

# EIR

Executive Intelligence Review

July 12, 2013 Vol. 40 No. 27

[www.larouche.com](http://www.larouche.com) \$10.00

LaRouche: The Great Ontological Paradox  
Egyptians Move Against Muslim Brotherhood  
From Bush to Obama: British Fascism

**A Second American Revolution  
Demands the Hamiltonian Principle**



Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editorial Board: Lyndon H. LaRouche, Jr.,  
Antony Papert, Gerald Rose, Dennis Small,  
Nancy Spannaus, Jeffrey Steinberg, William  
Wertz

Editor: Nancy Spannaus

Managing Editors: Bonnie James, Susan Welsh

Technology Editor: Marsha Freeman

Book Editor: Katherine Nottley

Graphics Editor: Alan Yue

Photo Editor: Stuart Lewis

Circulation Manager: Stanley Ezrol

#### INTELLIGENCE DIRECTORS

Counterintelligence: Jeffrey Steinberg, Michele  
Steinberg

Economics: John Hoefle, Marcia Merry Baker,  
Paul Gallagher

History: Anton Chaitkin

Ibero-America: Dennis Small

Law: Edward Spannaus

Russia and Eastern Europe: Rachel Douglas

United States: Debra Freeman

#### INTERNATIONAL BUREAUS

Bogotá: Javier Almaro

Berlin: Rainer Apel

Copenhagen: Tom Gillesberg

Houston: Harley Schlanger

Lima: Sara Madueño

Melbourne: Robert Barwick

Mexico City: Gerardo Castilleja Chávez

New Delhi: Ramtanu Maitra

Paris: Christine Bierre

Stockholm: Ulf Sandmark

United Nations, N.Y.C.: Leni Rubinstein

Washington, D.C.: William Jones

Wiesbaden: Göran Haglund

#### ON THE WEB

e-mail: [eirns@larouchepub.com](mailto:eirns@larouchepub.com)

[www.larouchepub.com](http://www.larouchepub.com)

[www.executiveintelligencecereview.com](http://www.executiveintelligencecereview.com)

[www.larouchepub.com/eiw](http://www.larouchepub.com/eiw)

Webmaster: John Sigerson

Assistant Webmaster: George Hollis

Editor, Arabic-language edition: Hussein Askary

---

EIR (ISSN 0273-6314) is published weekly

(50 issues), by EIR News Service, Inc.,

P.O. Box 17390, Washington, D.C. 20041-0390.

(703) 777-9451

**European Headquarters:** E.I.R. GmbH, Postfach  
Bahnstrasse 9a, D-65205, Wiesbaden, Germany

Tel: 49-611-73650

Homepage: <http://www.eirna.com>

e-mail: [eirna@eirna.com](mailto:eirna@eirna.com)

Director: Georg Neudecker

**Montreal, Canada:** 514-461-1557

**Denmark:** EIR - Danmark, Sankt Knuds Vej 11,

basement left, DK-1903 Frederiksberg, Denmark.

Tel.: +45 35 43 60 40, Fax: +45 35 43 87 57. e-mail:

[eirdk@hotmail.com](mailto:eirdk@hotmail.com).

**Mexico City:** EIR, Calz de los Gallos 39 interior 2,  
Col Plutarco E Calles,

Del. Miguel Hidalgo, CP 11350,

Mexico, DF. Tel 5318-2301, 6306-8363, 6306-8361

Copyright: ©2013 EIR News Service. All rights  
reserved. Reproduction in whole or in part without  
permission strictly prohibited.

Canada Post Publication Sales Agreement  
#40683579

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

# EIR

## From the Managing Editor

The end of June witnessed two events with the potential to change the world greatly for the better: On June 29, the Schiller Institute hosted the fifth in its series of conferences, begun last November, whose stated intention is to create a “New Paradigm for Humanity.” The theme of this conference, held in San Francisco, was “A Second American Revolution,” and featured keynote speeches by Lyndon and Helga LaRouche (see *Conference Report*). Seventy-five hundred miles away, in Cairo, Egypt, millions took to the streets on June 30, calling for the overthrow of the Anglo-Saudi- and Obama-backed Muslim Brotherhood regime of President Morsi, setting off the second phase of the Egyptian Revolution. “It’s a Revolution, Not a Coup,” headlined an Egyptian daily on July 4, the date of our own American Revolution (*International*).

In his July 5 webcast, from which we publish two excerpts this week, Lyndon LaRouche recalled that Revolution, and the part played by Alexander Hamilton, in particular, whose economic principles form the foundation of the American economic system (*Economics*). In a second excerpt from the webcast, LaRouche cautioned that events in Egypt—on both sides—are being shaped by outside forces, and that the most effective action we can take from here, is to remove Obama from the presidency, without further delay (*International*).

Dumping Obama goes hand-in-glove with the reinstatement of Glass-Steagall, the *sine qua non*, for the revival of the U.S. and world economy. In *Economics* you will find a report on Congressional hearings in which top bank regulators, under questioning, strongly endorsed a return to Glass-Steagall; and in Italy, a *fourth* bill, based on the Glass-Steagall principle, has been introduced in the parliament.

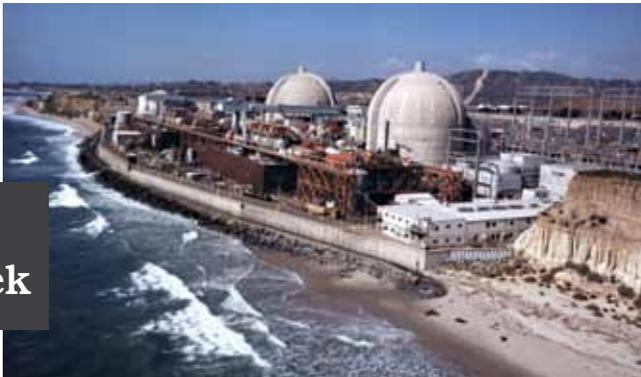
In *National*, “The Accelerating Demise of the Obama Administration,” reports on a “time-release series” of scandals, set off by a faction in the military-intelligence establishment, aimed at bringing down Obama. In “The Bush Family’s British Fascism,” historian Anton Chaitkin presents the evidence that four generations of Bushes (and now, Obama) have been conduits for fascist policies.

Lyndon LaRouche contributes this week’s *Feature*, “The Great Ontological Paradox,” which explains why a money-economy will not work.



## Cover This Week

*The San Onofre Nuclear Power Plant in Riverside, Calif., now shut down, in violation of the Hamiltonian principle.*



Nuclear Regulatory Commission

### **4 San Francisco Schiller Institute Conference: Forum for a New Paradigm—A Second American Revolution**

The fifth in the series of Schiller Institute conferences initiated by Helga Zepp-LaRouche, whose intention is to create a New Paradigm for mankind, by focusing especially on great Classical culture and science, as the solution to the array of existential crises facing humanity. This event, held in San Francisco on June 29, was on the theme of a “Second American Revolution.” Harley Schlanger reports.

### **8 Helga Zepp-LaRouche: The American People Are Needed Again To Save the World from Fascism**

Zepp-LaRouche’s keynote to the conference: As they did, under President Franklin Roosevelt in the 1930s and ’40s, the American people must again rescue the world from fascism, by returning to the American System of Economics, and the U.S. Constitution.

### **17 Lyndon LaRouche: Glass-Steagall Will Revive the Economy of Living People**

LaRouche’s keynote: Economics based on sense-perception does not work. We must go back to the Hamiltonian principle in economics, as embodied in our Constitution, if we are to survive.

### **21 Walter Jones: The President Must Consult Congress Before Going to War**

## International

### **22 Egyptians Move Against Muslim Brotherhood**

“It’s a Revolution . . . Not a Coup, Mr Obama!” was the headline on an Egyptian daily July 4, referring to the removal of the Muslim Brotherhood president Mohamed Morsi, by the Army, following huge demonstrations throughout the country calling for his ouster. But there are grave dangers ahead, both from the Brotherhood, and from the Anglo-Saudi-U.S. alliance.

### **25 LaRouche on Egypt: Events Are Shaped by Outside Forces**

An excerpt from the July 5 LaRouchePAC webcast.

### **26 Ambassador Tawfik: This Was No Coup**

Excerpts from an interview with Mohamed Tawfik, Egypt’s Ambassador to the U.S.

## Economics

- 27 Financial Jolts Speed Push for Glass-Steagall**  
A House Financial Services Committee hearing on June 26 featured testimony from top bank regulators on whether to reinstate the Glass-Steagall Act. Two out of four told the Committee they favor its revival.
- 30 Lyndon LaRouche: Principle of Economy: Increase Productivity**  
An excerpt from LaRouche's July 5 webcast, in which he cut through the usual poppycock about money and credit by going to the economic principle defined by Alexander Hamilton.
- 32 EU Consecrates Mega-Bank Bail-Ins**
- 33 Glass-Steagall in Italy: Fourth Bill Filed in Parliament**  
A second Glass-Steagall-like bill has been introduced in the Italian Senate, joining two others in the Chamber of Deputies.

## National

- 35 Impact of the 'Snowden Affair': The Accelerating Demise of the Obama Administration**  
NSA whistleblower Edward Snowden's revelations about U.S. intelligence espionage is but the latest in a series of well-timed exposés of illegal and unconstitutional programs launched in the immediate aftermath of the 9/11 attacks by the Bush Administration, and now, on an even larger scale, by President Obama.
- 38 The Bush Family's British Fascism**  
The Bush family patriarchs' involvement with eugenics put them in the same league as Hitler and the Nazis. This fascist outlook has persisted through four generations of Bushes, and has now been adopted by the Obama Administration.

## Feature

- 44 The Great Ontological Paradox**  
By Lyndon H. LaRouche, Jr.  
"...we must, finally, shift our attention, away from a foolish, mere money-economy, into what must now become, again, an actually healthy, physical one," he writes. LaRouche continues his discussion of the principle of "Chorus" in the dramas of Greek Classical tragedy, and later, in the works of Schiller and Shakespeare.

## Editorial

- 53 Fascism by the Fall?**

SAN FRANCISCO SCHILLER INSTITUTE CONFERENCE

## Forum for a New Paradigm: A 2nd American Revolution

by Harley Schlanger

In the midst of an intensifying general global crisis, with the dangers of World War III and mass starvation threatening the planet, Helga Zepp-LaRouche, the founder of the International Schiller Institute, initiated a series of conferences, with the intention of creating a New Paradigm for mankind. By emphasizing that the goal of the conferences is nothing less than the creation of a New Paradigm, Zepp-LaRouche made it clear that these would not focus only on the negative—how bad things are, who is responsible for the deteriorating conditions on the planet, and why—but on the solutions, which require a change in the conception of man, the way that human beings conceive of themselves, and the purpose of their lives, so that a change in the direction of policy is not based on momentary popular opinion, which can be easily manipulated, but on a more profound, and sustainable, scientific, humanistic basis.

On June 29, the fifth in this series of conferences, which began Nov. 27, 2012 in Frankfurt, Germany, was held in San Francisco, with the sub-theme, “The Second American Revolution.” The nearly 200 attendees engaged in a truly unique event, in which the assumptions they had held entering the conference were challenged. By the end, there was a general recognition that there is now a real opportunity for a Second American Revolution, and it is the responsibility of those attending to make it. This was explicit in the resolution adopted by the participants (see box), and in the commitments made to expand the organizing process.

### The Role of Lyndon LaRouche

It must be noted that the success of this conference was built on the revolution in human creativity which Lyndon LaRouche has initiated over the recent period, in an ongoing series of papers, on the subject of the human mind (see this week’s *Feature*. While LaRouche is best known for his successful economic forecasts, since he began forecasting in the middle of the last century, his recent writings offer a unique insight into the relationship between human creativity and the evolutionary advance of the physical universe, which underlies his successful forecasting.

In particular, LaRouche has been focused on the principle of human cognition: It is not what you think, but *how* you think, which is crucial, especially in challenging the American people to break with their small-minded pragmatism, so they may take up the great themes implicit in our relationship with our Solar System.

From LaRouche’s vantage point, the ongoing collapse of civilization is neither cyclical nor “natural,” but the result of the deliberate intent of the present-day Anglo-Dutch Empire, to reverse the successes of the American Revolution, which grew out of the scientific and cultural renaissance of 15th- and 16th-Century Europe, by reducing man to reliance on sense-certainty, which, in turn, reduces populations to the status of vassals, incapable of challenging the power of the empire. In fact, the goal of the controllers of this Empire is the reduction of the human population by 6 billion human



EIRNS/Daniel Platt

*Those attending the conference were inspired and challenged by beautiful performances of Classical music. Here, the Schiller Institute Chorus and Orchestra perform selections from Bach's B Minor Mass.*

beings! The danger of World War III erupting in the Middle East, the blow-out of the financial system, and the related destruction of the food supply, are the result of this deliberate intent to reduce the human population.

The creation of the Schiller Institute in 1984 by Zepp-LaRouche represented a forceful intervention into policy fights on this higher level. The example of Friedrich Schiller, as a patriot and world citizen, whose writings and activities exemplify the principle that each of us must act for all mankind, by developing the “ideal” in one’s self, so that we may bring it out in others, is what is required today to defeat the Empire.

It was with this consciously in the mind of the organizers, that the San Francisco conference was built. Organizers took, as a starting point, the growing recognition among leading sectors of the population, that action is required now, and challenged them to understand that what must be done must come from the most profound and beautiful conceptions of the nature of man, i.e., that there is no “practical” or “pragmatic” means of overcoming this crisis.

### **Glass-Steagall and NAWAPA**

The conference was opened with powerful keynote speeches by Lyndon and Helga LaRouche (see below). What characterized both presentations was the clarity of their analysis of the crisis, as well as the solutions. With-

out Glass-Steagall, they both emphasized, there is no way out of the crisis, yet Glass-Steagall, is just the opening phase of a three-part policy, which includes the return to a Hamiltonian credit policy, and funding of massive infrastructure projects, beginning with NAWAPA (North American Water and Power Alliance). This will not only end the speculative looting of the population, by bankrupting the speculators, but will restore the physical production necessary to sustain a growing population.

That this is possible was emphasized in a video

from U.S. Rep. Walter Jones (R-N.C.), who urged the attendees to mobilize Congress to pass H.R. 129, the bill to re-introduce Glass Steagall, of which he is a co-sponsor (see below).

Following the keynotes, there were three presentations elaborating the dangers ahead, as well as the solutions. Marcia Merry Baker of *EIR*, a leading expert on food and agriculture policy, detailed the accelerating food crisis, resulting from burning food for fuel (ethanol), free-trade policies, and weather-related crises. She demonstrated that there is nothing “natural” about the crisis, but that the policies pushed through by global financial and food cartels are intended to kill people, in a systemic genocide, which far surpasses that of Hitler’s British-directed genocide in World War II.

Baker also presented greetings to the conference from a prominent Indian agronomist, Dr. M.S. Swaminathan, who emphasized that India’s “Green Revolution” was based on applying the American System principles of Abraham Lincoln and Franklin Roosevelt.

Frank Endres, a California farmer who is a leading member of the National Farm Organization, backed up Baker’s presentation with a discussion of how agriculture advanced, under the parity pricing system, implemented under FDR, and how that system represents the principles of the American System. He then showed how the elimination of parity pricing, under the Adam Smith/

British System mantra of “free trade,” is destroying the family farm, which has been the most productive agricultural system in history. The Adam Smith policy of “cheap food,” he emphasized, is causing starvation.

These themes were elaborated further in the afternoon panel, which took up the issue of how LaRouche’s policies will usher in an era of peaceful cooperation and development between the U.S. and Asia, in contrast to the confrontation between the U.S. and China, which British puppet Obama is pursuing. This theme was developed by Philippine LaRouche Society leader, Butch

Valdes; *EIR*’s Michael Billington, who spoke specifically of the contrast between the Leibniz-LaRouche approach to statecraft, and that pushed by Obama; Robert Barwick, a leader of the LaRouche movement in Australia; and Dr. Wenji Victor Chang, of the Institute of Sino Strategic Studies, whose theme, “China and the U.S.: Inevitable Partners,” demonstrated the parallels of Confucian thought with that of the American Founding Fathers.

They were joined by Dr. Hal Cooper, who showed how NAWAPA-Plus, an integrated system of transport, water, and power production, can bring together the U.S., Central and South America, Russia, and China, into a productive alliance.

The afternoon concluded with a presentation by this author, on how California’s unique agro-industrial economic powerhouse was built by FDR’s Glass-Steagall and infrastructure policies, and has been destroyed, since the late 1970s, by the deindustrialization imposed by free trade and deregulation, combined with the anti-science outlook of the Greenies.

Prior to his presentation, Schlanger read greetings to the conference, which show the growing support from across the political spectrum for the LaRouche solution. First, from Colorado Republican State Senator Owen Hill, who introduced a memorial bill in support of H.R. 129 into his state legislature, said Glass-Steagall is “not a Republican or Democrat issue, ... not a liberal, conservative, or libertarian issue,” but “simply the common sense that well-functioning markets have to appropriately align risk and reward so that no one can go gamble with taxpayer’s money.” Second, from Sean Turnbull, whose website, the “SGT Report,” has been a forum for anti-Fed, Sen. Ron Paul supporters, who endorsed Glass-Steagall as the only option. A third message was from former Peace and Freedom Party Presidential candidate, Roseanne Barr, who wrote succinctly, “We need to stick a pin in the bankster balloon—Glass-Steagall is the way.”

### Science and Culture

The evening panel exemplified the passionate commitment of the LaRouche movement/Schiller Institute to ennoble souls,

## Resolution: A New International Hamiltonian Credit System

*This resolution was adopted by the June 29 San Francisco Schiller Institute conference, “A New Paradigm for Mankind: The Second American Revolution,” and passed by vocal affirmation.*

The totally over-indebted world financial system is so fragile, it could evaporate at any moment, like a supernova. Rather than admitting that their monetarist system of high-risk speculation is bankrupt, the financial oligarchy intends to put the burden on the population, through the so-called “bail-in” policy! They intend a “haircut” reduction of the real economy and the living standard with the immediate result the death of millions of people, and they are now openly calling for the return of fascist regimes, as in the 1930s.

We, therefore, commit to mobilize for a national campaign, demanding the U.S. Congress implement Glass-Steagall immediately, exactly as Franklin D. Roosevelt did in 1933.

We also pledge to revive the principles of the American Constitution and the Declaration of Independence, by initiating, today, a Second American Revolution, and committing ourselves to turn America once again into a Beacon of Hope and Temple of Liberty, creating an alliance of perfectly sovereign nation-states in the tradition of John Quincy Adams, and establishing the foundation of true peace through development.

The implementation of Glass-Steagall is the first and indispensable step! Therefore, we call on every citizen to join the movement to establish this law, as well as a new international credit system modeled on Alexander Hamilton’s U.S. credit system, not only for the U.S., but for the whole world, so that that whole world can again become livable.

through the quality of thinking required for scientific discovery and Classical culture. The second panel had been preceded by a beautiful performance by members of the Schiller Institute of four selections from J.S. Bach's B Minor Mass. The tension, which results from the concentration demanded by Bach's compositional method, forces a decision to be made by members of the audience, as to how serious they are, really, about acting on this higher level? With a couple of exceptions—people who walked out during the performance—it is clear, from the quality of deliberation which followed the panels, that most decided to accept that challenge.

The evening panel opened with a performance of Mozart's "Dissonance Quartet," K. 465, and ended with an intense performance of Beethoven's Cello Sonata, Op. 69, by My-Hoa Steger and Jean-Sebastien Tremblay. In between these performances, was a video presentation by Mexican scientist Dr. Omar Pensado Diaz, on man and the biosphere, in which he proved the evil incompetence of the British Imperial System. LaRouchePAC's Megan Beets, speaking on the theme of "The Sense Uncertainty of Truth," developed this

theme as it was presented in LaRouche's recent papers, with examples of the fraud of sense certainty, and the opposite approach of Johannes Kepler, in his discovery of the orbits of the planets.

Phil Rubinstein, a veteran LaRouche movement leader, took this theme further, in discussing various ironic aspects of human creativity, using devastating humor to invoke in the audience a recognition of how we have tolerated "animal" sense certainty in our day-to-day lives, in contrast to the potential we possess to harness the power of the physical universe.

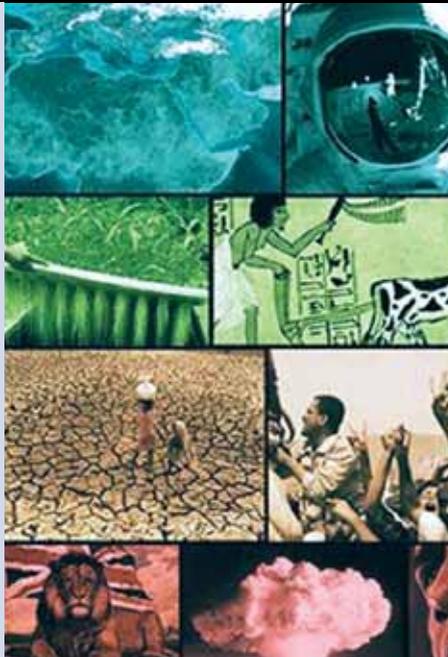
As the conference closed, Zepp-LaRouche challenged the participants to act on the unifying theme of the conference, that we can, and must, create a better human race, if we are to survive. But this is not a painful challenge, she emphasized, but something which is exciting, and is within our reach, if we accept the challenge. The optimistic spirit she conveyed, at the end of a long day of deliberation, shows that the inspiring contributions of those creative individuals who preceded us, such as Cusa, Kepler, the Founding Fathers, and especially Schiller, are still alive today, and will find new life in the minds of those who attended this event.

