruction Finance Corporation, as they did before, in order to put this really productive credit into new infrastructure platforms in the economy.

And we have to discuss NAWAPA and similar urgent infrastructure needs on Capitol Hill. "Glass-Steagall plus plus," as Lyndon LaRouche puts it, has to be a single policy, which attacks the deadly policy of austerity, which they know is coming from the White House, and from the International Monetary Fund.

Threat of Hyperinflation

LPAC: At what point does the hyperinflation hit? And why precisely do we need to get Glass-Steagall immediately now?

There was an article that came out this week in Bloomberg from a guy named Red Jahncke, some type of investment counselor in Connecticut, who indicated that the best time to bring about Glass-Steagall is actually *before* there is a banking collapse, when this can be done in a more transitional kind of way. And he spelled out the method by which these banks could be broken apart. . . .

Gallagher: To take the first question first, the Federal Reserve has printed, in the last four and a half years, since the crash of 2007-08, more than $2.5 trillion. That's not all of the many tens of trillions of short-term liquidity loans it made to everything from hedge funds to banks; I'm talking about what it printed, what it used to buy securities from these banks on a permanent basis, to put that money into them. The other major central banks have done the same thing: the British, the ECB of Europe,

the Swiss, and the Japanese have done the same thing, and they have combined for something like $11 trillion in that period of time. The Federal Reserve has the policy now which will bring it to about $4 trillion printed by the end of 2013. With a contracting real economy, and the collapse of government revenue, and the austerity policy that I've indicated, this essentially looks *deflationary*, until it suddenly turns *hyperinflationary*.

There will be a trigger; there might very well be a take-off, all of the a sudden, in the price of food, because of the declines in the production of food under conditions of drought, and under conditions of very rapid price fluctuations of all the inputs to food, and of the food commodities themselves. This could very well trigger it. But the basic mechanism that you are looking at, is that the central banks, led by the Federal Reserve and the European Central Bank, are printing trillions and trillions of new currency, putting it into circulation directly through the major national and international bank holding companies.

And they claim this is not an inflationary policy because the vast bulk of that new capital and new liquidity is then being put right back into the Federal Reserve, and the other major central banks. The banks are putting it right back into the central banks, as what are called "excess bank reserves." And they are being paid interest by the central banks on those reserves for the first time.

The Federal Reserve has never done this before. It's the first time in its 100-year history that it has paid interest to get banks to put this money right back into the Federal Reserve. The ECB is doing the same thing.

At a certain point, when a sudden speculative bubble starts to escalate, as for example, with a trigger escalation in the price of food, watch those unused trillions come pouring out into commodity speculation, for example, and suddenly set off hyperinflation. So it's not something that can be predicted at a given time. After all, in Weimar Germany, the worst and most infamous case, they did this kind of money printing to pay unpayable government debts for more than two years, with no apparent inflationary impact, until all of a sudden, it exploded and consumed the currency, and the entire economy. So we can't say when, but we *can* say it will happen.

Weimar hyperinflation: Germany printed money for more than two years without any apparent inflationary impact, but suddenly hyperinflation took off and the economy was destroyed.

Do It Now!

As to what Mr. Jahncke was saying, he is a strong advocate of Glass-Steagall restoration, and he was saying, now is the time to do it; essentially we're between banking collapses. His article is titled, "Breaking Up the Banks Is Easy When They Aren't Failing." Pass Glass-Steagall, give these large bank holding companies one year to break themselves up, and they'll be able to do it, or at least there is a chance they'll be able to do it, because currently they can sell off their units.

On the other hand, he says that if you wait until these banks, some of them, or even one of them faces failure, and then try to resolve it, try to break it up because it is about to go under, and you will suddenly find that you're unable to sell any of its units or any of its assets in the atmosphere of panic that will be spreading everywhere, and therefore, the whole business of breaking up the bank will fail.

In a broader sense we might say, that if we can make clean commercial banks, a clean commercial banking sector, not loaded down with securities, and at the same time, start to issue national credit for really important productive investments in new infrastructure platforms, then you would see some money which has been placed on the sidelines of the banks, come into this kind of real investment in national banking. He's finding a kind of homespun way of saying, do Glass-Steagall now, because we're between banking collapses, and you won't be able to do it, once the next one hits.

So. Europe Doctors: Stop Cutting Health

by Gretchen Small

Jan. 17—The Medical Associations of Portugal, Greece, Spain, and Ireland issued an "Open Letter to Political Leaders and Health Authorities of Europe" this week, decrying the disastrous effects imposed on them by the austerity policies of the IMF-European Union-European Central Bank—the infamous Troika—which are wrecking the lives and health of their nations. The letter insists that the effects of financial policies on the health and health-care systems of and for their peoples must be taken into consideration before being adopted.

The letter, signed by the heads of those four national associations, plus other relevant personalities from those countries' medical and academic communities, was released in Lisbon by the Portuguese Medical Association on Jan. 15, and was to be released in the other signatory countries over the course of the week.

Such a call from the medical establishments of four nations is unprecedented, albeit overly polite about a policy which constitutes nothing less than genocide. All assertions that morality must determine public policy are useful, but at this stage of the crisis, appeals will not work. Nothing short of governments bankrupting the speculators by implementing Glass-Steagall laws can protect the people.

Greece is the most advanced example of the Troika view that public health-care systems are no longer affordable, but the same holds for the other countries. Last Fall, for example, at Troika insistence, the Portuguese Ministry of Health announced that HIV retrovirals, cancer medications, and biological agents for rheumatoid illness should be rationed, because those drugs are too expensive in a "world financial crisis." Now, the IMF has presented the Portuguese government with recommendations for how to cut the budget by another EU4 billion. According to Portuguese press accounts, the IMF proposes that in this country, with over 16% officially unemployed, co-pays for public health care not only be increased, but also be extended to those currently exempt, such as pregnant women and children; 10-20% of public workers be fired; and pensions be cut across-the-board by 10%.

So much for IMF chief economist Olivier Blanchard's recent *mea culpa* over the "unforeseen" consequences of IMF policies.

Policies Must Defend the Common Good

The Open Letter asserts from the outset that it is "unacceptable" that "decisions of critical importance for the economy and for social protection systems … have been taken, particularly over the last two years, by the EC, the ECB, the IMF, and national governments" without taking due account of their effect on national health systems."

It continues:

"Social and economic crises of the magnitude now experienced in many European countries have well-known health implications:

"Loss of self-esteem, depression and suicide;

"Increased susceptibility to communicable diseases;

"Enhancement of risk-taking behavior, both in terms of addictions and as regards risk factors of chronic conditions.…

"Public services have been deprived of the funding necessary to perform adequately while community health needs are increasing.

"This is now happening: extensive and deep human suffering, and increased number of situations that defy the most basic and ethical concepts of human dignity.

"Deteriorating health systems—along with the emigration of the most qualified among the young, long-term unemployment, and depressed fertility rates—will very likely have long-term consequences, affecting future generations.…

"The signatories of this open letter call upon the international and national political and health authorities to:

"…Ensure that awareness of the health impact of the financial and economic decisions adopted in the recent period, results in a rapid revision of such decisions, in order to urgently prevent further deterioration of the health and health services in our communities.

"…Mobilize and orient towards the Common Good, the extraordinary potential of intelligence, knowledge and innovation of today's societies, rather than undercutting the health system's ability to evolve, transform itself, better perform its function, become more citizen-centered, and respond to current and future challenges."

