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Will HSBC Crimes Sink Wall Street's Obama Presidency?
Neo-Nazi Factor in Drive for War on Russia Exposed
Why the Jeb Bush Candidacy Must Be Squashed Now

Greek Government Is Right: The 'Debt' Is a Swindle

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EIR

From the Editors

The resistance of the Greek government to the British Empire's scorched-earth policy, has the potential to catalyze a movement to sink the whole bankrupt London/Wall Street system, and that's what should be done, Lyndon LaRouche has stressed. Otherwise, these British lunatics are pushing us straight toward World War III.

Our *Feature* outlines the case for Greece dumping the debt: it's been a gigantic swindle on the part of the international bankers, who now demand the country further destroy itself. Even the United Nations has shown that the Troika conditionalities have been deadly. We append a recent precedent for writing off fraudulent debt—the case of Ecuador.

Another major flank against the Empire, and its stooge Obama, is the focus of our *Economics* section, which deals with the recent scandals blowing up around Britain's historic major drug bank, HSBC, the former Hongkong and Shanghai Banking Corp., better known as the central bank for Dope, Inc. Pulling this string goes directly to the top of the enemy of the human race—and we will be pursuing it further.

Under *International*, we continue our expose of the Nazi factor driving the crisis in Ukraine, which, despite the concerted efforts of the Normandy Four (Russia, Ukraine, Germany and France), threatens to explode into all-out war. Meanwhile, the BRICS nations are working diligently along the lines of "development is the new name for peace." We feature three stories you won't find elsewhere in the English-language press: 1) the recent African Union/China deal for continent-wide infrastructure; 2) the recent Maritime Silk Road conference which promoted the Kra Canal; and 3) Argentina's launch of the Atucha II nuclear plant.

In recent weeks, LaRouche has repeatedly warned about the dangers of the Jeb Bush Presidential candidacy, as a potential killer blow by the British Empire against the U.S. See our preliminary profile of Jeb as what he really is: a representative of the Bush dynasty of British/Wall Street agents, committed to fascism and war.

Our *Science* section this week presents the transcript of a recent LaRouchePAC New Paradigm show, featuring Phil Rubinstein, a longtime leader of the LaRouche movement, part of the ongoing series devoted to exploring the scientific basis for the thesis that man is not an animal. These weekly programs are archived and available at www.larouchepac.com/new-paradigm.

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A LaRouchePAC rally at EU headquarters in New York City, Feb. 11, 2015.

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Greek Government Is Right: The 'Debt' Is a Swindle

by Paul Gallagher

Feb. 21—The core of the fight over Greece and "its debt," is that the new Greek government, with huge public backing, has been asking the European Union to shut down a tremendous Wall Street-London bank swindle and make economic growth possible again in Europe.

If that doesn't happen, the worsening bankruptcy of the whole trans-Atlantic banking system will continue to generate desperate confrontations with major powers Russia and China, with the threat of world war.

The rest of Europe, so far, has refused to shut down that Wall Street swindle, and on Feb. 18, Obama's Treasury Secretary Jack Lew backed up that refusal, including by a threatening phone call to the Greek finance minister.

The refusal to write down unpayable debt, by Europe's bankrupt giant banks and governments, is the fundamental reason the economies of the whole European Union have been dead in the water for seven years. Since the 2008 financial crash, these banks have sat with €2 trillion of toxic real estate debt on their books, tangled in tens of trillions in derivatives contracts—unable and unwilling to lend into the European economies, through year after year of economic recession and depression. Anything suggesting bank reorganization to deal with these dead debt securities under Glass-Steagall principles, has been refused, and Europe's bankrupt megabanks lie, like undead monsters, blocking the road to productive credit, investment, and recovery.

Now, the battle over whether Greece can adopt an economic recovery strategy has exposed the fact that large amounts of *government debt*, accumulated by governments bailing out their big banks, is also unpayable and must be written down.

Fraudulent, Unpayable Debt

In the case of Greece, much of that debt was fraudulently piled on the country in the course of huge bank bailouts, in 2010 and 2012, totalling about €245 billion. These rocketed the country's debt, as a ratio of its GDP, from 126% at the end of 2009 to 175% at the end of 2014. The impacts on other national debts was equally dramatic: Ireland's, for example, rose from 25% of GDP before it bailed out London's banks headquartered in its territory in 2009, to 125% afterwards.

The debt piled on Greece in the past 12 years (since it joined the euro currency) is significantly illegitimate in regard to its causes and relationship to the real economy of the country. It cannot be paid in the next half-century, and it cannot be paid by continued cuts in employment, pensions, wages, health-care services, and selling off national income and infrastructure.

And since the huge bank bailouts, "Greek debt" exists only on the basis of the Wall Street practice for

unpayable debt, known as "extend and pretend." Its interest and repayment terms have been so dramatically changed by the creditors—in a backhanded admission that it cannot be paid—that in debt-market terms, it is nearly worthless. In fact, one of the leading speculators in Greek debt, Paul Kazarian, presents accounting proof to all who will listen, that Greece's actual current debt is not €320 billion, but just €32 billion!

Yet the IMF, the European Central Bank, and the European Commission are demanding that Greece make debt payments of €20 billion *this year*, an amount equal to 11% of Greece's entire national product.

How? What President Obama, Chancellor Merkel, et al. are demanding Greece do, instead of shutting down this Europe-wide swindle by the banks, is to run a "primary budget surplus" of 4.5% of its national product, or about €7 billion, exclusively to pay the "Greek debt." In U.S. terms? That would mean *the United States running a government tax surplus of $700 billion a year, in order to pay down debt.* You won't hear Obama or Jack Lew volunteering to try it; it is impossible. All of the other European countries combined, except for Greece, have a *negative* primary budget balance.

Debt Suicide

When Europe bailed out its biggest, bankrupt banks, it gave the bill to Greece and other super-indebted countries, to be paid with mass unemployment and deadly austerity programs.

The "Greek debt" swindle is the same one as the TARP [Troubled Asset Relief Program] bailout in the United States, and the Federal Reserve's printing of $4 trillion in new money to cover Wall Street's debts. Its political perpetrators are the same huge banks, and the European Central Bank working with the Federal Reserve.

In the United States, the big banks took millions of subprime, unrepayable mortgages sold by their captive mortgage companies, and made them into toxic securities and derivatives bets which blew up the financial system and the whole economy in 2008. The government bailed them out, while our living standards plunged.

In Europe, the banks bought these toxic mortgage securities and derivatives from the U.S. banks in very large quantities. At the same time they made millions of unrepayable subprime loans of their own—not only to homeowners and commercial real estate owners, but also to governments without the means to repay those debts, like those of Greece, Ireland, Portugal, and Hungary. Big Wall Street banks were involved, particularly Goldman Sachs, which created "magic" derivatives in 2001: Take a bank loan to Greece, make it look like a mere "currency swap" rather than a debt—but turn it into a much bigger debt ten years later.

All this European subprime debt blew up on the big banks in 2009, a year after the U.S. subprime debt blew up on them. Then the European governments *all* super-indebted themselves, in order to create and guarantee a €750 billion ($1 trillion) "European TARP," called by the initials EFSF. They bailed out the megabanks, with the IMF pitching in. They used about €485 billion ($600 billion) to bail out the unpayable "subprime government debt" portion of it. Some €245 billion ($290 billion) of this bailed out "Greek debt."

This immense bank bailout got *passed through* the Greek, Irish, and other governments, which passed the money immediately on to the banks that had been their "subprime lenders."

Illegitimate Debt

The "Greek debt" swindle is classic.

First, the subprime lending. When Greece joined the Eurozone in 2002, with the help of Goldman Sachs' "magic derivatives," it began using the euro, a currency greatly overvalued relative to its economy, which in effect made Greek products much more expensive than those of the countries it was trading with. The Greek trade deficits which immediately resulted, averaged €30 billion/year from 2002 to 2008, reaching €43 billion in 2008. Much of this deficit was with the United States and Germany, notably U.S. and German military equipment. One particularly unnecessary deal was in 2006 for six German submarines, valued at €12 billion, of which only one has ever been delivered! Of this roughly €200 billion trade deficit over 2002-08, military purchases alone were €80-90 billion, according to the rough data of the Stockholm International Peace Research Institute.

Such trade deficits produce national debts; they are largely financed by, ultimately, government borrowing. From 2002-08, while Greece's trade deficits to-

talled €200 billion, its nominal debt grew from €160 billion to €260 billion, and its central bank became indebted to the European Central Bank by €50 billion.

Greece has paid about €60 billion in interest to international creditors since it joined the Eurozone (though the interest rate has now been drastically reduced under the policy of "extending" the debt and "pretending" Greece can pay it some day).

Second, came the global financial crash, culminating in late 2008, which imposed large costs on the Greek government, like all others; every trans-Atlantic nation's government went into deep budget deficits. For Greece, the national debt leapT again from €260 billion in 2008, to €330 billion in 2010.

Third, were the big 2010 and 2012 bailouts—part of *Europe-wide* massive bailouts of bad debts held by the big Wall Street and London-centered banks.

In 2009, Greece's debt was €260 billion. It then "got" two huge bailouts in 2010 and 2012, totalling about €245 billion ($295 billion) between them, mainly from the EFSF, but also from the IMF and European Central Bank.

Less than 10% of that €245 billion stayed in Greece and was spent by the Greek government; more than 90% went directly and immediately to Deutschebank, HSBC, JPMorgan Chase, and their fellow sharks, with small amounts crumbling to the hedge funds swimming alongside. Former Greek Economics Minister Louka Katseli has provided documentation that the Greek government actually spent or invested *just 3%* of that €245 billion in Greece.

Fourth came the "bail-in." As part of the 2012 bailout, large Greek banks—and Greek banks only—had to write off a big chunk of their "Greek debt," while the Wall Street- and London-centered banks got their toxic debt "assets" guaranteed 100% by this European bailout swindle. Several Greek banks swooned as a result, and the Greek government now had to recapitalize them, putting in €19 billion and then €17 billion in 2012-13. That €35 billion had to be borrowed by the government, and was added to the fraud of what is called the "Greek debt." *Thus a bail-in action against the Greek banks, supposedly to reduce the outstanding Greek government debt, actually increased it.*

Then, between 2010 and today, Greece, Ireland, Portugal, etc. were ordered to pay the bill for this huge new Europe-wide bank bailout debt. They imposed a slashing domestic austerity until their people emigrated, death rates rose and birth rates fell, and clouds of wood smoke rose over modern cities whose inhabitants could no longer afford modern heat (see article, below).

After five years of this punishment, Greece's unemployment rate is 25%—close to 60% among youth—its GDP has shrunk by a terrible 20%. And its €260 billion debt of 2009 has become €320 billion—after €245 billion was passed through to the banks!

Of course now, after the whole swindle, two-thirds of the "Greek debt" is owed to the EFSF, the IMF, and the European Central Bank. The big private banks of Europe and Wall Street "have gotten out" completely—were bailed out, that is, and it is this bailout for which Greece has been left with the bill.

But should Greece be forced to default on that bill, all the Eurozone countries will "owe" it; they all guaranteed the EFSF and IMF bailout loans, and their central banks have guaranteed the ECB loans. The Wall Street and London banks have put them all over a barrel, unless they put that debt—and those banks—into bankruptcy reorganization.

End the Swindle; Write Down the Debt

This is why the new Greek government, backed overwhelmingly by its people, has demanded that Europe shut down this global bank swindle. To demand that Greece attempt, by austerity "reforms," to make the €20 billion payments in 2015 is a violation of natural law; it will cause many more needless deaths and further depopulate the country.

The unpayable debt must be written off. Invest in reviving economic productivity by building new economic infrastructure. Put the megabanks through a Glass-Steagall reorganization and break them up.

In Greek Finance Minister Yanis Veroufakis's Feb. 18 letter to the "European Institutions," he proposed to stop extending and pretending:

"Investment should be revived, in Greece and in the whole Europe. We want to revive infrastructure projects with public and private investors and the support of the euro. . . .

"The [Greek] government will create a development bank which will incorporate state assets, enhance their equity value through reforming property rights, and use them as collateral for the purposes of provid-

ing, in association with European investment institutions such as the European Investment Banks, funding to the Greek private sector."

When debt must be written down, it is best exchanged for long-term bonds invested in new infrastructure and tied to specific forms of economic growth which will pay them off.

The Greek government has made clear that it knows China will be a partner in this process, and that it intends to invest in the economic infrastructure of Greece, the Balkans, and eastern and central Europe. The Greek foreign minister told Chinese representatives that Greece was ready to be "China's gateway to Europe."

This process is best done, when bankrupt debt has to be collapsed, by creating what *EIR* Founding Editor Lyndon LaRouche calls a "buffer of credit" for the real economy—a credit institution on Alexander Hamilton's principles. Such a new development bank in Greece will be linked, as Veroufakis said, to the European Investment Bank—and to China and the BRICS-allied nations.

LaRouche, in a Feb. 18 statement calling for full international backing for the Greek government's position, stated, "Looting does not constitute legitimate debt. The debt is illegal, it is unpayable, and it is the fruit of a London-led criminal enterprise that must be shut down altogether, if the world is to survive the coming months without an eruption of general war in the center of Europe. This [issue] has to be put loud and clear on every doorstep in the United States. If you want to avoid World War III, that's what you'll do."

Eurogroup and Greece Sign Ceasefire Agreement

Feb. 22—The tentative agreement hammered out by the Eurogroup of finance ministers and the Greek government is little more than a ceasefire, buying time for Athens while allowing the Eurozone to kick the can down the road.

The Greek government did not get the only means to actually solve this crisis: a European conference that deals with not just the Greek debt. but that of all the EU countries. including Ireland, Portugal, and Cyprus; and a New Deal for Europe that would fund a recovery. Such a conference would have to implement a Glass-Steagall-style reform of the hopelessly bankrupt trans-Atlantic financial system. The Eurogroup kept these solutions off the agenda altogether.

Athens won the demand that the Memorandum of austerity conditionalities designed by the Troika of the European Central Bank, the European Commission, and the International Monetary Fund will be replaced by one drafted by the Greek government that addresses the humanitarian catastrophe created by the Troika. This plan has to be approved by the EU before the agreement is finalized.

The Eurogroup refused the request of the Greek government to use the remaining €11 billion in the Hellenic Financial Stability Fund, the bank bailout fund, to clean up the non-performing loans of the Greek banks. This was rejected with a statement reiterating that the funds can only be used for recapitalization and resolution. The latter refers to bank bail-in by their depositors, with the "resolution" funds going, in effect, to the creditors identified by the ECB.

While the Greeks did not get the six-month loan extension that they had sought, they did get a four-month extension of the program. Since Athens does not want to accept any more bailout funds, which would only add on to the debt pile, in reality, all this means is that the ECB will not cut off the Greek banking system from liquidity under the Emergency Liquidity Assistance program, the suspension of which would force the Greeks to immediately institute capital controls and emergency measures which would see Greece leaving the Eurozone.

If the agreement means anything, it means that within the next four months, either Europe and the United States put the current system into bankruptcy, or face collapse, which could take place almost at any minute. For the Greeks, it gives them time to either convince the other Europeans of the righteousness of their cause, or prepare to implement Plan B, joining the BRICS for a new development paradigm.

—Dean Andromidas

UN Finds Austerity Violates Rights

Feb. 21—The horrifying cost of the imposition of austerity on Greece by the Troika's Memorandum is the subject of a 25-page report by Cephas Lumina, an Independent Expert from the UN Human Rights Council, issued in March 2014. The report details many of the "effects of foreign debt and other related international financial obligations of states on the full enjoyment of all human rights, particularly economic, social, and cultural rights."

Lumina's conclusions were based on evidence gathered during an April 22-27, 2013 trip to Greece, where he interviewed government officials, opposition members, and private groups. His "framework of analysis" is stated as follows:

"Austerity and other economic adjustment policies raise important concerns regarding the protection of economic, social, and cultural rights, because they are often incompatible with the obligation of States to take steps for their progressive realization and to avoid deliberate retrogressive measures, in particular those that are incompatible with the core obligations of each right and the duty of States to use all available resources in an effort to satisfy, as a matter of priority, these minimum obligations."

These human rights obligations, he states, apply not only to governments but to "non-State actors, including international financial institutions."

The areas of obligation that Lumina studied, and in which he found shocking deterioration in conditions for the population, due to the government's attempt to implement the economic adjustment programs and stipulations of the Memorandum, included: employment, social security, health, education, housing, and social exclusion.