DVD now available

## A New Paradigm for The Survival of Civilization

Historic Schiller Institute Conference

Flörsheim, Germany  
November 24-25, 2012



*Selected Conference Presentations include:*

- **Only a Complete Change in Paradigm Can Avoid Catastrophe**  
Helga Zepp-LaRouche  
*Chairman, Schiller Institute*
- **The Global Consequences of Instability in the Middle East**  
Iranian Amb. Ali Reza Sheikh Attar
- **A Revolutionary Development Plan for the Near and Middle East**  
Hussein Askary  
*Chairman of EAP Sweden*
- **The mission of Europe versus the British Empire**  
Jacques Cheminade  
*President Solidarité & Progrès*
- **The Crucial Issue of the Crisis**  
Lyndon H. LaRouche, Jr.

**\$25.00** Shipping: \$2 for the first DVD; add \$.25 for each additional.  
EIRDV-2012-1

For more information: **1-800-278-3135**

# The American People Are Needed Again To Save the World from Fascism

I think we all are aware of the fact that we, right now, are finding ourselves in the middle of a world drama which is so gigantic, that if Shakespeare or Schiller were here today, even they would be challenged to put something onstage, bigger than the present world-historical moment. Because if you look at the world situation, in the totality of what is going on, it is mind-boggling. We are on verge of a blowout of the financial system, which could happen any moment, and would make all previous financial crises look like peanuts—and that includes the Great Depression of the '30s.

The financial system could evaporate overnight, in what the CEO of a large consulting firm has called a supernova: That is, when a star comes to its end, and just goes up in a huge burst of light and energy.

The financial oligarchy which is in control of this present financial system, plans to establish nothing less than a world dictatorship. They are clearly intending to eliminate all leftovers of national sovereignty. In Europe they have succeeded already very far, and in the United States, the Constitution will be almost gone, if this is not reversed.

They want to eliminate, and have already done so pretty much, all accomplishments of international law of the people. They want to return to a feudal order, which is based on a population density that goes with a feudal order, and that means a severe reduction of the world population—who knows?—from 7 to 1 billion, or no people at all.

They risk the existence of civilization by playing around with a thermonuclear war, and they're pushing regime-change policies against every country on the globe which is not agreeing to submit to this world order.

So therefore, we are looking at a policy

which, at best, would throw civilization into a new dark age, and bring about misery for generations to come; and at worst, we are looking at the complete extinction of civilization, wiping out all the works and creative contributions of all our forebears. Even the memory of it would be eliminated.

On the other side, we have the potential to end oligarchism forever; and to fulfill the promise of the great American President John Quincy Adams, of forming an alliance of perfectly sovereign nation-states on the



EIRNS/Daniel Platt

*In her keynote address to the conference, Helga Zepp-LaRouche presented a challenge, especially to Americans, to “end oligarchism forever; and to fulfill the promise of the great American President John Quincy Adams, of forming an alliance of perfectly sovereign nation-states on the globe.”*

globe. We could create a peace process among these nations through development, eliminating the poverty and misery of billions of people who are suffering from it now, for good! And that could be done in a very short period of time.

We consciously could initiate the next era of history in human civilization which could be so dramatically different, as it was with the Middle Ages and the new era which was initiated by the great mind, Nicholas of Cusa, who laid the foundation for modern times.

So we could initiate a new era of mankind, which would leave behind this unworthy oligarchical system, and put in its place the identity of mankind, the true nature of man, that is, creativity; of creating a mankind where people are grown up. They would be united through the common aims of mankind, and stop being greedy for foolish, virtual money which soon will evaporate anyway.

### **Restore the Greatness of America**

Now, to contribute to the second version, to the better outcome of present history, we have initiated these Schiller Institute conferences, and naturally, a fight around the world. But it is very clear that whatever we do in Europe or in other parts of the world, the decision of which way this present historical branching point will go, lies with the United States. Because it is the United States which has the power: It's a huge country. I reminded myself by traveling from Washington to California, that it's really a very big country! And it has tremendous richness, which if you don't travel, you may not be so conscious about.

It's a great country; it has made a tremendous achievement in world history. But, right now, I can assure you that this is not the image people have of the United States around the world. Because the legacy of three Bush administrations and more than one Obama Administration, has blurred the image of the United States, and people forget about the great tradition of the United States.

So, let's have a solemn oath, to restore the great America, to rebuild the United States after all of these years of destruction since the assassination of John F. Kennedy.

The United States must go back to what it used to be with the Founding Fathers, with Alexander Hamilton, John Quincy Adams, Lincoln, Franklin Roosevelt, Martin Luther King, and John F. Kennedy. It must become again, for the whole world, a beacon of hope

and a temple of liberty. It must be what the aspiration of the Founding Fathers was, that it becomes the place where all the republican forces of the whole world want to go. It must be again, what it was under FDR, a liberator of the world against fascism. It must be again the image of hope, as it was represented by John F. Kennedy and the Moon landing, which created a whole generation of optimistic children, who thought everything was possible, if you apply science and technology.

We must have again the cultural optimism associated with the idea that mankind is capable of exploring and colonizing outer space. And that by realizing another of John F. Kennedy's great projects, NAWAPA, that we can continue the civilization and colonization of the West, which stopped somewhere with Teddy Roosevelt.

Abraham Lincoln had said that infrastructure development is deepening the society through modernization and urbanization, instead of a simple horizontal expansion. And therefore, we have to have great infrastructure projects in the tradition of the TVA, as a stepping stone to the realization of the World Land-Bridge and the reconstruction of the world economy.

### **The Fight for Glass-Steagall**

But the most hopeful momentum, which we see right now to go in the direction of the second option I mentioned, is the fight for the reinstatement of the Glass-Steagall Act in the United States, which is the absolute, indispensable first step. Because we face the danger of a new fascism, and only if we turn back to this Glass-Steagall tradition do we have a chance.

Now, Glass-Steagall is one of these things which the United States owns, and all the Europeans are telling us, "Well, that's an American thing. We don't have that tradition; we have universal banking." Which is not quite true, but, I think Glass-Steagall is an American property, in the same way as the American Constitution and the Declaration of Independence, to which all great minds and Presidents have always turned back. In the same way as Lincoln went back to the Declaration of Independence; so did Martin Luther King.

And so, we have to revive Glass-Steagall today, because that was the dividing line, where, in the '30s, Europe went in the direction of fascism, and Franklin D. Roosevelt *ended* the danger of fascism, by applying Glass-Steagall and going for the separation of the banks.



EIRNS/Sylvia Rosas

*The revival of Glass-Steagall in the United States is the absolute, indispensable first step to defeating the danger of a new fascism, Zepp-LaRouche declared. Here, LaRouchePAC organizing in Los Angeles, May 30, 2013.*

He added the Pecora Commission, putting these bankers in front of hearings; and most of them, or many of them, were put in jail, which Pecora described so inspiringly in *Wall Street Under Oath*, the book he wrote about that.

Now, the U.S. population, contrary to the Europeans, has in its memory, in its sort of collective, genetic memory, that with the policy of Glass-Steagall, you can bring the country out of the depression. And if you look at the long process of undoing the FDR measures, which unfortunately started immediately with Truman—who allied with Churchill and really was a traitor to the legacy of Franklin D. Roosevelt, who had defeated fascism—that was then followed by Nixon, who repealed the Bretton Woods system in 1971; this, as a prophetic prognosis, was recognized by my hus-

band, Lyndon LaRouche, who forecast that it would lead to a situation where the world would be faced with either the danger of a new depression and fascism, or a new world order.

Then, the next step of this repealing of the FDR legacy was what the Trilateral Commission did in 1976, with its policy of “controlled disintegration of the world economy,” which is the reason why the hopeful development of many Third World countries was interrupted. “Never again, a Japan” was the slogan of these people—“Japan,” meaning to turn a feudal country within years, into a higher industrial country, on the basis of the method of the American System.

Then, in 1984, you had Alan Greenspan, who worked at that time for J.P. Morgan, already plotting to undo Glass-Steagall, together with Mr. [William] Dudley, who is presently the head of the New York Fed.

In 1987, when Alan Greenspan became the chairman of the Federal Reserve, he started to undermine Glass-Steagall, by giving more powers to the banks to speculate.

Then, in 1999, the repeal of Glass-Steagall occurred, and since that time, you have had an orgy of deregulation in the United States and in Europe. And a casino economy developed worldwide. Step by step, out of the financial system, a *monster* developed! Now, that formulation, “monster,” is not from me, but it comes from Horst Köhler, the former President of Germany, and he was the head of the IMF at one point. And we *are* dealing with a monster.

John Perkins, who wrote the autobiographical work, *Confession of an Economic Hit Man*, described with what method this system is operating toward the Third World. And if you look at the long list of crimes which the banking system has, for a long time, engaged in, you see that it long ago stopped being the servant of industry, which is what a banking system should be. They’re not working in the interest of the general welfare, as it is demanded in the Preamble of the U.S. Constitution.

The bankers have cheated their customers, again and again: The Libor scandal, which went on for decades, cheated customers in the three-digit billions; the “too big to fail” banks, the so-called G-SIFIs—global systemically important financial institutions; they have swindled their customers by selling worthless paper, like Goldman Sachs and many others; they have cooked the figures to cheat to get Greece into the euro; the Hongkong and Shanghai Banking Corp. laundered the

Mexico drug money, and made \$80 billion profit—and when they were hit with a \$1.9 billion fine, and they had calculated that based on their operating costs, this was nothing but a slap on the wrist.

So, Viktor Ivanov, who is the Russian drug czar, together with Antonio Maria Costa, who was the UN drug czar, both made, repeatedly, the point that the entire banking system would have long gone bankrupt, but for the influx of money laundered from the international drug trade.

## A Giant Ponzi Scheme

I could go on with that list. I just wanted to identify what we are dealing with: that we are not dealing with bankers and a banking system which is not legitimate, or nice; we're dealing with a system which has become systemically criminal. For example, the Madoff scandal, in which the former chairman of Nasdaq stock exchange swindled his customers in a Ponzi scheme, whereby they lost \$50 billion.

Since the deregulation of the system, I have repeatedly made the point that the entire international financial system is nothing but a big Ponzi scheme. They deliberately create bubbles, appealing to the greed and the profit hunger of the people through gambling; they lure small investors into this, and then cheat them, so you have a gigantic system of transfer from the poor to the rich. They create bubbles: the New Economy bubble, the so-called dot.com bubble, which popped in March 2000, where only \$16 trillion were wiped out, and a lot of people were cheated. Then, the secondary mortgage bubble which popped in July 2007, and where, again, prophetically, my husband had warned one week earlier, that this would happen, and that all we would see after that would be the disintegration of the world financial system—and he was absolutely on the mark.

Then, on the 15th of September in 2008, when Lehman Brothers collapsed, this, for a very short period, sent a shockwave around the world. And they invented the so-called bailout instrument, which was essentially a way of transforming private gambling debt into public state debt, and making the taxpayer pay.

That was combined with brutal austerity through the Troika—the IMF, ECB, and the EU Commission—and they destroyed about 30% of the real economy in Greece, Spain, Italy, Portugal; they ruined health systems, increased the suicide rates—in one year alone in Greece, more than a thousand people committed suicide out of desperation, and these were figures from

2010. In Greece, you have today, 64.2% youth unemployment; 60% in Spain! These countries are being turned into Third World countries.

This has been named by the United Nations, a “human rights violation.” Manuel Alegre [of Portugal] has said that what the EU policy is doing to all of Europe right now is turning it into a concentration camp, where those who are not yet going to the slaughterhouse should not rejoice, because they will be next.

So, it is a big mistake to think that all of this does not affect you. Because, in the United States, you already have pockets like Greece: Look at Detroit. Detroit used to be the fourth-largest city; it had the highest per-capita income in the 1960s, and since 1960, it has lost 63% of its population; 40% of the street lights don't function; 60% of the children are living in poverty; less than 50% of the people living there work; 47% of the population in Detroit are functionally illiterate. The murder rate is 11 times higher than in New York, and only 10% of the crimes are being solved because the police force has been cut back so much.

The bailout instrument which has been used for five years—and somewhere between \$24-30 trillion has been pumped in, to keep this afloat—has come to a certain end, because we are looking at the potential of immediate hyperinflation. So, [Fed chairman Ben] Bernanke has announced that he would slow down quantitative easing, which immediately led to an extreme volatility in the markets; the emerging market figures collapsed, and the markets reacted with extreme nervousness.

## Morgan Makes It Official

Now, if you look at the permanent bailout fund which has been created in Europe, the ESM [the European Stability Mechanism], there is a only a ridiculously small amount of EU500 billion in it; the *Financial Times* just had a column by Wolfgang Münchau, where he said that this is ridiculous, because this bailout fund is standing against EU2.5 trillion of probable bad debt in European banks alone.

So the European crisis is fully coming back. Italy will soon need a new package; Spain, Portugal, Greece, Cyprus, and then, the next big one will be France. So therefore, this can not be done with normal means. So, recently J.P. Morgan published a research paper with the title: [“The Euro Area Adjustment: About Halfway There,”](#) meaning halfway toward a banking dictatorship which has already been established—no national

sovereignty any more—but saying that the obstacle is still the so-called political legacy of countries of the southern periphery—meaning Greece, Italy, Spain, and so forth: that they still have constitutions which were made in the postwar period, and therefore have anti-fascist guidelines in them, so that has to be broken. And because the political systems of these countries typically have such features as “weak executives; weak central states relative to the regions; constitutional protection of labor rights; consensus building systems which foster political clientalism; and the right to protest if unwelcome changes are made to the political status quo.” Meaning the right to demonstrate against unjust policies.

“The shortcomings of this political legacy have been revealed by the crisis. Countries around the periphery have only been partially successful in producing fiscal and economic reform agendas, with governments constrained by constitutions (Portugal), powerful regions (Spain), and the rise of populist parties (Italy and Greece).”

Now, this is unbelievable! If you eliminate the bankers’ talk from what they’re writing here, what they’re saying is, when people are demonstrating to keep their jobs, that has to go. Trade union rights have to go. Human rights have to go. Democracy has to go. And I can assure you, much of this has already been eliminated in Europe!

The BIS, the Bank of International Settlements, at their annual meeting on the June 23, went even a step further, and said quantitative easing has to stop. Instead, there should be brutal austerity combined with the bail-in policy. The bail-in instrument has been worked on since 2009, by the Financial Stability Board, which is located in the building of the BIS in Basel, Switzerland. And the line with which this is sold is to say, “Oh, no longer should we have bailout packages, the taxpayer should no longer pay. But the banks themselves, the stockholders, the rich people, they should now pay.”

That’s obviously a whole bunch of baloney, because if you look at what the bail-in does—the so-called



*If you want to see what’s in store for every American city, look at Detroit: Since 1960, it has lost 63% of its population; 47% of the people are functionally illiterate. Shown: the former Detroit Public Schools Book Depository.*

“Cyprus template”—at a certain point, when it was clear that Cyprus was reaching a point of insolvency, they gave a “haircut” of 60% to the two largest banks; and in the three months since that happened, the real economy of Cyprus has shrunk by 70%. This country is flat: bankruptcies, unemployment; already there is a reduction in the life-expectancy. And this is just finishing off Cyprus! Cyprus under the present regime has *no* chance to come back!

So, the EU Commission, which, together with the Financial Stability Board, worked on the legislation for the bail-in, admits that this law was written by the ISDA, the International Swaps and Derivatives Association. And if you look up what that is, it is made up of the 28 too-big-to-fail banks! So they write a law that the politicians are supposed to carry out, and the bail-in simply means that there will be a hierarchy of creditors who will have to pay, but *derivatives are exempt*. Because, as they write in their explanation, some people are mistaken in thinking that derivatives are a normal form of capital, and therefore, think, for reasons of fairness, that they should also have a haircut, but this is not so; the derivatives should be exempt. And then the bondholders, the shareholders, the people who have deposits, should all be asked to contribute.

## The Intention: Shorter Lives

Now, the EU finance ministers this week agreed on this legislation of the EU Commission, and this will now go to the European Parliament to be voted on by the end of the year. So this is supposed to be the first step in the direction of a banking union, where the European Central Bank would be the bank supervision, and then the European Stability Mechanism would be put together with the cross-border resolution authority in one institution.

That means that the German savings banks would have to pay, and therefore, the people who have little deposits in these banks, pay, if, for example, a big French bank goes belly-up—and that will happen fairly soon, as we are absolutely certain of.

The Belgian online publication Express.be just reported that the EU finance ministers meeting which took place this week, based itself on a paper from the Boston Consulting Group (BCG), which is the second-largest management consultancy, a paper they wrote in 2011, which is basically a game-plan for wiping out large chunks of the financial assets at a stroke. They say that the financial system is so overindebted, that you have to have a drastic haircut, 34% across-the-board in Europe, 26% in the United States, 27% in the U.K., 47% in Greece, 56% in Spain, 57% in Portugal.

Now, if you do that, in the highly industrialized parts of Europe in the same way as the agricultural regions, you are, on the spot, *killing people on a mass basis*. Because this goes along with cuts in health care, cuts in pensions, and destruction of the real economy.

Then they say in this paper from the Boston Consulting Group, “There would have to be a clear commitment by the European governments to address the pressing issue of age-related spending increases.” Now, what that means, as you know, you have a demographic development—in Germany for example, where a lot of people are now above pension age, and you have a very slow birth rate, and therefore, there is a certain problem—which you could easily solve: If you had 3% economic growth, you could solve this problem with no trouble. But if you have zero growth, or negative growth, as we have it now, naturally these people, they think instead of a Nazi-style euthanasia, by wiping out pensions, social security, raising the retirement age, which for some people may function because they want to work, but some people who have worked very hard, who have creaky bones when they get into pension age, it is shortening their lives! And that is intended.

So this measure, this sudden haircut, would cause a deleveraging, and would risk social unrest, they say. It would cause a social explosion.

Wolfgang Schäuble, the German finance minister, at this recent meeting, proposed an 8% across-the-board cut, which was rejected, but, the BCG says, *30% and more* will be needed to get out of this crisis.

This is *totally* insane, because it would lead to mass deaths in Europe and in the United States, and it would not even address the fundamental problem, namely the \$1.4 quadrillion outstanding derivatives contracts, which according to the ISDA are to be exempt from the haircut. It would kill the people, and keep the virtual assets of the speculators.

Top EU Commission officials recently discussed, in a private circle—and we have learned from extremely reliable people who participated in these discussions—that it’s too bad, but we have to reduce life-expectancy to 66 years—we can’t pay these pensions.

Also, it is discussed in Europe at this point, that the national budgets, this year, will have to pay an additional hundred billion euros or so into this European fund which is supposed to be created.

So, the bail-in policy would wipe out everything that is good—the real economy, wages, pensions, social systems; and it would keep the worthless speculative area alive. Therefore, we absolutely have to go on the warpath, and say: “No more bailout, and no more bail-in!” We have to stop the robbery against the part of the economy which is still productive, stop that which enhances the waste system. This is why LaRouche has basically proposed recently that the United States has to call in all those unpayable debts from the big London and European banks, and that has to be done preemptively, before this bail-in policy sets in. It has to be done now. It would be the equivalent of an immediate margin call to that debt, and then the utter bankruptcy of these banks and their U.S. counterparts will be obvious.

Obviously, it has to be followed, instantly, with the implementation of Glass-Steagall by the U.S. Congress, and something like a Resolution Trust Corp. could be created, which was used in the Savings & Loan crisis. Glass-Steagall would then separate the banks: You would put the commercial banks under state protection, and the investment banks will have to take care of themselves, without taxpayer money, without bailouts; and if their books then reveal they’re in the red, too bad; then they have to declare insolvency.

So, then, naturally, it has to be followed by a credit

system, which immediately restores growth, creates productive full employment, and, as we all have worked on for quite some while, and will hear more about, NAWAPA has to be the immediate driver of the U.S. economy, creating 6 million jobs, as only the beginning.

### A Global Versailles Treaty

Let's look briefly at the history of what we are dealing with. Because the BIS-EU Commission-J.P. Morgan bail-in scheme *is*, de facto, a repeat of what the Versailles Treaty did to Germany after the First World War—only this time, they want to apply a Versailles Treaty to the whole world.

At the end of World War I, the Allies came up with the verdict that Germany was the sole guilty party of World War I, which no honest historian today is claiming any more, and it is completely absurd, if you consider the British role in the geopolitical manipulation of the chessboard, which started with the ouster of Bismarck as the Chancellor, after Bismarck had transformed Germany from a feudal state into a highly industrialized nation, based on the American System of economy! Because Bismarck completely changed after he learned the theories of Henry C. Carey, and started to reject free trade, and establish protectionism instead.

Out of this, came the building of the Trans-Siberian Railroad, between Germany and Russia, and other parts of Europe; and that was why, then, the British came up with the theory of geopolitics: Mackinder, Milner, and Haushofer, saying that whoever controls the Eurasian heartland, will control the planet. And this puts at a disadvantage the Atlantic rim countries.