Thirty Years War Spreading Across Africa, Middle East

by Jeffrey Steinberg

Jan. 20—The just-concluded mass hostage incident in Algeria is the latest indication that the British-Saudi plan for a new Thirty Years War of religious, tribal, and sectarian permanent conflict is spreading throughout the African continent, the eastern Mediterranean, and the Persian Gulf. The British objective, as frequently spelled out by Royal Consort Prince Philip, is the rapid wiping out of 80% of the human race—either through permanent war/permanent revolution or a thermonuclear war from which mankind might not survive at all.

Last week, the French government mounted a military intervention into Mali at the point that al-Qaeda-linked rebels threatened to take over the country. The French military operations were backed by Britain and the United States, and came after a United Nations Security Council resolution authorized an African military force to intervene to secure the existing Mali government, facing an all-out assault by al-Qaeda in the Islamic Maghreb (AQIM), and a separatist apparatus that already has seized a portion of northern Mali the size of Texas.

There are unconfirmed reports that Russia is also sending in cargo planes to assist in the effort to crush the rebellion.

Regardless of the merits or liabilities of the French intervention, the Mali conflict, and AQIM's long-planned assault on a British Petroleum-led consortium's natural gas field in Algeria have made clear that all of North Africa is facing a brutal war that will either be decisively stopped, or will lead to a decade or more of perpetual warfare and mass population reduction.

Two years too late, even the *New York Times* admitted today that "Qaddafi was right," noting, "As the uprising was closing in around him, the Libyan dictator Col. Muammar el-Qaddafi warned that if he fell, chaos and holy war would overtake North Africa. 'Bin Laden's people would come to impose ransoms by land and sea, he told reporters. We will go back to the time of Redbeard, of pirates, of Ottomans imposing ransoms on boats.'"

Permanent Sectarian War in Islam

This week's developments in Africa are solidly in line with British operations to foment a permanent Sunni-versus-Shi'a bloody confrontation within the extended Islamic world. The conflict in Syria, now going into its third year, has been transformed into a vicious sectarian conflict between Sunni jihadists from various countries on the one side, and Shi'ite, Alawite, and Christian minorities in Syria on the other. Saudi Arabia remains the number one source of weapons and funding to the jihadists in their campaign to overthrow the Bashar Assad government in Damascus.

Last week, the Lebanese daily *al-Manar*, closely tied to Hezbollah, reported that Saudi Arabia's chief of intelligence, Prince Bandar bin-Sultan, was pouring cash and weapons into the al-Nusra Front, an offshoot of al-Qaeda in Iraq (AQI), to both overthrow Assad and wipe out rival oppositionists from the Free Syrian Army. Al-Nusra is comprised of Syrian, Jordanian, and

Creative Commons/Idrissa Fall

Recent developments in Africa are part and parcel of the British empire's project to foment a bloody Sunni-versus-Shi'a conflict within the extended Islamic world. Here, Islamist fighters in northern Mali, July 2012.

Iraqi neo-Salafists who fought against the American occupation in Iraq, and who crossed into Syria in early 2011, when the revolt against the Assad government began. Even though the U.S. State Department placed al-Nusra on its list of international terrorist organizations, the vast majority of Syrian rebel groups remain loyal to al-Nusra—for the simple reason that they are the best-armed, best-funded, and most effective fighting force deployed against the Syrian Army.

The fact that the Syrian crisis has reached a military stalemate has forced American and European analysts to finally admit that the NATO-Saudi-Qatari drive to oust Assad has created the conditions for an each-against-all conflict that will soon engulf neighboring Lebanon, Jordan, Turkey, and Iraq. For London, the issue is not about choosing between winners and losers. For the British Crown, the basic issue comes down to the body count: How many people will be killed or permanently dislocated as the result of the spreading sectarian conflict?

As bad as the prospect of a new Thirty Years War may be, the even greater danger is that the regional conflict now spreading throughout Southwest Asia and Africa will devolve into a superpower confrontation between the United States and Russia/China. This past week, Russia conducted the largest naval manuevers in the eastern Mediterranean since the end of the Cold War. Tom Donilon, President Obama's National Security Advisor, is heading to Moscow in the next hours, with a letter from President Obama to Russian President Vladimir Putin.

Whatever the content of Obama's message, it is not likely to satisfy Mr. Putin, who is well aware that the U.S. and NATO ballistic-missile defense shield being installed along the eastern borders of Russia and the southern tier of Russia and China, is not about containing Iran or Syria. It is aimed at the two thermonuclear weapons rivals of Washington—Russia and China.

A former top American diplomat, who recently traveled to Moscow to deliver a series of lectures, remarked with alarm that, while Russian relations with China, Turkey, and Germany are at an all-time high, relations with the U.S. are in the pits. Hypocritical personal gestures by President Obama will not alter the fundamental reality that the superpowers are headed toward a direct confrontation, and the events in Southwest Asia and Africa are merely the cockpits from which world war can be triggered.

Top Russian officials are painfully aware of just how fragile peace is. In addition to reportedly giving their support to the French move to crush al-Qaeda in Mali, Moscow is working with special UN and Arab League envoy Lakhtar Brahimi, and with U.S. Deputy Secretary of State William Burns, to come up with a framework for a diplomatic solution to the Syria conflict. Yet, important elements in the Saudi monarchy are determined to undermine any positive outcome for Syria and allied Iran.

In anticipation of a new round of talks between the Iranian government and the P5+1 nations, David Albright, the head of the private nuclear watchdog group Institute for Science and International Security (ISIS), published a fraudulent, but provocative study last week, claiming that Iran is close to being able to build a deployable nuclear weapon. The evidence is based on UN and IAEA data, but stretches the documentation far beyond the limits of truth. The Anglo-American faction behind Albright is out to ensure that the talks with Iran break

down, and that regime-change war will begin this year.

An IAEA delegation was in Tehran last week, resuming negotiations with the Iranian government over a proposed memorandum of understanding, permitting more intrusive IAEA inspections of Iran's nuclear enrichment program, access to Iranian scientists, and data on earlier efforts to develop weaponization capabilities at Parchin.

As the situation in North Africa and Southwest Asia moves closer and closer to full-scale regional war, drawing in the United States, Russia, and China, the situation in South Asia is also heating up. In addition to a renewal of Pakistani-Indian conflict along the border in Kashmir, Pakistan has been the scene of a brutal sectarian offensive by fundamentalist Sunnis versus Shi'ites. One incident in Quetta, Baluchistan, in Pakistan, took nearly 100 lives, all Shi'ite worshippers.

In response, President Asif Ali Zardari disbanded the Baluchistan government, dismissing both the regional president and his cabinet, and taking charge of the province, which borders on both Afghanistan and Iran. A Baluchi group, Jundallah, has been engaged for the past two years in a low-intensity insurgency into the bordering region of Iran, carrying out sabotage and assassinations directed against the Iranian Revolutionary Guard Corps.

Following Afghan President Hamid Karzai's recent visit to Washington, where he met with President Obama, plans are being finalized to resume bilateral talks between the U.S. and the Taliban, for a power-sharing deal following the U.S. pullout from Afghanistan by the end of 2014. After the meeting, Obama announced an accelerated timetable for turning security responsibilites over to Afghan miltary and police. He also announced that President Karzai had signed off on the resumed U.S.-Taliban talks. Any serious plan for stabilizing the region after a U.S./NATO withdrawal would necessarily involve convening a regional conference with China, Russia, Pakistan, India, Iran, and the Central Asian Republics, along with the United States, to develop common regional objectives and economic cooperation and development.

So far, although outgoing Secretary of State Hillary Clinton has publicly endorsed this approach, there is no indication whatsoever that President Obama has any interest in such a collective economic-security framework. South Asia, like Southwest Asia and Africa, is in the bull's-eye zone for permanent war.

EIR Special Report

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The Global Showdown report is available in hard copy for $250, and in pdf form for $150, from the EIR store.