Summary Findings

Work: The study finds "one of the most profound consequences of the adjustment programme has been the exponential rise in unemployment." The program mandated a cut of 150,000 public sector jobs, 22% of public employment, by 2015. In addition, wages have been cut and taxes have been raised, resulting in mass unemployment and conditions which violate the Greek Constitution's explicit commitment "to protect the right to work and to create conditions of employment for all citizens."

Social Security: Social protection programs, from unemployment insurance to pensions, have been slashed. The Expert agreed with the European Committee of Social Rights that the cumulative effect of pension cuts "constituted a violation of the right to social security enshrined in article 12(3) of the European Social Charter."

Health: Cuts in spending, job cuts in public health, closure/merger of hospitals, reduction in the number of hospital beds, and an increasing number of people losing public health insurance, have cut access to quality care, and resulted in a re-emergence of diseases long thought to have been eradicated. "Overall, the health budget has been cut by about 40 percent."

Education: Funding has been cut by 30%.

Housing: There has been an increase in homelessness since 2009 by about 25%. The only major institution providing housing benefits has been abolished.

Poverty: Before the adjustment program, Greece already had the highest poverty rate in the Eurozone. This has greatly increased. "Experts conclude that the 63.3% of the population that found itself below the fixed poverty line in 2010 and 2011 did so as a consequence of austerity policies alone—meaning they can be directly attributed to the changes imposed by taxation, and wage and social benefit cuts."

Lumina concluded:

"The adjustment programme and, in particular, the excessively rigid austerity measures implemented since May 2010, have exacted substantial economic and social costs for the Greek population. The programme has pushed the economy into recession, compromised the standard of living of the majority of the population and generally undermined the enjoyment of human rights in Greece. A large proportion of bailout loans has been used to pay off the banks that lent money recklessly to Greece, while increasing the country's debt. Regrettably, the role of the State as provider of accessible public services has been subordinated to the increasingly elusive goal of restoring a sustainable public budget."

Ecuador's President: Dump Fraudulent Debt

by Dennis Small

Reprinted from EIR, Dec. 26, 2008.

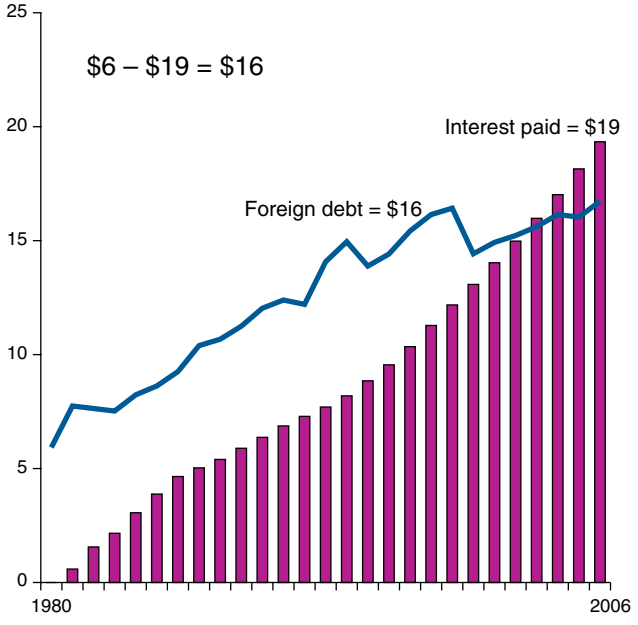
Ecuadorian President Rafael Correa announced on Dec. 12 that his government would intentionally default on $3.8 billion in government bonds held by foreign financial institutions—i.e., the country's sovereign debt. This is 39% of the government's total foreign debt, which also includes $4.3 billion owed to multilateral agencies such as the Inter-American Development Bank, and $1.5 billion in bilateral debts to countries that are not affected by the announcement.

"I have issued orders that interest payments not be made, so the country is in 'default' on its foreign debt," Correa announced. "We accept full responsibility for this fact."

On Nov. 20, Correa had warned that he did not intend to pay the foreign debt, because it was "illegitimate, corrupt, and illegal," according to findings issued that day by the Commission for the Full Audit of Public Credit (CAIC), which the government had convened in July 2007 to conduct the audit. The CAIC, composed of respected international economists and legal experts, found that the foreign commercial debt had functioned as an illegitimate and illegal looting mechanism between 1976 and 2006, rising from $16 million in 1976, to $4.2 *billion* in 2006, despite the fact that there was a net transfer to the creditors of $7.1 billion in interest and principal payments over that 30-year period.

EIR has frequently referred to such looting schemes as "bankers' arithmetic:" in this case, 0 – 7.1 = 4.1. For example, *EIR* presented **Figure 1** a few years back, employing somewhat different categories (Ecuador's total foreign debt, public and private), to demonstrate such "bankers' arithmetic." More broadly, for decades *EIR* founder Lyndon LaRouche has denounced the illegitimacy of most developing-sector foreign debt as exemplary of the global speculative bubble of financial assets which can never be paid. The total official foreign debt of developing nations today comes to about $2.5 trillion—which is a mere 0.1% of the total financial bubble of some $2 or $3 *quadrillion*. But it is a characteristic microcosm of that mega-bubble, and it directly affects the very existence of sovereign nation-states.

FIGURE 1
Ecuador: Bankers' Arithmetic
(Billions $)



Source: EIRNS.

The Correa government seems generally aware that the global crisis must be resolved, if there is to be any hope for a small country like Ecuador—although his government has also been susceptible to the British-sponsored trap of promoting regional currency blocs as a viable alternative, which it is not. But on Nov. 20, Correa stated that "there will be no unified solution to the problem of foreign debt, if the international financial architecture is not reformed. . . . The contribution of the government of Ecuador to achieve this objective begins by determining that the foreign debt is illegitimate and promoting the creation of an International Arbitration Tribunal for the Foreign Debt."

Similarly, in a discussion with *EIR* on Nov. 22, Ecuador's Minister for Economic Policy Coordination, Pedro Páez explained:

"It is necessary that the multilateral financial institutions of the United Nations system, the Paris Club, and the governments themselves of the countries of the North, demand audits of the foreign debts of all the countries. . . . If they didn't do anything wrong, what are

Presidendia del Republica del Ecuador

Ecuadorian President Rafael Correa (right) announced that the nation will not pay the portion of its country's foreign debt which is "illegitimate, corrupt, and illegal," according to the findings of a government-commissioned audit.

they afraid of? Everyone should do the same thing [that we did]. It is possible that the same thing will be discovered in other cases, because it's the same kind of actors, in the same circumstances, with the same financial instruments."

Correa has also argued, and rightly so, that the "servicing of the debt must take into consideration the consequences of that servicing on the general welfare of the Ecuadorian people."

A number of representatives of the Ecuadorian government, including Páez, have deployed across South America and abroad to argue their case, and urge other nations to conduct similar audits.

Usury Unmasked

The exhaustive CAIC study is useful in that it documents one concrete prototypical case of the illegitimacy of debt instruments in today's bankrupt system. For example, U.S. Federal Reseve Chairman Paul Volcker's 1981 raising of interest rates up to 21%, drove Ecuador to default on debt it had contracted at 6%, and the ensuing refinancing operations capitalized the unpaid interest into an unpayable mountain of new debt. The CAIC did a projection which shows that, had interest rates remained at 6%, Ecuador would have entirely paid off its public commercial debt by 1995, and that it has paid an additional *$5.4 billion* since then. Instead, Ecuador today stands saddled with $4.2 billion that it supposedly still owes.

That Volcker-induced bankruptcy also led to an International Monetary Fund and creditor bank plan, under which the government of Ecuador was forced to assume responsibility for about $1.5 billion in *private* sector debt to those banks, in an arrangement known as *sucretización.* Under the plan, the private sector was allowed to issue payments on its foreign debts in sucres (the local currency) at a fixed, low exchange rate, which the government then had to convert into dollars with which to pay the foreign banks, as the value of the sucre plummeted. In other words, the government simply took over the private sector's foreign obligations, at the creditors' insistence.

Numerous other irregularities and illegalities are documented by the CAIC, such as the 1992 Tolling Agreement, under which Ecuadorian negotiators signed a document renouncing the country's right to the prescription (termination) of existing debt after six years of non-payment, which the CAIC explains is *non-prescribable* according to the Ecuadorian Constitution and other laws. Likewise, the 1995 Brady Plan reorganization of the foreign debt took $2.5 billion in overdue interest payments, and capitalized it into new debt on which interest was then charged—anatocism, which is expressly illegal under Ecuadorian law.

Ecuador's debt moratorium is the first such move since Argentina's December 2001 sovereign default, in which President Néstor Kirchner steadfastly refused to knuckle under to the vulture funds. In the Ecuador case, the international financial predators have already begun to issue threats, as reflected in a Reuters wire which discussed "possible scenarios that Ecuador could face," including seizure of Ecuadorian assets or freezing of bank accounts abroad; oil companies and other foreign investors cutting back on investments; and all of this could "trigger political instability in a country where the last three presidents were toppled by street and Congressional turmoil."

The predators' concern is not about Ecuador's debt as such, but about the precedent being set for the rejection of the entire international financial bubble, both because of its violation of the natural law principle of the general welfare, as well as of specific national laws.

Will HSBC Scandal Sink Wall St.'s Obama Presidency?

by Jeffrey Steinberg

Feb. 23—Sen. Charles Grassley (R-Iowa), chairman of the Senate Judiciary Committee, plans to hold a vote on Feb. 26, on the confirmation of Loretta Lynch as Attorney General of the United States, replacing Eric Holder, who is retiring. The stakes in the Lynch vote go far beyond the issue of who will be the next top law enforcement officer of the United States. At stake is the Obama Administration's unbroken policy of protection for Wall Street at all costs—including the lives of countless Americans whose future is being destroyed as victims of illegal drugs and terrorism.

Lynch, the U.S. Attorney for the Eastern District of New York, was one of the Justice Department officials to negotiate the "Deferred Prosecution Agreement" with HSBC, the British banking giant that has been at the center of a global money-laundering, tax evasion, and criminal enterprise scandal, involving the world's biggest drug cartels and terrorist organizations.

The Lynch nomination blew up in early February, when CBS-TV's Sixty Minutes aired a documentary segment on HSBC's central role in a global tax-evasion scheme involving billions of dollars and thousands of wealthy individuals—including hardened criminals—from over 200 countries. It turns out that Justice Department officials were informed about the HSBC tax-evasion program, run out of its private Swiss bank unit in Geneva, by no later than 2010.

Swiss police raided the Geneva offices of the HSBC private bank in early February on charges that the bank was involved in "aggravated money laundering" and other crimes, bringing the bank's lurid history to light. This action comes on top of criminal investigations already underway in Argentina and India, and has sparked renewed attention to HSBC's shady practices in other places as well, such as Great Britain itself (see box).

Yet, when Lynch and other top Justice Department officials worked out the deferred prosecution deal with HSBC in 2012, based on other evidence of the bank's role in laundering trillions of dollars in drug money from the Mexican and Colombian cartels, as well as from al-Qaeda and other Saudi-funded terrorist organizations, there was no indication that they factored in the Swiss documentation of tax evasion.

Senators Demand Details

The Sixty Minutes revelations drew an angry response from Sen. David Vitter (R-La.), who demanded that Lynch answer a new set of questions, centered on what she knew about the tax scam when she negotiated the deal with HSBC, and who else in the DOJ was aware of the further crimes. On Feb. 19, Vitter wrote to Attorney General Holder, demanding detailed answers. He submitted nine questions to Lynch the same day.

In his letter to Holder, Vitter wrote: "As the Senate considers the nomination of the next Attorney General of the United States, questions remain unanswered about potentially lax treatment of HSBC Bank USA (HSBC) by the Department of Justice. The handling of

the case is particularly important given the insight it gives the Senate into the decisions made by Loretta Lynch, who was in charge of the US Attorney's office and the case at the time.... If media reports are true, knowledge of HSBC shielding clients from US tax liabilities was known to the Department of Justice at least as early as April 2010, yet no criminal charges have ever been brought against HSBC for tax evasion. Moreover, in 2012 the US Attorney's Office run by Ms. Lynch negotiated a Deferred Prosecution Agreement (DPA) with HSBC that allowed HSBC to admit guilt for crimes of money laundering and facilitating transactions with sanctioned countries, but avoid criminal prosecution for those infractions."

Vitter gave the Justice Department a deadline of Feb. 23 to produce all documents in the DOJ or Internal Revenue Service possession on the HSBC tax-evasion scheme, including "copies of all documents and information relating to why DOJ chose not to prosecute HSBC for tax evasion, fraud, money laundering, facilitating transactions with sanctioned countries or any other crimes."

The Protection Racket

Although the "too big to jail" policy toward Wall Street's megabanks did not begin with President Obama, his Administration has been consistently covering up serious crimes by the major Wall Street, London, and European banks from the outset. Across the board, the Wall Street too-big-to-fail banks have been given a free "stay out of jail" pass, despite conclusive evidence that the leading Wall Street and London banks are in the top echelon of global organized crime, structuring money-laundering and tax-evasion schemes, no questions asked, for any and all criminal enterprises big enough to afford their fees.

The central role played by the world's largest banks, in trillions of dollars a year in criminal activity, is no secret. Back in the mid-1990s, U.S. intelligence authorities confirmed to House Banking Committee senior staffers that virtually all the big Wall Street banks were engaged in fierce bidding wars for the business of the Latin American drug cartels. Through U.S. government agencies like FINCEN (Financial Crime Enforcement Network), virtually all global bank transactions can be documented. There is no shortage of evidence of the collusion between the biggest Wall Street and London banks, and the world's biggest and most violent terrorist organizations. The issue is an unwillingness to prosecute the biggest criminal syndicate in the world.

In Congressional testimony in early 2013, Attorney General Holder candidly admitted that his department, as policy, has refrained from criminal prosecutions of top Wall Street bankers, arguing that the "collateral damage" of such prosecutions could bring down the global financial system. The policy of non-prosecution has come to be known as the "Holder Doctrine."

Now, as the result of the HSBC cases, that doctrine, and the overall policy of the Obama Administration of putting the interests of Wall Street above all others, is coming to light.

Time To Bust HSBC

HSBC is in the center of most of the collusion between the big banks and the big drug and terror organizations. From an historical standpoint, this is lawful (see following article). From its inception in 1865 as the Hongkong and Shanghai Banking Company, HSBC has been the clearinghouse bank for the world's opium trade.

In 2012, the Senate Permanent Investigations Subcommittee conducted an exhaustive investigation into HSBC, based, in part, on testimony from whistleblower John Cruz. The Senate report detailed a pipeline of dope money between the bank's Mexico City and New York City branches. The investigation revealed correspondent relations with Saudi banks, including the Al Rajhi Bank, which was named as part of the "Golden Chain" of Persian Gulf financial institutions and "charities" behind the bankrolling of al-Qaeda. Sen. Carl Levin (D-Mich.), who chaired the Subcommittee, told reporters on July 16, 2012—the day the report was released—that he was turning over the evidence to the Justice Department for criminal prosecution and for consideration whether HSBC should be stripped of its charter to do business in the United States.

On Dec. 10, 2012, the Justice Department and HSBC reached the Deferred Prosecution Agreement, avoiding any criminal prosecution in the biggest drug and terror money-laundering case in history. On Jan. 29, 2013, Sens. Sherrod Brown (D-Ohio) and Grassley wrote an angry letter to Holder, stating: "Wall Street megabanks aren't just too big to fail, they're increasingly too big to jail. Already, the nation's six largest megabanks enjoy what amounts to taxpayer-funded guarantee by virtue of their size, making it harder for

regional and community banks to compete. Now, these megabanks also enjoy some impunity when they violate the law by laundering money or illegally foreclosing on homeowners. Wall Street should pay the full price of its wrongdoing, not pass the costs along to taxpayers.

"The best deterrent to crime is to put people in prison. That includes those at powerful banks and corporations. Unfortunately, we've seen little willingness to charge these individuals criminally. The public deserves an explanation of how the Justice Department arrives at these decisions." Grassley went on to declare that the failure to prosecute HSBC officials was "inexcusable."

A showdown moment has arrived, not just for Loretta Lynch and Eric Holder. The policy of covering up drug-money laundering, terrorist financing, and tax evasion is too serious a matter to have been left to the Justice Department alone. As recently as the savings and loan scandal of the late 1980s and early 1990s, thousands of bankers, including such well-known figures as Charles Keating, Ivan Boesky, and Michael Milken, *were* sent to jail after criminal prosecutions and/or plea agreements.

A clear pattern has emerged with the Obama Administration of deferring to Wall Street, British, and Saudi interests. The failure to prosecute HSBC is part of the same top-down pattern as the refusal to declassify the 28 pages, from the original Joint Congressional Inquiry into 9/11. Vital American public interests are sacrificed to preserve treacherous ties with London and Riyadh. HSBC is the largest of the City of London banks, and, as such, is a crown jewel of the British monarchy.