The British role in preparing the stage for World War I, is well documented, and you can find it in our publications. The Versailles Treaty put the entire war preparation cost on Germany, which at that point was 169 billion gold marks. This was 295% of the German Gross Domestic Product, which, if you apply that for U.S. figures for 2012, where the Gross Domestic Product is \$15 trillion, it would be the equivalent \$44.25 trillion, the U.S. would have to pay! Or \$4.425 quadrillion over three generations.

These payments were demanded by France, Britain,



Bildarchiv/Creative Commons

*The Versailles Treaty imposed the entire cost of World War I on Germany. To pay the reparations, the Reichsbank turned on the printing presses, leading to the famous Weimar hyperinflation. Here, thousands demonstrate against the Treaty in front of the German Reichstag, May 1919.*

Belgium, and Italy, which, in turn, owed the funds to the City of London and Wall Street. And one of the banks that mediated that was the Morgan bank, run by J.P. Morgan, Jr.—John Pierpont Morgan, Jr.—and according to the statement of the bank itself, it played a significant role in the financial victory for the Allies. For example, in September 1915, it financed an Anglo-French loan of \$500 million, which was the largest loan that Wall Street, at that time, had ever made; and it was used to buy weapons, because J.P. Morgan was also the U.S. Commissioner for this period.

Now, there was no way the German economy could pay this. So, as is known, the Reichsbank started to print money, and by the spring of 1923 when the French Prime Minister Poincaré and the Belgian King said we want more payments, and the Germans couldn't pay, they occupied the Rhineland to confiscate the coal directly. And then, between Spring '23 and November, the hyperinflation exploded, and the whole thing came to a standstill, where people, at the end, were bringing reichsmarks in wheelbarrows until 12 o'clock, because at 12 o'clock the next inflation rate was fixed, and the money was worth nothing any more.

At that point, the Allies designated ten banks from five countries under the leadership of Charles Dawes, a banker selected by J.P. Morgan, aided by Owen Young, another J.P. Morgan banker, and in 1924, the Dawes Plan was signed in London. It included a reform, under

which the French and Belgian troops were withdrawn, there was a reduction in the yearly payments, a reform of the Reichsbank, and the Allies decided to put in Hjalmar Schacht as a director of the Reichsbank. He was a board member of Dresdnerbank and a founder of the German Democratic Party.

Schacht worked closely with J.P. Morgan, and they issued an 800 billion reichsmark bond, supposedly for industrial and infrastructure development, to enable Germany to pay back more of these reparations. In reality, that money went largely into a network of financial firms which were allied with J.P. Morgan—IG Farben and others—who became the financiers of Hitler.

### **And Then Came the Crash**

In 1928, it was clear that Germany could not pay these exorbitant sums, and they decided on a new bail-out plan, the Young Plan, who again was a Morgan banker. Now, the negotiations to implement that started in February 1929, between Schacht and J.P. Morgan, who was the U.S. negotiator. But then came the big Wall Street crash in October '29, and nobody could give any credits any more to anybody. And at that point, Germany was put under an *extreme* austerity regime under Chancellor Brüning, which caused, between 1929 and 1932, unemployment to rise from 1.5 million to 6 million—*without which, Hitler would not have been able to take power*. And naturally, Hitler was financed by some bankers from London and New York, Montagu Norman, Averell Harriman, Prescott Bush. There was a big affinity with the American Eugenics Society, which had worked with the Nazis since the 1920s, because they liked Hitler's race policy.

These were the circles who were involved in the coup attempt against Franklin D. Roosevelt, who tried to convince Maj. Gen. Smedley Butler to make a coup against Roosevelt, which did not function, because Butler revealed it to the U.S. Congress and the media.<sup>1</sup> So this is what we are dealing with. And obviously, by their own admission, these people, such as the Boston Consulting Group and others, have put themselves in that tradition, by referring to the 1930s.

The lesson to be learned from all of this, is that the combination of the debt tyranny and Schachtian economics breeds fascism. When the BCG says, "Programs we describe would be dramatic, and they would not be popular. The longer politicians wait before they

implement them, the more necessary they will become. Unfortunately, reaching a consensus is a tough question and might require an environment last seen in the 1930s." Now, that is the policy which the EU finance ministers just agreed on, with their bail-in policy: It's open fascism.

In 1971, Lyndon LaRouche debated one of the leading Keynesian economists, Abba Lerner, at Queens College in New York, and he got Abba Lerner to admit: He said, "If people would have accepted Hjalmar Schacht, we would not have needed Hitler." Now, the EU finance ministers just accepted Schacht.

The trans-Atlantic world is in a debt trap just like the Versailles Treaty. The quadrillions that Germany had to pay are the equivalent of the quadrillions in outstanding derivatives, which are presently about \$1.4 quadrillion. And if you reduce that by half, because this is the amount which goes to the counterparty in the derivative contracts, it still would leave a sum between \$700 and \$800 trillion as compared to a *meager* EU500 billion in the European Stability Mechanism!

The Versailles bail-in policy holds the world hostage to the past. And as you know, that led to World War II, hyperinflation, and the Great Depression. Today, I can assure you, if we don't change that, it will lead to World War III, but much faster. Because if you look at the situation in Syria and Iran, which is already a powder keg, one more step, and this will go into an escalation without any stopping it.

There was recently a paper published in the *Strategic Studies Quarterly*, of the U.S. Air Force, which said, blatantly, that the previous NATO strategy of Mutual Assured Destruction (MAD) is no longer valid, meaning that you can not use thermonuclear weapons, because if you do, then everybody eliminates each other, and there's nothing left; because, they argue, now, new technologies have developed, which allow you to take out the nuclear arsenal of your opponent, without nuclear fallout.

That is going from MAD to sheer madness!

### **Realize Cusa's Mission**

Now, the Glass-Steagall policy, and what FDR did, has shown how we can get out of the depression. Lyn, in the webcast last evening [June 28; <http://larouchepac.com/>], which you should absolutely all look at, called for a national campaign for the real Glass-Steagall; what it really means: What are the principles of a credit system? What is the image of man associated with it?

1. See "Wall Street Backed the Plot To Kill FDR," *EIR*, Oct. 21, 2011.

And I think we have to be committed to a sacred mission in the United States to adopt Glass-Steagall. Because the United States *can* do it! Because you have the precious good of national sovereignty, even if it's in danger. You have the Preamble of the Constitution; you have the Declaration of Independence; and this is a very, very precious good.

Because if you look at the evolution of the sovereign nation-state, it was combined with enormous struggles. It's not something which evidently was there! Because in the Middle Ages, you had imperial structures; the papacy, and the emperors, were a universal system, and you did not have states. So, it took enormous struggles to come to the first sovereign states, which were implemented in England by Henry VII Tudor, and in France by Louis XI, and in Sicily by Frederick II Hohenstaufen.

But it took Nicholas of Cusa and his very important, groundbreaking writing of the *Concordantia Catholica*, where, for the first time, the representative system was elaborated, including the idea of the equality of all human beings before the law, defining that government has a legitimacy, only with the consensus of the governed.

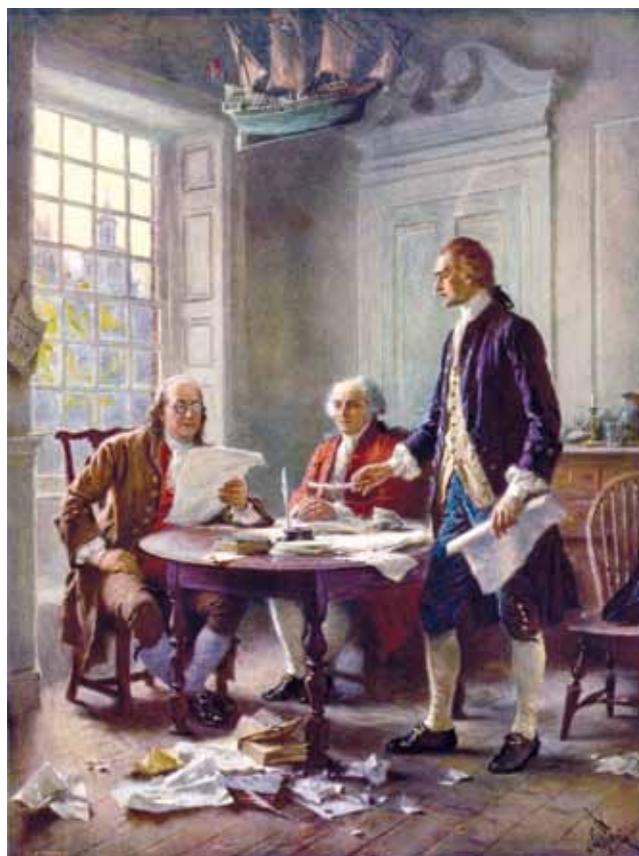
This, obviously, is a real question, in light of the recent NSA developments, because there is no consent of the governed. And I think that that has to be invoked again.

Nicholas said that this consent of the governed to be ruled, is a human right, not only for Germany, but for all people in the world. He said, even in places far away like Ethiopia, people should have the same right. So, he defined it as a universal principle.

He also said that all legitimate authority results out of the chosen concordance, and the voluntary submission of the governed, because of the fact that all human beings are endowed with equal natural rights; that there is a divine seed, so that all authority, which comes from God, as from man himself, is regarded as divine if it results from the consent of the governed. Therefore, a system of equality before the law, the representative system, where the representative has to fight for the rights of the governed, *and* represent the right of the government, is the *only* way that the inalienable rights of all individuals can be protected.

This was written by Nicholas of Cusa in 1433, and it took exactly 343 years before it was realized in the U.S. Declaration of Independence and Constitution.

Now, in Europe, we have some constitutions



Creative Commons

*Nicholas of Cusa's concept, that Man is endowed by God with inalienable rights, is the principle on which the American Republic was founded. Shown: "Writing the Declaration of Independence, 1776," by Jean Leon Gerome Ferris (ca. 1921), featuring Franklin, Adams, and Jefferson.*

which are approximations of this, but never in the forceful way that the American Constitution defines it. Also, we lost all sovereignty already to the EU dictatorship.

Therefore, that leaves a very special responsibility to *you*, to the American people, and to the U.S. Congress, because it is the representative of exactly this representative system.

So let's organize a *passionate* campaign, to say what we used to say in 1945: "Never again!" I appeal to you, the American people, to once again save the world from fascism.

We have a world drama, but it does not take place on the stage. It is real history, and *we*, our organization, are the main actors. So let's make sure it does not end as a tragedy, but instead, it is the beginning of a new paradigm, of a second American Revolution, and a new Renaissance for all of Mankind.

# Glass-Steagall Will Revive The Economy of Living People

Well, let me say that, what I'm going to deal with here, is an important question and a rarely understood question. It deals with the question of economy, the principles of economy in which I am somewhat of an expert, and goes into the question of Glass-Steagall.

There's a difference between the economic roles of animals and people, and the rates of creativity among men or beasts. The recent decline of the trans-Atlantic economies, including that of the U.S.A., has threatened the doom of civilization, now. The Queen of England, the Queen Empress of much of the world, for example, is actually, in a sense, what we have to oppose in dealing with this.

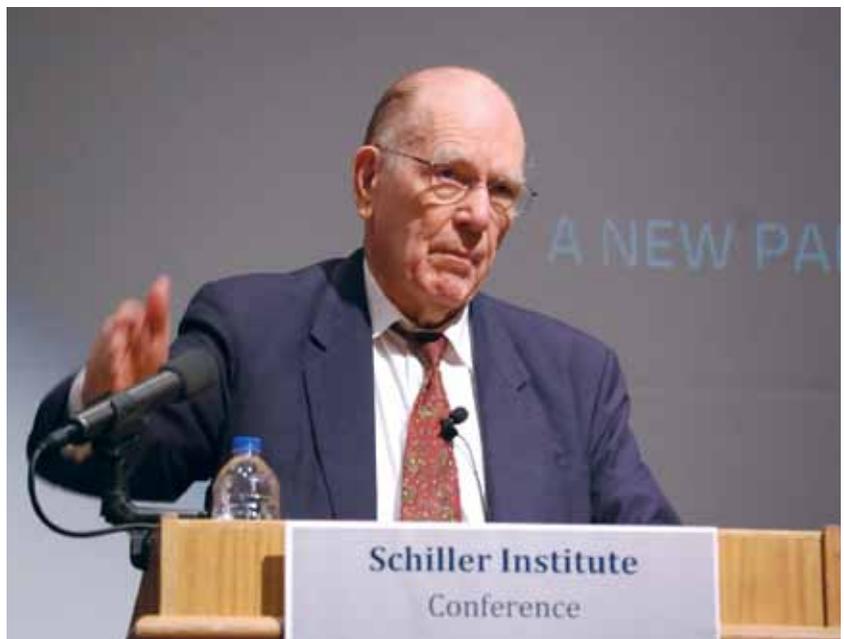
The national economy, the economy of living people, which I'm addressing now, takes into consideration the actual physical effects on the economy and on the population. The method that is generally used for economy is based on sense-perception. It's based on simple sense-perceptions of observation, and that does not work. Because the fact is that the ordinary economic measures of comparing the amount of money you spend, to the amount of result you get, is misleading.

We have, in the course of recent years, or recent decades—actually, it goes back to the 1960s—that we have lost our productivity per capita; the United States is no longer as productively efficient as before. Other things, which do not contribute to the actual net physical output of economy, have taken over, and the increase of this process has brought about a breakdown of the entire trans-Atlantic economic region. There are somewhat different reasons for Europe's collapse and that of the United States. The United States is still stronger, because of our political structure,

than the nations of Europe, which are on the verge of a general breakdown.

However, in the United States itself, the hyperinflation which is existing here, and the crushing of the net output of production inside the United States, have brought us, first of all, to a straight physical tendency for a breakdown; but it also is worse, because we have a hyperinflationary factor in terms of the Wall Street crowd and the corresponding British elements. These elements have brought us to the point of a general breakdown.

For example, the amount of debt which is represented by Wall Street and by similar organizations in Europe, vastly outweighs any true value of what is produced in the United States or Europe. We're on the point of a *general collapse*, because the debts represented by the Wall Street crowd and similar kinds of things, are so vast, relative to a collapsing rate of net physical output in our U.S. economy, that we are on the



EIRNS/Stuart Lewis

verge of a total breakdown. And only if we address *that* particular problem, can we expect to deal successfully with what threatens our nation, in particular, right now.

We are crucial. If we proceed as I would propose, the economy of the United States, the physical economy, will have a certain effect which is very significant. First of all, what's happened is, that what we spend, because of the collapsing rate of productivity in our economy, which is part of the green policy, has caused the greatest rate of collapse of net productivity the United States has ever experienced. So, you can blame the green policy, which was pushed, of course, by George Bush and other people of that type, and now, Obama; that these people and their policies are bringing us to a point of absolute breakdown.

If we were to agree to actually pay the demands of the international, that is, the trans-Atlantic in particular, region, then we would be wiped out quickly. And, in matter of fact, those debts, as of now, *will never be repaid*. Which means, as we've seen recently, that we had a formula called the "bail-in." What this means is that the debts, the undeserved debts, of the speculators are gobbling up all that's left of the possibility of real incomes inside the United States, as in Europe. So therefore, what we're heading toward is a point at which the bail-in process, is accelerating to the point that *there is nothing much left for the population of the United States*. In fact, now, the discussion is, to eliminate all people who are living, who are presently in their 60s! That's the current policy.

In other words, the point is coming where they will never pay these debts; they never *could* pay these debts! The speculative banking systems of Europe and the United States, *could never pay these debts*, and therefore, *never will*. And if you are one of the people who is being cheated, your case would seem to be hopeless, unless we bankrupt them instead.

### **Glass-Steagall: Bankrupt the Speculators!**

Now, that could be done very simply: Just take Glass-Steagall, as it was originally installed under President Franklin Roosevelt, and that itself would simply call into question every amount of this speculative investment, by the speculators of Europe and the United States. And if we held our ground, *they would go bankrupt*.

Well, that's not a catastrophe, because they didn't have any wealth to speak of, really. They were just looting us, looting our people, looting the world. So there-

fore, the Glass-Steagall policy, if instituted now—as we're on the verge of reaching the goal of reinstating Glass-Steagall—would shut down all those things which are worthless values, both in Europe and elsewhere, as in the United States. So this reorganization, of putting the speculative parts of the system into bankruptcy reorganization, at the same time we put in Glass-Steagall, would mean that we can immediately launch the process of a recovery of the U.S. economy. And other nations, in parts of the world, could do the same thing, or do something similar, for example, as in Europe or elsewhere.

But it means *bankrupting the speculators!* These guys have incurred debts in the quadrillions, that they can never pay. Therefore, they should be foreclosed, as swindlers and bankrupts, and relieved of their debts, by eliminating their possession of those debts as assets. That would enable us to restart a recovery of the economy in the U.S. itself, but would also provide the stimulus and incentive for Europe to do something similar. And other nations to cooperate similarly.

We're presently on the verge of several things: First of all, we're headed in the direction of thermonuclear war, global thermonuclear war. Now, we have powerful forces, such as Gen. Martin Dempsey [chairman of the Joint Chiefs of Staff] in the United States, whose particular assignment is to prevent that from occurring. And that's very valuable. But the danger still exists.

So therefore, what we have to do, is make sure that the debts—European and other debts, the speculative, gambling money—do not become a means of threatening wars over financial and related issues. We simply have to insist, we're going to bankrupt, close the books on all the undeserved claimed assets of the speculators in the trans-Atlantic and other regions. That will enable us to launch a recovery.

However, the recovery is not so easy. Because if you look at our agriculture sector, the Western plains, out toward California: Look what California *used* to be! It was a prize in World War II and on. And then it was crushed and looted. We have farmers committing suicide, because they've lost their careers, they've lost the meaning of their lives as farmers. Bankruptcy throughout this region; sudden collapse of households; more bankruptcy. We've lost the cattle we used to have in California. We've lost the ability to grow crops in the middle of the United States, because we've allowed things to run the water supplies down so low! We've killed our cattle!

We don't have the means to sustain the economy. We have a bunch of clowns, who are taking the food-stuffs, the food produced, and turning it into gasoline, or similar kinds of things! And that amount of looting of the food supplies which were produced, and turned into kerosene or something like that, is actually creating a threat of *mass starvation inside the United States itself*.

So what this means, essentially, is, first of all, we have been greatly injured, actually since the assassination of John F. Kennedy. We have been actually on a measureable, physical decline, in the productive powers of labor per capita in the United States, since we got involved in the Vietnam War. That Vietnam War was a turning point from what had happened under President Kennedy, and now has turned us into losers. It's been a long process. We've had some Presidents who meant well, but didn't succeed too well, and we've had other Presidents in more recent years, who have actually been part of the process of destroying the U.S. economy, and bankrupting and looting the American people! And those kinds of Presidents, of course, should not be kept in office in the United States at these times.

But we have a situation where we have a hopelessly wrecked situation, in the western and central area of the United States, and in California, which used to be the richest part of the United States. And this has been done, by a matter of policy which has been launched under several Presidents of the United States. In other words, our own people, our own citizens, have collapsed and have caved in to these kinds of policies. Now, the time has come, we're past the point that we could really be prosperous ever again, in terms of current trends, and therefore, we now have to think about not only stopping this stuff, foreclosing these kinds of speculative operations which are ruining us, but also, beginning to build up again, build our economy up again.

It's going to be difficult. And it's going to require a cessation of the emphasis on the so-called green policy. If we continue the green policy, which is why people are turning foodstuffs into gasoline—that thing must be stopped. That must be cancelled. No more conversion of precious and short food supplies into fuels. It's a very "fuelish" thing to do!

So that's where we stand.

## **We Have To Fight Our Way Back**

Now, if we wish to recover, we can. The means exist. I know the means. But it's going to be tough. We

don't have the ability to grow food, in areas such as California, which is one of the richest food suppliers in the United States, or in the Central Plains regions, or down in Texas. The loss of cattle in particular, is grievous. And there's no hope right now for any significant sudden recovery. We're going to have to fight our way back.

We're going to have to go to more thermonuclear technologies, in order to accelerate our ability to increase the usable power needed for, say, a NAWAPA project, to rebuild the economy that we lost, since the deaths of the Kennedy brothers, back in the 1960s.

It's been a march, step by step, down, down, down, down, down! And the time has come, where you had Presidents who were not such bad people, but they didn't perform too well, or they weren't able to perform too well over other people who were controlling them, and we've had Presidents who were skunks, particularly recently. I can think of prominent cases of real skunks. And we don't need those.

So we have to have a fight, and to win the fight, we've got to go with the Glass-Steagall policy; we've got to take and try to get it on an international basis, not just a U.S. basis, and use that as a basis for organizing a recovery of the economies, which means the standard of living, food supplies, and so forth of the relevant people. And if we do this, we will free ourselves of the *current, very deadly and growing threat of a thermonuclear war*.

A thermonuclear war, which, if started in the eastern part of the Mediterranean region and neighboring places, and spreading to other places, if it occurred, would mean the virtual extinction of the human species.

Now, General Dempsey, our General Dempsey, and other people of similar persuasions, have been working hard to fight against that possibility! But the possibility is nonetheless still growing, and it's growing because our President of the United States currently *is for it!* The British monarchy is for it, though many Britons themselves, otherwise, are not. And there are similar things spread throughout Europe.

So we're at the edge, where unless we have a general reform, which takes down the political power of certain forces in the United States and elsewhere, who are responsible for the various kinds of susceptibilities and other problems we have; unless we take that down, we could lose it. We could lose it all!