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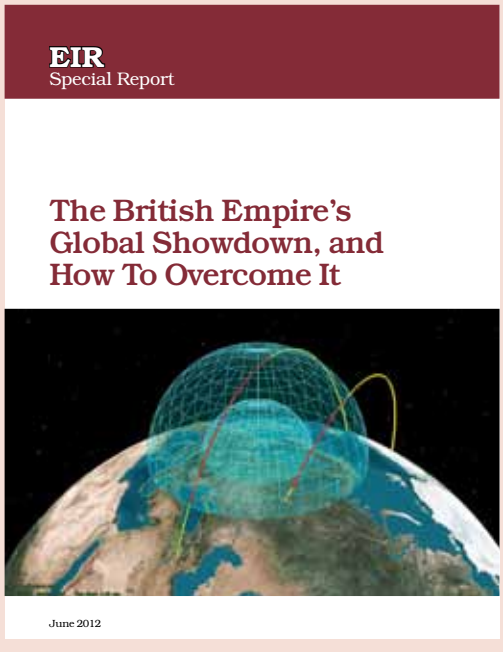

North and West Africa Targetted For Protracted, Deadly Conflict

by Douglas DeGroot

Jan. 21—In early January, warlord-led narcotrafficking and kidnapping gangs, which last year took control of the sparsely populated northern two-thirds of the Sahara desert portion of Mali, moved south in the country toward Mopty, the gateway to the capital, Bamako, and the nearby strategic international airport of Sévaré. On Jan. 16, the deadly assault on the Algerian BP gas production facility, at In Aménas, was carried out by a specific narcotrafficking component of the same criminal networks, with the aid of British intelligence.

The combination of these two operations will spur to a higher level the process to set up protracted conflicts in Islamic North Africa and the Sahel Desert that will rapidly expand into the rest of West Africa by means of the same British-allied Saudi and Qatari-run Salafist criminal networks, creating conflicts which will result in wiping out, by the most barbarous methods, the nation-states in the region.

Algeria is the most important target in this British-Saudi-Qatar offensive, being the last big, Arabic-speaking, non-monarchical state in the Middle East-North Africa region that has not yet been destabilized since the British empire-run Arab Spring upheaval began. Algeria successfully avoided being drawn into a long, drawn-out hostage-negotiation scenario in In Aménas, during which pressure would have been put on the state, as hostages could have been killed one by one.

But the British intelligence-facilitated operation exposed Algeria's vulnerability: Although development and creation of jobs from its hydrocarbon-generated income has so far allowed Algeria to avoid attempts to whip up unrest, more such attacks could shake international confidence in its ability to maintain production, and could leave Algeria open to instability.

In Mali, the sudden French military intervention on Jan. 11 against the three jihadist groups—al-Qaeda in the Islamic Maghreb (AQIM), Movement for Unity and Jihad in West Africa (MUJAO), and Ansar al-Dine—has stalled their drive south, and they have retreated to northern Mali, according to reports, near the Algerian border. Classic guerrilla warfare, with hit-and-run attacks, after which the fighters retreat across borders into neighboring countries, is expected to create turmoil in the region.

France, the former colonial power in the region, wants to maintain its influence in West Africa, but will not succeed by fighting the jihadis, unless it exposes the dirty role of the British, Saudi, and Qatari monarchies. In Syria, France is supporting Qatar's effort, with the British and Saudis, to overthrow the Assad government.

As one retired French intelligence official put it: "We are fighting against the Islamist groups in Mali and Algeria that we support in Syria."

British Duplicity

Details about the long and careful preparations for the murderous operation at the Amenas BP (British Petroleum) plant, well before the Jan. 11 French intervention in Mali, are now coming to light, exposing the British intelligence hand.

The leader of the Jan. 16 commando assault by jihadists from several countries on the Algerian gas facility, Mohamed-Lamine Bouchneb, had family connections with a trucking contractor for BP at the gas production site, and was therefore ideally suited to know the security and logistical layout of the facility, according to a report yesterday in the Algerian daily, *Liberté*. Bouchneb, who was killed during the abortive attempt to move the foreign hostages to Libya for what was intended to be a protracted hostage-release negotiation, was considered the business manager of the drug cartel smuggling networks from the Sahara to and through Libya for Mokhtar Belmokhtar.

According to the *Liberté* report, Bouchneb arranged for members of his family to be employed by the Ghediri family trucking business, which was contracted by BP. Ghediri is a brother of Abou Zeid [Abdelmalek Droukdel], the head of AQIM, and former associate of Belmokhtar. The firm had a fleet of 30 tractor trailers,

FIGURE 1

and had been active in In Aménas and elsewhere in the region, for at least three years. Since observers saw the attackers arrive on only three 4x4s, obviously, the substantial arsenal (reported to have been obtained in Libya) used by the attackers, and many of the attackers themselves, were already on site before the attack on the BP facility began. The number of attackers was estimated at 40. They were positioned to intercept a bus that was to take many of the foreign workers to an airport. The report indicated that BP had been alerted to the potential problems of the Ghediri trucking company, but had done nothing about it.

Belmokhtar, who is linked to the Qatari-Saudi networks in Libya, is being promoted as the mastermind of the assault to deliberately make him the recognized top jihadi among the Saharan narcotraffickers, or as *Liberté* put it, "the Emir of the Sahara," taking that role away from the present emir of AQIM, Abdelmalek Droukdel. After he failed to take it over, Belmokhtar was expelled from AQIM last November. Droukdel was too focused on drug profits; an international jihadi was needed.

By building up Belmokhtar as the champion of the attack on the Algeria gas plant, he, with the new organization he is acquiring from the slain Bouchneb, will be billed as a resurgent al-Qaeda leader in Africa, a new poster boy to give credibility to the stories being circulated about the resurgence of al-Qaeda in the arc from Somalia to Mauritania, and to make him a credible target against which to mobilize the decades-long war that British Prime Minister David Cameron is calling for.

With the slain Bouchneb's group, Belmokhtar's new organization will be characterized as more like the original al-Qaeda than AQIM, at least for Cameron, and for public consumption: There are already reports of jihadists from across Africa coming into Mali. A video aired on the private Mauritanian news outlet ANI after the Algerian hostage-taking quoted Belmokhtar boasting about the attack: "We in al-Qaeda announce this blessed operation."

Cameron, who initially scolded the Algerians for intervening against the narcoterrorists without getting permission from the British (who wanted a bloody, drawn-out hostage negotiation scenario), has now gone for the British fallback option: He was quoted widely in the British press Jan. 19, the day the crisis ended, warning that there will be a years-long war against the "al-Qaeda extremists."

"This is a global threat and it will require a global response," he said. "It will require a response that is about years, even decades, rather than months."

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LAROUCHE FRIDAY WEBCAST

Human Productivity Has Value—Money Has None!

The following are Lyndon LaRouche's opening remarks to his weekly Friday Webcast of Jan. 18, 2013. A discussion period followed.

It is now to be understood that we are reaching the climactic point in this new term of the Presidency. There are certain things that are generally understood, especially by more well-informed people, and thinking people, but there are some other things that have to be taken up, and I shall take up some of these tonight, in these remarks now.

Most of the discussion comes now on the question of *money*. And unfortunately, what most people *think* about money, is, in one sense or another, wrong, even absurd. The general assumption is that there's something magical about money, inherently, on which we are supposed to depend. But I look at this money, and on the one hand, it's *paper*—a special *kind* of paper—but it's paper! And you can put the denomination of the paper on the bill, and it could be $100, it could be $1,000, it could be $5—whatever you want. What makes this stuff worth *anything*? It's simply like a message, a note, a promissory note, isn't it? That's all it is.