Prosecuting a Global 'Criminal Industry'

Feb. 23—HSBC is the target of multiple investigations, and in some cases, prosecutions, in numerous nations, relative to its role in tax-evasion schemes. As Stephanie Gibaud, former Chief of Protocol at Union Bank of Switzerland, put it in a Feb. 17 interview in *Tiempo Argentino*, "It's a dirty business. We have to understand that we are dealing with a criminal industry."

Here is a rundown of some of the cases:

Argentina: Argentine law enforcement authorities have raided HSBC's Buenos Aires headquarters three times in the past year, and courts have indicted its executives for participating in a "criminal enterprise," involving money laundering and tax evasion. While there has been foot-dragging by the Judiciary, Judge María Verónica Straccia, in charge of the investigation, has now officially requested that HSBC's Geneva branch forward the relevant information on unregistered Argentine accounts to her. The goal, says the head of Argentina's tax agency, is to repatriate $3 billion to Argentina.

Switzerland: Swiss authorities, led by Attorney General Olivier Jornot and prosecutor Yves Bertossa, raided the Geneva offices of HSBC Private Bank SA Feb. 17, as part of their criminal probe into "aggravated money laundering," by the bank and by "persons unknown."

"We are looking for anything and everything we can find, documents and files," prosecutors said, noting that the action came in response to recent Swiss Leaks revelations on the bank's illegal activities, facilitating tax evasion by wealthy clients, among other things.

Great Britain: Bloomberg reported Feb. 20 that the Parliament Treasury Committee, chaired by Andrew Tyrie, has scheduled a hearing Feb. 25, at which HSBC Holdings' chairman Douglas Flint will be questioned about his role as the bank's finance director at the time that the bank was helping customers evade taxes through its Geneva unit. On Feb. 10, Bloomberg had reported that the hearings will delve "into allegations that HSBC Holdings Plc held Swiss accounts for drug cartels and tax evaders."

A scandal has also erupted over the fact that Her Majesty's Revenue and Customs office failed to investigate HSBC when it received the evidence in 2010.

India: The Press Trust of India reported Feb. 16 that the Modi government plans to charge HSBC India with abetting tax evasion by Indian account holders, by assuring customers that details of their accounts would not be reported to Indian tax officials.

HSBC Is the Face of Britain's Dope, Inc.

Feb. 20—The banking giant HSBC, formerly known as Hongkong and Shanghai Banking Corp., has been the kingpin of the global drug trade, since the bank's founding in 1865. HSBC is, in fact, one of the key controlling institutions of the global illicit drug cartel called "Dope, Inc."

If you think that is an outlandish claim, consider the fact that *EIR*, through its book *Dope, Inc.*, and the LaRouche movement's *War on Drugs* magazine, published in the early 1980s by the National Anti-Drug Coalition, have made this charge for over 30 years, and have *never* been sued or challenged by the bank.

For years, when banks have been caught laundering drug money, they have claimed that they were not aware that such activities were taking place ("I'm shocked, *shocked*…"), but were victims of sneaky drug dealers and a few corrupt employees. Nothing could be further from the truth. The truth is that a considerable portion of the global banking system is dedicated to handling the enormous volume of cash produced daily by dope traffickers. This banking apparatus is essential to the functioning of Dope, Inc.—without it, the drug cartels would quickly choke on their own cash.

Contrary to popular opinion, it is not "demand" which creates the mind-destroying drug trade. Rather, it is the world financial oligarchy, looking for massive profits, and the destruction of the minds of the population it is determined to dominate, which organized, *and organizes* the drug trade. The case of HSBC, rated by the *Financial Times* as the fifth-ranked bank internationally, according to Tier 1 capital assets, underscores that point.

Expert Testimony

But before we get into the history, listen to how Antonio Maria Costa, former head of the UN Office on Drugs and Crime, described the role of the banks in drug money laundering. Costa spent eight years in that position, between May 2002 and July 2010. He knows whereof he speaks.

Costa gave an interview to the London *Observer* in 2009, in which he addressed the role of drug money in the 2007-08 financial crisis. The UNODC head told journalist Rajeev Syal that he had seen evidence that the proceeds of organized crime were "the only liquid investment capital" available to some banks during the financial crash of 2008. He said a majority of the $352 billion in drug profits was absorbed into the economic system as a result.

"In many instances, the money from drugs was the only liquid investment capital," Costa said. "In the second half of 2008, liquidity was the banking system's main problem and hence liquid capital became an important factor."

During an interview with *EIR* (April 27, 2012), Costa responded directly to the question of whose initiative it was to flood the banking system with drug money:

"The penetration of the financial sector by criminal money has been so widespread that it would probably be more correct to say that it was not the mafia trying to penetrate the banking system," Costa said, "but it was the banking sector which was actively looking for capital—including criminal money—not only as deposits, but also as share acquisitions and in some cases, as a presence on Boards of Directors."

The Bank of Opium

Now to the history.

HSBC was founded in Hong Kong in 1865 as the Hongkong and Shanghai Banking Company by a consortium of British opium-, silk-, and tea-trading companies, which were the spawn of the British East India Company. The consortium included Jardine Matheson, Dent & Company, David Sassoon & Company, James Innes, and Boston's Russell & Company. Also supporting the new bank was the Peninsular and Orient Steam Navigation Company, which itself has a sordid history in the dope business.

The opium trade began in the early 1700s as an official monopoly of the British East India Company (the "Company"), which conquered India, and ran it on behalf of the British Crown and the financiers operating through the City of London. Indian-grown opium became a key component in the trade for tea and silk in China.

The Company had a thriving business selling British textiles and other manufactured products in India, and Chinese silk and tea in Britain. But the British did not want to pay cash (silver) to the Chinese Emperor for their silk and tea. They determined instead to unload Indian-grown opium in China as "payment."

But the Company ran into problems with the opium end of the trade. The influx of opium caused major problems for China, and led the Emperor to issue an edict in 1729 prohibiting opium consumption. Then, in 1757, the Emperor restricted all foreigners and foreign vessels to a trading area in the port city of Canton. A stronger edict in 1799 prohibited the importation and use of opium under penalty of death.

None of this stopped the British from continuing to flood China with opium, creating millions of addicts, but it did cause the East India Company to protect its tea and silk trade by shifting its Chinese opium operations to nominally independent drug runners, who bought opium legally from the Company in Calcutta, and smuggled it into China.

The most prominent of these drug-running firms was Jardine Matheson & Co. It was founded in 1832 by two Scotsmen, William Jardine and James Matheson. Jardine had been a ship's surgeon with the East India Company, while Matheson was the son of a Scottish baronet. The firm today is controlled by the Keswick family.

In 1839, the Chinese Emperor launched an anti-opium offensive, which included the confiscation of all opium stocks in the hands of Chinese and foreign merchants. The merchants put up a fight, but were ultimately forced to concede, turning in their opium stocks after being indemnified against losses by British officials. In response, however, the British launched a propaganda campaign against China, accusing it of violating Britain's right to "free trade." Britain sent its fleet to China, to force the Chinese to capitulate to the opium trade.

The action, known as the First Opium War, resulted in the Treaty of Nanking in 1842, under which China was not only forced to accept the opium, but also to pay reparations to the opium runners, and cede control of the island of Hong Kong to the British. However, the treaty did not specifically legalize opium, so the British launched a second Opium War, which resulted in the 1856 Treaty of Tientsin, which legitimized the opium trade and further opened China to foreigners.

As the opium and other trade with China expanded, Britain's new territory of Hong Kong became an imperial commercial center. The opium dealers gathered together to form a bank, the Hongkong and Shanghai Bank, as the financial flagship of the British opium trade. Over time, the bank—now known as HSBC—would extend its reach into the drug fields of the Middle East and Ibero-America, as befitting its role as the financial kingpin of Dope, Inc.

HongShang's Invasion of the U.S.

In the early 20th Century, under the initiative of the United States, a number of conventions aimed at controlling drug trafficking were signed. As history shows, these conventions did not *stop* the trade; from then on it was conducted underground.

In 1978, the Hongkong and Shanghai Bank, commonly known as the HongShang, announced its intention to move into the U.S. with the purchase of Marine Midland Bank of Buffalo, N.Y. The U.S. dope trade had expanded significantly over the previous decade (remember the Golden Triangle, and the widespread drug addiction of soldiers in Vietnam?), and the British were determined to grow it even further.

The move touched off a huge political fight, conducted by some U.S. patriots in the banking community of New York, and the LaRouche political movement.

In the Fall of 1978, *EIR* had already identified the British strategy of invading the U.S. banking system,

through the acquisition of major U.S. banks by British banks, a strategy being facilitated by financial insiders in the U.S., such as Paul Volcker at the Federal Reserve, and Comptroller of the Currency John Heimann at Treasury. The attempt by HongShang to purchase 51% of Marine Midland, then the 12th-largest bank in the United States, was the front end of that policy.

EIR immediately went to work, publishing a number of feature stories on the British dope banks, which it dubbed "Dope, Inc.," while the LaRouche movement's political arm, the U.S. Labor Party, intervened by presenting a 300-page dossier on HongShang's connections to the drug trade to the Federal Reserve and the New York authorities, both of whom had regulatory power over the purchase.

In December 1978, the LaRouche movement issued the first edition of *Dope, Inc.: Britain's Opium War Against the U.S.*, a groundbreaking book which detailed how the British Empire runs the global drug trade through a combination of chivalric and Masonic orders, trading companies, and banks. The book also identified the key role of the British territory of Hong Kong and its dominant bank, the HongShang, in the dope trade.

Meanwhile, the New York State banking authorities, under Bank Superintendent Muriel Siebert, were resisting HongShang's attempted takeover. *EIR* defended the efforts of U.S. patriots to block HongShang's purchase of Marine Midland Bank, identifying the move as a "projected City of London takeover of direct control of the world monetary system."

On March 16, 1979, the Federal Reserve approved the HongShang's application. The U.S. Labor Party sought to overturn the approval in the courts.

In May, Siebert made it known that she intended to disapprove the HongShang takeover attempt, by circulating a 48-page draft report within the state government. In her draft, Siebert, whose decision was backed by the Independent Bankers Association of New York State, questioned whether HongShang had "the attributes needed for management" of Marine Midland, and the appropriateness of having a bank controlled by a foreign power, especially in case of a national emergency.

In June, sensing that its application would be denied, HongShang withdrew its application for approval as a New York State-chartered bank, and applied for a national charter, ultimately receiving approval from Federal authorities, among whom, Volcker was the most prominent. In July, the Lehman Brothers partner who chaired Marine Midland moved to convert the bank to a national charter. Despite Comptroller of the Currency rules which stated specifically that a bank may not change its charter merely to circumvent state regulation—and over the expressed opposition of the State of New York—the charter change was approved, clearing the way for the world's most notorious dope bank to take over a top-rank American bank.

It Didn't Stop There

Step by step, HSBC has expanded its operations in the U.S.

HSBC extended its tentacles into America with the establishment in 1995 of a joint venture in California with Wells Fargo, the Wells Fargo HSBC Trade Bank; the same Wells Fargo, which took over Wachovia, after that bank's offices in Miami, Fla. were raided by Federal law enforcement officials after it was caught

laundering large amounts of dope money. Marine Midland also expanded, buying a large thrift institution.

HSBC took a another significant step in 1999, with the purchase of Republic New York Corp., and its Republic National Bank. Republic was founded and controlled by Edmond Safra. Republic had a large gold bullion operation, and also a large "bulk cash" business which was featured in a 1996 exposé in *New York* magazine, detailing how Republic was sending hundreds of millions of dollars a week in $100 bills to Russia to finance the expansion of the Russian mob.

Today, HSBC's U.S. arm, HSBC North America Holdings, is the ninth-largest bank holding company in the country, with over $340 billion in assets. It is the sixth-largest U.S. derivatives bank, with over $4.4 trillion in bets outstanding.

Global Parasite

Thanks mostly to its thriving dope business, HSBC has become one the biggest banks in the world. Among its leading acquisitions internationally: It took over the Mercantile Bank of India, London, and China, and the British Bank of the Middle East in 1959; and in 1992, it completed a slow takeover of England's Midland Bank. In 1981, it made a bid for the flagship of the Inter-Alpha Group, the Royal Bank of Scotland, which was blocked by the British Monopolies and Mergers Commission.

In 1997, HongShang made a major expansion into Ibero-America, buying parts or all of banks in Mexico, Argentina, Peru, and Chile, and founding a new bank in Brazil.

From the Far East to the Middle East to Ibero-America, everywhere the drug trade is flourishing, you will find HSBC. It may not handle the dope, but it does handle the money, making sure that the "citizens above suspicion" who run Dope, Inc. from places such as the City of London get their cut of the proceeds.

In May 2012 a scandal broke in New York City, as whistleblower John Cruz came forward with evidence of HongShang's laundering of hundreds of thousands of dollars in drug money, including from Mexican drug cartels. Cruz said, "HSBC is a criminal organization.... It is a culture of crime" (see previous article).

In July 2012, the Senate Committee on Homeland Security and Governmental Affairs and the Senate Permanent Subcommittee on Investigations issued a 335-page report entitled "U.S. Vulnerabilities to Money Laundering, Drugs, and Terrorist Financing: HSBC Case History." HSBC was on the hotseat.

While it is beyond the scope of this article to review the entire report (see *EIR,* July 27, 2012), two elements of the crimes it documented, in addition to drug-money laundering, deserve mention here. First, there's terrorism. The report contained significant evidence of HSBC's role in providing banking services for the bankrollers of al-Qaeda, specifically, Al Rajhi Bank. Second, there's outright fraud, such as HSBC's role in the Libor interest-rate-fixing scandal, a scheme which caused untold hardship in municipalities and labor unions, among others, around the world.

HSBC is a key example of what the LaRouche movement means by the "British financial empire," British Crown-protected institutions of international organized crime, *above* governments, and determined to loot populations to the bone in order to financially survive.

The Evidence Is There

The LaRouche movement has never abandoned its campaign to shut down Dope, Inc. Lyndon LaRouche issued "A Proposed Multi-National Strategic Operation Against the Drug Traffic for the Western Hemisphere," in March 1985, calling on nations to ally, with military and financial measures, to destroy the drug trade *at its source*. This would require strict banking regulation, of the sort that has been increasingly eroded since the Volcker years, and even more so, after the repeal of Glass-Steagall in 1999.

Dope, Inc. was updated and reprinted in 1986, 1992, and again in 2010.

At the same time, the LaRouche movement and *EIR* have promoted a comprehensive anti-drug strategy, including the reinstitution of Glass-Steagall, the shutdown of illegal money flows, and the establishment of a comprehensive economic development program for regions of the world, such as Afghanistan and South America, which have been virtually enslaved by the drug banks, through their local operatives—often narcoterrorist drug gangs.

Under such a policy, criminal banks like HongShang would be prosecuted and shut down. That would represent a significant step toward eliminating the British Empire's stranglehold on the world today, and a step toward real freedom for mankind.

Neo-Nazi Factor in Drive For War on Russia Exposed

by Jeffrey Steinberg

Feb. 23—Almost a year after *EIR* published two dossiers[1] on the neo-Nazi profile of the Euromaidan coup against the Victor Yanukovych government in Ukraine, and a week after a fragile ceasefire deal was reached in Minsk among Russian President Vladimir Putin, Ukrainian President Petro Poroshenko, French President François Hollande, and German Chancellor Angela Merkel, temporarily halting U.S. weapons shipments to the Kiev government, news media in Europe and America are at last waking up to the danger posed by the central role of the Banderite fascists in the fighting in eastern Ukraine.

These new confirming revelations put a further spotlight on the role of U.S. Assistant Secretary of State for European and Eurasian Affairs Victoria Nuland, who has been the biggest booster of the Banderite terrorists since the "color revolution" took off in late 2013.

Lyndon LaRouche has emphasized that the U.S. support for the fascist coup in Ukraine in February 2014, and for the fascists operating inside and outside the government of that nation today, has put the world on the very edge of thermonuclear war with Russia. Those fascists' key supporter, neo-con Nuland, must be kicked out of office, opening the way for Barack Obama himself to be either removed outright, or "considerably constrained."

Kiev: 'We Need the Nazis'

One of the most shocking revelations about the role of neo-Nazi brigades in eastern Ukraine came from the Ukrainian Ambassador to Germany, Andriy Melnyk, in a prime-time German TV interview on Feb. 18. The relevant section, with English subtitles, can be accessed on YouTube.