And anyway, the fact is, the policies that have been creeping in, more and more, in the United States, since

the beginning of the 1970s—those policies are the things that, gradually, step by step, have ruined us so far. And I think nobody who's serious, would deny that we've been ruined, especially people who remember what it was like in the 1960s or even earlier. We have been ruined.

We can get it back. We're not going to get any bonanzas suddenly; we're going to have to work hard to deal with this problem. But if we do, we can exert the kind of leadership which the United States has represented in its entire life since our establishment of our Constitution. That standard can be revived, and that courage and confidence can be revived.

And if we do that, we'll immediately save our nation from the great dangers which threaten us now, but it will also open the opportunity and the stimulus, for gathering in other nations to cooperate with us, nation, by nation, by nation—sovereign nation, by sovereign nation, by sovereign nation. No empires, none of these double things. If we do that, we can have won back our republic. And more than that, we can have turned the direction of the movement of human development away from the downslide, the catastrophe which strikes us now, and begin to move things, with cooperation

among nation-states, all the way up!

It's the only option we really do have! There are no schemes or other options waiting out there, to deliver a miracle to our shores. We have to do it.

## The Only Option

Now, in terms of how this could happen: If we wish to, we can restart our economy immediately with Glass-Steagall. In fact, the idea of using Glass-Steagall or similar kinds of measures among other nations, would work, but it's going to be a little bit difficult. So therefore, we're in a situation, where if we can get that kind of cooperation by our initiative, we will find ourselves able to assist nations in Europe and elsewhere to do something approximate, at least, to what we will be doing by reestablishing Glass-Steagall as our national standard.

If we bring people together on the basis of our national standard of that quality, they may not all accept Glass-Steagall as such, but they will accept something which goes in the same direction. On that basis, we have a basis for productive cooperation, and with productive cooperation, the hope of the world is great, because a relief from the kinds of *ugly, crushing oppression*, which hits the United States now, and hits nations in Europe, continental Europe in particular, *worse* in the main than it's hitting us—we bring those forces to join together in cooperation, to eliminate this speculation, eliminate this fake money, eliminate these fake promises, and get back to a hard dollar, get back to the policies that go with a hard dollar, in the tradition of our nation.

That can work, but it's the *only option* we really have. And beyond that, anything better means that we stir up the imagination, the creative imagination among at least some of our people. And that revival of that kind of imagination, of creative imagination, is the one thing which can promise us the kind of future we can now see, that a simple action by us, could do for the United States.

*Glass-Steagall will save the United States*, provided, that the condition of other nations does not drag us down. If we do Glass-Steagall in the immediate days and weeks ahead, that will assure that this nation is going to continue to live, and survive. And if we do that, nations in Europe which are tied into other agreements and other arrangements, will *abandon* those relationships and join us! And they, too, will tend to join with the idea of a Glass-Steagall system, rather than the kind of swindle which is operating now.

That's our best option. We can do that. And well, anyway, that's what I have to say.

## REVIVE GLASS-STEAGALL Now!



LaRouchePAC is now leading a nationwide effort to push through legislation for Glass-Steagall

([www.larouchepac.com](http://www.larouchepac.com)).

**WATCH** the LaRouchePAC video:

**'Glass-Steagall: Signing a Revolution'**

**SUBSCRIBE** to EIR Online

[www.larouchepub.com/eiw](http://www.larouchepub.com/eiw)

toll-free: 1-800-278-3135

e-mail: [fulfillment@larouchepub.com](mailto:fulfillment@larouchepub.com)

"The point is, we need Glass-Steagall immediately. We need it because that's our only insurance to save the nation.... Get Glass-Steagall in, and we can work our way to solve the other things that need to be cleaned up. If we don't get Glass-Steagall in first, we're in a mess!"

—Lyndon LaRouche,  
Feb. 11, 2013

# The President Must Consult Congress Before Going to War

*Congressman Walter Jones delivered this message by [video] to the Schiller Institute Conference in San Francisco, June 29, 2013.*

I am pleased to be speaking to the Schiller Institute conference on a “New Paradigm for Mankind: A Second American Revolution,” in San Francisco.

I am Walter Jones. I represent the Third Congressional district of North Carolina, which is the home of Camp LeJeune Marine base. I want to talk about two issues. One actually happened today.

I participated in a bipartisan news conference. Even Senator [Rand] Paul [R-Ky.] came over from the Senate to participate. He has put in a Senate bill—we have a House bill that says *no funds* going to the rebels in Syria, unless Congress debates and votes up or down. This would be a rarity, quite frankly. We in Congress no longer debate whether we should send our young men and women to war. That’s the tragedy of the world we live in now.

No President, be he Democrat or Republican, should have the authority to commit a young man or woman to die for this country, unless the Constitution is followed, which requires Congress to debate and vote to declare war. That, we all know, has not happened since World War II.

But it’s even gotten worse. If you remember, the current President bombed Libya. Yes, Qaddafi was an evil man—we all agree with that, and probably should have been removed, but not that way. We have a Constitution. The President, in my opinion, should have come to Congress and said, “I believe I have a justification to

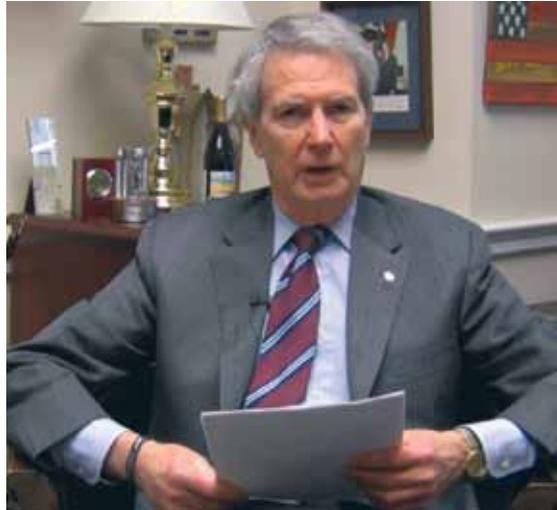
remove Qaddafi from Libya.” That never happened.

What did happen, according to what I understand, is that he called the leadership of the House, the leadership of the Senate, and said, I’m sending jets to bomb Libya. That is not the greatness of America.

I have introduced a resolution, actually, called H.Con.Res. 40, that says—I’ll read it to you very quickly:

“Expressing the sense of Congress that the President is prohibited under the Constitution from initiating war against Syria, without express Congressional authorization, and the appropriations of funds for the express purpose of waging such a war.” That is the Constitution. That’s not Walter Jones—that’s the Constitution.

I just put this resolution in two days ago, and those of you who agree with my resolution that we should debate before we commit our young men and women to war, maybe you could contact your Member of Congress, and ask him or her if he or she would join by co-sponsoring H.Con.Res. 40.



## Reinstate Glass-Steagall

In addition, there’s an economic issue I’d like to speak about very briefly, and that’s called Glass-Steagall.

We in Congress need *you* to contact your Members of Congress to join us in an effort to reinstate Glass-Steagall. I am a co-sponsor of the bill introduced by Marcy Kaptur [D-Ohio], that will reinstate Glass-Steagall. I think we’re up to about 60 or 62 Members of Congress now. We need to get somewhere around 150 to 160 Members.

We also need for you to contact the leadership of both parties, in Washington, D.C., and ask them to bring legislation to the floor that would reinstate Glass-Steagall. Our country is in deep economic peril, and my concern is that if we do not show some strength by reinstating Glass-Steagall, then our country will be headed for trouble.

Thank you for giving me a few minutes of your time to talk about these two issues. I hope you have a great conference, and let’s work together to save America. Thank you.

# Egyptians Move Against Muslim Brotherhood

by Dean Andromidas

July 9—The claim that the Egyptian Army carried out a coup against the “democratically elected” President Mohamed Morsi is base sophistry. Both Adolf Hitler and Benito Mussolini were “democratically elected,” and like them, Morsi used his mandate to systematically seize authoritarian powers, including legislative and executive powers that were beyond judicial oversight. Like President Barack Obama, he failed to keep his electoral promises, and was well on his way to entrenching the rule of the Muslim Brotherhood.

*Tahrir*, an independent Egyptian daily, on July 4, ran an English-language headline at the top of its front page, addressing Obama directly: “It’s a Revolution . . . Not a Coup, Mr Obama!”

As soon as Morsi was removed, Egyptian Army Chief of Staff Abdel-Fattah al-Sisi named Adly Mahmoud Mansour, head of Egypt’s High Constitutional Court, as the transitional president, with the mandate of overseeing the drafting of a new constitution, and for holding fresh elections. The Muslim Brotherhood’s Freedom and Development Party has been invited to participate in this process.

## Regional Implications

The overthrow of the Morsi regime came as a powerful reaction to the imposition of the new Sykes-Picot<sup>1</sup>

---

1. The Sykes-Picot Agreement, concluded on May 16, 1916, carved up the Arab provinces of the Ottoman Empire outside the Arabian peninsula, into satraps under British and French imperial control.

policy across the region, which began with the two-year-long effort to violently overthrow the Syrian regime of Bashar al-Assad, and could end with a new world war. The Muslim Brotherhood is functioning as part of this Anglo-Saudi alliance, backed by Obama, against Syria. The Egyptian developments followed mass demonstrations in Turkey this Spring, which protested not only the growing authoritarian policies of the Islamic Justice and Development party (AKP), but also its support for the overthrow of the Syrian government.

Morsi came to power as a result of the hijacking of the “Arab Spring” by the Anglo-Saudi-backed alliance of radical and al-Qaeda-linked terrorist Islamic groups, of which the Brotherhood was a key partner. This alliance transformed Libya’s Arab Spring into a bloody civil war supported by military intervention of Great Britain, France, and the United States, that has left the country in chaos, and the Libyan people at the mercy of armed bands.

The transformation of the Syrian Arab Spring has gone even further, threatening to create a bloody sectarian conflict between Sunni and Shi’ites throughout the region, with the potential for an attack on Shi’ite Iran, and ultimately a nuclear confrontation between the United States and Russia.

The turning point was reached last month, when neocon and “humanitarian interventionist” factions in Washington demanded that the U.S. military bomb Syrian military bases, a plan that was vigorously opposed by the Chairman of the Joint Chiefs of Staff, Gen. Martin



YouTube

*Following the unprecedented turnout of an estimated 8-10 million Egyptians in mass rallies, like this one in Cairo, calling for Morsi's ouster June 30, the Supreme Council of the Armed Forces acted on its "civic duty," and relieved the president of power.*

Dempsey. Despite the Pentagon's opposition, Obama announced that military aid would be sent to the Syrian rebels, on the dubious grounds that the Syrian Army had used chemical weapons against its own people. That claim has been vigorously disputed by both the Russian government and the United Nations special investigative team that has been given access to the so-called "proof" assembled by Britain, Israel, France, and the U.S.

Within days of Obama's announcement that the U.S. would begin arming the Syrian opposition, Morsi ordered the cutting of diplomatic relations with Syria, while the Egyptian Muslim Brotherhood held a conference, which Morsi addressed, calling for jihad and foreign military intervention against the Assad government, while attacking Syria's allies, Iran and Hezbollah, as Shi'ite "infidels."

"Army concern about the way President Mohamed Morsi was governing Egypt reached the tipping point when the head of state attended a rally packed with hardline fellow Islamists calling for holy war in Syria," reported Reuters July 3, citing unnamed Egyptian military sources.

According to Washington sources, the Egyptian Army kept its American counterparts fully informed about the plans to remove Morsi by no later than July 1, the day that the top Egyptian commanders made their

decision to move. After an estimated 8-10 million Egyptians turned out in mass peaceful rallies on June 30, demanding Morsi's removal, Egypt's Supreme Council of the Armed Forces (SCAF) determined that it was its "civic duty" to deliver on the popular demands.

Thus, the Egyptian Army's actions did not constitute a military coup. Furthermore, in deliberations between Egyptian military leaders and their American counterparts, including Secretary of Defense Chuck Hagel, JCS Chairman Dempsey, and Central Command head Gen. Lloyd Austin, the U.S. made clear that the Army could not resume power, but needed to create a civilian interim government and move to the drafting of a new constitution and popular elections immediately.

The removal of the Morsi government is bad news for Turkey, whose ruling Islamic Justice and Development Party had not only forged strong political ties with Morsi, but also shared his anti-Syria policy. While the Turkish government denounced the Egyptian Army for launching a "dirty coup," one Turkish commentator wrote in the *Hurriyet Daily News*, "If the hijacked 'spring' can be claimed back in Egypt . . . we have to be ready to see the fallout in the rest of this region. That won't be good news for the AKP. . ."

Birol Akgün, of the Ankara-based Institute of Strategic Thinking, told *Today's Zaman*, "It is not possible to

expect the Turkish-Egyptian partnership, which flourished during the era of Morsi, who used to place great importance on ties with Ankara, to continue after this moment. It will be tough for Turkey to receive the same support from the Egyptian army regarding its Middle East policies. If the coup situation lasts for a while, Turkey's policies in the region will receive a major blow."

### Renewing the Revolution

Egypt's interim president, Adly Mahmoud Mansour, in his swearing-in speech, thanked the "great Egyptian people: the master, the leader and the source of powers," for giving him the honor of serving as transitional president. Hailing the people for bringing the "glorious" 2011 revolution back on track, Mansour called for staying loyal to the ideals of the revolution, and ending "the worship of the ruler." Thanking the army, the judiciary, the police, and the media for their roles in the momentous turnaround, he declared that the only way to express the true will of the people is through a free, democratic, and just future, secured by genuine presidential and parliamentary elections.

On July 4, the National Salvation Front (NSF), the alliance, led by Nobel Prize laureate Mohamed ElBaradei, that brought nearly one half of the nation's electorate into the streets June 30, issued a statement declaring, "what Egypt is witnessing now is not a military coup by any standards. It was a necessary decision that the Armed Forces' leadership took to protect democracy, maintain the country's unity and integrity, restore stability and get back on track towards achieving the goals of the January 25 Revolution...."

The statement declared that chief-of-staff al-Sisi's decision to remove Morsi and suspend the constitution he had put in place, was made only after consultation with the Grand Imam of Al-Azhar, a prominent authority in Sunni Islam, and the Pope of the Coptic Christians, as well as the NSF, and a representative of the Salafist al-Nour Party. Al-Nour took part in the "rebel" campaign that organized what many consider to have been the world's largest demonstration ever, on June 30.



U.S. State Dept.

*Egyptian Army Chief of Staff Abdel-Fattah al-Sisi, consulted with religious leaders, the National Salvation Front, and the al-Nour Party, before removing Morsi and suspending the constitution.*

### Dangers Ahead

The new revolution faces two dangers. The first is the danger that the Muslim Brotherhood—whose paramilitary force is considerable—will orchestrate an orgy of violence and terror by deploying its broad underground apparatus to turn Egypt into a new Syria.

A UN panel of experts has been investigating the massive smuggling of U.S., British-, and French-supplied weapons poured into Libya to overthrow the government of Muammar Qaddafi, which are now flooding into Syria, Egypt, and other countries. The just-released UN report documents that huge amounts of weaponry, including small, light, and heavy weapons,

and thousands of rounds of ammunition, have been smuggled into Egypt. These weapons have fallen into the hands of criminal, as well as radical extremist, groups. Already, well-armed al-Qaeda-linked terror groups are operating on the Sinai Peninsula.

The core danger is the collapse of the Egyptian economy, the same condition that fueled the original Arab Spring. Morsi, who promised economic miracles, in reality, spent his mandate in consolidating and entrenching the power of the Brotherhood. The fact is, that Morsi's U.S and British backers did nothing to economically develop the country, which has led to soaring unemployment, collapse of industry, electricity shortages, and a deterioration of the general welfare.

The only hope for Egypt is the implementation of Glass-Steagall in the United States and Europe, which will replace the current genocidal financial system with a true credit system, that will extend massive low-interest credits for the development of infrastructure and industry. The necessary water, transport, and industrial projects have been outlined in great detail in the La-Rouche movement's Emergency Program for an Economic Miracle in Southern Europe, the Mediterranean Region, and Africa. This report features a chapter on the "Africa Pass" which seeks to integrate the Nile Basin, from Egypt through Sudan and the Great Lakes region of East Africa, through the development of water and transport infrastructure.

## Events Are Shaped By Outside Forces

*The first question to Lyndon LaRouche, during his July 5 webcast (www.larouchepac.com), concerned the revolutionary developments in Egypt. Here is what he had to say:*

All is on a stage. These are not actions which are motivated by the immediate interaction of forces in Egypt. This is a global operation, with global partisans orchestrating Egypt as a stage on which the performance is presented. But this is not the cause or origin of what's going on in Egypt. And you see, obviously, in the past couple of days, we've seen orchestration which can only be attributed to further outside manipulations. And we can assume that, of course, Obama is very much involved in trying to manipulate the people on the stage, as actors, as such. And there are other forces are doing the same kind of thing. . . .

What happened was: A successful—in the short term—staging was pulled. The U.S. military played a role, together with the Egyptian military and others, to try to pull something off which would be a peaceful solution to what was being done to try to create a crisis which would spread throughout the whole region. So, therefore, the peace was achieved; the people who spoke were at peace—largely at peace, at least.

What happened? Well, somebody else put a hand in, and changed everything. So, now in the recent two days, the last 48 hours, there's been a change in the situation, because somebody orchestrated to *create* the effect of a change in the situation! The change in the situation did not occur in Egypt; it occurred in those who were pulling strings from outside, into Egypt.

And that's the way we have to look at this thing. Now, of course, Obama is a key factor. The British are a factor. Saudi Arabia is a major factor. You have other factors that are going on *on* stage, independently of the stage itself, and you have all kinds of interventions. So, the point is now, to realize that we cannot sit and hope, in any case, that we're going to achieve, as we did a few

days ago, a success. But that success was not conclusive—not because of the people *on* the stage, but the people who were maneuvering things from *behind* the stage—including Obama. . . .

And we have to understand the fact that we have not reached a point of stability *in any sense*. What was done in Egypt to pacify the situation is an accomplishment. It is a permanent contribution to whatever the outcome is, but it has not yet defined what the ultimate outcome will be.

We have to be prepared for *anything*. We're in that kind of time. Don't panic; don't take things for granted; don't assume there's a control in sight. Don't assume there may not be even a thermonuclear war—which Gen. Martin Dempsey and others have collaborated to try to prevent. And the major stabilizing factor in this region has been the role of Martin Dempsey and others, who have been focusing specifically on the fact that you have an unstable stage on which the action is occurring, and you have to have a factor of *behind* the stage, which is prepared to react to prevent a catastrophe from occurring from a new quarter and a new source.

### Get Obama Out of Office!

And that's where we are. If we had a President of the United States who was fit for anything, we could use the President of the United States very effectively to try to control the global situation of instability which is all over the place. So, we don't have that. We don't have that because we have a President who is useless—worse than useless. Martin Dempsey and company are people who have come in to take the place of what the President of the United States should have been committed to do: to say “We, the United States, have the leading responsibility on the planet to try to create stability when people are trying to create instability throughout the planet.”

And as long as Obama remains President, we're always going to have an absolute uncertainty of what might or might not happen on any given day in any part of the world.

And that's the point. The fact is, if you're smart, your conclusion is: *Get Obama out of office!* The grounds for removing him from office are more than abundantly clear. If the United States is going to do anything good, beyond what Dempsey and some other people have done, we're going to have to get Obama out of office *first*.

# Ambassador Tawfik: This Was No Coup

*The following are excerpts from remarks by Mohamed Tawfik, Egypt's Ambassador to the U.S., in an interview with Jonathan Karl on ABC's This Week, July 7, 2013.*

**Karl:** Joining us now, Egypt's ambassador to the U.S., who was appointed by President Morsi, Mohamed Tawfik. . . . You heard there from the spokesperson for the Muslim Brotherhood, they are willing to die for this; they say it's ridiculous to say that what has happened is not a coup. What is your response?

**Tawfik:** What has happened is the people of Egypt have decided that President Morsi did not act during his year in office as president for all Egyptians. 22 million Egyptians wrote petitions demanding early elections. My advice to the Muslim Brotherhood is they need to acknowledge the mistakes that they made, and they need to join the process. Let us look ahead to the future. There is room for everyone in Egypt, but there is no room for violence, there is no room for incitement to hatred, and incitement to commit acts of violence.

**Karl:** . . . They say that Morsi was democratically elected, and he was forcibly removed by the military, and they are willing to die to undo that.

**Tawfik:** Morsi was elected democratically, I agree. I supported him. I did my best to help him to succeed. Like millions of other Egyptians, I really wished he had acted like a president to all Egyptians. But then, in the last two months, you have had a massive reaction from the Egyptian people. Over 15 million people in the streets saying this cannot go on. President Morsi did not act in the interests of the vast majority of Egyptians. He only looked at his own clique. You can't be a democratically elected president and act that way. So now, we want new elections. We're going to get new elections. We're going to get a new parliament. . . .

**Karl:** How quickly does this happen?

**Tawfik:** As quickly as we possibly can put it together. What we need is we need national dialogue. We need everybody to be in the process. We will not repeat President Morsi's mistakes. We want an inclusive process. This is what the Muslim Brotherhood need to understand. They need to look to the future with the rest of Egyptians. There is room for everyone. We want a truly democratic, pluralistic society. . . .