Now, we have some *other* kinds of money: copper, silver, gold, platinum. All of these are forms of money. Now, these do have some intrinsic value in them, because you can take the platinum, and you can sell it as platinum, for the amount of purity and weight of the platinum. You can do the same thing with gold; and so forth, and so on.

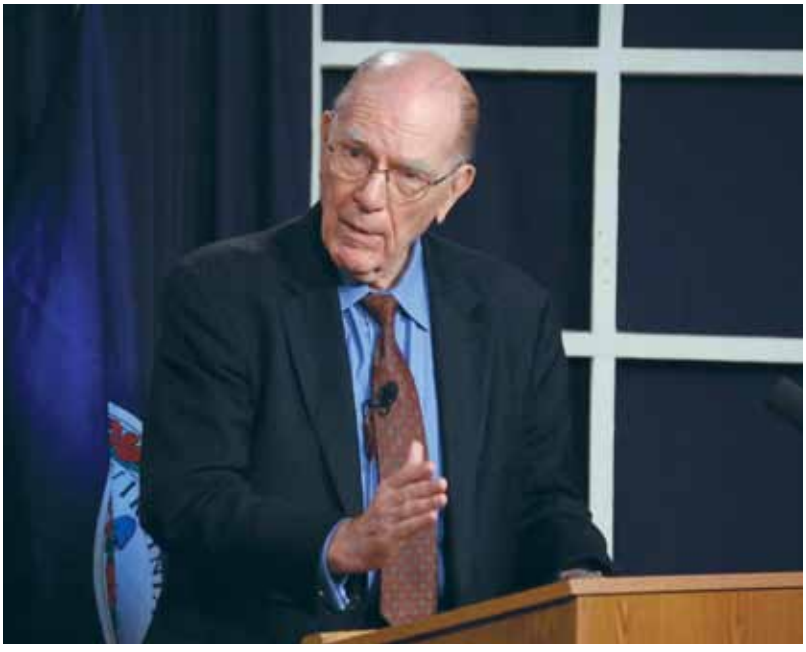
What Is Value?

Why are we so excited about printing a few notes, or weaving them or whatever else you do, and saying "This has value"? Why are you so caught up about *money*?...

Now, we're on the verge of the highest rate of inflation in U.S. history—that's what's about to happen. We have a similar situation in Europe—it's also a panic situation—and it's beginning to creep in on China, and will creep in on India and elsewhere.

So, what does money mean? What is it? How does it affect us? Here we're on the edge of some disaster that's going to occur to us, based on *money*! But money *has* no intrinsic value, except in the metallic form. Even the metallic form is not really intrinsic value, but the fact that it has some value *other* than a money-value, is what makes it significant.

Yet, the issue here is not really what money is; the issue here is, what is the growth in *value* of money? What determines the growth in value? Obviously, it does not lie in the so-called paper money (whatever form the paper is), nor does it really lie in the terms of platinum, or gold and silver, and so forth. So, where does the *value* lie?



Lyndon LaRouche: "What has value, is the power of a human mind to create a method, or a design, which increases the value of the productive efforts of a human being, or a group of human beings."

Well, the value lies in the case of humanity. Animals have a certain kind of value—better growth, better quality, and so forth—but in human beings, the creativity and value lies in *the mind*. It lies in the actions of the mind. And now I give you a material to work, produce—a metallic material, or some other kind of material—and what makes it increase in value, over what it was the year before, or the year before then? The actual value, if you measure it by any physical standard, or any standard of comparison, of the quality of life, and so forth, all these things? It has nothing to do *really* with money intrinsically—nothing at all!

So, what's the problem? What's the root? Where's the mistake? The mistake lies in the fact that people generally—including leading economists, *especially* leading economists—haven't the foggiest idea in the world—none!—of *what makes value in money*.

Now, some people can get a correlative, can explain that this happens, that that happens, this happens, and they can say "Well, this is an increase in the value of something." Why do we consider that something has increased in value? Why was the Massachusetts Bay Colony more progressive in terms of economy than England, which was supposed to be the power *over* the Massachusetts Bay Colony? Well, it's because they were more intelligent!

As a matter of fact, the greatest achievements of England came as the result of Benjamin Franklin's visits during the course of the early 18th Century.[1] He taught them how to make coal, how to make it function, how to deal with iron and other kinds of things, and the English—suddenly, some of them—learned how to *produce* things on a modern basis, or what was for that time a modern basis. But without Benjamin Franklin, and without the Winthrops and Mathers before Franklin, none of this would have happened in that period.

Then, we got crushed a little bit, because the British Empire emerged during that early part of the 18th Century. But then the British, with a political, *physical* power, were able to subordinate us. But nonetheless, because of something *about* us, whenever we had the chance, we would always beat the British in terms of *rate* of improvement. And that could be the case still today.

The problem is that people try to assume that the exchange of labor, the exchange of this, the exchange of that, somehow has an intrinsic value as a *cause* of improvement of the physical conditions of life, and intellectual conditions of life of humanity. So, people are talking about *monetary* policy; but monetary policy as such *has no intrinsic value*.

What has value, is the power of a human mind to create a method, or create a design, which increases the value of the productive efforts of a human being, or a group of human beings. And therefore, when we talk about "money," or monetary things, or we talk about money from the standpoint of an accountant: The accountant, as an accountant, has no idea what the hell he's doing, in terms of the economy. He may be a smart accountant, but it's not as an accountant that he's actually increasing the value of his product.

Accountants and Greenies

And so, we've got to realize now, that our problem is the greenies! The greenies are not the *only* problem we have, but they typify the problem. The existence of the human race, the existence of all living species, de-

1. See Anton Chaitkin, "Leibniz, Gauss Shaped America's Science Successes," *EIR*, Feb. 9, 1996; Richard Freeman, "America's Machine Tool Design Sector Has Shrunk by Two-Thirds," EIR, Feb. 7, 1997.

pends in some way or another upon the increase in the *productivity*, or the equivalent of productivity, of that species' behavior. It's not a matter of money. An accountant can't give you an increase in productivity—can't do it by accounting practice. The accountant can contemplate what was done by some *other* means, but not by accounting methods, by sitting there with numbers and figures and playing with them; it doesn't do anything!

So, this is our problem, particularly for the greenie phenomenon which came on in the United States and in Europe—the idea of value, today, and increasingly since the assassination of President Kennedy. There has been some development—for example, the space program, other technological improvements—but it was not the *money* side of the thing that made the growth where it occurred. What made it was something else: creative powers, tantamount to *scientific creativity*; *that* is what produces wealth.

Now, what did we do in the aftermath of several things, like this war in Indo-China? Except for certain scientific programs, in general, we of the United States have lost our productivity factor. We are worth less today than our ancestors were a couple of generations back. And so, when we talk about money, when we talk about *monetary* policy, we shouldn't be talking about monetary policy as such; we can talk about monetary policy as a *footprint*, but not the motion of the foot. The foot*print*: What you want to know is what made the foot*print*. You didn't want to take the footprint to bed with you!

And so, our greatest problem now, is that we have lost the connection, as a nation—and I speak *as a nation*—we've lost a connection to *reality*, to any actual, economic reality. We now *want* more, we would like to *have* more, we would like to feel more comfortable, we would like to be better fed. But the things we're doing, and have been doing since Jack Kennedy was murdered, the trend has been—despite the space program, despite those things which have *been* progress—the trend overall, per capita of the productive powers of labor, has been on the *downslide*. And that's our problem. That is the problem that got us here, because of government and similar kinds of policies. And also, the effect of that kind of policy made us, in general, more *stupid*. Most people are not employed in producing *anything*, except spiritual experiences or something. There is no real understanding.