Confronted with a picture of Ukraine's volunteer fighting forces in southeastern Ukraine, where the swastika insignia of the Azov Battalion is clearly visible, Ambassador Melnyk candidly admitted that these "volunteers"—Right Sector and other neo-Nazi organizations—were fighting in eastern Ukraine, side by side with regular units of the Ukrainian Army. He defended the role of the fascists, claiming that, without their backing, "the Russians" would have been able to grab even more territory in the east of the country.

Melnyk lied that the scores of battalions of fighters, emerging out of the Right Sector and other outright neo-Nazi groupings, were no threat to the State, because they were deploying under the control of the Ukrainian Armed Forces and the government in Kiev. He also lied that there were no neo-Nazis elected to the

1. "Western Powers Back Neo-Nazi Coup in Ukraine," *EIR*, Feb. 7, 2014; "British Imperial Project in Ukraine: Violent Coup, Fascist Axioms, Neo-Nazis," *EIR*, May 16, 2014.

ARD

German talk-show host Günther Jauch (right) interviews Ukrainian Ambassador Andriy Melnyk (center) on Feb. 16, showing him a photo of the Azov Battalion with its swastika flag (below). Melnyk defended his government's support of the neo-Nazis.

ARD

Supreme Rada (parliament) in the last elections, and that the extreme right had been marginalized.

When asked if Kiev could be sure these forces would not do anything untoward, Melnyk claimed that since they are being deployed by the government, "there is no danger they'll do something on their own." Given the finding of Amnesty International that these pro-Kiev militias have carried out kidnappings, torture, and extrajudicial executions, the ambassador's statement effectively amounts to an admission of war crimes by the Kiev regime.

Melnyk's claims were proven false by none other than the head of one of the militias, the Donbas Battalion, Semyon Semenchenko, who announced that his force was establishing a separate command structure, apart from the Ukraine military. And, while outright Banderite parties are not in the government, leaders from those parties were absorbed onto the slate of Prime Minister Arseniy Yatsenyuk's own party, and are, indeed, playing a leading role in the Kiev government.

Vox.com, a new online news outlet headed by former *Washington Post* correspondent Ezra Klein, on Feb. 20 published a dossier on the battalions, warning that they pose a direct threat to the Ukrainian State.

The Drive for War

As we reported last week, these fascist militias have outright rejected the Minsk ceasefire agreement. Now there are strong indications that the government—backed by Britain, the United States, and NATO—is following suit.

In an interview with Fox News on Feb. 22, Ukrainian Prime Minister Yatsenyuk repeated demands for American weapons, claiming that "there is no ceasefire" in eastern Ukraine. Meanwhile, his Deputy Foreign Minister, Vadym Prystaiko, on a visit to Canada, told CBC Radio on Feb. 21 that "we don't want to scare everybody, but we are preparing for full-scale war.... What we expect from the world is that the world will stiffen up in the spine a little. Everybody is afriad of fighting with a nuclear state. *We are not anymore, in Ukraine*."

In reality, both the Donetsk and Luhansk forces signed the written agreement and vowed to begin the

withdrawal of heavy weapons in the next 48 hours. The ceasefire is largely remaining in force in much of the east. Most important, sources in Washington emphasize the fact that the four heads of state that participated in the Minsk accord remain committed to the ceasefire and to larger settlement talks, and continue to maintain daily contact to secure that outcome. There was never any doubt that hardliners on the ground would try to subvert the deal.

The British government continues to agitate for a direct showdown between the U.S. and Russia, even while admitting that Britain's own military forces have been so gutted by budget cuts under the Cameron government, that they are incapable of playing any significant role in a conventional conflict. Despite this, the British Minister of Defence came out with wild allegations that Russia's next target of conquest is the Baltic states, which, he claimed, are in grave danger.

In addition, Gen. Sir Adrian Bradshaw, the deputy Supreme Commander of NATO, according to the *Daily Telegraph*, told the Royal United Services Institute that there is a danger that President Putin could try to invade and seize NATO territory, after calculating that the alliance would be too afraid of escalating violence to respond.

In London, en route to Geneva meetings with Iranian Foreign Minister Javad Zarif, U.S. Secretary of State John Kerry was pressed by his British counterpart, Philip Hammond, to impose new sanctions on Russia for alleged violations of the Feb. 12 Minsk agreement. Obama has confirmed that he is considering new sanctions, but has not yet decided on whether to ship lethal aid to the Ukrainian military.

Andriy Parubiy, the Banderite who was chief of the National Security Council in the post-Maidan period, and is now a deputy in the Supreme Rada, is scheduled to arrive in Washington on Feb. 24 to press for lethal aid. During a late 2014 visit to Washington, no doubt arranged by Nuland, other fascist activists peddled fake pictures claiming to show a Russian invasion of eastern Ukraine. Duped Senate Republicans jumped on the photographs, some of which turned out to be pictures of Russian tank units fighting in Georgia during the 2008 war, and pressed for military aid to the Ukraine Armed Forces and for further anti-Russia actions.

AU-China Infrastructure Deal Makes African Unity Possible

by Douglas DeGroot

Feb. 20—The signing of a Memorandum of Understanding (MoU) by the African Union and China on Jan. 27 at African Union (AU) headquarters in Addis Abeba, Ethiopia, for a continent-wide agreement to improve and greatly expand Africa's continental transport systems, including high-speed rail, road, aviation, and other infrastructure necessary for the industrialization of Africa, marks a shift in Chinese policy toward Africa that has been emerging since Xi Jinping became President in March 2013.

The MoU marks a positive shift from the already extensive bilateral cooperation between China and individual African countries, often in return for raw materials, to a policy of China collaborating, through the AU, to develop the entire continent, including countries that do not have resources that China needs. It is noteworthy that the agreement was signed at the headquarters of the AU, the successor organization to the Organization of African Unity, founded by Kwame Nkrumah on May 25, 1963. The AU headquarters was built by China as a gift to Africa.

The agreement was signed by AU Commission Chair Nkosazana Dlamini-Zuma and Special Envoy and Vice Foreign Minister of China Zhang Ming, prior to the 29th summit of the AU's permanent representatives committee, which began on Jan. 29. Dlamini-Zuma called the MoU "the most substantive project the AU has ever signed with a partner."

Referring to the longstanding, historic, and growing relationship between China and Africa, she said, "This would be the first continental project that Africa and China will be undertaking in all these areas.... The relationship, particularly the cooperation, is taking a different height, a different level, and a different dimension."

At the signing ceremony, Zhang underscored China's determination: "This is a grand and very ambitious project, but it is also a feasible project." He called the MoU "the document of the century," adding that "the aviation agreement marks a new area for cooperation between the AU and China.... Africa is a vast continent where it must be possible to travel without transiting via Paris or London."

The agreement was finalized in the era of the new development paradigm established by the BRICS last year (Brazil, Russia, India, China, South Africa). China is the most powerful force for development in the BRICS group, and the establishment of the BRICS New Development Bank in Brazil last July, combined with China's strong history of building infrastructure in African countries on a bilateral basis, puts China in an ideal position to lead the shift toward a continental scale of development.

The MoU means that Africa is not only depending on China, but rather on the alternatives presented by the new paradigm of the BRICS system.

Ironically, on the same day that the MoU was signed, IMF Managing Director Christine Lagarde was in Kigali, Rwanda, attempting to spread fear there that African countries were at risk of being hurt by a slowdown in China's economy, in combination with what she said was an imminent increase in U.S. interest rates. But the fact that the IMF's bankruptcy became obvious with the 2007-08 collapse of the trans-Atlantic system, has removed all leverage the old IMF order has against the BRICS new paradigm.

Continental Development

The MoU complements the framework of the AU's Agenda 2063, which emphasizes the continental integration of Africa, Xinhuanet reported. The scope of the continent-wide development that the Memorandum designates, indicates a joint coordination role of the AU and China for projects in which other African and Asian partners could be invited to participate.

The AU-China commitment to develop infrastructure to link the African continent together finally puts the goals of Nkrumah for the development of a united Africa back on the agenda. With respect to the lack of development in Africa since independence, dating from

the early 1960s for most African countries, African sources report that if it were not for all the impediments that were put in the way of its development, Africa would at least have been at the level of development which has been attained by Malaysia.

The task will be enormous, when the size of Africa is taken into account. The continent is larger than the combination of mainland U.S.A., China, India, Japan, and all of Europe. Infrastructure linking the nations of the continent is a crucial precondition for its development.

Given the enormity of the challenge, the funding base will have to be broadened. Chinese Premier Li Keqiang announced last year the formation of a $2 billion multilateral "Africa Growing Together Fund" (AGTF) to finance projects by other than Chinese firms.

Xinhua/Zhai Jianlan

Zhang Ming, China's Special Envoy and Deputy Foreign Minister, is greeted by Nkosazana Dlamini-Zuma, chairperson of the African Union Commission, during the ceremony signing an historic Memorandum of Understanding at AU headquarters in Addis Abeba, Ethiopia, on Jan. 27, 2015. The agreement is for continent-wide cooperation in infrastructure development and industrialization.

The role of Dlamini-Zuma in this agreement takes on added significance, because she is from South Africa, the fifth member of the BRICS group. She was formerly the foreign minister.

The MoU was based on her discussions with Premier Li during the latter's visit to AU headquarters in May 2014. Li focused on building trans-national transport and aviation infrastructure, and spoke of the dream of linking all African capitals by high-speed rail. That was the first stop of his four-nation Africa tour.

Noting the singularity of the recent agreement, Dlamini-Zuma said, referring to her discussion last year with Li, she added that since then, teams have been established to work out the details of projects. "This would be the first continental project that Africa and China will be undertaking in all these areas," she said of the Memorandum. "The relationship, particularly the cooperation, is taking a different height, a different level, and a different dimension."

Chinese Foreign Ministry spokeswoman Hua Chunying said at a press briefing in Beijing the day after the signing of the MoU, that it "shows China wants to translate President Xi Jinping and Premier Li Keqiang's cooperation concept with Africa into reality, building railway, road, and regional aviation networks.... This is also our commitment to enhance the continent's connectivity and integration, breaking the bottleneck of its development and realizing sustainable development."

Hua stated that China had completed 1,046 projects in Africa, building 2,233 km of railways and 3,530 km of roads. Other Chinese projects include hydroelectric dams. Electricity, like transport infrastructure, is vital for industrialization. Hua urged more countries to follow China's lead, and make a commitment to improve infrastructure in Africa, in collaboration with China.

There has never been an effort by Africa's former European colonial powers to support such a development push in Africa, nor by the United States, since the assassination of President John Kennedy.

Development Potential

Indicative of the broad commitment to development by China and the BRICS, an article by Xinhua writer

Cheng Lu, which appeared in ShanghaiDaily.com Feb. 12, emphasized that the Chinese Maritime Silk Road (MSR) does not leave out Africa. Cheng noted that Chinese navigator Zheng He made contact with Mombasa, Kenya, 600 years ago, and that now China is building a standard-gauge railroad from Mombasa to the Kenyan capital, Nairobi, which is ahead of schedule, and will provide 30,000 jobs. It will be completed in three years, and will eventually connect Nairobi to Uganda, Rwanda, Burundi, and South Sudan, linking what Cheng termed the vast East African hinterland to the Indian Ocean, as the 21st-Century Maritime Silk Road, revived in 2013, expands beyond Asia to Africa.

In addition to port expansion at Mombasa, China is funding and developing other East African ports, including in Lamu, Kenya; Djibouti, Tanzania; and Nigeria.

Africa-China trade volume was more than $220 billion in 2014. For the last five years, China has been Africa's largest trading partner. Cheng notes that the MSR, like the overland New Silk Road, puts an emphasis on infrastructure projects. For that reason, China has funded the Asian Infrastructure Investment Bank, as well as a $40 billion Silk Road Fund. The improved infrastructure is necessary to facilitate trade, thus providing a windfall for African countries. Without modern infrastructure, industrialization will not be possible.

Referring to the MSR, former Egyptian Ambassador to China Mohamed Noman Galal told Xinhua that it presents an historic opportunity for countries benefitTing from the route. "But it is not China's own business," he said. "It needs cooperation. A win-win situation also means a do-do situation."

Responding to the opportunities presented by China and the BRICS, Egyptian President Abdel Fattah el-Sisi made a four-day trip to China last December, with the declared intention of making Egypt "a mainstay in the initiative of Chinese President Xi Jinping to revive the ancient Chinese Silk Road trade route." The two nations signed 25 agreements, primarily in power generation and transportation.

Since his return, el-Sisi has undertaken initiatives to settle conflicts to make development possible, and to launch development initiatives in Egypt and the region.

He has succeeded in resolving differences with Ethiopia over construction of the Ethiopian Grand Renaissance Dam on the Blue Nile, and he met Somali President Hassan Sheikh Mohamoud, pledging cooperation for development of war-torn Somalia. Prior to his trip to China, he had met with with Sudan President Omar Bashir and Chad President Idriss Déby.

Ethiopian Premier Hailemariam Desalegn said in an interview with an Egyptian television channel that bilateral relations have improved since el-Sisi became President of Egypt.

Egypt and South Africa are pushing for the formation of a 27-nation Cape-to-Cairo trade bloc, an area that is home to 626 million people, over half of Africa's population. When finalized, this agreement will complement the AU-China initiative.

Another transport project which is already underway is the Lapsset project, providing transport linkage among Kenya, South Sudan, and Ethiopia. This flagship project has been referred to as "the mother of all infrastructure projects." The idea for it was developed in the region, and China was invited to participate. It includes the development of a new port at Lamu, on the northern coast of Kenya, which will be larger than the port at Mombasa, plus railway, highway, and oil pipeline connections from Lamu port through northern Kenya, with branches to South Sudan's capital Juba, and its two oil fields, and a road and rail extension from its eastern branch in South Sudan, crossing the western border of land-locked Ethiopia.

The pipeline will also eventually connect more recent oil discoveries in Kenya and Uganda. Uganda has joined the project, which was initiated by Kenya, South Sudan, and Ethiopia on March 2, 2012. The railroad from Lamu is projected to eventually establish a land-bridge across central Africa, through the Central African Republic, to the port of Douala in Cameroon.

The Kenyan government is funding 25% of the initial project; China is providing low-cost funding as well, while, according to unconfirmed reports, additional funds will come from South Korea, Qatar, Brazil, and South Africa.

More BRICS Support

At the AU summit that followed the signing of the Memorandum, Dlamini-Zuma received a special message from another leader of a BRICS nation, the Russian President, in which Putin confirmed Russia's interest in strengthening its ties with Africa. It was delivered by Mikhail Bogdanov, the Special Representative of the President of the Russian Federation for the Middle East and countries of Africa and Deputy Minister of Foreign Affairs of the Russian Federation.

Thailand's Kra Canal: A Crucial Link On the New Maritime Silk Road

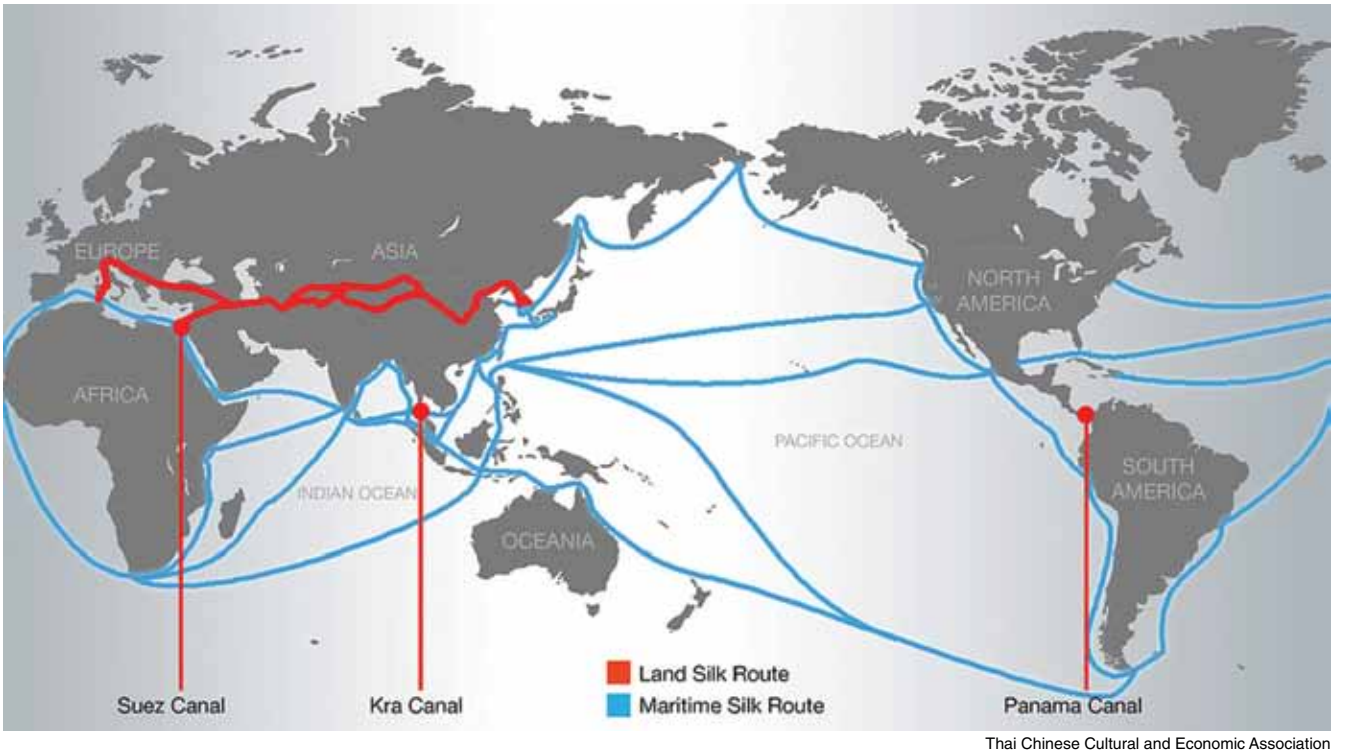
Pakdee Tanapura, a member of the National Committee for the Study of the Kra Canal in Thailand, and a longtime collaborator of and contributor to *EIR*, gave an interview to journalist Erich Parpart for the Thai publication *The Nation*, which published the report excerpted below on Feb. 2. Tanapura describes the increasing potential for a multinational agreement to construct a canal through the Isthmus of Kra in southern Thailand.