We do not need more violence in Egypt. Yesterday, four teenagers were thrown off the roof of their own house by Dr. Morsi's supporters. This cannot go on. . . .

**Karl:** This is not a coup?

**Tawfik:** Absolutely not. Listen, what happened was you had over 15 million people in the street. And President

Morsi—he could have said, “Listen, my people, I listen, I hear you.” But instead of that, he whipped up religious fervor among his supporters, and there was violence in the air. After more than 20 people had been killed, leaders from Egyptian parties, from Egyptian religious establishments, from the military, came together; they said we have to stop this. Otherwise, violence will spiral out of control.

**Karl:** But now your government and you must be in the oddest situation. You were appointed by President Morsi, and now you are representing the government that has overthrown him. They have closed down Muslim Brotherhood television stations. They have arrested leaders of the Muslim Brotherhood. What is going to happen? Will the Muslim Brotherhood have a role in the new Egypt? What is going to happen to President Morsi? He is under house arrest right now.

**Tawfik:** Well, people have the right to demonstrate peacefully. This is guaranteed by the constitution. People have the right to express themselves in any way that they want, without inciting to violence. If you start inciting your followers to violence, if you start whipping up religious fervor, if you start talking about jihad, about martyrdom, then, many, many people are going to lose their lives. And that is against the law.



*Egyptian Amb. Mohamed Tawfik*

# Financial Jolts Speed Push for Glass-Steagall

by Paul Gallagher

July 7—The end of June delivered a series of jolts to the trans-Atlantic banking systems. The result was a U.S. House of Representatives Financial Services Committee hearing on June 26, featuring repeated discussions of whether to reinstate Glass-Steagall Act, which one witness called “quite unexpected.” Two of the four bank regulators who testified at the hearing told the Committee they favored Congress re-enacting Glass-Steagall.

The U.S. bank regulators told the key House committee that restoring the Glass-Steagall Act would solve the “too-big-to-fail banks” problem, one day after a senior British MP demanded of the Chancellor (Treasury Secretary) that Glass-Steagall be enacted in Britain immediately to stop a bank debt meltdown.

In the June 26 session on “The Federal Reserve and Too-Big-To-Fail Banks,” Rep. Michael Capuano (D-Mass.) asked all the witnesses, who are well-known and respected bank regulators, “If you could restore the Glass-Steagall Act now as the solution, would you do it, if you had the power?” Capuano is a co-sponsor of the House bill to do just that, H.R. 129, the Return to Prudent Banking Act, which now has 67 House sponsors and a Senate companion bill, S. 987.

Federal Deposit Insurance Corporation (FDIC) vice chairman Thomas Hoenig answered, “Yes, I would. That’s what I am proposing you [Congress] do.” Former FDIC chairman Sheila Bair answered the same question, “Yes, absolutely.” Dallas Federal Reserve presi-

dent Richard Fisher said, “I think what we [the Dallas Fed] have proposed is similar.” Only Richmond Fed president Jeffrey Lacker implied a negative answer, saying that the Dodd-Frank Act would identify the financial activities that need to be separated from commercial banking.

Toward the close of the hearing, Hoenig injected reality into what had been a fanciful discussion of big bank failures. “Title II of Dodd-Frank addresses an idiosyncratic event,” Hoenig said, “just a single big financial institution gets in trouble. It’s not likely to happen. If you have a systematic meltdown, as we had last time . . . the Congress will be asked for another TARP. . . . Restructure the system now, ahead of time.”

On June 25, in the British House of Commons, its senior MP Peter Tapsell, had told Chancellor George Osborne to enact Glass-Steagall legislation in Britain, or face a drastic bank crash.

## Deep Austerity Otherwise

That the alternative to reorganizing the banks under Glass-Steagall principles is brutal economic austerity in the short term, was made dramatically clear by events in the second half of June.

First, Federal Reserve chairman Ben Bernanke raised the mere future possibility of printing less money than \$85 billion every month for the banks, and the world’s bond markets started to crumble. Despite testimonials to unlimited quantitative easing from other Fed



EIRNS/Sylvia Rosas

*Without Glass-Steagall, now advocated by a significant number of top U.S. bank regulators, among others, there will be brutal austerity, leading to outright fascist measures. Shown: LaRouchePAC organizing in Los Angeles, May 2013.*

governors and central bank heads, by July 5 the U.S. 10-year Treasury interest rate had risen to 2.75% from 1.51% in early May, and mortgage rates in the United States had jumped by a percent and a half. Corporate bond markets fell even faster during that period, and it became difficult to find buyers for investment-grade corporate bonds for periods in late June. Financial bubbles are, once again, potential collapse triggers: in particular, junk bonds, and the financial derivatives known as collateralized loan obligations (CLOs), which played a major role in the 2007-08 bank panic.

U.S. banks dramatically increased their exposure to financial derivatives in the first quarter of 2013—that bubble grew by 72%, to an estimated \$231 trillion in

nominal value; and the banks' holdings of CLOs shot up by 24% in the second quarter alone—even as their ordinary commercial and industrial lending stagnated near a record-low portion of their deposit base.

Immediately following Bernanke's press conference, the Bank for International Settlements (BIS) released its annual report on June 28, recommending that the Federal Reserve and the central banks of Europe *stop* printing money—the so-called quantitative easing—now. The bald impossibility of this, from the central banks' standpoint, given the desperate dependence of the large trans-Atlantic banks and securities markets on this money-printing, was shown very quickly by the early July meetings of the Bank of England and European Central Bank. Both kept their interest rates near zero (0.5%), their "liquidity" programs unlimited, and their respective presidents, Mark Carney and Mario Draghi, both broke precedent by issuing "forward guidances" promising to continue this policy "for a very long time" (Carney) or "indefinitely" (Draghi).

But the BIS, from which emerged in 2011 the Cyprus-style "bail-in" policy of stealing depositors' money to keep insolvent banks operating, meant its report dead seriously. "Stop quantitative easing" was obviously a device to get attention; the Bank's real message to governments and the supranational European Commission/IMF bureaucracy, was that bailouts "have bought time" to implement draconian austerity, as in Greece, across the board: Now do it. Specifically, the BIS advised: Break up labor contracts; and eliminate "age-related payments" (pensions, retirement health plans, etc.); privatize government activities.

A special 16-page report on Europe by JPMorgan Chase's research division, which came out one day before the BIS annual report, drove at the same fascist austerity policy. Too many European nations' constitutions, the bank stated, were based on "anti-fascist premises" from the post-World War II period; these stand in the way of the "further process of needed reform." The constitutions of Greece and Portugal were named as obstacles to a policy of fascist economic austerity by Morgan; now, those of Italy and Germany were named as well.

Simultaneously, the Eurozone finance ministers

were meeting to finalize a “bank resolution regime” for the continent (the scheme which promises, like the Dodd-Frank Act Title II, to “end all taxpayer bailouts” of insolvent large banks”). What the ministers adopted, after two days of acrimonious negotiations, was the Cyprus model: a guideline of 8% of all the liabilities of a large, insolvent bank will be seized and used to re-capitalize the bank—its stockholders’ equity, its bondholders’ bonds, and its depositors’ deposits. The plan gives the bureaucracies the ability to *exempt* from such seizure, any category of bank liability they think will “minimize risk to the securities markets,” pointing, of course, to protecting derivatives holdings while seizing deposits and uninsured creditors.

At the finance ministers’ meeting, proposals for far more drastic seizures were made, than what was adopted for now. Press leaks made clear that a 2011 report of the Boston Consulting Group had been discussed, which calculated that a 30% seizure of all assets in Europe would be required to wipe out the toxic-debt overhang on the big banks’ books, estimated at EU4.5-5 trillion, or about \$6 trillion. The 80% wipe-out of a million depositors of the Bankia Group in Spain in May showed just how draconian *this* method of imposing killer austerity can be. And this, with all of Europe exhausted by bank bailouts, already in economic contraction to deep recession, with official unemployment averaging 12%, and youth unemployment 35%.

### Glass-Steagall Battle

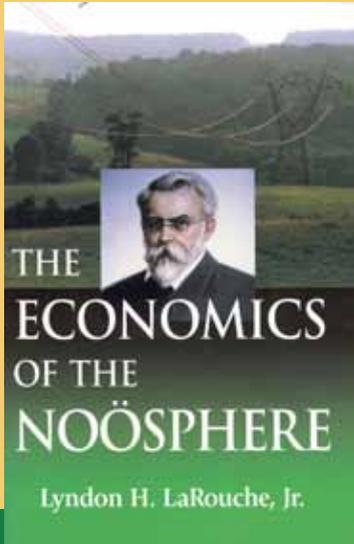
The financial media recently claim that these demands for fascist austerity are “a matter of contraction in Europe,” in contrast to a supposed U.S. “recovery.” But U.S. economic “growth” continues to be virtually non-existent, even in GDP statistics. Manufacturing continues to contract and manufacturing employment to fall, even in monthly jobs reports which claim gains. Recent months’ reports show the creation of overwhelmingly part-time work in the American economy. During 2013, so far, nearly 80% of the new jobs reported have been part-time; and such jobs now account for 20% of the entire workforce.

In a recent *Wall Street Journal* video interview, Honeywell CEO David Cote was asked, since his company deals with so many industrial sectors in many countries, whether he didn’t have a closer view of the real economic situation than Ben Bernanke. Said Cote, “Nothing’s happening, as far as we see. I expect less

than 2% [GDP] growth in the U.S. in the next two years, zero growth in Europe. I wish I could say it has, but nothing’s changed.”

The looming fascist austerity clarifies that time is running out to impose a Glass-Steagall bank reorganization, and to pursue a national credit policy to revive real productivity and economic growth. Wall Street, which won’t survive such a policy change, knows it as well. Not only fighting the Congressional Glass-Steagall moves with big money and threats, the Wall Street banks have gone down to the state level to battle Glass-Steagall memorials to Congress, which have been introduced in nearly half the states. In Delaware, five major bank lobbyists, led by JPMorgan Chase, registered to stop the state senate from demanding Glass-Steagall. At hearings, they threatened Senators with withdrawing “26,000 jobs” from the state if it did so; the bankers demanded the Governor prevent a vote on the Glass-Steagall memorial.

But Representative Capuano’s question to the bank regulators June 26, and their answers, show that the fight for Glass-Steagall can shift unpredictably. The only thing predictable is the alternative; new bank collapses, new bailouts, and fascist austerity.



The scientific concepts of biogeochemist Vladimir Vernadsky—the initiator of the idea of the Biosphere—whose concept of the “Noosphere,” has been cited and further developed by Lyndon LaRouche.

Downloadable PDF \$9.99  
<http://www.larouchepub.com/>  
Product Code: EIRBK-2001-2-0-0-PDF

# Principle of Economy: Increase Productivity

July 6—During his July 5 [webcast](#), Lyndon LaRouche cut through the usual gobbledygook about money and credit by going to the principle defined by First Treasury Secretary Alexander Hamilton, on which the American System of Economics and the U.S. Constitutional system itself are based. A comprehension of this principle makes clear the need for the immediate adoption of the emergency economic program LaRouchePAC has proposed: the implementation of Franklin Roosevelt's original Glass-Steagall; the establishment of a national credit system; and the launching of major infrastructure projects such as the North American Water and Power Alliance (NAWAPA).

*Here is LaRouche's answer to a question about the necessity of a credit system:*

Well, first of all, everything is actually, if you look at it in the right way, much simpler than most people make it appear to be. That's a fairly important point here.

First of all, on credit: Don't mystify credit.

Now, let's take the case of the American farmer, operating under the policies of our founding discoverer [Alexander Hamilton]. So what happens is, you start with a process, say, you start with agriculture, growing food, essentially. Because the first thing mankind has to do is grow food—unless they want to eat their neighbor or something like that.

So therefore, growing food, what happens? You're a farmer, say in the 18th Century. What do you do? Well, you grow food. What you do, is you develop the means to grow food on the basis of what you can get from the farmland. And what you can get from utensils and so forth, which you can use which help you in farming. Okay, so you start there.

Now, when you grow food, you have a period when the season starts: You plant the stuff, and you cultivate the stuff and so forth, and you harvest food. Now, you're in a society, and now you have a society which is going to progress. Why is it going to progress? Because it's going to develop things which are useful for food grow-

ers. So you will get machinery and other things which enable you as a farmer to do things which increase your productivity.

Now, if I want to increase my productivity some more, I've got to go to my neighbor and work out a deal in technology, where I'm producing things that are useful for the farm community, the food-growing community, forestry, the whole works. So therefore, you start by planting a crop according to the season. You come to a point where the harvest time has come, say, October, typical thing; now what do you do? You bring the food to market. So you sell the food that you bring to market. Simple.

## A Division of Labor

Now, what happens? Ah! Well, the guy who is making utensils and doing similar things like that in production, outside of agriculture, is going to pay, for what you produce as food. Not only for himself, the farmer, but for the one who processes the product of the farmer's labor and so forth, or the supplies.

So therefore, the inherent thing of a non-oligarchical society, is that everybody contributes to everybody's profession, a necessary part of the whole business, and expands the number of professions available! This means that the result is, that you now produce the food—that's a value; but you also are going to use that value to make machinery and so forth, which increases the productivity of society.

So it's not a policy of: Are you going to do this? Are you going to do that? It's a policy of how do you take the total effort of mankind, to maintain and increase the productivity of *life*, of human life and other forms of life. This means that the total amount that you're getting paid for, in terms of product, includes this interaction.

So it's not a mystery, where you have to have somebody coming around with a stick and beating people up, and saying "This is what the price will be." It comes out as a natural price, and in a discussion which was made by the founder of our system [Hamilton], that's the system.

What is it we *don't need*? What are we paying for, that we don't need in society? Something we could eliminate and it would make things cost less for most people? Wall Street, for example: Eliminate Wall Street. And any banking system that has not eliminated Wall Street should be eliminated by natural methods: It's not worth paying for.

So therefore, the idea is to eliminate Wall Street, and that's what we have to do now. If we want to save the United States, the first thing we have to do is eliminate Wall Street! Just plain eliminate it! It doesn't produce anything to feed people—quite the contrary. It's nothing but a bloodsucker on mankind. We don't *need* that kind of banking! We never *did* need it! And we're not going to pay for it!

Because we're going to have a policy, which is based on: There are components of productivity, which we know as human beings, as a society; we know these things interact and are interdependent. We want those interdependent things to improve, to grow, to improve. And that's our system, that's the system of Alexander Hamilton.

### Hamilton vs. the British System

When the Constitution was being implemented, and they tried to turn the Constitution into a system, that was exactly what was done. And the papers are all there still, the recipes are all there. There's no mystery about this. Alexander Hamilton understood the whole thing. And he laid it out, and that's what works!

But the problem was, the Europeans were largely tied in, heavily, into oligarchical systems, and these oligarchical systems which are predatory in nature, instinctively predatory in nature, created a situation where we in the United States, in the Americas earlier, were faced with a European system which was *rotten*, and wildly wasteful, overpriced, everything. We could do things cheaper.

Our production, during the Civil War, for example, our growth in agriculture and other things, during the course of the Civil War, produced one of the greatest and fastest increases in productivity, developed in the United States, that the world had ever seen. And we've done that a couple of times, also. Under Franklin Roosevelt, for example, the way Roosevelt dealt with the problem, worked in a similar way. It wasn't spelled out the way I've spelled it out, exactly; but most of the people who were doing that, like Henry Wallace and so forth, understood exactly what this is.

*Mankind's source of income is producing the kinds of things that make him more productive.* That's a very simple concept, which the Europeans tend not to have. The Europeans have been influenced by progress in that

direction, often, in different parts of the world. But we in the United States were unique in this respect. And what happened with the Massachusetts Bay Colony, in the time before the Dutch crushed it, was a similar kind of thing.

This has spilled over into Europe, where you have whole parts of Europe which have been influenced by the American sources, but also by the similar kinds of things which were developed in other ways inside Europe.

So, this is *our system*. This is the *American System*, with European and other kinds of cultures which do, or try to do, more or less the same thing.

### An Elementary Principle

The problem has been that the British interest—all kinds of people in the United States have tried to crush that. The problem is that our people have lost the idea, because they're brainwashed; they believe in being brainwashed, and therefore, they don't realize how elementary the principle is, at least on this level. The same thing applies on a higher level, without going into those higher levels of sophistication. That's the situation.

If we understand what Alexander Hamilton did to make it possible for the United States economy to actually work, and we simply get into that insight—it has nothing to do with how you deal with money. You're trying to find a natural idea of the use of money, exactly as Alexander Hamilton spelled out in his published papers. It's all there.

And it's natural in the sense that the relations of production, or the inter-relations of production and progress, dictate that. It's the only way to do things.

But the problem is, we're dealing with a Europe which is dominated, since the Roman Empire in particular, by the British Empire, or the Anglo-Dutch Empire—there's no really British Empire, there's an Anglo-Dutch Empire. The damned Dutch moved in, in the 17th Century, to start to create this process under them. And that was what destroyed France, in wars; destroyed other parts of Europe.

So this imperial system, which is based on the Roman Empire and similar kinds of earlier formations, became the dominant force in Europe. That's what the issue is.

So there's nothing wrong with the economy, except most people don't know that it's really there.

# EU Consecrates Mega-Bank Bail-Ins

by Our European Bureau

July 3—On June 27, the finance ministers of the European Union turned depositors into hedge-fund investors. The new EU “bank-resolution” mechanism approved by the Economic and Financial Affairs Council (Ecofin) introduces an epochal shift in banking, by allowing depositors’ money to be used to bail-in bankrupt financial institutions. The bank-customer fiduciary relationship no longer exists. Whereas the money someone put in a savings account or a current account used to be his, from now on, it is not. He has given his money to an investor, and must share the full burden if it is lost in high-risk speculation.

The principle of protecting the citizen/depositor has been replaced with that of “protecting the system.”

Concretely, if the new EU Bank Resolution Directive is passed (national parliaments can still oppose it), a bankrupt bank will be both bailed-in and bailed-out. First, the money will be taken from shareholders, bondholders, and “non-protected” depositors, in that order. The Ecofin final statement explains that accounts under EU100,000, as well as eligible deposits from “small and medium-sized enterprises . . . would have preference over the claims of ordinary unsecured, non-preferred creditors and depositors from large corporations.”

What does “small and medium-sized” mean? Will companies with 5 workers be spared while companies with 500 workers will be expropriated? Furthermore, the word “preference” does not mean that the deposits of such companies will not be seized. In fact, as the financial oligarchy has signaled, at least EU2.5 trillion is

needed from the “bail in” to rescue the Eurozone banks at the current market value of their assets. This means, that the “extraordinary circumstances” in which “all unsecured, non-preferred liabilities other than eligible deposits have been bailed in,” is easily reached in any bank-resolution event, after which, “the resolution authority may seek funding from alternative financing sources.” This masterpiece of ambiguity leaves the door open to seizing the funds of taxpayers or protected depositors.

European Central Bank president Mario Draghi has demanded a commitment from EU member-states to provide a backstop with public money as an element of the Banking Union-Bank Resolution scheme. This does not mean, however, that all banks will be saved.

The super-rich, whose fortunes depend on the continuation of the gambling economy, will be spared. The

Ecofin release states that “National resolution authorities would also have the power to exclude, or partially exclude, liabilities on a discretionary basis” for reasons such as “to avoid contagion.” In other words, any “systemically relevant” liability must be paid. Derivative bets are the most systemically relevant, as the Lehman Brothers case demonstrated.

Once those bets are closed, a gaping hole is left. Thus, the Ecofin scheme leaves open the possibility of saving derivative operations, by excluding from the bail-in “inter-bank liabilities with an original maturity of less than seven days.” Since most derivatives contracts are stipulated between banks, and any derivatives contract can be turned into something with a maturity of less than seven days, this is a giant loophole intended to exclude the entire speculative debt from the bail-in, and have depositors pay for it, in order to “avoid contagion.”

By putting into law the principle that speculators’ money is safe but depositors’ money is not, the EU has jeopardized that very “stability of the system” it claimed it wanted to preserve. If the perception spreads that deposits are no longer safe, there will be a run on deposits.



World Economic Forum/Remy Steinegger

*ECB chief Mario Draghi*

## Fourth Bill Filed In Parliament

by Claudio Celani

July 3—A draft bill for a Glass-Steagall-like banking separation act has been introduced in the Italian Senate by Sen. Giuseppe Vacciano (Five-Star Movement/M5S), and signed by virtually the entire M5S faction (48 senators out of 50).

The website of the press spokesman for the M5S Senate faction announced the bill yesterday with a July 2 video statement by Vacciano, entitled: “Finally M5S: Go Forward to the New [Glass-Steagall Act](#) for Separating Commercial Banks from Investment Banks.”

The video opens with a short introduction, explaining that the draft bill “wants to break an entanglement which had already been broken after the 1929 Great Depression, through the introduction in 1933, thanks to U.S. President Roosevelt, of the Glass-Steagall Act. The entanglement was re-created, under pressures from large investment banks, in 1999, by the Clinton Administration, leading to a new, major crisis worse than the one of the last century.”