Change the Policy

So, we've come to this point. Europe and the United States, for example, are now in a period of hyperinflationary explosion. That's what's happening in the United States, and it's just a matter of a *moment*, almost any day now, when you'll have an explosion of hyperinflation, under Obama. As long as Obama remains President, in effect, we're in hyperinflation, and it's going to carry us down to destruction.

Only taking Obama out of the Presidency—which can be done by an impeachment process, and there's plenty of evidence on which to apply that: Throw this bum out of office, send him someplace where he won't annoy people, and we can have a chance. But we're going to have to change the policy.

We in the United States—partly through what our small organization is doing, and the factor that we represent in terms of increasing an understanding of how to rebuild this economy, and how to correct the errors that are destroying us—we represent that chance. There is a whole layer of people in the United States who are highly skilled in this matter, who understand what an economy actually does. Their understanding may not be perfect, it may be inadequate, but they are capable of exerting their mental powers to produce that effect.

Now, we can do that, and we *must* do it. And the reason I say what I've just been saying, is that we in the United States must not worry, for the moment, about whether Europe is going to solve its problems or not. We may be *concerned*, morally concerned, but we're not going to be hampered by any failures of Europe to do what *it* should do, in the same way *we* should do it.

There's no way in which all of the nations of Western and Central Europe could have an equal rate of productivity; it's just not possible. So, the idea of the euro was an *insane* conception, because you have nations which have different characteristics of economic progress, *real* economic progress. And you try to run them together on a single policy, destroy their sovereignty, destroy their identity, and you are destroying their productivity. Each nation is different, and therefore you have to recognize their traditional difference as sovereign nations.

Restore their sovereignty, because if they don't have sovereignty, they don't have the power to control their ability to produce. You can not arbitrarily impose a rate of productivity on them; they're different. They *should* have the same productivity, but they *don't* now, because the structure of what *had been* these nations has very significant differences in their ability to produce. And

also the character of what they *can* produce effectively is not the same among these nations. So, we have to recognize their differences.

The United States actually has a *superior* capability, historically, for progress, for growth. And therefore, what we have to do now—to come to my point here—what we have to do now, is we have to, for a moment, *forget everything else*, in terms of making our policy. We are the United States. Our organization is working in a milieu which is part of our government, the people who compose our government. We're not *in* the government necessarily, but we all work together; we are *determined* to work together.

So, let us look only at what we the United States have to do right now. What we have to do with *our* potential productivity, how to bring it back into functioning, when we've lost it now.

The greatest danger we have, especially in Europe and in the United States, is the greenie policy. If you do go to a green policy in terms of the economy, in terms of productivity, you will destroy the human species. The green policy is a dive downward in productivity. As long as we have a green policy dominating the United States, as it has increasingly since the middle of the 1960s, we are doomed. We've reached that point *largely* because of the influence of the green policy on the United States economy. And a similar thing has been going on in Europe. We are *degenerating*, we are *self-doomed*, unless we change our direction. We have to grasp what the *physical principle* of productivity is—to go back to high-technology approaches in every respect, in every aspect of our technology.

The Case of NAWAPA

We, the United States, must charge ahead for the moment on our own, in these weeks, now. Because it's in these weeks, now, that the survival or destruction of the United States will occur. It will occur on the basis of whether or not we are again a productive nation. Because if we're not a productive nation, all the fantasies about paper money and similar kinds of fakery don't mean a thing, except that you're wasting your time, when you're in a desperate state of affairs.

We in the United States must launch a high-technology-driven program of progress. We must, for example, launch NAWAPA. I'll explain what NAWAPA means. The NAWAPA program is a unique program. It covers most of the western areas of the United States, and part of Canada and Mexico. This is a water system.

We can increase the productivity of water and its byproducts by probably about 70%, by this program. It's not going to happen at once; it can be done in two generations, in 40 years. And we can increase the rate, so we can produce more water, in terms of effect, than we consume.

Water circulates through the United States (the total territory), and Canada, going up into Alaska and part of Mexico. When the water is used, it doesn't go away, not exactly. What it does is it goes as moisture, and becomes new rainfall. What we have done was a mistake in recent times in our agricultural policy: We have had a water policy, where NAWAPA should have been applied. The land area in the central plains of the United States has been subsiding. That's one of the reasons for the great problem we have. We need a high-tech water-management system which would circulate the moisture which falls once as rainfall, then evaporates, goes back to form new clouds, and comes back with more rainfall, so that you get up to 1.7 times the amount of moisture than you would think from the rate of rainfall you get. You're re-using the same moisture several times in the course of its transport across the territory of the United States.

We also have to increase the physical productivity of mankind, in the same way. We need certain large projects which will develop our nation. We must do this immediately.

The next step then is to turn to our friends in Europe and elsewhere and say, "You see what our policy is. Isn't it the policy that you need too? Why don't you use the example we're presenting to you, so that you too can enjoy the same kind of benefits we're seeking for ourselves?"

That's the way we have to think. We have to think in terms of the physical principles of economy. In these terms, not in terms of paper money. No accountant can ever create reality for you, like bookkeeping: Somebody has to do something; somebody has to make a physical improvement of something. And it's that physical improvement, done by high-skilled people, more and more skilled people, scientifically trained people, and others, which increases the productive powers of labor.

The condition of mankind could never be improved, except by the policy I've just stated. That is the history of mankind, in one way or another. And the going backward, to the green policy, is actually a route to the extinction of the human species.

That's the subject which I want you to keep in your minds for this hour or so.

What Is the President's Authority For Killing of Americans?

Jan. 15—Sen. Ron Wyden (D-Ore.), a member of the Senate Intelligence Committee, which will begin hearings Feb. 7 on President Obama's nomination of John Brennan as CIA Director, today released a letter to Brennan, demanding that he answer questions, and provide, prior to the hearing, the "secret legal opinions" cited as the authority for targeted killings of Americans. Wyden and other Senators have requested this information for more than two years. Brennan currently serves as counterterrorism advisor to the President, and coordinates the President's weekly meetings to determine who will be targeted for the death-dealing drone attacks.

So far, the Administration admits to having killed at least three American citizens by such attacks.

Lyndon LaRouche characterized Wyden's action as a signficant development which should contribute to efforts to impeach Obama. "By forcing those questions into public view, the Senator has put on the table criminal notice of what Obama has done with his killing policy. How different is Obama from Hitler? We could be looking at something like Nuremberg," LaRouche said.

The text of Senator Wyden's letter, including an Attachment outlining specific questions to be answered by Brennan at the hearings, reproduced here, may be found on his website.

January 14, 2013

John O. Brennan
Assistant to the President for Homeland Security
and Counterterrorism
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. Brennan:

Congratulations on your nomination to be the next Director of the Central Intelligence Agency. I appreciated the opportunity to speak to you last week, and I look forward to meeting with you prior to your hearing to continue our discussion in more detail. I would also appreciate your help in providing me with responses to a number of questions that I and others have asked on topics relevant to your nomination.

First, as you may be aware, I have asked repeatedly over the past two years to see the secret legal opinions that contain the executive branch's understanding of the President's authority to kill American citizens in the course of counterterrorism operations. Senior intelligence officials have said publicly that they have the authority to knowingly use lethal force against Americans in the course of counterterrorism operations, and have indicated that there are secret legal opinions issued by the Justice Department's Office of Legal Counsel that explain the basis for this authority. I have asked repeatedly to see these opinions, and I have been provided with some relevant information on the topic, but I have yet to see the opinions themselves.

Both you and the Attorney General gave public speeches on this topic early last year, and these speeches were a welcome step in the direction of more transparency and openness, but as I noted at the time, these speeches left a large number of important questions unanswered. A federal judge recently noted in a Freedom of Information Act case that "no lawyer worth his salt would equate Mr. Holder's statements with the sort of robust analysis that one finds in a properly constructed legal opinion," and I assume that Attorney General Holder would agree that this was not his intent.