EIR and its founder Lyndon LaRouche have long championed the building of the Kra Canal as one of the critical "Great Projects" internationally required to spark a global economic recovery and create a future based on cooperation and development, rather than the current descent into confrontation and war. Tanapura and *EIR* organized two conferences in Bangkok, in 1983 and 1984, in collaboration with the Thai government, on the proposed building of the canal as a centerpiece of a "Fifty-Year Development Policy for the Indian-Pacific Oceans Basin."

Another co-sponsor of those conferences, the Mitsubishi Global Infrastructure Fund (GIF), is still actively promoting the canal today, along with other Japanese institutions.

The major difference today—and the reason there is optimism that the project may now proceed, after being stalled since the 1980s—is that China has become a sponsor of large-scale infrastructure projects internationally. Together with the other BRICS nations, China has created new international development banks and

FIGURE 1
The Maritime Silk Road and the Overland Silk Road



Thai Chinese Cultural and Economic Association

allocated resources to fund such projects—including a $40 billion fund for infrastructure development along the New Maritime Silk Road, an area that has been almost totally neglected by the IMF, World Bank, and Asia Development Bank.

One sign of the renewed interest in building the Kra Canal is the fact that the interview with Tanapura in *The Nation* was covered in several shipping journals, including *Sino Ship News, Sea Ship News*, and the *Maritime Executive.*

Gearing Up the Process

President Xi Jinping called on Feb. 10 for speeding up the establishment of the Asian Infrastructure Investment Bank (AIIB), first announced in October 2013, and for "concrete investment plans" under China's $40 billion Silk Road Fund. Speaking to a central government financial meeting, Xi said the bank's main mission will be to provide financial support for infrastructure projects in Asia and notably along the land-based and maritime Silk Road economic belts.

Then, on Feb. 16, the People's Bank of China (PBOC) announced that the $40 billion fund to finance development along the New Silk Road Economic Belt and the New Maritime Silk Road is now operational, with a $10 billion initial deployment of funds.

"The priority is to seek investment opportunities and provide monetary services throughout the Belt and Road Initiatives," according to a statement released by the PBOC.

President Xi Jinping announced the creation of the fund in November 2014, and it was established on Dec. 29, 2014. The fund will invest mainly in infrastructure and resource development, as well as industrial and financial cooperation.

"The Silk Road Fund welcomes … domestic and overseas investors," the statement said. "Other institutions can invest in the company's second and third phase as long as they can make a long-term commitment," said PBOC Governor Zhou Xiaochuan.

The initial $10 billion fund comes entirely from state institutions, with foreign exchange reserves taking up 65%, the China Development Bank 5%, and with the China Investment Corp. and the Export-Import Bank of China each investing 15%.

As referenced in the interview below, Tanapura spoke on the Kra Canal at the two-day international forum held in Quanzhou, Fujian Province, China, Feb. 11-12, titled "Collectively Building the 21st Century Maritime Silk Road and Building a Community of Common Destiny." Over 280 academics and experts from 30 countries attended.

Speaker after speaker emphasized that cooperation among all the nations along the Silk Road Economic Belt and the New Maritime Silk Road was essential in lifting the world out of division and confrontation, into a world characterized by what President Xi Jinping calls "win-win" relationships. The Chinese company that built the Three Gorges Dam is already constructing a "new Panama Canal" in Nicaragua, while Egypt, which is closely collaborating with the BRICS nations, is building a second Suez Canal. Combined with the Kra Canal, these three great projects will facilitate the global extension of the "New Maritime Silk Road" concept, as presented in *EIR*'s Special Report *The New Silk Road Becomes the World Land-Bridge*.

Interview with Pakdee Tanapura

Excerpted from The Nation, Feb. 2.

Academics would not give up on an idea dating back 200 years to the first Rattanakosin period, that Thailand and the ASEAN region could greatly benefit from the building of a canal linking the South China Sea (Pacific Ocean) and the Andaman Sea (Indian Ocean).

Pakdee Tanapura, deputy director of the economic section at Thai-Chinese Cultural and Economic Association and a member the National Committee for the Study of the Kra Canal Project, said the Kra Canal could be part of the new "Maritime Silk Road" in the South of Thailand.

It could ease the increasing congestion in the Malacca Strait, reduce global shipping times, and boost the country's and the region's economies from job creation and increase in investment, while solving the unrest in the deep South by narrowing the economic disparity.

A pre-feasibility study on the Kra Canal and a spe-

FIGURE 2
Proposed Route of the Kra Canal

cial economic zone has revealed that the 26-metre-deep and less-than-100-kilometre-long waterway would cost about US$20 billion to build, and reduce shipping times between the South China Sea and the Andaman Sea by at least 48 hours.

The best route is the "5A" line between Songkhla and Satun [**Figure 2**]; because it is situated right on the shipping lane, it is one of the shortest of all the possible routes and it has the most potential for industrial estates.

"The Maritime Institute of Malaysia's study shows that the Malacca Strait is expected to be over-congested in 10 years. This important chokepoint has about 90,000 ocean-going vessels passing through it every year and about 12 million barrels of oil passing through each day. By 2025, there will be about 140,000 vessels and ocean freighters passing through the strait, but it can only accommodate about 122,000 ships," he said.

The strait is the shortest shipping route between the Pacific and Indian oceans. More than 90 per cent of ocean-going vessels navigate through the strait and the value of cargo passing through it is about 15-20 per cent of world trade.

The obvious consequence from the over-congestion is the slowdown in shipping, which could affect the global economy and increase shipping costs because most of the shipping cost depends on timing.

Other choices are the Sunda and Lombok straits in Indonesia, but they would be even more time-consuming since they would double or triple the pass-through time.

The Kra Canal would cut logistics costs and increase trade in the region, while its construction along with the expected investment in the special economic zone developed alongside the canal could create at least three million jobs and attract more foreign direct investment to the region.

The canal would answer Thailand's craving for major investment, which is needed to escape from the middle-income trap, while easing the problems in the deep South from the increase of economic activities and job creation, since the fuel that adds fire to the unrest in the South is economic disparity.

China is interested in helping Thailand build the canal, since it would improve connections between Thailand and the southern part of China. Chinese goods from Kunming could go through Laem Chabang Port to reach the Indian Ocean via the Kra Canal.

China has recently signed an agreement with Thailand that gave the Chinese a leading role in developing the 1.435-metre gauge railway stretching 734 kilometres from Nong Khai to the Map Ta Phut Industrial Estate in Rayong.

Feasibility Study

Pakdee said the University of International Business and Economics in Beijing has been working with the National Committee for the Study of the Kra Canal Project on the pre-feasibility study.

China's Information Office of the State Council, in conjunction with the Chinese Academy of Social Sciences and the Fujian Academy of Social Sciences, will arrange an international seminar on the 21st Century Maritime Silk Road Initiative on February 11 in Quanzhou.

The Kra Canal is one of the main projects that will be presented at the seminar.

The Kra Study Committee plans to conduct a complete, detailed, and multidimensional feasibility study that would take one year to complete before presenting it to the government, but governments in the past have always hesitated to adopt the project, he added.

Argentines Celebrate Atucha II Reactor

by Cynthia Rush

Feb. 22—Argentine President Cristina Fernández de Kirchner joined with thousands of nuclear sector scientists, engineers, and skilled workers on Feb. 18, to celebrate the inauguration of the Atucha II-Néstor Kirchner nuclear reactor, which reached 100% of its energy-generating potential on that date.

This was a fitting response to the march held the same day which, under the guise of paying homage to the late federal prosecutor Alberto Nisman, was organized by London- and Wall Street-directed forces as part of the "soft coup" attempt against President Fernández (see "Behind the Nisman 'Scandal': British Gunning for the Argentine President," *EIR*, Feb. 13).

'We Did It Ourselves'

The joyous celebration reflected the pride felt by those present at having paintakingly rebuilt the reactor, and the nuclear sector, which had been dismantled by the IMF-controlled governments of Carlos Menenm in the 1990s, whose Finance Minister Domingo Cavallo famously told nuclear scientists to go out and find jobs "washing dishes." A Spanish-language video of the celebration beautifully captures the pride felt at this accomplishment, in the words of one engineer who proclaimed, "We did it ourselves. That's what is most important. We did it ourselves! This reactor, these installations, the complex nature of all this … this is what moves me greatly."

Construction on Atucha II began in 1982, but was paralyzed from 1994 until 2006, when then-President Néstor Kirchner announced the revival of the national nuclear energy program. Atucha II will provide 745 MW to the national grid, benefitting 3 million Argentines (total population: 42 million).

In her speech, Fernández reported on everything done since 2003 to rebuild the nuclear sector, of which Argentina had once been a continental leader, but, as she put it, had been forced to abandon that role "due to pressures from abroad." She underscored that since 2003, "we've not only introduced science, through highly qualified labor, but we've also introduced sovereignty," because today, 45% of the national energy system is in the hands of the State, compared to 5% in 2003. Today, she said, "we have to put much more emphasis on the much cheaper, cleaner nuclear energy."

Cooperation with the BRICS

The Argentine leader addressed the absurd London-directed claim that China's participation in the building of Argentina's next two reactors—Atucha III and IV—represents a new form of imperialism. She noted that the 700 MW Atucha III, based on heavy water, will be 100% financed by China, but with 70% participation of Argentine companies and skilled personnel. The 1,000 MW Atucha IV, based on light water, will be a 50-50 arrangement with China, due to the large degree of technology transfer that China will provide, she reported.

President Fernández asserted that those opposing Argentina's nuclear plans are not just "ingenuous voices" expressing their political differences. "We live in a world marked by profound geopolitical and strategic interests, the same ones that shut down Argentina's nuclear program in the 1990s." Those same interests are at work today attacking Argentina, she added, because it challenges their attempts to "set the goalposts" for the country, and refuses to submit to their dictates. No one is going to set the goalposts for Argentina, she warned, or give it orders as to what it can or cannot do. One example: "Argentina will now return to that select 11-member club of nations that can produce enriched uranium, but with a difference—we have our own technology which allows us to enrich uranium with less intensity, and this bothers some people."

Implicitly referencing the new paradigm forged by the BRICS nations (Brazil, Russia, India, China, South Africa), she declared that "there is a new world, and new actors … and this is very good for us, because it allows us to have partners," rather than going it alone. "That's why we make strategic alliances," she said, referring to China, which she visited Feb. 3-5. "We are open to everyone, and if they want to come from other countries … offering the same financing conditions, and the same possibilities, we're open to the whole world, but without [accepting] impositions from anyone."

Why the Jeb Bush Candidacy Must Be Squashed Now

by Nancy Spannaus

Feb. 24—Not every politician is defined by his or her family, yet there is no question but that John Ellis (Jeb) Bush speaks for the evil Bush family dynasty which, from grandpa Prescott Bush's support for Hitler, through George W. Bush's disastrous record of preemptive war, has acted to destroy the true United States tradition on behalf of London/Wall Street financial interests. Not only is there a seamless policy continuity with his family predecessors, but Presidential aspirant Jeb *knows* there is. He even began his recent speech at the Chicago Council on Global Affairs by speaking on behalf of "all of us in the Bush family."

The British Empire's operation to launch Jeb Bush's Presidential candidacy has to be stopped, Lyndon LaRouche stated Dec. 11, when Jeb had made it clear he intended to run. The first step, LaRouche emphasized, is to get Jeb Bush to step down quickly, because with him comes the entire Bush dynasty. We must also destroy the apparatus in the Republican Party that sanctions their policies, and that has also protected the Obama Presidency from necessary impeachment, he added.

The name Bush has been synonymous with the degradation of the United States, and the two Presidential terms of George W. Bush set the stage for an Obama Administration, which has taken the former's war and dictatorship policies even further. The London/Wall Street policymakers have defined the direction of both parties ever since their political assassination of Bill Clinton—and, as they rally behind the Jeb candidacy today, they are moving to consolidate power. Granted, the legacies of Jeb's father and brother are politically toxic to most of the U.S. population. But no matter—London and Wall Street intend to make Jeb, who already is pulling in money from Wall Street hand over fist, appear *inevitable* to a money-obsessed public.

The only hope for the survival of the American Republic lies in restoring in the minds of Americans the real identity of the nation, as defined by founders such as Benjamin Franklin and Alexander Hamilton, in their relentless efforts to build a republic based on principles of scientific progress and the advance of human creative powers, enhanced by collaboration with other nations. This is the objective of the LaRouche movement's Manhattan Project, around which the country must be unified as a force for good once again, a force that will finally overthrow Wall Street power—and the Bushes and Obama with it.

The Bush Dynasty

EIR's Tony Chaitkin has "written the book" on the Bush dynasty, but the essential point should be summarized here. The Bush politicians—George H.W., George W., Jeb—are part of a family which has been a "network asset of Brown Brothers Harriman (BBH), one of the most powerful political forces in the United States during much of the 20th Century, and for many years, the largest private bank in the world." BBH was part

LaRouchePAC

Despite protests to the contrary, Jeb Bush is cut from the same cloth as the rest of the family dynasty and its anglo-imperial outlook, beginning with granddaddy Prescott, whose bank financed Hitler; and daddy George H.W., and brother W., whose presidencies gave us the disastrous condition of the nation and world today.

and parcel of the international financial oligarchy centered in London, which had cultivated its junior partners on Wall Street, the better to control the world.

Prescott Bush, grandfather of George W. and Jeb, became managing partner of BBH in 1931. From that position he was intimately involved in one of the greatest scandals of the last century, the Wall Street/London support for Adolf Hitler and the Nazi regime. There is ample documentation for the financial support provided by BBH, through the Hapag shipping line, for the early Nazi regime, but it didn't end there.

In the early 1940s, the Federal government seized Union Bank Corp., a New York investment bank comanaged by Prescott Bush. UBC handled the maintenance and international transfer funds for a single individual, Fritz Thyssen, notorious as the principal fundraiser for Hitler in the 1920s and '30s. Prescott Bush was one of the seven directors of UBC, which was charged with violating the "Trading with the Enemy Act."

Thanks to the power of Wall Street, Prescott Bush's Nazi connection never became an impediment to his career, including his election as U.S. Senator from Connecticut in 1952. He served two terms, and raised a son, George Herbert Walker Bush, who carried on his family's Anglophile tradition of supporting Wall Street, eugenics, and other imperial policies, into the Congress, and the Presidency. The rest is a tragedy well-known to Americans today.

The Policies that Bind

The "line" from the Establishment press is that Jeb Bush is different from his brother and father, almost a "liberal." They point to his views on immigration as a case in point. But even a cursory review of Jeb's history shows the character of the man as indeed in keeping with the Nazi tradition and the danger of a fascist United States under Republican Party control.

• **Wall Street:** Sixty-two-year-old Jeb started his career in banking in Texas, and followed it up with a highly lucrative run as a real estate developer in Florida in the 1980s. After his two terms as governor of Florida (1999-2007, he went back to his banking roots, working for Lehman Brothers from 2007 to 2009, and then for Barclays Capital, up through 2014.