In the video, Vacciano announces that on the same day, he will file the draft bill. A *Radiocor/Il Sole 24 Ore* wire datelined July 2 partially covered the statement. “The bill,” Vacciano explains in a release, “prescribes the separation between commercial and investment banks, an issue being discussed for a long time politically, but which nobody seems willing to really do something about. Now it is up to Senate President Pietro Grasso, to assign it to the Finance Committee, of which I am a member, to schedule it for discussion. I hope to find the largest possible support, since this is not a M5S problem, it is not a problem of any political party, but it is a problem of the entire nation. This situation,” Vacciano concludes, “has led in Italy to a scandal we know very well: It is called Monte dei Paschi di Siena.”



*Sen. Giuseppe Vacciano has introduced a Glass-Steagall bill into the Italian Senate, the fourth such bill now in parliament.*

### The FDR Model

The [text](#) of the draft bill has an extensive introduction, with many parts identical to the text of the resolution voted up by the Tuscany Regional Council, which was obviously the template (see *EIR*, June 28, 2013). Vacciano, who is a regional official of the Bank of Italy central bank, has added sections of his own, including a review of all major “banking reform” proposals in Europe and in the U.S.A.: Liikanen, the German and French bills, the U.K.’s Vickers’ ringfencing, and, of course, Dodd-Frank.

The historical background is provided: “Separation of banking activities, established in the United States by the famous Glass-Steagall Act introduced under the Presidency of Franklin Delano Roosevelt in 1933, which ended financial excesses at the origin of the Great Depression, contained the financial excesses and immoral gambling of the bankers, whose greed and thirst for money caused the most serious, severe, and generalized crisis since the 1929 Great Depression, when the economy was not yet globalized. The abrogation of the Glass-Steagall standard, effected by the Clinton administration under pressure by investment banks, has been the main cause for the financial crises and disasters which have produced victims among families and enterprises, including in Italy. Since the bursting of the derivatives bubble—derivatives are hyper-speculative instruments, completely disconnected from productive investments, which move resources away from the real economy to a real global casino—the threat of a bank failure has led

governments and central banks to a series of bailouts paid for by the collectivity. . . .

“Among the first measures to face the 1929 financial crisis, was the introduction of a clear separation between traditional banking and investment banking. The two activities could not be practiced by the same agency. The aim was to avoid a situation in which a failure of the speculative part (investment banking), might provoke a default of the traditional ‘commercial’ part, where deposits and credits to the real economy are located (mortgage loans, credits for productive firms).”

### Ending the Myth of Easy Money

Monte dei Paschi (MPS) is given as an example, to make the case for banking separation today. “First the government takes a financial X-ray of MPS to identify speculative and commercial activities; then it divides the bank into two parts. Eventually, the commercial part gets government money to guarantee deposits and cover loans. The other part is bankrupted in a controlled way (a large part of the debt shall be ‘erased’).

“Italy can initiate a new phase by going back to the beginning, in order to avoid the immoral gambling of the bankers, and to re-establish a real credit function, aimed at collecting savings and investing them prudently, as a principal driver for the economy. Separation between ordinary (commercial) banks and (investment) banks operating on speculative markets not only avoids having families, firms, and ordinary depositors foot the bill for the global speculative bubbles of greedy bankers, but it would function to pull the country out of the culture of easy earnings through gambling on the markets, a real collective blindness which has trapped legislators throughout the world into the myth of wealth without sacrifice, with the ruthless use of derivatives and creation of money from nothing. The real economy and hard-earned savings must not be allowed to be gobbled up by speculative finance; therefore, it is more than urgent to rebuild that Chinese Wall that separates investment banks and bankers who have made gains with depositors’ and



Movisol

*The LaRouche Movement in Italy (Movisol) is organizing for Glass-Steagall banking separation, and with its partners in the Committee of National Liberation, has put forward a model bill which has become the template for legislation introduced in parliament.*

savers’ money, from commercial banks lending to the real economy.”

The text then explains that “with this measure, the government is mandated to implement rules aimed at establishing a separation between Commercial banks and Investment banks, according to the standards and the model of the Glass-Steagall Act, taking into account the need to emphasize a model of traditional, non-speculative banking, recognizing its specificity, and social and economic role.”

The operational part consists of six articles, defining the two different kinds of banks, and specifying all the things that commercial banks cannot do or have.

Vacciano’s bill is the fourth draft bill for a Glass-Steagall-like banking separation currently in the Italian Parliament. There is another in the Senate, introduced by former Economics Minister Giulio Tremonti, and two in the Chamber of Deputies, introduced by Davide Caparini (Lega Nord) and Marco Di Lello (PSI-PD).

There is a good chance that Senate President Pietro Grasso, a Democratic Party (PD) member who was elected thanks to M5S votes, will assign Vacciano’s draft bill to the Finance Committee.

IMPACT OF THE 'SNOWDEN AFFAIR'

# The Accelerating Demise of The Obama Administration

by Jeffrey Steinberg

July 8—While the so-called “Snowden Affair” has become the subject of Summer political soap opera on both sides of the Atlantic and around the world, the allegations by the 29-year-old Edward Snowden about massive illegal domestic spying by the National Security Agency (NSA) are only properly understood in the context of the accelerating drive for the demise of the Obama Presidency. Snowden’s whistle-blowing on U.S. intelligence espionage operations inside the United States, and targeted against America’s erstwhile allies in Europe and Asia, is but the latest in a series of well-timed exposés of illegal and unconstitutional programs, launched in the immediate aftermath of the Sept. 11, 2001 attacks on the World Trade Center and the Pentagon, by the George W. Bush Administration, and continued on an even larger scale by President Obama.

Well-placed sources inside a patriotic faction of the U.S. military-intelligence establishment have pointed out to *EIR* that the sequence and timing of these scandals have shattered the Obama Administration. They must be seen as a single, time-release series of exposés by government officials who have concluded that the abuses of power by the Executive Branch over the past dozen years must be halted now—before the last vestiges of Constitutional rule in the United States are destroyed. Core principles of the American Constitution had been violated on a massive scale, yet neither the U.S. Congress nor the Federal Judiciary—both crucial checks and balances against Executive abuses—has done its job in halting the runaway Unitary Executive.

Absent such Congressional and Judicial checks and balances, the sources have emphasized, individuals within the relevant government agencies and departments have taken the courageous steps of going to select media to blow the whistle on the abuses. Among the goals of this effort was to force Congress, in particular, to do its Constitutional job and bring the abuses to an end. The result is an onslaught against the Obama Presidency.

## LaRouche’s Early Warning

In January 2001, nine months before the 9/11 attacks, Lyndon LaRouche had warned that the newly installed Bush-Cheney Administration would create a “Reichstag Fire” incident to create the conditions for imposing an outright police-state dictatorship on the United States. Again, in April 2009, in a now famous international webcast, LaRouche had warned that President Obama was not only a British Crown tool, but that he suffered from a severe narcissist personality disorder, and would seek further dictatorial control over the nation. It was LaRouche’s early warnings about the actual nature of the Obama Presidency that ultimately formed the basis for the revolt against Obama that is now playing out.

The belated pattern of exposés of Obama’s crimes began two months ago with hearings on the deadly Sept. 11, 2012 attacks on the U.S. mission in Benghazi, Libya—attacks which resulted in the assassination of U.S. Amb. Christopher Stevens and three other American officials. State Department and CIA whistle-blowers exposed aspects of the Benghazi coverup, and days



EIRNS/Pavel Penev

*Obama's rapid downfall began with Congressional hearings on the Benghazi attacks, and have culminated in the stunning revelations about NSA spying. Here, LaRouchePAC organizers at the "Restore the Fourth" rally in Washington, D.C., July 4, 2013.*

later, dozens of internal Obama Administration e-mails and draft talking points were leaked to the media, proving that President Obama, Dr. Susan Rice (then-UN ambassador), and other top officials, lied repeatedly to the American people about what happened in Benghazi on the 11th anniversary of the original 9/11 attacks.

Subsequently, a Libyan arms dealer gave interviews to Reuters and the *New York Times*, confirming that President Obama was running a covert arms smuggling program, as of no later than April 2012, from Libya to the Syrian rebels. Obama has repeatedly lied in public, claiming that no such arms trafficking has taken place.<sup>1</sup>

Days after the Benghazi whistle-blowers testified before the House Government Reform Committee in early May, it was revealed that the Internal Revenue Service had assembled an "enemies list" of conservative and progressive organizations which were critics of the Obama Administration. Tax-exempt status for those groups on the Nixonian Obama enemies list was delayed during both the 2010 midterm, and 2012 Presidential elections. The IRS is among the most hated of U.S. government agencies, and the image of a President using the IRS to target political opponents immediately raised the specter of Watergate in the public eye. When a senior IRS official,

1. See "Memo to Congress on Obama Gun-Running," under "Policy Statements" at [www.larouche.org](http://www.larouche.org).

Lois Lerner, refused to testify before Congress by invoking her Fifth Amendment rights, the stench of Watergate became even more powerful.

In rapid succession, following the Benghazi and IRS revelations, it was leaked to the media that the FBI and the NSA had been spying on reporters from Associated Press and Fox News. This caused a further furor and, for the first time, much of the American media began to seriously investigate and expose the crimes of the Obama Administration, which had previously been taboo.

It was only then that the Snowden revelations about massive illegal NSA domestic spying made headlines. Whatever the outcome of the "Snowden Affair," the cumulative impact of the sequence of revelations about Obama Administration

abuses of Constitutional authority have had a tremendous impact, and could very shortly lead to the demise of the Obama Presidency altogether.

### Congress Begins To Act

The case of Syria is just one good example: Congress took virtually no action against Obama when he brought the United States to war in Libya without any Congressional approval as demanded by Article I, Section 8 of the U.S. Constitution. But when Obama announced in June that he was going to begin officially arming the Syrian rebels, four Congressional bills and resolutions were immediately introduced by a bipartisan group of legislators, to block the arming of the Syrian rebels. Rep. Walter Jones (R-N.C.) introduced House Concurrent Resolution 40, threatening immediate impeachment proceedings if a single American life is lost in the arming of the Syrian rebels.

When Secretary of State John Kerry and an unnamed senior CIA official held a closed-door session with both the House and Senate Select Committees on Intelligence, seeking their approval of the Syrian rebel support, they were turned down, and told to come back with more information about the proposed program.

Gen. Martin Dempsey, Chairman of the Joint Chiefs of Staff, and Defense Secretary Chuck Hagel held a press conference at the Pentagon, in which Dempsey

warned that the U.S. should not go to war without first giving the American people and the U.S. military a clear plan for winning the peace. Dempsey has warned, along with many others, that the al-Qaeda ties of many of the Syrian rebels pose a grave future threat to the U.S. and our Middle East regional allies, should advanced weapons be provided to overthrow the Assad government. In addition, former Defense Secretary Robert Gates, in a number of recent interviews, acknowledged that he had opposed the Libya no-fly zone and was even more strongly opposed to arming the Syrian rebels. Gates and Dempsey both made clear that a no-fly zone is an act of war that inevitably leads to escalation.

The Snowden revelations, coming on top of these other developments were, in effect, the straw that broke the camel's back, putting the Obama Presidency under long-overdue public scrutiny. As one commentator observed last week, Obama talks like the ACLU, but behaves like Dick Cheney. The veil of protection surrounding Obama has been torn beyond repair. The U.S.-British special relationship, which has reached an all-time peak under Obama, is now under intense review throughout Europe, given Britain's recent role in blocking a formal European Union probe of the

American NSA spying, which was all done in secret partnership with Britain's own vast espionage organization, Government Communications Headquarters (GCHQ) in Cheltenham, England.<sup>2</sup>

### Obama Now a Liability

As LaRouche told viewers in two recent Friday night webcasts, the Obama Presidency is coming down, and this represents a fundamental shift in the global situation. While an extensive network of American patriots—including LaRouche himself—has taken the lead in finally taking on the unconstitutional abuses of power by Obama, it cannot be ignored that some of Obama's early sponsors, including powerful circles in Britain, have also come to the conclusion that he is now a liability, and may attempt to control the process of Obama's demise to their own advantage. That poses a new and dangerous strategic threat that must be carefully considered as events move forward in the immediate days ahead. The U.S. Congress is back in session as of today, following the Fourth of July recess. Events are certain to move very rapidly now.

2. See "The NSA: Is It American, or British?," *EIR*, June 28, 2013.

## EIR Special Report

# Obama's War on America: 9/11 Two

### New Updated Edition

A new, updated edition of the EIR Special Report, "Obama's War on America: 9/11 Two" is now available from [larouchepub.com](http://larouchepub.com). The expanded report is an urgent intervention into the ongoing strategic crisis brought on by the British/Saudi/Obama alliance behind the overthrow of Qaddafi, and the subsequent explosion of jihadist uprisings throughout Africa and the Arab world.

#### The Original Material:

- Obama's 9/11
- The London-Saudi Role in International Terrorism
- 9/11 Take One

#### The Updates:

- LaRouchePAC's Fact Sheet on Obama's alliance with al-Qaeda
- LaRouchePAC's draft questions for Congress
- A transcript of the pre-election press conference held by Lyndon LaRouche and Jeffrey Steinberg on the impeachable crimes of Barack Obama.

Price **\$100**

(Available in paperback and PDF. For paper, add shipping and handling; Va. residents add 5% sales tax.)

EIR  
Special Report

NEW UPDATED EDITION

## Obama's War on America: 9/11 Two



February 2013

Order from EIR News Service **1-800-278-3135** Or online: [www.larouchepub.com](http://www.larouchepub.com)

# The Bush Family's British Fascism

by Anton Chatikin

*It is impossible to understand the current threat of fascism in the United States, and globally, without understanding the role of the Bush family, which was an integral part of the banking crowd which brought Hitler to power in the 1930s, and which set the stage—as conduits for the British crown's policies—for the drive for dictatorship by Barack Obama today. We provide the essential overview below.*

...[T]he liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is fascism—ownership of government by an individual, by a group, or by any other controlling private power.

*President Franklin D. Roosevelt, message to Congress on the Concentration of Economic Power, April 29, 1938.*

---

## Prescott Bush, Nazi Banker

---

The Bush family was formed and raised to power as the managers and servants of the Harrimans' trans-Atlantic bank: an enterprise uniquely devoted to the British Empire's creation of 20th-Century fascism, promoting Adolf Hitler and eugenics. The astounding rottenness of the family's origin persisted through four generations and two U.S. Presidencies, bringing the legacy of British fascism into the present catastrophic Obama regime.

The Harrimans had "arrived" in 1898. London royal finance sealed the deal for New York stock broker **Edward H. Harriman** to acquire the old Union Pacific Railroad, and thus to join the top-tier financier oligarchy.

The purchase credit for the Union Pacific passed from Sir Ernst Cassel, personal financier and counselor to Prince Albert Edward

(later King Edward VII), and financier of the imperial Round Table group and of the Fabian Society; through Sir Ernst's New York partner Jacob Schiff (head of Kuhn Loeb bank); and on to Harriman. Other money for Harriman to get up and running came from William Rockefeller, co-owner of National City Bank (a London-New York-Texas interest, later called Citibank) and co-owner of Standard Oil with his brother John D. Rockefeller. The Harrimans thus emerged fourth in London's infamous quartet of Wall Street agent-Lords, alongside J.P. Morgan, the Rockefellers, and Kuhn Loeb.

### Harriman Hatches Bush

Enter **George Herbert Walker**: an American educated in England, representing British financiers and the New York Morgan interests. Following World War I, Walker organized Harriman and Co., the enterprise in question, for E.H. Harriman's son Averell. The new bank was based at 39 Broadway, New York, with operations in Germany as well.

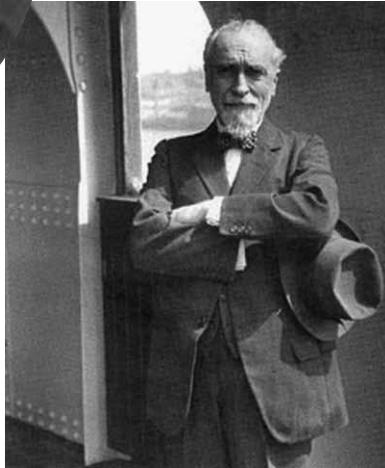
In 1924, Walker brought in as the bank's vice president his son-in-law **Prescott Bush**, a Yale friend of the Harrimans and the Rockefellers. Prescott's son born



*Prescott Bush's leading role in promoting eugenics made him a natural partner for the Nazi master-race strategists.*



*George Herbert Walker (left) and his son-in-law Prescott Bush managed the Union Banking Corp., whose single client was Fritz Thyssen, Hitler's chief fundraiser (shown with the Führer, right); Bank of England governor Montagu Norman (below) was a key member of the "family."*



that year was named **George Herbert Walker Bush**. Old man Walker and Prescott Bush managed a sub-unit of the overall enterprise, which they called the Union Banking Corporation (UBC). The German fascist Fritz Thyssen, who had been Hitler's chief political fundraiser since before Hitler's 1923 attempted coup d'état, was the UBC's single client and depositor.

The same overall organization at 39 Broadway financed the American branch of Britain's global eugenics movement, where the Bush family "learned" which races and classes should be born, and which should be erased.

As the Depression raged in 1931, the British accelerated their Hitler project. Harriman and Co. merged with the trans-Atlantic Brown Brothers & Co. The British royal family's leading Hitler supporter, Bank of England Governor Montagu Norman, was Brown Brothers' most powerful figure and heir; he made the new Brown Brothers Harriman firm his American base, in preparation for a German fascist dictatorship. German Nazi master-race strategists were featured at the 1932 International Congress of Eugenics in New York, convened under the auspices of the New York enterprise then managed by Prescott Bush.

### **Putting the Nazis in Power**

The UBC political slush fund for Fritz Thyssen overlapped with other Nazi industrial, minerals and ar-



maments interests managed and brokered through the same Harriman-Bush enterprise in New York, in tandem with Hitler's Brown House headquarters in Munich, and British concerns such as Royal Dutch Shell.

This apparatus now plunged ahead for Hitler's elevation during the 1932 German election season, underwriting the Nazi Party campaign, and the terror deployment of the Hitler's private army, the *Sturm Abteilung* (SA), or Storm Troopers. Hitler was installed as Chancellor on Jan. 30, 1933. On Feb. 27, the Nazis burned down the parliament building (Reichstag) and blamed terrorists. The ensuing emergency decree giving Hitler dictatorial powers to protect Germany.

That would be the model for the spying and other "war on terror" totalitarian measures enacted under George W. Bush following the Sept. 11, 2001 attacks, and their acceleration under Barack Obama.

The Thyssen-led Nazi industrial complex in the Ruhr, whose New York financial center was managed by Prescott Bush, proceeded to pour out a third to a half of the principal metal products and explosives used in the Nazi military buildup. Harriman and Bush were the American partners of the British banks and cartel owners providing capital to the Nazi buildup, and sharing in the plunder as Hitler rolled over central Europe in the lead-up to World War II.

UBC and related Harriman-Bush Nazi interests were seized and shut down by the World War II Roosevelt Administration in 1942. By this time, the Bush family fortune had been made, and genocide was accelerating.

---

## George H.W. Bush, Depopulator

---

Those who are physically and mentally unhealthy and unworthy must not perpetuate their suffering in the body of their children. . . . The prevention of the faculty and opportunity to procreate on the part of the physically degenerate and mentally sick, over a period of only 600 years, would . . . free humanity from an immeasurable misfortune.

*Adolf Hitler; Mein Kampf*

The savage war in Southeast Asia, escalated over the dead bodies of John F. Kennedy and his brother Robert, was raging when Congressman George Herbert Walker Bush chaired the Aug. 5, 1969 hearings of his Republican Task Force on Earth Resources and Population. Bush asked eugenics professors William Shockley and Arthur Jensen to explain how high birth rates for African-Americans were allegedly down-breeding our people.

Bush was the chief organizer in Congress for the post-World War II version of the eugenics movement, whose nominal goal had changed from eugenics to population reduction. Prescott Bush had been treasurer of the first national Planned Parenthood campaign in 1947, and son George H.W. Bush reported for his subcommittee Task Force (Congressional Record, July 8, 1970):

“It is almost self-evident that the greater the human population, the greater the demands for natural resources. How many is too many people? . . . Many believe that our current environmental problems indicate that the optimum level has been surpassed.”

The Bush solution? The underclass must not breed, and must not receive advanced medical care that would foster family formation. Thus, the Task Force report continues: “Family Planning services must be made more accessible to the poor as a proper function of all governments. [Our] entire healthcare system should be overhauled to create less reliance on specialized medicine and overburdened hospitals and more dependence on para-medical professionals. The legality of abortion and of sterilization are properly within the purview of state governments where medical laws are widely divergent.

“[But the] most disturbing aspect of the abortion issue that was brought before the Task Force, is the disparity between the availability of professional abortion services to those women who can afford the \$500-\$700 to obtain a therapeutic abortion and the estimated one million illegitimate abortions performed by the unlicensed practitioners for those women who cannot



*President George Herbert Walker Bush (son of Prescott) carried on the eugenicist policy of his forebears, advising the Chinese leader Deng Xiaoping (right) to sterilize the population.*

afford professional service.”

The intent here? To expand the availability of abortions for the “underclass,” to reduce their numbers in the population.