As I have said before, this situation is unacceptable. For the executive branch to claim that intelligence agencies have the authority to knowingly kill American citizens but refuse to provide Congress with any and all legal opinions that explain the executive branch's understanding of this authority represents an alarming and indefensible assertion of executive prerogative. There are clearly some circumstances in which the President

wyden.senate.gov

Oregon Sen. Ron Wyden has put some very pointed questions to Obama's nominee for CIA Director, especially regarding the President's authorization to kill Americans without due process of law.

has the authority to use lethal force against Americans who have taken up arms against the United States, just as President Lincoln had the authority to order Union troops to take military action against Confederate forces during the Civil War. But it is critically important for Congress and the American public to have full knowledge of how the executive branch understands the limits and boundaries of this authority, so that Congress and the public can decide whether this authority has been properly defined, and whether the President's power to deliberately kill American citizens is subject to appropriate limitations. I have an obligation from my oath of office to review any classified legal opinions that lay out the federal government's official views on this issue, and I will not be satisfied until I have received them. So, please ensure that these opinions are provided to me, along with the other members of the Senate Intelligence Committee and our cleared staff, and that we receive written assurances that future legal opinions on this topic will also he provided.

Second, as you may be aware, my staff and I have been asking for over a year for the complete list of countries in which the intelligence community has used its lethal counterterrorism authorities. To my surprise and dismay, the intelligence community has declined to provide me with the complete list. In my judgment, every member of the Senate Intelligence Committee should know (or be able to find out) all of the countries where United States intelligence agencies have killed or attempted to kill people. The fact that this request was denied reflects poorly on the Obama Administration's commitment to cooperation with congressional oversight. So, please ensure that the full list of countries is provided to me, along with the other members of the Senate Intelligence Committee and our cleared staff.

Third, over two years ago Senator Feingold and I wrote to the Attorney General regarding two classified opinions from the Justice Department's Office of Legal Counsel, including an opinion that interprets common commercial service agreements. We asked the Attorney General to declassify both of these opinions, and to revoke the opinion pertaining to commercial service agreements. Last summer, I repeated this request, and noted that the opinion regarding commercial service agreements has direct relevance to ongoing congressional debates regarding cybersecurity legislation. The Justice Department still has not responded to these letters. Please ensure that I receive a response, so that I can review this response as I consider your nomination....

I recognize that these requests encompass a substantial amount of information. I would note, however, that all of these requests date back more than one year, and all but one of them date back more than two years. Taken together, these failures to respond start to form a pattern in which the executive branch is evading congressional oversight by simply not responding to congressional requests for information. I ask that you help correct this problem by ensuring that I receive prompt, substantive responses to all of these requests.

I am also attaching a number of more specific questions about the executive branch's legal analysis regarding the killing of American citizens. I hope that these questions are directly addressed in the secret legal opinions, but to the extent that they are not, please ensure that I receive answers to them. I would also urge the executive branch to make all of these answers available to the public as well. As I have noted before, individual Americans generally do not expect to know every detail about sensitive military and intelligence operations, but voters absolutely have a need and a right to understand the boundaries of what is and is not permitted under the law, so that they can debate what should and should not be legal and ratify or reject decisions that elected officials make on their behalf. And I believe that every American has the right to know when their government believes it is allowed to kill them.

Finally, as you know, the Senate Intelligence Committee recently completed a 6000 page report on the use of torture and coercive interrogations by the CIA. Please be prepared to discuss the major findings and conclusions of this report. I am particularly interested in getting your reaction to the report's revelation that the CIA repeatedly provided inaccurate information about its interrogation program to the White House, the Justice Department, and Congress, and your view on what steps should be taken to correct inaccurate statements that were made to the public.

Thank you for your attention to these matters. I look forward to discussing these issues with you further.

Sincerely,

Ron Wyden
United States Senator

Attachment: Specific Questions Regarding the President's Authority to Use Lethal Force Against Americans

• How much evidence does the President need to determine that a particular American can be lawfully killed? Senior Administration officials have stated that the individual must pose a "significant" or "imminent" threat, but how much evidence is required to determine that this is the case?

• Does the President have to provide individual Americans with the opportunity to surrender before killing them? Does this obligation change if the President's determination that a particular American is a valid target has not been publicly announced or publicly reported?

• Senior officials have stated that the use of lethal force is permitted in situations where capture is not feasible. What standard is used to determine whether it is feasible to capture a particular American?

• Is the legal basis for the intelligence community's lethal counterterrorism operations the 2001 Congressional Authorization for the Use of Military Force, or the President's Commander-in-Chief authority?

• Are there any geographic limitations on the intelligence community's authority to use lethal force against Americans? Do any intelligence agencies have the authority to carry out lethal operations inside the United States'?

• The United States Constitution states that no American may "be deprived of life, liberty, or property, without due process of law." The Attorney General's 2012 speech at Northwestern University, which addressed the use of lethal force, referred to past Supreme Court cases that have applied this protection, and made apparent references to three cases in particular (*Ex Parte Quirin, Hamdi v. Rumsfeld*, and *Mathews. v. Eldridge*). However, none of these cases specifically addresses the government's ability to kill Americans without trial. Given this distinction, what is the rationale for applying these particular decisions to the question of when the President may legally kill an American?

• The Attorney General's speech also stated that "Where national security operations are at stake, due process takes into account the realities of combat." This is another apparent reference to the Supreme Court's *Hamdi v. Rumsfeld* decision. But in the *Hamdi* case the Supreme Court appears to have used a different, more traditional definition of "combat"—the *Hamdi* case involved the rights of an American who had been captured in Afghanistan, but the Attorney General noted that his speech referred to the use of lethal force "outside the hot battlefield of Afghanistan." What impact, if any, does this broader definition of "combat" have on the applicable legal principles?

Legislators, Activists Demand Glass-Steagall

Jan. 22—While pressure on Congress to re-enact Glass-Steagall grows from top banking regulators (see *Economics*), legislators from both major parties in half a dozen states are mobilizing for passage of Rep. Marcy Kaptur's (D-Ohio) "Return to Prudent Banking Act," which was re-introduced into the 113th Congress as HR 129. The bill calls for bank separation in the manner provided by FDR's Glass-Steagall Act of 1933.

State Sen. Perry Clark (D) of Kentucky introduced Senate Concurrent Resolution 16 on Jan. 8, urging Congress to pass Kaptur's bill. It has been referred to the Banking and Insurance Committee.

State Sen. Richard Black (R) of Virginia introduced Senate Joint Resolution 273 on Jan. 9, which would memorialize Congress to enact the separation of commercial and investment banking functions. It was referred to the Rules Committee.

State Rep. Bill Harris (R) of Montana on Jan. 14 introduced House Joint Resolution 4, which calls on the Congress to pass Kaptur's bill.

Five Democratic State Senators in Rhode Island, including Senate Majority Leader Dominick Ruggerio, introduced Senate Resolution 2 0010 on Jan. 16, which calls for a return to Glass-Steagall. It was referred to the Senate Corporations Committee. The other co-sponsors are Frank A. Ciccone III, Louis P. DiPalma, Maryellen Goodwin, and James C. Sheehan.

Tea Party and MoveOn Join In

With bankers like former Citigroup chairman Sandy Weill (who used to have a plaque in his office with his portrait and the caption, "Shatterer of Glass-Steagall"), coming out in favor of reinstating the FDR Act, it is not surprising that activists of both the right and the left are finding common ground here, as the economy collapses around them.

The *Huffington Post* published an article by MoveOn's Joan Blades, titled "A Living Room Conversation To Reinstate Glass-Steagall" (Jan. 14), on a meeting between herself and two other members of MoveOn, with Mark Meckle, a founder of Tea Party Patriots, and two associates.