• **Regime-change subversion**: Jeb was a founding board member of the IRI (then called the National Republican Institute for International Affairs) in 1985, the Republican wing of the National Endowment for Democracy (NED), which runs "color revolution" regime-change policies worldwide, including the Contra operations (Iran-Contra operative Ollie North called them "Project Democracy").

• **Neo-con imperialism:** Jeb was one of the origi-

nal signators on the "Statement of Principles" of the neo-con Project for a New American Century (PNAC) in June 1997, along with Dick Cheney, Elliott Abrams, Eliot A. Cohen, Lewis Libby, Donald Rumsfeld, Francis Fukuyama, Frank Gaffney, Paul Wolfowitz, William Kristol, and "Mr. Victoria Nuland" Robert Kagan.

Robert Kagan and William Kristol introduced PNAC in a 1997 *Foreign Affairs* article by attacking John Quincy Adams. John Quincy Adams said that America ' "should not go forth in search of monsters to destroy,' but why not? ... A policy of sitting on a hill and leading by example is a practice of cowardice and dishonor." America needs to be the benevolent hegemon to the world, the sole superpower, and shape events in its own interest, they wrote.

PNAC called for unilateral preemptive wars, including a first-strike nuclear capability; was outspoken in 1998 for a war on Iraq based on Saddam Hussein's alleged possession of weapons of mass destruction; and in 2000, produced a tome entitled *Rebuilding America's Defenses*, much of which was incorporated into George W. Bush's 2002 national security plan.

Chillingly, PNAC decided to go out of existence in 2006, with the declaration that it had accomplished its major policy aims!

• **Bio-fool swindle:** Jeb founded the Inter-American Ethanol Commission (IEC) in December 2006, a sponsor of the First Biofuels Congress of the Americas on May 11, 2007, in Buenos Aires. IEC was also a sponsor of Al Gore's speeches in South America and the U.S., including at the First Biofuels Congress mentioned above. Jeb accompanied his brother, President G.W. Bush, to Brazil in March 2007 to push the genocidal ethanol scam. Jeb was a member of G.W.'s "Ethanol General Staff," set up to run the Brazil-ethanol operation. Jeb had been pushing ethanol since 2005 (and may be a big investor), and wrote to G.W. in 2006 to lift the 54-cent-per-gallon tariff on Brazilian ethanol.

• **Anti-infrastructure:** Florida was ready to build America's first high-speed rail system, until Jeb became governor in 1999 and ended the project on his second day in office, Wikipedia reports. State legislators then put the project on the 2000 ballot as a constitutional amendment, which was passed by voters, and which directed Bush and the legislature to start building the railroad system by 2003. Bush vetoed funding for the project and led a campaign to repeal the constitutional amendment, which was successful, although Wikipedia reports that "many who voted believed they were supporting the train, though in fact a 'yes' vote was to approve the repeal."

• **Terrorist supporter:** In 1990, Jeb Bush interceded with his father, then the President, to pardon Orlando Bosch, an anti-Castro Cuban CIA asset who had committed multiple terrorist acts, including the 1976 bombing of a Cuban civilian airliner in which all 73 people on board were killed, and who participated in the plot that assassinated Chilean minister and diplomat Orlando Letelier. Papa Bush complied and granted Bosch a resident permit.

Add to these Governor Bush's policies of anti-unionism, reducing death penalty appeals, and austerity, and you see what "liberal" really means in the Bush family—liberal imperialism.

The Foreign Policy Team

"I'm my own man," declared Jeb Bush during his Feb. 18 speech to the Chicago Council on Global Affairs, attempting to distance himself from the stench of his father's and brother's records. He failed to do so.

Even before the core of his speech, ostensibly devoted to his "principles," Bush established his pedigree by launching into an attack on Iran. "We definitely no longer inspire fear in our enemies," he declared—as if that is a goal in foreign policy. (It is for PNAC and the neo-cons.) He then attacked negotiations with Iran, insisting—as if he were Israeli Prime Minister Benjamin Netanyahu—that Iran should not have the right, ensured by international treaty, to nuclear enrichment. He called for Congress to enact more sanctions against Iran in advance, to be implemented if negotiations fail, as indeed they would under his conditions.

Bush's speech in Chicago, a traditional venue for the roll-out of significant initiatives, such as that by Tony Blair against the Treaty of Westphalia in 1999, was accompanied by his announcement of a team of foreign policy advisors. As was immediately pointed out by many, 19 of the 21 people named had been part of the administrations of his father and brother, and who wrote the doctrines underlying the drive for superpower confrontation, which has currently brought us to the edge of world war.

Credit for assembling the team was given to Council on Foreign Relations (CFR) President Richard Haass and former World Bank chief, George W. Bush advisor, and endorser of PNAC, Robert Zoellick.

The senior individual on the list is George P.

Shultz, the political godfather of the whole grouping. Shultz, as Nixon's Secretary of the Treasury, played a crucial role in dismantling the Bretton Woods System in 1971-72, ushering in the era of deregulation, and its ensuing financial crises. In foreign policy, after leaving government service, Shultz operated from the Hoover Institution, and crafted the anti-nation-state, pro-interventionist foreign policy of both the Bush and Obama administrations in his leadership, with Obama advisor Anthony Lake, of the Princeton Project on National Security.

The notion of preventive war was a crucial feature of the Final Report of the Princeton Project. It was to be carried out by a "concert of Democracies" outside the framework of the UN Security Council. While presented in 2007 as an "alternative" to the policies of the Bush-Cheney Administration, it was anything but. And, to top it off, it was a bipartisan document, endorsed by Sen. John McCain (R-Ariz.) in his 2008 run for the Presidency. (See "British 'Concert of Democracies' Backed by Obama and McCain," *EIR*, June 13, 2008), and expressing the philosophy behind the policies of two top Obama advisors, Anthony Lake and Ivo Daalder.

Others on the Obama foreign policy team are members of the administrations which carried out these policies.

One of those advisors with a very visible record is Paul Wolfowitz. Wolfowitz was a protégé of Shultz, and actually goes back to his Vulcan Group, the foreign policy "experts" who advised George W. Bush. Wolfowitz, under Secretary of Defense Dick Cheney (in the early post-Soviet years under President George H.W. Bush), actually drafted the memorandum that insisted that no nation—especially Russia—be allowed to act as an equal to the United States (hence, in his view, a challenge to U.S. global hegemony). He was a founding member of PNAC, and an unrepentant instigator of the 2003 war on Iraq, carried out under Tony Blair's lying pretense that Saddam Hussein was about to get, or deploy, nuclear weapons.

The second member of PNAC on the foreign policy team is Paula Dobriansky, who has been at the center of operations against Russia for nearly two decades. She was Undersecretary of State for Democracy and Global Affairs during the G.W. Bush Administration, where she supported the Orange Revolution of Viktor Yuschenko in Ukraine.

Other notorious members of the Jeb team include: Cheney National Security Advisor John Hannah; former CIA director Michael Hayden—still supporting the torture policy; and Meghan O'Sullivan, a protégé of the CFR's Haass and the former top advisor to the U.S. official in charge of "de-Baathification" (read destruction) of Iraq, Paul Bremer.

Out of the Bushes!

The three Bush administrations, including George H.W. Bush's sabotage, as Vice President, of the Reagan Administration, represented a fateful move toward the destruction of the United States—only to be followed by an Obama Administration bent on the same strategic policies. The British Empire, the only real enemy of the United States, has invested in both political parties. But a Bush resurgence must be prevented; even the candidacy is a destructive force for the nation.

One of the best tools to accomplish that would be the release of the 28 pages of the Congressional Inquiry on 9/11, which would expose the Bush family treachery on that score once and for all. But one way or another, it must be done.

Stu Rosenblatt contributed research for this article.

IS MAN JUST AN ANIMAL?

The Destruction of Science In the Twentieth Century

The following discussion is the second in a series presented on the LaRouchePAC New Paradigm Show (https://larouchepac.com/new-paradigm), dedicated to developing the scientific basis for the distinction between man and beast. Benjamin Deniston of the LaRouchePAC Scientific Team, who moderated this program with Megan Beets, gave the first lecture in the series, on Jan. 28. Phil Rubinstein, a national leader of the LaRouche movement for more than 40 years, gave this presentation on Feb. 4.

Benjamin Deniston: …The real issue, which I think we want to get at today, is—contrary to all these forms of mathematics, empiricism, reductionism—the issue of the human mind, that these policies express a certain conception about what the human mind is. Is the human mind just an animal brain? Is the human mind just an advanced mathematical calculating device? Or does the human mind have a certain creative capability that's unique to the human species. And I think that's the issue of the fight historically, especially in European civilization.

That's the issue of the fight we face today, and when we were talking the other day, Phil, you really emphasized that people have to realize that science is incredibly political, there's not a separation. The unifying issue is, what is the nature of the human mind? And this intervention in science, to shift science away from a certain orientation that existed in the 19th Century, was emphatically a political shift based upon this imperial view, this animalistic view of mankind.

Wikimedia Commons

We may share 98-99% of our DNA with chimpanzees, but that doesn't make this guy human, nor does it mean humans are chimpanzees. Is this fellow miffed because he's missing the crucial 1%?

Are Human Beings Animals?

Phil Rubinstein: Well, I think there's a lot of territory to cover, and we won't get through all of it, but I think one starting point, first of all, is to realize that most of the culture today—and I think it's becoming even more extreme actually—believes in artificial intelligence, and believes that human beings *are* animals. It's not even a question—

"Are human beings animals?" We're complicated animals; there may be strange manifestations that come up in human beings, we tend to worry about things, we seem to be somewhat more aware of our environment. Some people think that all there is to the human mind is that we're aware of ourselves and in a way that animals are not quite aware of themselves.

But that's just a border that you reach. If you have enough sensory input and enough complication; for example, they've done experiments with chimpanzees, who after a while, do recognize themselves in a mirror, and it takes them quite a while actually, they look behind the mirror. They compare it to two-year-old children, and they'll say, "Okay, the chimpanzee ultimately becomes aware of itself," and that shows you that even though they're less complicated than we are, they're headed in that direction. And then you get all the things about 99% of the DNA, or 98% of the DNA [is shared between humans and chimpanzees]—I've seen different figures, but it's in that range.

Deniston: The DNA that we have is the same as the chimpanzee, and therefore we're only, whatever the difference is, 1% different.

Rubinstein: Or, of course, as I said before, only a tiny little bit of our DNA is all the difference that there is, so it's a little bounce in the mutation or something. But of course, if you really want to look at it, in some religious standpoints, human beings are as a worm to God. Well, if you take the typical worm that's used in experiments, *C. elegans*, they have 70% of our DNA. So we're not that far from a worm! If you have that kind of reductionist outlook, it's only so many steps from single-celled creatures to complicated creatures, and that's all there really is.

For example, recently—this is rife in popular culture, frankly—if I go through it, people can get a little upset, but popular culture is full of this. There's a series on "The Planet of the Apes," and the whole principle of it is, apes and human beings are just one mutation away from each other.

In the field of artificial intelligence, you find more, despite what was proven, really, by Kurt Gödel, but also by Plato in the *Parmenides*, by Cusa in the *De Docta Ignorantia*: You can't replicate human creativity with a machine. But nonetheless, because we've gotten more and more, really, not that sophisticated, what we have is machines that are capable of very rapid calculation.

Deniston: This is particularly expressed in this early 20th-Century shift, where we started to get the introduction of early conceptions of artificial intelligence, and then some people ran with that, saying that what we can do with these machines is a complete continuity to what the human mind is.

Rubinstein: And, it was proven wrong, as early as the 1930s. But today, because of the impressive calculational nature, which is not—the point that LaRouche is making is, *this ain't creativity!* In other words, you can calculate as fast as you want, and you can approximate certain kinds of things and say, well, if I'm fast enough, and I can go through enough calculations, I can do almost as well as if I had a creative breakthrough and developed an idea that got me directly to the problem.

You Won't Find Creativity in Your iPhone

So people are impressed—and of course, this is part of entertainment. I think that's a big part of it. People have telephones that they can look this up, and they have a massive amount of information at their fingertips, and they think this is "knowledge." And it isn't. *Encyclopedia knowledge is not human creativity.* You know you can take somebody who knows every note that was ever produced by every musician that ever lived, and it wouldn't make him Beethoven or Bach, or anybody like that.

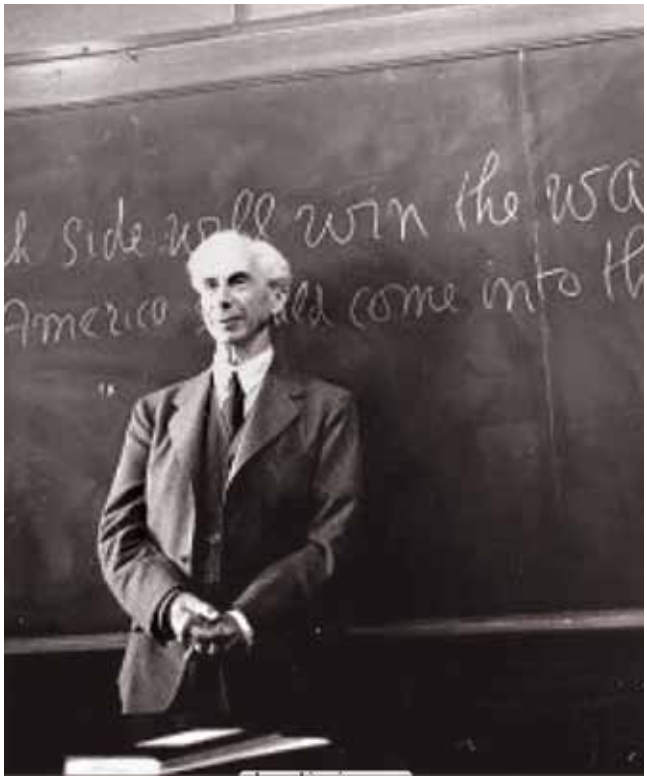
So the ability to filter through a million branches of choices is not what gives you creativity. Bill Gates was saying that he's worried that when we get super-calculational devices they'll overtake us; this has been mentioned by others of this wired world, like Ray Kurzweil. And some of them are saying, "Well we've got to be really careful"; Stephen Hawking, another one of these heroes of popular science, was saying we don't want to run into anybody else in the universe because they're probably smarter than we are and they'll dominate us.

So there's almost literally a fear of the inferiority of the human species to these kinds of [artificial intelligence] capabilities, even though we created them. And as I said, in the *Parmenides*, Plato makes the point that a simple, mathematical view of existence, simple concepts like motion and rest, if you try to reduce them to arithmetic proportions, you get paradoxes. You get the simple paradox that there's an infinite number of points on a line, and in order to get to

point 1, you have to get halfway; in order to get halfway, you have to get a quarter of the way; in order to get a quarter of the way—. So you never get started. It's a bit of a joke. Obviously, he's making fun of any ideas that you can reduce things to arithmetic or even infinite divisibility.

Now, despite that, all of this has come up again. And I would say, as you were making the point, this is pervasive. It's much more pervasive than people think. Monetarism is built on this—the idea that value is embodied in whether or not people are willing to pay more for a monetary instrument, because somehow this is going to get them their pleasure. And so you can bet on this, you can speculate on it, and that's the economy. In fact, there's a complete coherence between Adam Smith saying, don't think about this, this is in God's hands, and the small-government approach.

Think about: What is the small-government approach? If people think about the future, they'll screw it up, they'll introduce irrationality, emotion. Stick to the more basic emotions, stick to your "feelings," don't have a government, don't have regulation, and that's the ideal economy. Even after the crash of 2008, you have the leading banks, most of the economists, saying "we need less regulation," when it was *de*-regulation that blew the system out! But it's literally the idea, don't let the human mind interfere, because there's nothing more in the human mind.



Bertrand Russell (shown here lecturing at UCLA in 1939), in his "Principia Mathematica" says that all of mathematics, all of geometry, and ultimately all of physics, can be reduced to arithmetic, to a logical, formal system, i.e., there is no such thing as creativity.

The Knowability of Creativity

What I've seen from Lyndon LaRouche over the years, is an increasing emphasis, not that it wasn't always there, but an increasing emphasis on what I would call the knowability of creativity. It's not just that we're creative; it's in some sense, that you can *intend* to be creative. You can't have a formula, because you're talking about something that hasn't been done before. But you can know, in a certain sense, what the direction is. For example, the way LaRouche uses the idea of imagination: It's not imagination like fantasy, or imagining I can put the rear end of a horse together with the front end of an elephant and come up with a strange animal.