### China and NSSM 200

George H.W. Bush left Congress to become U.S. Ambassador to the United Nations (1971-73). He used U.S. resources to ramp up the United Nations Fund for Population Activities. Bush was chairman of the U.S. Liaison Office (de facto ambassador) in China from September 1974 through December 1975. For Bush and his London sponsors, China was the test case and the planned model for drastic reductions in the populations of uncooperative former colonial countries in the Third World, and the U.S.A. itself. Bush advised Chinese leader Deng Xiaoping to sterilize the population:

“Bush comfortably discussed with Deng the use of widespread and arguably radical birth control methods to limit China’s ever-growing population. ‘I mentioned new discoveries in birth control technology such as injections which bring about temporary sterility which in the future may provide the answers to birth control administration in rural areas,’ the USLO’s [U.S. Liaison Office] report of Bush’s initial conversation with Deng read. The Chinese leader replied, ‘We are not opposed to such new de-

velopments...” But the real problem, for China and India alike, Deng concluded, was not controlling population so much as ensuring sufficient grain production.”<sup>1</sup>

National Security Advisor Henry Kissinger arrived in Beijing at the end of November, and met with Deng and Bush. Two weeks later, Dec. 10, 1974, Kissinger issued “National Security Study Memorandum (NSSM 200): Implications of Worldwide Population Growth for U.S. Security and Overseas Interests,” a policy outlook initiated to a great extent by George H.W. Bush’s eugenicist initiatives.

NSSM 200 explained that “we” could not obtain needed natural resources from poor countries if their people were numerous enough to resist our taking them:

“The important potential linkage between rapid population growth and minerals availability ... flows from the negative effects of excessive population growth ... in overcrowded under-developed countries. The United States has become increasingly dependent on mineral imports from developing countries in recent decades. ... The location of known reserves of higher-grade ores of most minerals favours increasing dependence of all industrialized regions on imports from less developed countries. The real problems of mineral supplies lie, not in basic physical sufficiency, but in the politico-economic issues of access, terms for exploration and exploitation, and division of the benefits among producers, consumers, and host country governments.

“...concessions to foreign companies are likely to be expropriated or subjected to arbitrary intervention. Whether through government action, labor conflicts, sabotage, or civil disturbance, the smooth flow of needed Materials will be jeopardized. Although population pressure is obviously not the only factor involved, these types of frustrations are much less likely under conditions of slow or zero population growth.”

### Population-Reduction Wars

George H.W. Bush was chairman of the Republican National Committee under President Richard Nixon throughout the Watergate scandal, until Nixon’s



George Bush Presidential Library & Museum

*Anglophile President, G.H.W. Bush joined Britain’s Margaret Thatcher in fomenting population-reduction wars in the post-Soviet era.*

resignation. He then headed the Central Intelligence Agency for one year under Nixon’s replacement, Gerald Ford.

Bush stepped out of the Agency and back into his father’s role as international investment banker, from January 1977 through 1980. He chaired the executive committee of the First International Bank of Houston, and directed First International Bankshares Ltd. in London. These were both subsidiaries of the Interfirst group, the largest bank in Texas; Bush travelled back and forth to London, the hub of his family’s permanent place in the British imperial financial and political intrigues, intersecting the Middle East, Africa, Asia, and Latin America. During this period, China adopted the brutal eugenicist one-child policy. Kissinger’s NSSM 200 was officially adopted as U.S. policy in 1979.

Partnering with British Prime Minister Margaret Thatcher: Vice President George H.W. Bush (1981-89) was the decisive figure in the management of the Reagan Administration’s covert action, which spawned global chaos, narco-trafficking, and permanent war. These initiatives included the secret arming of the Khomeini regime in Iran, contravening the official U.S. arms embargo; the secret arming of the Contra opponents of the regime in Nicaragua, in flagrant violation of another embargo law; the use of terrorist enemies, armed by London and Bush, to justify police-state measures that could silence opposition to these and related crimes; and conniving with the British-Saudi Al Yamamah oil deal which created virtually infinite

1. Bush meeting with Deng on Nov. 11, 1974, described in *The China Diary of George H.W. Bush: The Making of a Global President*, footnote 47, page 70.

funding for radical Islamic terror networks.<sup>2</sup>

Bush, as U.S. President (1989-93), made population-reduction wars, beginning with the invasion of Iraq (August 1990), the agenda for Margaret Thatcher's post-Soviet era. He threw U.S. support behind the British Empire's insistence that German reunification be allowed only on agreement to the euro system, under which the continent would be subjected to a monetarist dictatorship—while Russia and the East were looted to the point of genocide.<sup>3</sup>

Upon retiring, President Bush was knighted by Queen Elizabeth II, as an Honorary Knight Grand Cross of the Order of the Bath.



White House

*In 2001, President George W. Bush and British Prime Minister Tony Blair together began a series of wars under the pretext of fighting terrorism, following America's "Reichstag Fire" on 9/11, that continue to the present time.*

---

## George W. Bush, Wars and Dictatorship: The 9/11 Pretext

---

The very sands of the desert would rise to oppose the imposition of outside control on the destinies of these proud peoples. . . . The true enemy of the Arab world is poverty and want. . . . [T]he way to friendship is to be the enemy of that enemy. . . . Our intervention in behalf of England's oil investments in Iran, directed more at the preservation of interests outside Iran than at Iran's own development . . . make[s] empty the promises of the Voice of America.

*John F. Kennedy, Nov. 14, 1951 radio address*

Seven and a half months after George H.W. Bush's son assumed the Presidency, 19 hijackers, 15 of them Saudi subjects, crashed aircraft into the Twin Towers and the Pentagon on Sept. 11, 2001. The attackers were sponsored by the British-Saudi partnership.

The event and its aftermath were used to bludgeon a dazed population and Congress into accepting police-state measures at home, and a permanent global "war on terror."

The second President Bush signed the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism ("PATRIOT") Act on Oct. 26, 2001. The Act gave government agencies new surveillance powers over citizens' phone and electronic communications, medical and financial records, limiting Constitutional rights, on the pretext of security.

The Bush "Patriot Act" has been renewed under Barack Obama and is still in force. It has been supplemented by numerous other government initiatives, public and covert, to nullify the Constitution.<sup>4</sup>

Compare the Patriot Act to the emergency decree enacted Feb. 28, 1933 after the Reichstag Fire, the Order of the Reich President for the Protection of People and State, which gave Hitler dictatorial powers: "[T]he following is ordered in defense against Communist state-endangering acts of violence: Articles 114, 115, 117, 118, 123, 124 and 153 of the Constitution of the German Reich are suspended until further notice. It is therefore permissible to restrict the rights of personal freedom [habeas corpus], freedom of [opinion] expression, including the freedom of the press, the freedom to organize and assemble, the privacy of postal, telegraphic and telephonic communications. Warrants for House searches, orders for confiscations as well as re-

---

2. See "Would a President Bob Dole prosecute drug super-kingpin George Bush," EIR Special Report, September 1996.

3. See Sergei Glazyev, *Genocide: Russia and the New World Order*, EIR News Service, 1999.

---

4. See Edward Spannaus, "A Chronology: How Obama Expanded and Consolidated the Bush-Cheney Domestic Spy Dagnet," EIR, June 14, 2013.

strictions on property, are also permissible beyond the legal limits otherwise prescribed.”

### The Blair-Bush Wars

In March 1939, President Franklin Roosevelt sent through diplomatic channels, an ultimatum to the British government, demanding that Britain end its sponsorship of Hitler’s conquest of Europe, and threatening to withdraw all U.S. support.

But in 2001, President George W. Bush and British Prime Minister Tony Blair together began a series of wars, that continues to the present time. They began bombing and invading Afghanistan less than a month after 9/11, on the theory that that country was host to the British-Saudi-sponsored al-Qaeda terrorists. Blair and Bush met in Texas in April 2002, and agreed to a new, bigger war, for the overthrow of Iraqi President Saddam Hussein. To gain support, British Intelligence concocted, and Blair’s staff “sexed up” a dossier claiming that Iraq was acquiring nuclear weapons capability. Bush had Secretary of State Colin Powell announce the British “discovery” at the United Nations. Bush and Blair invaded Iraq in March 2003.

Ten years later, Iraq and Afghanistan are in ruins, with more than a million dead. Afghanistan’s biggest industry is producing the vast majority of the world’s opium and heroin in the British-controlled Helmand Province, with the money laundered through British banks in the Persian Gulf. Today, the British-Saudi alliance continues to arm and deploy Islamic jihad (Salafist) crazies, into Syria and throughout the Middle East, Africa, and South Asia. The old Bush-Blair lies about weapons of mass destruction—now in Iran and Syria—are limply put forward by Obama and British Prime Minister David Cameron to justify war that would escalate quickly to World War III.

### Collapse, Bail-Out, Austerity

Six years into the George W. Bush Presidency, the post-industrial looting, deregulation, and speculation strategy of London and Wall Street blew up. A quadrillion dollars in derivatives and other financial scams began to pop, and banks collapsed. Prescott Bush’s grandson authorized U.S. funds (tax revenues and Fed funny money) to bail out the perpetrators. That program continues in the U.S and Europe, as the bubble grows far beyond pre-2007 levels. The prescribed remedy of the British imperial system has been savage austerity, cuts in income and services, now destroying Europe

and condemning ever-growing numbers of the world’s people to poverty and unemployment.

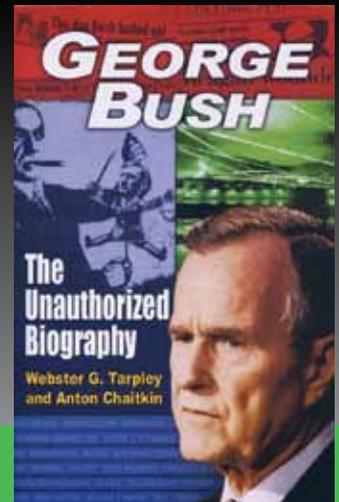
Continuing his father’s population-reduction legacy, George W. Bush adopted a key feature of the British royal family’s Malthusian policy, pushed by Prime Minister Tony Blair. Two pieces of legislature, in 2005 and 2007, for the first time, established legal mandates for the use of “renewable fuels”—i.e., food turned into fuel—in gasoline. At the same time, “W” and his brother Jeb undertook a diplomatic effort in Central and South America, to convince nations to shift from food production to producing biofuels. This policy has contributed to widespread starvation in areas such as Guatemala, which has a higher infant mortality rate than Haiti. Jeb Bush is now jockeying to succeed Obama in the Presidency.

Meanwhile, those in the Bush tradition in the Republican Party, in particular, work to block the only alternative to a population-reducing Nazi-style austerity program in the United States: an immediate return to FDR’s Glass-Steagall, as the first step in reinstating a credit system to rebuild the country. That move would bankrupt the British banking nexus that spawned the Bushes and their ilk—at last.

## George Bush: The Unauthorized Biography

By Webster G. Tarpley  
and Anton Chaitkin

The groundbreaking  
and widely cited  
exposé of the Bush  
family, in a new  
edition.



Now available in  
PDF format from the  
LaRouche Publications  
Store.

\$19.95 Or order by phone: 800-278-3135

TO: INTL. ECONOMIC POLICY:

## The Great Ontological Paradox

by Lyndon H. LaRouche, Jr.

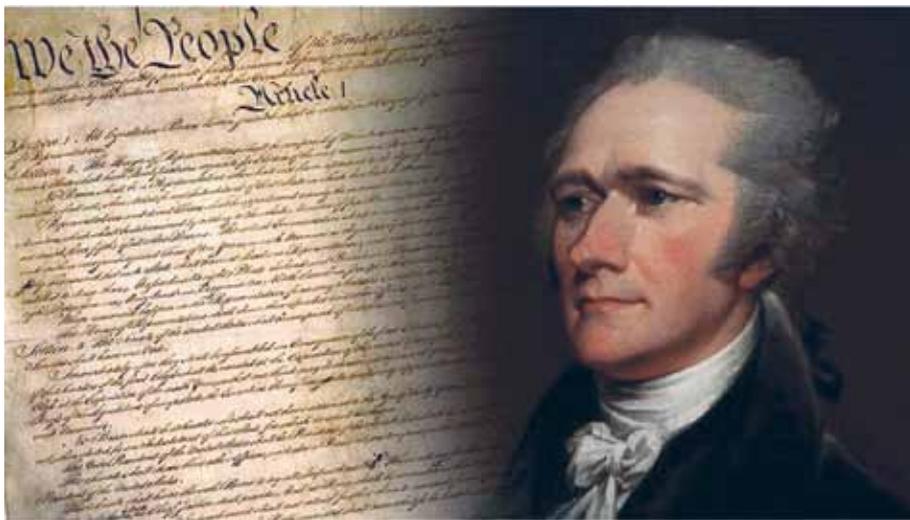
June 28, 2013

---

*The Massachusetts Bay Colony had survived, up to a certain point, in spite of the Anglo-Dutch tyranny's murderous crushing of the original Massachusetts Bay Colony's Pine Tree Shilling system. In the course of my own, and some others' current efforts, we must present the U.S. population with a clear statement respecting what had been the actually efficient nature, and also the defeat of the original, Seventeenth-century Massachusetts Bay Colony's Pine-Tree-Shilling system. We should recall that there had been the later Eighteenth-century efforts by Benjamin Franklin, on such subjects as a proposed paper currency. The same kindred spirit of American efforts, had led through the success of Alexander Hamilton's unique solution for the creation of a U.S. national economy, one which is premised as according to law, and, still, premised upon a relentless commitment to the often violated principles of a true U.S.A. credit system, instead of the follies of a mere monetarist (e.g., "mere money") system.*

*That unique achievement in the history of our United States, at least this far, was, initially, both launched and completed as the work done by the original U.S. Treasury's Alexander Hamilton. Hamilton's unique genius thus became the essential operating principle of law which has been the essential basis of the adopted Federal Constitution of our United States of America. Indeed, the adopted draft for our U.S. Constitution had not become actually operational until Hamilton's principle of a credit-system for our U.S. Constitution was set into actual progress. That is the principle-in-fact on which an original, or today's operating design of our economy's continuing healthy function, could actually rely.*

*Betwixt then and now, despite the declarations of what I and some others*



## The Dark Side of Early U.S. History

The darkest side of our own U.S. republic's earlier history, came with a U.S. Presidency taken captive by the influence of Britain's recurring appearance of its own agent, which was the same Aaron Burr who was notorious for his many acts of murder, including the historically crucial assassination of Alexander Hamilton. When Hamilton had been murdered by Aaron Burr, Burr himself had then fled to escape from the United States, first into Canada, and, then, during extended periods, into Britain: all that time, Burr was

LPAC

"Hamilton's unique genius," LaRouche writes, "became the essential operating principle of law which has been the adopted Federal Constitution of our United States of America."

among us have repeatedly uttered: there had often been prolonged intervals during which there were apparently no durable effort to defend the general U.S. public with an intended, officially continued affirmation of the principles of a true credit system. Our own American monetarists were what was chiefly in the way.

The tendency has been, as a matter of fact, that our best choice for an attempted, actually competent practice, has been to press, still presently as the times have required, that for either a continuation, or a restoration of the original Glass-Steagall's strict renewal. It is a success which would not occur without sustaining an efficient and persisting presentation of an actually needed life-and-death pursuit which was adopted in support of an efficient presentation of those principles of a credit-system which had been presented originally to the general citizenry of the U.S.A., then under President Franklin Roosevelt, as now.

During these recent months, since the travesty of the recent re-election of an increasingly wretched President Barack Obama, we are confronted with a bitter choice between the virtual extinction of our republic, and the restitution of the great nation which we had been once upon a past time. Such, in summary, are among the urgent matters now immediately before our nation, and also the world at large, that by the faction on which the continued existence of our republic still now depends.

What, therefore, is the lesson, now, so urgently needed to be learned?

working under the direction and protection of the highest rank of the British intelligence service rooted in London itself. He later returned, recurrently, sometime for fairly long periods, as he had done during his role as the leader of the treasonous operation which had brought about the election of the wretched President Andrew Jackson.

Jackson himself had come into the U.S. Presidency for two successive terms, as under the initial backing of the British agent and U.S. traitor Aaron Burr, but also as Jackson's accomplice and immediate successor President Martin Van Buren. Indeed, the outcome of the election of Jackson had turned out to have been the continuing preparation of a U.S. Civil War, which had been launched by the combined forces of the British monarchy, and also by the same forces behind the British interests also operating in an alliance with the slavery interests inside United States territory. The British empire, combined with what became, once again, the British activities which had often actually dominated the U.S. Presidency, even after the victory led by President Abraham Lincoln.

What had happened, was that the same British empire which had created and directed the Confederacy, had been combined with strong British and "southern" backing during most of the period leading into what would become known as the U.S.A.'s Civil War. Yet, much of the same might be said of the more or less treasonous scoundrels such as U.S. Presidents Theodore Roosevelt, Woodrow Wilson (who revived the Ku Klux Klan, bigger than ever before, from his office in

the White House), as of Calvin Coolidge, Herbert Hoover, Harry S Truman (a Winston Churchill hack), and the Bush family of Hitler-backer Prescott Bush and his most notable offspring, the sometime U.S. Vice-Presidents and Presidents, first, George H.W., and, later, George W. Bush. The latter two Bushes (“being all wet in mind”) did not burn, but also went into what are to be known as their several holdings of sundry very high-ranking offices—which is to say, “very smelly.” Those among our citizens who had been inclined to silliness, would defend such wretched choices of President, as would those who would say: “But he is what we have chosen as our President!” Costly prizes gained, indeed, but in the service of whom?

Notable Wall Street figures have not only been dominant influences in their swindles, whether as individuals, or batches, but all of them and their political likeness have been part of the increasingly dominant agents of the British empire, and of those kindred functions which all converge on the legacy of Aaron Burr.

It has been otherwise notable, respecting the scoundrels who have, regrettably, often occupied our Presidency, that what has actually been done, instead of what should have been done, has been a medley of some occasional mere gestures of the sort called “cover-up”:

“Oh, yes, we should get around to that, some time soon. Give us more time to let things work out.” However, in most cases, what would actually occur after we had thought we might have installed a concept of Glass-Steagall actually based on the installation of a credit system, it had turned out to have been, instead, what the general citizenry had been left to believe, to their sorrow: the customary fraud of a monetarist system thinly disguised.

Admittedly, some relative handfuls from among our authors have written down words which might be explained (with some curious difficulties) as being “a credit system,” but which had been, actually, a poorly disguised “monetarist system,” instead. It actually was in its performance; but, in such a case: how many among our traditionally all-too-credulous citizens, would, nonetheless, take those mere gestures seriously? In fact, an actually stable credit-system, has the intended, happy effect, of ridding a monetarist system from participating in our national practice, thus ridding us from what has been done, axiomatically, against that which all included national and related public practice required. Thus, the magic words, “instead of,” or, “it would be more practical,” seem, un-

fortunately, intentions foredoomed to vanish down the drains provided at the sides of the gutters.

Therefore, we must, finally, shift our attention, away from a foolish, mere money-economy, into what must now become, again, an actually healthy, physical one.

## Chapter I:

### The Worlds’ System

Now, here, as of June 29, 2013, there must be an update. This need has been the motive for a set of patriotic surges of up-grades of our own association’s treatments of such matters as those patriotic impulses which had been motivated under a personal publication of mine which I have named, for special good reasons, in matters of science as of good taste. Name it **The Great Ontological Paradox**.

This time, the pivot of my treatment has been shifted, from the customary Earth-bound outlook, to an emphasis, from Earth as such, to the entire region located, inclusively, and relatively more immediately, in a range from no less than Earth to Mars. That specific region which has thus been chosen by me for this occasion, is, admittedly, not very large, when compared to the Solar system as a whole, or our Galaxy; but, in the present case, it serves us here as a starting-point of reference, as a means for bringing a much-needed understanding of such systems into view.

The principle involved in this account, means that I am presenting here, what is, unfortunately, actually, a presently rarely understood view: a view which is analogous to not only the (rarely actually understood) William Shakespeare’s introduction of his principle of “Chorus” from **King Henry V** (that a subject of which I had already given what had been, in part, a general treatment in an earlier publication).<sup>1</sup> In that play, Shakespeare had voiced what was actually reality, to be, actually, that of *Chorus*, not the voices of what would ordinarily be considered those parts assigned to the mere role of actors otherwise placed as the “real-life” actors on the stage.

Shakespeare’s use of the name of “Chorus” in his **Henry V**, should have forewarned the truly witting sorts of directors, actors, and audiences, of the Classically traditional, proper use of the term “Chorus” in,

1. “Nicholas of Cusa, Kepler & Shakespeare,” in *EIR*, vol. 40, no. 25, June 21, 2013, or [LaRouche PAC](#).



*“In all great drama, as in real history, it is the mind, like that of ‘Chorus,’ which speaks, as if from far above, and that for a higher reason, not the bare score which governs the performance....”*

notably, repeatable Classical Greek drama.

So, in the instance of Shakespeare’s **King Henry V**, in but what he himself employs for this case, the parts assigned to the other players are the voices of the often silly, often doomed fools, which the Classical Greek “Chorus” assigns to the roles of all their standard sorts of doomed fools, fools which the Chorus has told us are the voices of those doomed who occupy the familiar parts assigned to the players designated as “actually on stage.”

It is the voice of a Chorus which is that of “spirits,” which supply the voice of that reality which is played as if like the ghost in **Hamlet**. In that, thus corrected way of seeing, by treating the distinction of nominal shadow as holding fate in his hand, Shakespeare’s “Chorus” is identified as the voice of that reality which dooms the ill-fated characters presented as among the roles of the principal players engaged in the contention of the stage.