On Jan. 17, *San Francisco Chronicle* reporter Joe Garafoli, who was allowed to sit in on the "Conversation," wrote that "after three hours of watching one another's media caricatures evaporate, the six decided that, for starters, they'd all support reinstating the Glass-Steagall Act."

MoveOn's subsidiary, signon.org, features two petitions for Glass-Steagall. One of them, initiated months ago, has 112,000 signatures; the other, more recent, has 560. It says: "To the members of the U.S. Congress and the President of the United States: Please reinstate the regulations instituted by the Glass-Steagall Act. Deregulating the banking system created an economic crash that ruined the lives of millions."

Diane Sare for Governor

The LaRouche movement, which has campaigned for restoration of Glass-Steagall since 2008, created the conditions for all these other forces to join the fight, and continues to provide leadship.

Diane Sare, the LaRouche candidate running as an independent for Governor of New Jersey against incumbent Chris Christie (R) in the Nov. 5, 2013 election, has made the fight for Glass-Steagall a focus of her campaign—all the more so in light of the devastation her state suffered in Hurricane Sandy, and the Governor's failure to act to restore the economy. She issued a statement on Jan. 21 blasting her opponent as "the anti-Glass-Steagall Governor."

"Governor Christie's friends on the Meadowlands Commission are insisting that really nothing can be done," she wrote. "In effect, 'We'll just slowly rebuild the casinos and neighborhoods as best we can, and wait to be hit again.'

"The immediate reinstatement of Glass-Steagall would pull the rug out from under Obama and Christie, and their murderous policies, and put the nation on a pathway to economic recovery involving a return to a Hamiltonian Credit System, a National Bank, and the ability to issue public credit for desperately needed great projects like NAWAPA XXI, and the obvious storm surge barriers of the coast of New York and New Jersey. . . .

"Don't be a chump for Christie and Obama! Call your Congressman and Senators today to co-sponsor and pass HR 129/Glass-Steagall now!"

150 YEARS AFTER THE CONSTITUTION

Franklin D. Roosevelt's Second Inaugural Address

With Barack Obama's Second Inaugural this week, we recall, by stark contrast, an earlier, and much happier such occasion 76 years ago. President Franklin D. Roosevelt, as he approached his second term, acknowledged, despite significant gains over the previous four years, that still, one third of the American people were "ill-housed, ill-clad, ill-nourished." And he challenged the nation to overcome that painful reality: "The test of our progress," he said, "is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

What a contrast to the murderous policies of our current President, in the face of the greatest economic catastrophe since the Great Depression! Today, again, we see tens of millions of Americans living in poverty, with no hope of escaping their lot, as a direct result of his policies, and those of his predecessor. Obama, whose austerity measures are dictated by the same "unscrupulous money changers" of London and Wall Street, that FDR condemned in his First Inaugural, has made a Faustian deal with those very bloodsuckers.

Yet, as you will find elsewhere in this issue, an FDR impulse is taking hold, in the form of a thunderous demand for a return to his 1933 Glass-Steagall Act—the necessary first step toward a recovery.

Here, then, is FDR's Second Inaugural Address, given on Jan. 20, 1937.

My Fellow Countrymen:

When four years ago we met to inaugurate a President, the Republic, single-minded in anxiety, stood in spirit here. We dedicated ourselves to the fulfillment of a vision—to speed the time when there would be for all the people that security and peace essential to the pursuit of happiness. We of the Republic pledged ourselves to drive from the temple of our ancient faith those who had profaned it; to end by action, tireless and unafraid, the stagnation and despair of that day. We did those first things first.

Our covenant with ourselves did not stop there. Instinctively we recognized a deeper need—the need to find through government the instrument of our united purpose to solve for the individual the ever-rising problems of a complex civilization. Repeated attempts at their solution without the aid of government had left us baffled and bewildered. For, without that aid, we had been unable to create those moral controls over the services of science which are necessary to make science a useful servant instead of a ruthless master of mankind. To do this we knew that we must find practical controls over blind economic forces and blindly selfish men.

We of the Republic sensed the truth that democratic government has innate capacity to protect its people against disasters once considered inevitable, to solve problems once considered unsolvable. We would not admit that we could not find a way to master economic

Library of Congress

President Franklin D. Roosevelt delivers his Second Inaugural Address, January 20, 1937: "We are determined to make every American citizen the subject of his country's interest and concern.…"

epidemics just as, after centuries of fatalistic suffering, we had found a way to master epidemics of disease. We refused to leave the problems of our common welfare to be solved by the winds of chance and the hurricanes of disaster.

In this, we Americans were discovering no wholly new truth; we were writing a new chapter in our book of self-government.

This year marks the one hundred and fiftieth anniversary of the Constitutional Convention which made us a nation. At that Convention, our forefathers found the way out of the chaos which followed the Revolutionary War; they created a strong government with powers of united action sufficient then and now to solve problems utterly beyond individual or local solution. A century and a half ago they established the Federal Government in order to promote the general welfare and secure the blessings of liberty to the American people.

Today we invoke those same powers of government to achieve the same objectives.

Four years of new experience have not belied our historic instinct. They hold out the clear hope that government within communities, government within the separate States, and government of the United States can do the things the times require, without yielding its democracy. Our tasks in the last four years did not force democracy to take a holiday.

Nearly all of us recognize that as intricacies of human relationships increase, so power to govern them also must increase—power to stop evil; power to do good. The essential democracy of our Nation and the safety of our people depend not upon the absence of power, but upon lodging it with those whom the people can change or continue at stated intervals through an honest and free system of elections. The Constitution of 1787 did not make our democracy impotent.

In fact, in these last four years, we have made the exercise of all power more democratic; for we have begun to bring private autocratic powers into their proper subordination to the public's government. The legend that they were invincible—above and beyond the processes of a democracy—has been shattered. They have been challenged and beaten.

Our progress out of the depression is obvious. But that is not all that you and I mean by the new order of things. Our pledge was not merely to do a patchwork job with secondhand materials. By using the new materials of social justice we have undertaken to erect on the old foundations a more enduring structure for the better use of future generations.

In that purpose we have been helped by achievements of mind and spirit. Old truths have been relearned; untruths have been unlearned. We have always known that heedless self-interest was bad morals; we know now that it is bad economics. Out of the collapse of a prosperity whose builders boasted their practicality has come the conviction that in the long run economic morality pays. We are beginning to wipe out the line that divides the practical from the ideal; and

FDR's most memorable line from the speech, "I see one-third of a nation ill-housed, ill-clad, ill-nourished," was amply illustrated by photos of the period. Here, a long line of men wait for handouts of food; children march for jobs; while unemployed men pass by a sign offering no hope.

in so doing we are fashioning an instrument of unimagined power for the establishment of a morally better world.

This new understanding undermines the old admiration of worldly success as such. We are beginning to abandon our tolerance of the abuse of power by those who betray for profit the elementary decencies of life.

In this process, evil things formerly accepted will not be so easily condoned. Hard-headedness will not so easily excuse hardheartedness. We are moving toward an era of good feeling. But we realize that there can be no era of good feeling save among men of good will.

For these reasons I am justified in believing that the greatest change we have witnessed has been the change in the moral climate of America.

Among men of good will, science and democracy together offer an ever-richer life and ever-larger satisfaction to the individual. With this change in our moral climate and our rediscovered ability to improve our economic order, we have set our feet upon the road of enduring progress.

Shall we pause now and turn our back upon the road that lies ahead? Shall we call this the promised land? Or, shall we continue on our way? For "each age is a dream that is dying, or one that is coming to birth."