There is, in the imagination, because it encompasses history, it encompasses what we've done before, and in a sense, it encompasses a certain quality of universality, fundamental human ideas, principles, something about the way the universe works, that we've come to pose to ourselves as a problem because of where we've gone. And the human imagination is capable of proposing to itself, what must the universe be like that I'm going to encounter, if this is already a manifestation of it?

If I've sent a satellite out and it's begun to get data about the Solar System or the galaxy, and now some of these things are posing problems, what kind of universe would pose that problem to me through these kinds of instrumentations? And so that's how the human mind with its imagination begins to measure itself against the universe. Because it's always got to be something that you didn't experience, in a sense, you're creating the experience in your mind based on what you know hasn't worked, or has led to a problem.

This is, I think, what Lyn is referring to when he talks about Kepler's approach to the Solar System: He's looking for a universal principle. And he accesses in his imagination, through the medium of music, what must this universe be like to hold this kind of Solar System in

a universal process, that really reflects a certain underlying harmony. And when I say harmony, it's an actual harmony, it maintains a certain tempering, that relations are not arithmetic. They're never going to be arithmetic.

I mean one of the things that Lyn has mentioned is, he had to destroy arithmetic. Now, that comes up at the end of the 20th Century, when, indeed, people like [Leopold] Kronecker, before [Bertrand] Russell, in some ways I think [Karl] Weierstrass, and Russell in particular, as a hegemonic figure, propose that all human knowledge can be reduced—and it does base itself in Locke and so forth—but Russell nails it. In his *Principia Mathematica*—it's modeled on Newton's *Principia Naturalis*—and he's going to have a strict arithmetic, ultimately reducible to arithmetic, not just mathematics per se, but he's saying you can reduce all of mathematics, all of geometry, and ultimately all of physics, to arithmetic. Because what you've got in Russell's system is basically countable qualities, countable items. And he has a simple set of rules, a simple notation.

The Russellites have even reduced nuclear war to an arithmetic calculation: We're going to lose 100 million people, but they're going to lose 150 million people, so since their losses are bigger, we win. This image, of Slim Pickens riding a nuclear bomb over Russia, from "Dr. Strangelove, or How I Learned To Stop Worrying and Love the Bomb."

I would say, in most of what people think of as logical positivism, which is what Russell puts forward, you start with a certain amount of data. In fact, Russell, at one point, says, the fundamental part of language is pointing. You say, "this object," "that object," and then you develop the relations between them. So it's all sense-experience and logical deduction. And of course, the essence of deduction is that there's no more in the theorems than you have in the axioms and the rules; it's just a question of unfolding the tautologies. How many different ways can you put an equal sign: This equals that; move it around, it equals this, it equals that.

So there's nothing new that you can have in the system. Russell proposes this, and then, of course [David] Hilbert, who forms a certain outlook not unlike Russell's, basically a limited outlook; it's not clear to me how much Hilbert was completely aware of what he was doing. Russell was. Hilbert may have been. But Hilbert says that physics, chemistry, can all be reduced to a logical, formal system: We're looking for the perfectly complete system. And this becomes a dominant views. Even though it's criticized, people will tell you how much they don't like it—it's behaviorism.

The Insanity of Behavioral Economics

We have this politically; I think a perfect example, besides the economics, for example, is, who did Obama bring in? Cass Sunstein. Cass Sunstein, out of the University of Chicago, is one of the leading behavioral economists. Or, lest anyone think it's just one person, Ezekiel Emanuel, who is one of the big arguers for ObamaCare. The biggest thing about ObamaCare is really not what everybody's freaked out about. What is it? It's behaviorism! The whole idea is, we can set up a set of conditions that restrict people's desire to use certain kinds of medical care. How? We disincentivize it, we make it cost a little bit more, we make them go through a few more gates to get to the care, and people say, "Aw, it's not worth it. I got this problem; I'm going to die a couple years earlier—it's not worth all the trouble." And so you control people's behavior.

What did Jen Psaki of the State Department say, yesterday? She was asked, are we fighting in a proxy war in Ukraine? If we arm the Ukrainians, the Kiev regime, are we fighting a proxy war, Russia versus the United States, in the form of eastern Ukraine versus Kiev? And she said, "Oh no, we're not inter-

ested in a proxy war, no one would really want that. But we do want to change Russia's behavior." So we want to keep punishing them until they change their behavior.

And this is insanity! The idea that you're going to predict Russia's behavior, based on a stimulus/response version of behavior is just pure nuttiness, and dangerous nuttiness. I think you have to understand the Russians. Russia has been through a situation that wasn't that far from nuclear war. If you look at the European part of Russia during World War II, they lost 20-25 million people, maybe more! I mean, they lost some of the Asian sector. If you looked at western Russia and Ukraine, which was then part of the Soviet Union, much of it looked like a nuclear bomb had hit it. And they fought to keep the nation together.

So you can't calculate the way this is being calculated. I mean, if you want a good case of arithmetic, you've got strategic thinkers who are saying, "Well, we can win with a first strike," and they go through some literally arithmetic calculation—"we put conventional warheads, etc." This goes back even to the '50s and '60s, thinking the unthinkable: "We're going to lose 100 million people, but they're going to lose 150 million people, so since their losses are bigger, we win." And that's complete insanity. Not just that it's inhuman, it's just stupidly wrong! Because you take hundreds of millions of people and kill them, you're not going to have society left, let alone the fact that the nuclear weaponry today can go a lot further.

So, and you have to see that with Russell, you're dealing with an eminently political figure, and he's clear on it. I think there's an interesting example: A guy named [Ray] Monk wrote a two-volume biography of Russell, which was somewhat controversial, but in the preface or the introduction, he says—he's a philosophy professor somewhere in England—and he said: When I started this project, I admired Bertrand Russell, that he was the great English-language philosopher of the 20th Century; and also, later on, a political activist of sorts. And Monk says, but when I began to look at Russell—and mostly he's talking about Russell's personal life—and what he said, and what he did, I was horrified! This guy is not a nice person! He doesn't call him evil, I don't think, but he's close to it. Russell once wrote a novel, and basically, it's all about the evil of science, the evil of human knowledge, the human species destroys itself.

Secret Science vs. No Science

To say he's a misanthrope is to miss the point by a mile. He hated industrial development in the Soviet Union. He hated industrial development in the United States. He had a completely vicious attitude toward the United States, toward science—in fact, the great debate between him and H.G. Wells, because Wells was a problem, but Russell had a quality of evil that's almost unmatched. Because Wells' calculation was that they had to have secret science, because if the British Empire didn't have it, then they would lose out to the other powers, because they would have scientific progress. Therefore, they needed, I think they talked about, Aldermaston, but anyway, you needed a secret—this is where classification comes from.

Russell said, no, it's too dangerous, that if we even have secret weapons production going on, that might leak out, and even the possibility that it would leak out is so dangerous, that we don't want anything. What we need to do is *suppress* science. And this was his entire history. And it started with *Principia Mathematica*, because he denies any form of the kind of creativity that LaRouche talks about, that Plato implies, that Cusa references, that you see in Kepler. That kind of creativity doesn't exist; he'll admit or allow what an existentialist would call creativity, which is basically irrationality. It's a form of freedom that's not really creative; it's just you can do something that hasn't been done, in the sense that Hitler did something that hadn't been done before. You know, you could say that he was more efficient at killing people than anybody had been before: That would be creativity from Russell's standpoint, that would be freedom.

And indeed, it took Russell a long time—the only reason the British went against Hitler, whom they created, was because at a certain point, they thought it might affect their empire. And that was clearly Churchill's view, and that was Russell's view.

And another important way to look at it: How did it work? Well, they took the idea of truth, and they took it outside of the sphere of creative human development. Truth became what they called "foundations" in science and mainly mathematics, at the end of the 19th Century. One of the people they attacked was Riemann. In fact, one of the big disputes was with Riemann over the so-called "Dirichlet principle," where people like Weierstrass *and* Hilbert and others, said Riemann's proof wasn't rigorous enough. Now, there were technical reasons that they could use, to say, well, in certain

cases it doesn't apply, but they weren't relevant cases to physics, or to the real world.

But they took this standard, and the standard became logical deductive proofs. What's true is what's 100% certain, now. We have to have something that gives us effectively complete certainty at the moment. And so they redid Riemann's proof and they said, well, we've saved Riemann. But what this led to, or was part of, was this idea of how do you make a rigorous proof? And that's the standard of truth: rigorous logical deduction.

And therefore, mathematics begins to reign supreme, to the extent that they even destroy mathematics. Because mathematics is a tool, like any tool, it's useful. It gives you a certain precision in a language and so forth. But what they did with mathematics, was, first of all, they reduced it to arithmetic, and this logical formal structure, and that was the standard. Nothing else was acceptable. *Or* you took an existentialist position. You said, well, there is creativity, but it's just irrational outbursts of some kind of or other.

So Russell, of course, to a certain extent, organized the Maoists, along with John Dewey in China; virtually everything he wrote—he wrote a book on relativity theory, which was terrible—he was one of the people who put out the idea that relativity theory was subjective. There's just an enormous amount of this in Russell.

And then, the high point of this: By the end of the 19th Century, we had gone from the steam engine, electromagnetism, electricity, electrifying the industrial revolution of the 19th Century; at the end of the 19th Century, the United States was the leading element of that; Germany was moving in a certain direction; Great Britain was being surpassed. And there is, like or not, a real history of this: where, when certain discoveries are being made, there's an effort by the oligarchy, you think of Paolo Sarpi, ultimately became the British Empire, to claim priority, to claim "we discovered it first."[1]

You know, there used to be the big joke about the Soviets, that the Soviets claimed they invented everything, including baseball. The British actually did this first! You know, that they invented the calculus; they ignore Kepler; ultimately, they're going to say people like Gauss and Riemann were just not rigorous enough, and they introduce real, rigorous mathematics, that kind of "science."

It's All Statistical

And finally, just to give a sweep to this, you have the Solvay conferences of 1927 and 1930, where explicitly, the idea is, we don't know what's going on: You know, Heisenberg's uncertainty. And they'll complicate it more, but it has that basically at its core.

Deniston: This was the studies of the quantum, what's going on in the very small. These paradoxes keep coming up.

Rubinstein: You had relativity theory, which had been pretty much agreed upon by about 1920 or so; and then, you had this quantum breakthrough by [Max] Planck, which has been made into a bit more of a mystery than it should be. It's a quantum of action; it does bring up certain interesting problems. But in '27 and then again in '30, the conferences revolved around the question of, what is this thing with the quantum? How do we incorporate this into a singular worldview that includes relativity and gravity.

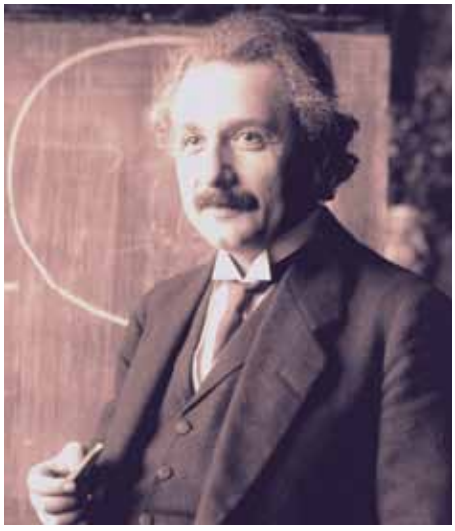
And supposedly, the victory at those conferences was the Heisenberg/Bohr outlook, [Werner] Heisenberg, [Niels] Bohr, and Max Born. This is the Uncertainty Principle *and* the idea that all we have is the mathematics. Which is basically, a relatively sophisticated mathematical model of what's going on. And you have one model that's put forward by Heisenberg and Born, and another model that's put forward by [Erwin] Schrödinger, the wave model, and then this sort of statistical model. And then they combined those—why? How? A guy by the name of [John] von Neumann demonstrated that they're mathematically equivalent!

So you have either a statistical model, which tells you it's purely probabilistic, or a wave model, which gets turned into a probabilistic model! And it's mathematically equivalent, so it functions. But it doesn't—as Planck *and* Schrödinger, in his own way; and Einstein, in particular, who sort of took up the banner, said, "But this doesn't tell us anything about what's going on." So we can use the mathematics, but let's not delude ourselves.

What are the principles behind this? For example, one of the reasons that they make this point is that, when an electron in an orbit moves from one orbit to the next, when it either emits or absorbs a packet, a quantum of action, it's random; you can never tell when that's going to happen.

1. See Jeffrey Steinberg, "Paolo Sarpi: The Venetian Roots of Behavioral Economics," *EIR*, April 17, 2009.





Against those, like Russell, Heisenberg and Bohr, who insisted that all physics is reducible to mathematics and statistics, Planck (l), Schrödinger (c), and Einstein argued, "But this doesn't tell us anything about what's going on. So we can use the mathematics, but let's not delude ourselves."

Now, we can build a model that approximates the randomness, that's what von Neumann did. But the question is, okay, we can use that, but what is the process that's going on?

Einstein and Planck say we should be looking into this. The other people say we can't; there's no way we can go, that's it, it's a complete mathematical model, and that's that. *And that's what all science is today!* It's essentially filling out certain models that derive from this. And are there anomalies? Yes. But do we pay attention to them? Not really; we wait until we can fit them into this model. We're looking to find the "dark matter" that fits the Big Bang theory. We looked for the Higgs boson, for the standard model theory. It's all statistical. There's no causality, there's no principle in it. And we have, at hand, now, something totally different.

For example, what does it means to be random? If that's the case, on a fundamental level, then the universe is simply irrational. Now, why should we stop at that point, when we know, indeed, it's not irrational! There has been a developed course; there's been, any way you look at it, even the uncertainty question, by the way—it's all built on the idea that the photon, at a certain point, is larger than what it's looking for. So your resolution gets messed up; you're basically affecting what you're looking at. So it's a sort of mechanical model of this subject/object question, which has been known for centuries. It's part of the human problem: You have to think of yourself as being *in* the system, and *out* of the system at the same time. That's where all the paradoxes come from.

I'll make a mention of that, because I don't want to rattle on too much. But the question of looking at this randomness, and saying well, what is the cause of this apparent problem? Or how will we deal with this, looking at universal principles? And this is what LaRouche says: If we go into the Solar System, if we deal with the question of fusion, if we deal with the question of antimatter, pose those problems, you'll find the necessity of creative solutions to these kinds of questions. There are going to be not a million different creative acts, it's going to be the discovery of certain principles. You know, Einstein had some ideas on this; Schrödinger—these things are pretty incomplete.

From Vernadsky's Standpoint

I think you'd have to begin to look at it from the standpoint of Vernadsky. What is it in the abiotic, that shows you that the abiotic is beginning to appear non-abiotic, that it has the quality of life in it? What if life begins to appear like creativity? But you can't reduce creativity to that. So this is why Lyn is focused on this idea of creativity per se. And then, what you'll find, is that this *is* the substance of the universe. This is what you were talking to Bruce [Director] about, a couple of weeks ago,[2] that, indeed, it's the move from one appar-

2. See the Jan. 14 program (https://larouchepac.com/new-paradigm).

ent system to another; it's that which violates the Second Law of Thermodynamics, as it's otherwise developed.

The Second Law works within any given system. But we're not dealing with systems; those systems are created by certain principles. And then the question is, human beings have a quality of universality: We can take our entire universe of ideas and subsume them within certain principles. Now, once we've set that system up, we then reflect on the system; usually, we do it by certain kinds of actions that test the borders of that system. And we think that way, it's a certain view of self-consciousness. That produces all the paradoxes; that's why you're never going to have a complete, consistent system, because you can always ask the question, what about the system as a whole? And the system will never tell you about the system as a whole; it's incapable of talking about itself in that way.

We do. So that's what I mean, when I say we're both inside and outside the system at the same time. That's why I think some of these geometric paradoxes fascinate people—the Klein bottle, the Möbius strip—you seem to be doing something very funny. And that's what the mind does all the time, just as a simple example.

And that's what we have to train and develop; that's what's been lost.

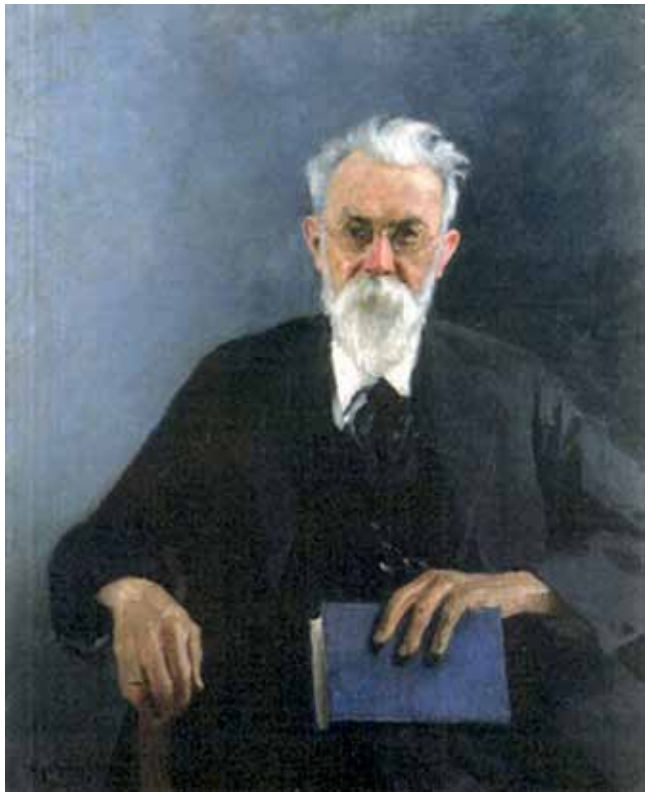
One of the things I've seen, for example, is the idea you can take computers, and take them into poor neighborhoods, and if you buy a computer for every kid in the neighborhood, they're going to get smart because they play with the computer. And in fact, there was one study: They don't get smarter, they get dumber. They're talking to a computer, and they're developing a language of interacting with a computer. Now, computers can do wonderful things, but they're not great conversationalists. So, in fact, I would say, if someone really believes that you can reduce the universe to arithmetic, they're going to be a little autistic, in the most general sense. They're living in a world with a very barren language, with a very limited scope, and they're reduced to that.

So these kids are not going to be improved by iPhones and tablets. Under better circumstances, maybe, they can be helped by them.

Deniston: If it's a tool for something.

Rubinstein: Yes. But if this is their education, if this is supposed to be the core of making them smarter, it's never going to happen.

So this question of what Russell did, with the *Principia*, and then this Solvay period, which kind of shut off—if you think about it, there's been no significant theoretical advance in science, at all, and I don't just mean physics. A lot of the work that was being done in biology in the early third of the 20th Century stopped! Why? Because everything was reduced to molecular biology, genetics, so biology was left behind. We've had some nice things done in medicine, but no real breakthroughs on human physiology, so on and so forth, not a deeper understanding of what life is, itself, the way Vernadsky goes at it, the way Lyn has indicated we should go at it—it's all been stopped by this reduction of everything, essentially to arithmetic, which has no basis.



While there have been some advances in medicine, etc., there has been no deeper understanding of what life is, itself, the way Vernadsky goes at it; it's all been stopped by this reduction of everything, essentially, to arithmetic, counting.

Gödel did the nice thing of proving—and I think one of the things we missed, is Gödel proved that no system is consistent and complete, to put it in its simplest terms. Really, what it amounts to, is there's no complete system. You're always going to be in a situation, even formally, of generating the basis for a new system.

It's All Algorithms

Now you ask yourself, how is it, that we're still dealing with this idea of artificial intelligence, since this was done in 1931; nobody has really challenged the proof; they challenged what it means. Now, what really happened in the mid-'30s, is a bunch of people decided that if you could prove that all of the mechanical or formal ways of calculating something are equivalent, and that's what they did; you have something called the "lambda algorithm," Markov chains—they're all algorithms, they can all be reduced to recursive functions, something like compound interest where the inclusion of the calculation then gets plugged back in as the argument of the function. And you just keep doing this and it gives you a certain feedback loop.

So once they discovered that a Turing machine, a recursive function, certain other kinds of algorithms, all converged on the same set of truths. Then they said, "Okay, that's it!"

In other words, they did the inverse: They said, human intelligence is limited to this, because that's all that can be certain. And that's been the reigning outlook. It came together; actually, there were a couple of significant conferences after World War II, 1947, on this universal science and so forth; a lot of names people wouldn't generally know—Rudolph Carnap, Alfred Tarsky, and so on, and this became the accepted view.

What I've seen of some of Lyndon LaRouche's biography: He took this on explicitly, in '48, and the economic theory of people like [Claude] Shannon, Norbert Wiener on information theory. Lyn made this his objective: to demonstrate the fallacy of this description of the human individual, as compared to real creativity—and Lyn committed himself to comprehending what real creativity is, not just using the word, "Okay, we're doing new things."

And that's been the battle. This is the British outlook; it's monetarism, it's behaviorism; and I think it's also why Lyn is so emphatic on what the Chinese are doing. Because implicitly, they're taking a Keplerian view: What is the nature of the Solar System? Where do we have to go to find out what that nature is? How do we develop the human species on Earth, giving it the powers to look at these things scientifically? And that's where we need to go, and that's critical to politics today.

Russell represented the Empire. You know, Russell wanted to bomb the Soviet Union after World War II; so did Churchill. Churchill went to World War III right after World War II. So did John von Neumann, who was considered the architect of the modern computer, and he wanted to bomb the Soviet Union after World War II also. So, political, dangerous.

But it all rests on a population that really rejects humanity. And as you've brought up, there are people who say "I *believe* that human beings are different," but they really don't know why. So they're left at the mercy of somebody who says, well, if you're rich, it's because God bestowed that upon you, and you must be good. And if you're good, you'll end up being rich, or some equivalent. Or just following the rules. Following the rites. But the rites don't encompass, presumably, the better part of religion. People don't really look at that; they think they've found a safe haven, somewhere, like following certain rules, but they don't really know what humanity is and what needs to be done.

The Destruction of Classical Culture

Megan Beets: In the entire 50-60-year period preceding these fights in the 1920s and '30s, in the aftermath of World War I, you had an intentional and very concentrated attack, first, on the capability of the mind with respect to Classical culture. And I think that's important to put in there, because we're discussing the imposition of the idea that certainty is reduced to the certainty of mathematics and logic. And that was only possible to impose on a population, when you first have killed the certainty of artistic creativity. And you have a population that's so culturally confused, and the culture and the beauty of culture so attacked—that's the only kind of population that could possibly accept that kind of idea.

But you go back into Germany in the 1840s, '50s, and '60s, and you had a deliberate funding of these disgusting dramas to try to replace the predominance of Schiller in Germany. You had the funding of people like Stravinsky, Liszt, the music of Liszt, and the people that Brahms and the Schumanns were fighting against, the Romantics. And you mentioned the idea of irrationalism, creativity, as "novelty," because there's nothing more to do with these 12 notes of the musical scale. But again, it was a political thing: This type of music wasn't popular, it was shoved down people's throats. And it created the kind of disorientation where people lost the sense of certainty in the human imagination, and then the experience of the human imagination which is beyond the sensible domain. Which is really the forefront of creativity, which then generates these new systems that we've been discussing.

Rubinstein: As I understand it, and I'm not an

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The late 19th Century saw the beginning of a concentrated attack on Classical culture, exemplified by the great Classical composers Robert and Clara Schumann (left) and Johannes Brahms, who fought against the irrationalism of the Romantics.

expert on this stuff, but serial music, there's actually a series of steps that you have to go through formally to play through to get to a certain note, and so on; and there's a lot of time spent on coming up with a mathematical model of Bach. And of course it becomes insane. And then you end up with things like, "How can you argue against heavy-metal rock?" Or it's noise; or [John] Cage with 4 minutes and 34 seconds of silence—well it's not really silence; I think his argument is, you can hear the garbage truck going by, and so on, and this is called music! How can you distinguish between noise and music? You really can't.

For example, "progress"—the word "progress" is cynical. How do you know there's progress? Well, of course, people live twice as long—how do you know that's progress? Maybe it's just more consumption. We can go to the Moon—well, maybe that's not really... How can you show there's value in the universe? Well, actually, from a mathematical, reductive standpoint, you can't.

You have to recognize that mathematics is, at its best, subsumed by numerous discoveries, you actually change the mathematical language. Which is what Riemann did at his best, or Gauss, they changed the language! You had a whole different language, which is what Leibniz does with the calculus, it's a whole different language. That's why they bring in the discussion of the infinite in different ways, because of introducing—I don't think the infinite should be conceived of as "endless." The infinite is the kind of change that brings you to a new outlook of the universe which changes everything that went before. You can't subsume it without changing it, and you have to recognize that those changes occurred.

So we changed our outlook on space when we had Kepler; we changed it again in a similar direction when we had Einstein, and we had to relook at the whole question of geometry, physics, time, from that standpoint. We need those kinds of breakthroughs throughout. The idea of a quantum, really, is more rooted in Leibniz, than it is in all this irrationality. So, we would stand on the verge of a whole set of breakthroughs, if we looked at—we have immense amounts of data, but what if we looked at these data with a completely different eye, without trying to reduce it all to the Big Bang? Why don't we say, well, maybe there wasn't a Big Bang? There's a whole other question to be asked here: What's happened?

An Asymetric Universe?

I saw one speculation that you don't look at things from the standpoint of entropy. Entropy is not the direction of the universe, but you have to look at the universe to see how it's moving, anti-entropically, or whatever words you want to use. So one speculation is, from the standpoint of the standard model, there are, call them events or excitations that are even smaller than a photon. So maybe the whole question of uncertainty is wrong, if we could create a gluon microscope or something like that, as crazy as it might sound—who knows? But it's a real thought! And it would open up a whole new era of investigation.

Talk about dissymmetry, one of the great dissym-

The way empires rule, is by convincing the population that creativity is impossible, that it's all conflict, competition, a zero-sum game, said Rubinstein. Hamilton's concept of scientific and technological progress, which has now been taken up by the BRICS countries, must be revived in the U.S. today (left to right: Deniston, Rubinstein, Beets).

metries in the universe is, there ain't enough antimatter. From the standpoint of the standard model, the Big Bang, there should be as much antimatter in the universe as there is matter, which means it all should have kind of annihilated itself in the beginning. And there's a big discrepancy. It's not just a small discrepancy, it's a *huge* discrepancy.

So then you get some pretty wild theories, but okay, this is dissymmetry. Maybe that's one of the beginning points of life, or even cognition, that the universe is *not* symmetric, which is one of the big standpoints of modern physics, is symmetry. But what if the universe is, in a fundamental sense that we can talk about scientifically, *asymmetric,* from the very beginning?

These are things you'd have to look into, to allow the human species to continue to develop. And so, it's eminently political, today.

I think also, the whole question of secrecy is political—there's no reason for secrecy: [they say] we can't work with the Chinese. And there are many scientists who do know that, who are very frustrated by the idea that they're cut off by the Patriot Act and so on. These are political fights that we should be trying to draw people into.

Deniston: …We're at the point where mankind needs to have the premise of a new system, like we're beginning to see with the BRICS, like what China's doing with their space program, oriented toward, again, pursuing in a renewed fresh way, a conception, as you said, of creativity per se—just knock off this reductionist stuff, quit trying to say "It's a result of this, it's a result of that."

What is it that the human mind does? How does it do that? Let's figure that out, let's base society on that. Classical art, how do human beings do that? That's the basis for mankind.

Rubinstein: Yes, I think what we'll get to, is the functioning of the human mind, and there's more to know. We can get some aspects of the way it's developed. In a sense, it's evolution per se. In other words, the human mind puts you in a position where you're constantly evolving, almost to the point that evolution becomes the point of what you're doing, because the rate of acceleration reaches a point where it occurs within a generation, so that somebody who's born needs to go through two or three major scientific revolutions in the course of his or her lifetime. Or artistic developments. So that a lifetime evolves from the standpoint of the human mind.

And as Lyn has discussed it, this is what we mean by the soul and by immortality, fundamentally, leaving aside religious differences that you can have about how to celebrate that and so forth, but the fact is you can have an ecumenical agreement that that's the nature of human existence in this world, and whatever other worlds there might be.

Reviving Universality in Science, Culture

From a political standpoint, another important thing to realize is that one of the things that happened during this period leading into World War I, the turn of the century, the attack on Classical art, is, in a sense there were those in the scientific community who thought that science would be a way of bringing nations together, into cooperative development, because there was a universality in science, a commonality of language, even of different cultures. So people like Planck and Einstein, and Curie, and many others, names that are perhaps not

so well known, viewed this as a direction. And they also were cognizant of the powers that were being opened up that would require this. They may not have known about nuclear weapons, necessarily; some may have had some ideas; but they saw this, as even World War I represented a level of destruction that had been unheard of.

But World War I broke this up. It introduced a great deal of pessimism, because whole chunks of the scientific world fell into certain kinds of traps of nationalism of a certain kind—it wasn't really nationalism, it was chauvinism—so the German scientists were pro-German, the French scientists were pro-French, and the British scientists played the game, and they demoralized the scientific community; so that people like Einstein and Planck came out and saw this whole thing being destroyed.

And what came out of it was an idea that this scientific dialogue could not go on on a universal basis. When we got out of World War II, there were people who understood, like General MacArthur, and there were others, but he was a leading voice—he was one of the great military figures of the century, minimally—saying, we can't go on. I'm soldier, but being a soldier is becoming an obsolete reality, we need something better than this.

But the pessimism was so great at this point, that the idea was considered impossible, and today it is considered impossible. It's all competition, it's all conflict, it's all geopolitical, it's all zero-sum game. And this is the way empires rule. And you can look at this, and if you want to ask the question, is there a British Empire, this makes the point.

And we're at a critical decision point, because like the Chinese, the Indians, in a different way the Russians, Brazil, they've come to the conclusion that they cannot survive in this zero-sum game. And therefore, they've opened up a pathway, which itself is coherent with the outlook of people like Alexander Hamilton and the American Revolution. Hamilton's whole point is, value is artificial labor, it's scientific and technological development. It's the human mind, and that's at the core of this.

Over the last 40 years, it no longer exists in the United States. LaRouche represents it; there may be other people around who believe it quietly in their homes, but this is what we have to revive, and the way to do it, is to ally with the so-called BRICS nations....

Editorial

Nuclear Chicken Game?

"Everybody is afraid of fighting with a nuclear state. We are not anymore, in Ukraine, we've lost so many people of ours, we've lost so much of our territory. However dangerous it sounds, we have to stop [Putin] somehow."

The words of a lunatic? Yes, but that lunatic is the Deputy Foreign Minister Vadym Prystaiko of Ukraine, speaking on the Canadian official news service CBC on Feb. 21. That lunatic represents a government, fully backed by Great Britain, the U.S., and NATO as a whole, which is traveling the globe, seeking military equipment to fight against Russia. At this very moment, a leading representative of that government is in Washington, D.C., making that demand.

When is the American public going to wake up, throw the warmongers out of the U.S. government, and choose a path of cooperation with Russia and China which alone can ensure peace?

What is becoming increasing clear is that a leading faction of the British Empire, in line with Obama and his entourage of warmongers like Victoria Nuland and Samantha Power, *is* actually threatening nuclear war. This faction is seeking to both eliminate political obstacles to this drive—as seen in the lightning-fast Watergating this week of British political heavyweight Malcolm Rifkind, who had opposed confrontation with Russia—and to put in place the forward-based military capabilities intended to make it possible for the West to "win" a nuclear war.

Do British/NATO strategists actually believe they can win a nuclear war?

MIT Emeritus Professor Ted Postol, an expert in weapons technology and a former Pentagon advisor, believes some do. In an extensive article in *The Nation* of Dec. 10, 2014, entitled "How the Obama Administration Learned To Stop Worrying and Love the Bomb," Postol argues that Obama's commitment to a modernization of the U.S. nuclear arsenal increases the capabilities of nuclear war-fighting, and itself raises the threat of nuclear war, and that some strategists delude themselves that the war could be won, without the Russians carrying out a devastating counterstrike.

Not so, Postol says. And the repeated statements about military readiness, as well as intensified military exercises, including of nuclear strategic forces and on a "snap" basis, by the Russians supports that view.

As for what the British strategists believe, they are clearly split. Recently Sir John Sawers, former head of Britain's MI6, in his first public speech since retiring as head of the Secret Intelligence Service, specifically warned against provoking Russia, with its formidable nuclear arsenal, by escalating the confrontation over Ukraine. The *Guardian* claimed he spoke for the majority of the British security establishment. Yet, the outlook of institutions such as the *London Economist* was shown in a 2007 article, in which the authors touted a scenario where the EU convinced the Obama Administration to threaten a nuclear strike against Russia if it invaded Ukraine—and backed Russia down (see *EIR* March 7, 2008).

As that scenario correctly indicates, it is the *United States* which is the determining factor in this nuclear chicken game. Box in or remove the warmongers in the Obama Administration, and the nuclear chicken game becomes impossible. More importantly, the way is open to join the BRICS nations in a new paradigm of peace and prosperity for mankind.

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