Many voices are heard as we face a great decision. Comfort says, "Tarry a while." Opportunism says, "This is a good spot." Timidity asks, "How difficult is the road ahead?"

True, we have come far from the days of stagnation and despair. Vitality has been preserved. Courage and confidence have been restored. Mental and moral horizons have been extended.

But our present gains were won under the pressure of more than ordinary circumstances. Advance became imperative under the goad of fear and suffering. The times were on the side of progress.

To hold to progress today, however, is more difficult. Dulled conscience, irresponsibility, and ruthless self-interest already reappear. Such symptoms of prosperity may become portents of disaster! Prosperity already tests the persistence of our progressive purpose.

Let us ask again: Have we reached the goal of our vision of that fourth day of March 1933? Have we found our happy valley?

I see a great nation, upon a great continent, blessed with a great wealth of natural resources. Its hundred and thirty million people are at peace among themselves; they are making their country a good neighbor among the nations. I see a United States which can demonstrate that, under democratic methods of government, national wealth can be translated into a spreading volume of human comforts hitherto unknown, and the lowest standard of living can be raised far above the level of mere subsistence.

But here is the challenge to our democracy: In this nation I see tens of millions of its citizens—a substantial part of its whole population—who at this very moment are denied the greater part of what the very lowest standards of today call the necessities of life.

I see millions of families trying to live on incomes so meager that the pall of family disaster hangs over them day by day.

I see millions whose daily lives in city and on farm continue under conditions labeled indecent by a so-called polite society half a century ago.

I see millions denied education, recreation, and the opportunity to better their lot and the lot of their children.

I see millions lacking the means to buy the products of farm and factory, and by their poverty denying work and productiveness to many other millions.

I see one-third of a nation ill-housed, ill-clad, ill-nourished.

It is not in despair that I paint you that picture. I paint it for you in hope—because the Nation, seeing and understanding the injustice in it, proposes to paint it out. We are determined to make every American citizen the subject of his country's interest and concern; and we will never regard any faithful law-abiding group within our borders as superfluous. The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

If I know aught of the spirit and purpose of our Nation, we will not listen to Comfort, Opportunism, and Timidity. We will carry on.

Overwhelmingly, we of the Republic are men and women of good will; men and women who have more than warm hearts of dedication; men and women who have cool heads and willing hands of practical purpose as well. They will insist that every agency of popular government use effective instruments to carry out their will.

Government is competent when all who compose it work as trustees for the whole people. It can make constant progress when it keeps abreast of all the facts. It can obtain justified support and legitimate criticism when the people receive true information of all that government does.

If I know aught of the will of our people, they will demand that these conditions of effective government shall be created and maintained. They will demand a nation uncorrupted by cancers of injustice and, therefore, strong among the nations in its example of the will to peace.

Today we reconsecrate our country to long-cherished ideals in a suddenly changed civilization. In every land there are always at work forces that drive men apart and forces that draw men together. In our personal ambitions we are individualists. But in our seeking for economic and political progress as a nation, we all go up, or else we all go down, as one people.

To maintain a democracy of effort requires a vast amount of patience in dealing with differing methods, a vast amount of humility. But out of the confusion of many voices rises an understanding of dominant public need. Then political leadership can voice common ideals, and aid in their realization.

In taking again the oath of office as President of the United States, I assume the solemn obligation of leading the American people forward along the road over which they have chosen to advance.

While this duty rests upon me I shall do my utmost to speak their purpose and to do their will, seeking Divine guidance to help us each and every one to give light to them that sit in darkness and to guide our feet into the way of peace.

Editorial

Voices of Sanity Demand Glass-Steagall

On Jan. 16-17, two prominent voices within the American financial establishment delivered blunt warnings to Federal Reserve Board Chairman Ben Bernanke that his "quantitative easing" policy of continuing to bail out the too-big-to-fail banks with hot air liquidity was bringing the United States and the world financial system to the brink of catastrophe.

Richard Fisher, the President of the Dallas Federal Reserve Bank, speaking at the National Press Club in Washington, drew the historical parallel between America's War of Independence from British colonial rule, and the current battle to free the American people from the ruinous defense of the too-big-to-fail banks at the expense of the real economy. Fisher pronounced the Dodd-Frank bill—the 3,000-page law passed by Congress in 2010, to ostensibly "reform" the banking system following the crash of 2007-08—a total failure which actually consolidated the dominance of a dozen TBTF banks by guaranteeing their continued protection with taxpayers' money.

Fisher called for the breakup of the megabanks and the restricting of Federal Deposit Insurance Corporation (FDIC) protection to commercial banks only.

It was a declaration of war against Bernanke and President Obama's hyperinflationary madness, and sources within the Federal Reserve System say that there is now a majority on the policy-setting Federal Open Market Committee (FOMC) who will move to block any further efforts by Bernanke to turn on the printing presses at the Fed to pump unsupported liquidity into the U.S. and European super-banks.

Thomas Hoenig, the recently retired dean of the regional Federal Reserve bank presidents, and now, the vice chairman of the FDIC, on Jan. 17, delivered an even more explicit warning to Bernanke and company by calling explicitly for the reinstatement of Glass-Steagall, FDR's 1933 act that broke up the Wall Street banks and established an absolute separation between commercial and investment banks.

Hoenig penned a signed article for *The American Banker*, a widely read trade paper of the financial services industry, openly demanding Glass Steagall. "To realistically address the problem of too-big-to-fail," he wrote, "these activities must again be separated. Commercial banking companies should be confined to operating the payments system and engaging in lending and traditional activities that follow from this basic role.... At the same time, placing broker-dealer activities outside of the safety net will reduce the direct risk to the taxpayer and lower the multibillion-dollar subsidy that economists now estimate these activities currently enjoy."

There is little doubt that the efforts of Fisher and Hoenig were, to some degree, coordinated, as the two men have a long history of collaboration, beginning when both served on the FOMC.

Congress—particularly Republican members—should take careful note of the warnings delivered on their doorsteps by the gentlemen from Dallas and Kansas City. Now is the moment to pass Glass-Steagall on an emergency basis, before the United States falls over the fiscal cliff that is a guaranteed consequence of Bernanke and Obama's hyperinflationary madness.

On the first day of the 113th Congress, Reps. Marcy Kaptur (D-Ohio) and Walter Jones (R-N.C.) reintroduced their bill to reinstate Glass-Steagall, as H.R. 129. The Senate has been stalling long enough in bringing to the floor an identical bill.

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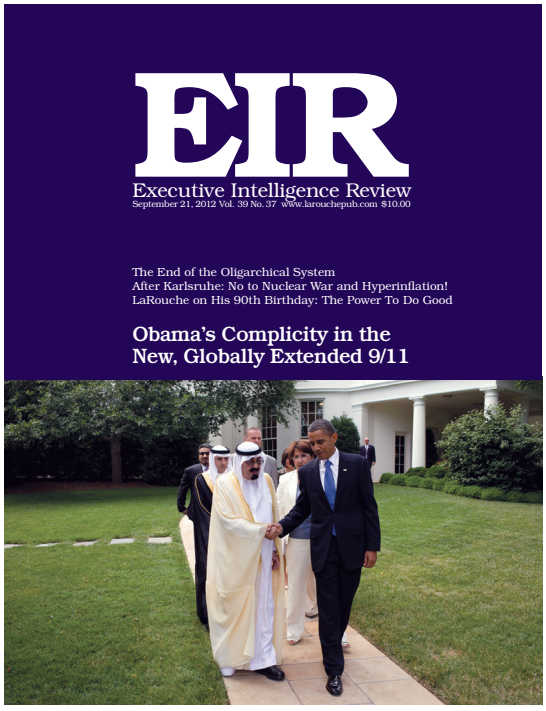

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