So, by the means of introducing the role assigned to “Chorus,” that as according to the standard of the Classical Greek tragedy, there is introduced, an urgently needed change of emphasis, the which is also essential for showing the profound, scientific reasons, which are related to Johannes Kepler’s inversion of that which he selected in (correctly) defining *vicarious hypothesis* as a meaning directly opposite to the customary academic mis-interpreting of Kepler’s language, and exactly as I had done accordingly, to my stated principle in my

## Nicholas of Cusa, Kepler & Shakespeare.<sup>2</sup>

I shall now explain that point, as this is necessary for approaching the general argument which I shall bring into play from this point, onward.

As a preliminary step inserted for the comfort of the serious reader, I shall now signal that I am placing emphasis on a general principle which I have known, heretofore, as one from since centuries past, as, for example, Cardinal Nicholas of Cusa’s **De Docta Ignorantia**, the same reference which Johannes Kepler presented in respect to Kepler’s universal physical principle of *vicarious hypothesis*. The same universal physical principle has been employed by the greatest playwrights in the following of such as Friedrich Schiller’s composing of the **Wallenstein** Trilogy and, notably, also, the great post-World War II performance of Franz

Schubert’s **Ninth Symphony** in the last great performance of that which was directed by Wilhelm Furtwängler. The latter has been a singularly specific performance, to which I have repeatedly referred in my hearing of that unique closing performance of that work, during Furtwängler’s own lifetime.

In such cases of the greatest of performances of masterpieces of such as the few I have presented for the purpose of supplying an economical sampling, here, of the work of the greatest of artistic geniuses: the result of which the examples of Schiller’s work provide, as also provided by the direction which is epitomized by the great Furtwängler’s own best, and, relatively, most recent performance of that Schubert work. Such a great performance is not accomplished by reading “faithfully” the mere notes of the printed scores, or of comparable occasions. In all great drama, as in real history, it is the mind, like that of “Chorus,” which speaks, as if from far above, and that for a higher reason, not the bare score which governs the performance of both text and notes, nor the real-life history of the persons of the composers and also the directors of the performance.

The truth never lies in any mere, bare script *per se*.<sup>3</sup>

2. “The hoax of sense *per se*,” *op cit*.

3. As I have written on the subject in recent, earlier publications, what Shakespeare does with the *Chorus* of his **King Henry V**, is typical of the cases in which “the overtone must be treated as the primary meaning of the text.” Notably, for the present publication in the making, “it is the ‘overtone’ which are really the essence of the music.” The same principle is crucial for the astronomical subjects I shall reference in the later

## *As from Legend to Mars; God & ‘Chorus’*

From this point onwards, for a while, I shall be persistently emphatic on the subject of the crucial, actual nature of the implications of Shakespeare’s treatment of *Chorus*.

Consider those implications of an image of that work and its performance, which is not merely a false set of, essentially, empty images, but actually the mere shadow of what had been mistaken for the reality of what was, actually, the really existing, but apparently unseen experience.

Similarly, when we employ the presumption of projecting self-certainty of what might appear to us as “radiated” to or from Earth, and, which the mere observer mistakenly presumes to be the “true image” attributed to be the actuality of the suspected object from Solar space, we are presented, then, actually, with the product of what has occurred when the imagined powers of human sense-perception become what the imputed viewer’s own sense-perception mechanisms think he has “seen” when he or she has merely adopted a sense-deception generated by nothing as much as his own whimsical act of an imagined own will to believe. This does not mean that human sense-perception has erred within the mere image of the body of what seems to be that which is imaged.

Rather, this means that it is the “Chorus” of Classical-Greek tragedy and of Shakespeare’s mind itself, which is the voice of a higher, ruling power, as is the clearly implicit intention of Shakespeare in the matter of **King Henry V**. It is, there, in Shakespeare’s belief in his choice of the form of a belief adumbrated in a sense-perceptual event. Sense-perception has been embedded, thus, within the body of the human imagination itself. Such drama, might appear to be that which has hidden that truth which is to be located, actually lies embedded in what the putative human observer has mistakenly presumed to have been a direct experience of the merely imagined form of the reality of the specific object observed.

---

part of the physical-scientific matters considered as in the content of this present report. The principle which I have been referencing in the course of this present report as a whole, is that sense-perception is not reality, but, rather, there, too, is a mere shadow cast on the universe, rather than the substance of the content. Spoken otherwise, the Greek Classical, blinded chorus, is the only one which actually sees the truth of such performances. That applies to astronomy, too. In other words, that which appears to be what is immediately experienced, is actually merely a distorted shadow cast to lure and defame the unseen reality.

In the ordinary case of such matters, an act of sense-perception has probably actually occurred; but, the object has the outward attributes, not of itself, but of what the observer fails to recognize as being, chiefly, an image of his own powers of projection of what the observer “blames” on the fabrication, crafted by his own powers of sense-perception. That is to be considered as another case fairly considered from the standpoint of the legend of “Mirror, mirror, on the wall. . .” What one wishes to believe, is often that which is the most attractive, if thus often preferred to truth.

I would add the warning, that there is another need for warnings on this account:

What men and women tend to see, even notable scientific observers, will often be what they will have wished to have seen, which may have been a fantasy from which complex, illusions influence the choice of type of an imagined meaning of presumed sense-perception which might have been harvested. I have put this point in that way for the implied reason.

Take the matter of people deceived by the act of some desire to be deceived in a certain fashion, that for purposes of comfort, or otherwise: a not-uncommon source of consequent, delayed effects in the realm of unpleasantnesses.

Much could be made of examples of the type which I have just referenced as merely matters of useful illustrations of a point made as a matter of warnings. What I am emphasizing here, in this case, is the lesson actually given by Johannes Kepler in the subject, again, of a likeness to a “Ghost in Hamlet:” *a vicarious hypothesis*.

## Chapter II: Mars

### Who Runs the Worlds We Know?

Academic science was never what it was often presumed to be. The “give-away” of the unhappy reality of that fact, is the evidence of the generally now-growing presumption, or, regret, of so-called scientists or “the would-be like,” as actually like, often, a so-called science merely taught in schools. That is a “science” which is written, in effect, as being axiomatic, as if it had been written on a presumably blank page, all of which had usually confused many among those professors, teachers, and credulous students, who have been confused by what they were deluded into believing to be their most essential, but merely alleged (and absolutely empty) principle. “Chorus” was far wiser; like the Clas-



NASA

*A near-term “colonization” of Mars, as some are proposing, is, for the time being, to be viewed as folly. “Science must be devoted to knowledgeable practice of devotion to man’s mission, wherever such is needed.” Shown: an artist’s concept of astronauts conducting research on Mars.*

sical Greeks for whom I have respect, as did Plato, who already knew that!

Admittedly, what is taught to the credulous, in sundry sorts of schools, for their students and of, or by their teachers, had included, for varying, more or less, good or poor, motives, what is usually, even rated, mistakenly, as some relatively indispensable content. This had occurred in schools, most notably in secondary schools, until the recently ongoing raids of destruction of the purging of schools of qualified senior secondary teachers, to make way, under the Obama regime, for a presently growing flood of what are baldly utter frauds. Schools are now rapidly flooded, under Obama’s influence, with the empty content of vacuous minds, in place of what used to be employed by what were models of seriously qualified schools and veteran scholars alike.

It must be emphasized here, that the recent decades’ surging trends in homicides and the like, as among student populations, is a signal of the currently deep intellectual decline which continues to dominate generation after generation. This occurs as an outcome of the ruinous influence on practically everything under the currently downward, [cultural] currents radiating from not only a center presently located in the trans-Atlantic regions, but also as a trend caused by dissemination of the influence of the Anglo-Dutch tradition which had spread throughout the planet insistently since the middle of the Seventeenth Century, which is spreading

still in the form and content of that presently continuing campaign of sheer evil, an evil influence which has remained dedicated to the evil extreme of wickedness expressed as the persisting effort to annihilate what had then been, just recently, the 1648 Peace of Westphalia.

The relatively most recent decades have tended to fall into a currently accelerating collapse of our present society, a trend which had been typified by the trends set into motion by that “green epidemic” which has set the pace for both

the moral and intellectual collapse in intellectual life during a span over five decades since the assassinations of President John F. Kennedy and his brother, Robert. The “Obama generation” in government, merely reflects the existence of that generalized moral and intellectual degeneration which now continues to menace the very continued existence of what we had once seen as civilized societies. The worst of it all, is that the older generations are presently expected to idolize the plunging decadence of the much younger, a trend which had already gripped the selections of our largely Bush-league Presidents, such as Obama.

The span of history which I have just referenced above, reflects most precisely, the very long history of regions such as the Mediterranean region, a history characterized in our society’s memory of a domination of relevant world human cultures by an oligarchical system of collectively mass-murderously inclined tyrants and their slaves, a system which the tyrants keep under control in a manner merely coincident with the characteristic tradition of the Roman oligarchy’s memorable butchery of the Christians. Still today, from the standpoint of cultural trends, the butchers’ class is still, recurringly, on top.

Indeed, this pattern defines the core of the motive uttered on behalf of Cardinal Nicholas of Cusa by his closest associates, to cross the great oceans, in order to reach those places destined for life on opposing shores



JFK Library/Cecil Stoughton

Since the assassination of President Kennedy, the U.S. has experienced an appalling collapse in intellectual and cultural life, notably among those of the “Obama generation.” Here, the great Spanish cellist Pablo Casals performs at the Kennedy White House, Nov. 13, 1961.

where man might find life in decency. Christopher Columbus had become assigned to become the most noted bearer of the mission which was thus assigned by Cusa for the landings, and, therefore, for those who lived long enough to experience the triumph of freedom which was the intention embedded in the mission of Christopher Columbus.

Indeed, despite the continued reign of butchery and other debasements left over from horrors such as the Roman Empire, there has been, fortunately, a legacy of, specifically, Cusa’s devotion, which has not yet been destroyed, but which has been challenged to serve the cause of the devotion, that, most notably, by the process which produced the United States of America. Despite the taints and such which the creation of the United States of America has failed, thus far, to defeat, without the United States’ existence, mankind were likely already “gone to Hell.” Never despise the efforts of an honest missionary.

At the same time that we American citizens had hoped for a complete success over the evil of such successive expressions of evil as the accumulated Roman and Anglo-Dutch tyrants, which, with their likenesses, have continued to dominate most of the recent three centuries, there has been a maturing requirement for a great change, a great outburst of achievement still

awaiting the expression of our species’ rise from a single regular planet, Earth. What has been holding us back from recognizing the challenges still awaiting beyond the delimiting orbit of Earth now, has become a present signal that mankind must reach goals beyond an incestuous practice of foolish “Earth worship.”

For me, this does not imply any devotion to an immediate “colonization” of Mars, or matters of that likeness; schemes such as that for the near future, are the folly of the ignorant, or of malicious hoaxsters. Leave a priority on such matters as the “Colonization of Mars,” to what is suited to the fantasies of small-minded fantasists and our outright hoaxsters. Science must be devoted to the knowledgeable practice of devotion to man’s mission wherever such is

needed. The fantasy of capture of human residence on Mars for its own sake, is a fool’s errand, although the effect of such a development must come about in an actually more suitable way, hopefully in the course of, almost assuredly, the later half of this present Earth century (barring presently unforeseen catastrophes).

I have a specific motive for saying this, as you shall now hear, or read from me, as you shall see [and hear], in the due course of this report.

Our most urgent task respecting these matters, is to free mankind of an habituated belief in mere sense-perception as such. *Kepler’s vicarious hypothesis all over again!* It is the belief in “sense-perception as such,” which is the sound of the babbling idiot in the dusky room.

### Chapter III:

## From Behind the Shadows

Throughout the remainder of this present report, the crucial theme to be heard throughout, is, that: “*sense-perception is merely a crude substitute for a fine reality.*” The responsible agency, which supersedes the folly of mere “sense-perception,” is what is properly named “*mind*” as such.



NASA

*“The human species must modestly trace our origins to provisions of the stars, or, as said by a great leading astronaut, ‘Ad Astra!’ (If we cannot get there, reach it efficiently with our minds!)” Shown: the Milky Way galaxy.*

In Chapter II: “Life as Such and as Mind,” of my “Nicholas of Cusa, Kepler & Shakespeare,” I have focused attention on the difference between a valid concept of “mind,” and the functions of what is merely the relatively pitiable experience of mere sense-perception; and, I had done so with the strongest suitable evidence and emphasis for that occasion.

Human sense-perception is essentially (one might say “merely”), a product of human biology, one which has been developed through the use of those specific forms of animal perception which are suitable for such services as the common human practice of mere sense-perception. However, once we have gone to the subject of human reactions to experiences of relevance for such applications, as for attempting the mapping of the experiences belonging to Solar space, but actually being outside the domain of sense-perception *per se*: some properly embarrassing facts about human sense-perception come into play. Mankind succumbs to the temptations which are to be identified as the follies of proceeding along the course sometimes called “bass-ackward.” We are, therefore, sometimes tempted to measure a universe far outside the climate

of Planet Earth, for which no accommodation to “life in outer space” had been installed. In fact, in a matter of course, mankind has acquired experience on planet Earth, but from exposure to relevant effects which were generated within more limited (Earthly) aspects of the Solar system, that chiefly long before human, or other known existence of human-like, or other actually noëtic living beings, had been introduced to existence heretofore knowable for us.

The customary mistake of the biologists might be mistakenly classed as having been “an honest mistake,” or, *the really silly custom of Earthlings to attribute the existence of specific sense-perceptive faculties of living specimens on Earth, to have been independent of the principles of nature which had been created*

*independently of the earlier creation of the remainder of the Solar system and galaxies, alike:* which, is certainly a very embarrassing “boo-boo” to be written on the reputations of many highly-overrated Earthling scientists, and many others as well. Mankind had been better advised to base our species’ existence in the origins originally given to us by the stars.

Or, to paraphrase the point at hand here, the human species must modestly trace our origins to provisions of the stars, or, as said by a great leading astronaut, *Ad Astra! (If we cannot get there, reach it efficiently with our minds!)*

I had just stated that, not as a quip, but as a most crucial clue to the intentions of our Solar system (and far more than that), and, therefore, the intention which we must learn to acquire as if from the stars, the galaxy, and beyond, as the only root from which we can adduce the origins and purpose of our own existence. That is really *Creation*.

Get things right, for a really big change to come. Change, lest we become, like the so-called “greenies,” “dumber than the rocks.”

## The Practical Way of Seeing Things

In order to shorten the argument, but without cheating anybody, continue, hot-footed on the track which I have just indicated in this chapter so far. The only thing which we know concerning mankind's efficient participation in the universe, or whatever is the universe in which the existence of mankind is sustained as an historical process, is not merely a product of the actually *noëtic* principle of life *per se*. A greater destiny reaches toward us.

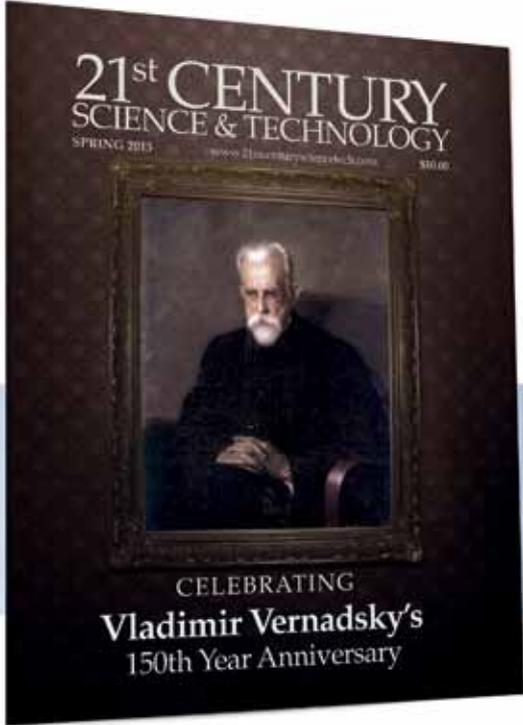
To wit:

This fact, and it is a fact beyond other reasonable considerations, has the peculiar implication, that if the Solar System, and Galaxy, and beyond, were to be shown to have been dominated by a *noëtic* principle, then most of what has been attributed to a misconceived *non-noëtic* Solar system, Galaxy, and beyond, must be re-examined in a profoundly serious way. This would suggest, very strongly, that mankind's approach to processes within a large reign attributed to the Solar system, when considered as a whole, must be redefined in a profound way. If the principle of life operates on Mars, for example, the entirety of presently doctrinally popular presumptions respecting our appropriate ap-

proach to accelerating a development of life on Mars, must be "scrapped," to be superseded by a perspective for developing the earlier origins of the processes of life in Mars and beyond (and also in our view of Earth itself), for example. The issue is: whence did life itself originate within the Solar system itself, especially the uniqueness of human life?

What I have just stated, is not merely a fresh way of approaching the subject of Mars; it requires our attention to a freshly revolutionary, actually *noëtic* approach, to our perspective for dealing with man's proper mission for dealing with the developmental considerations to be introduced to the Solar system and beyond.

That also means, as I have indicated such considerations earlier in this present chapter, that a new, profoundly corrected outlook on the universe for tracing the alleged history of mankind's existence, must be taken into account. The generally popular past to presently known opinion on these matters, is, above all other considerations at hand, readily to be exposed as having been a practically worse than merely silly conception of the history and powers still embedded in the existence of mankind.



INSIDE THE SPRING 2013 ISSUE

### 150 Years of Vernadsky

- V.I. Vernadsky and the Contemporary World
- The Science of the Biosphere and Astrobiology
- The Vernadsky Strategy
- Biospheric Energy-Flux Density
- A.P. Oparin: Fraud, Fallacy, or Both?

**ALSO FEATURED**

Getting the Dose Response Wrong:  
A Costly Environmental Problem

**Online Subscription**

single issue	US\$10
4 issues	US\$35
8 issues	US\$60
12 issues	US\$80

[www.21stCenturyScienceTech.com](http://www.21stCenturyScienceTech.com)  
21st Century, P.O. Box 16285, Washington, D.C. 20041

### *Fascism by the Fall?*

There is a clear and present danger of a new fascism in the world, not only in western Europe where the southern European nations are being treated like new “concentration camps,” but in the United States itself.

You, in America, must “once again save the world from fascism,” urged Helga Zepp-LaRouche, at the Schiller Institute’s latest conference in San Francisco. If we do not immediately change the “trend” of the U.S. economy with Glass-Steagall, “it could go into fascism” by early Autumn, warned Lyndon LaRouche on LaRouchePAC’s Weekly Report July 3.

Do you understand the real fascist threat which we in the U.S., Western Europe, and the rest of the world face?

The political side should be obvious. The ubiquitous police-state apparatus, put in place under the Bushes and Obama, has gone way beyond “1984,” with the kind of surveillance and political control which, as many in Germany are saying today, would make the East German Communist Stasi envious. Add to that the secret procedures which the Obama Presidency has admitted to using, to *kill* selected targets, and the Hitler parallel is unmistakable.

Then there is the economic side, now being openly touted by the major banking institutions which the U.S. government is feeding at the public trough. The call has come from the Bank for International Settlements (BIS) and JPMorgan Chase, both institutions which were directly involved in bringing Hitler to power, to institute new, more vicious rounds of “fiscal austerity” against all the nations of the trans-Atlantic region. JPMorgan has even opined, in a study paper, that it will be necessary to overcome “obstacles” to slashing wages and pensions, which were guaranteed in those

post-war anti-fascist constitutions put into effect in Europe.

This outright austerity push is supplemented by an even more vicious fascist drive, however, to which most citizens of the trans-Atlantic world are nearly blind: the Green movement. By cutting your “carbon footprint,” reducing your energy consumption, shutting nuclear power plants, and destroying agriculture, the Green policies of our government are setting mass murder in process.

Barack Obama is a culpable and brazen co-conspirator with the British monarchical sponsors of this genocidal Green movement. Addressing a meeting of youth in South Africa last week, Obama cited his allegiance to the Queen’s model program (of depopulation) at the Copenhagen climate conference of 2009, and then declared his intention to deprive that continent of the modern, high-technology energy it needs to survive:

“Ultimately, if you think about all the youth that everybody has mentioned here in Africa, if everybody is raising living standards to the point where everybody has got a car and everybody has got air conditioning, and everybody has got a big house, well, *the planet will boil over*—unless we find new ways of producing energy” (emphasis added). A total lie, born of the fraudulent Green lies to justify depriving people of the economic progress we require.

They talk about being “anti-establishment,” but the Green movement is the oligarchy’s battering ram for genocidal depopulation.

We are headed for a point of no return. With the financial system on the edge of disintegration, the oligarchy’s drive for fascism is accelerating, and could indeed be consolidated by the Fall, unless you answer the LaRouches’ call.

SUBSCRIBE TO

# EIR Executive Intelligence Review

## EIR Online



**EIR Online** gives subscribers one of the most valuable publications for policymakers—the weekly journal that has established Lyndon LaRouche as the most authoritative economic forecaster in the world today. Through this publication and the sharp interventions of the LaRouche Movement, we are changing politics worldwide, day by day.

## EIR Online

EIR Online includes the entire magazine in PDF form, plus up-to-the-minute world news.



I would like to subscribe to **EIR Online**

(e-mail address must be provided.)

- \$360 for one year
  - \$180 for six months
  - \$120 for four months
  - \$90 for three months
  - \$60 for two months
- Send information on receiving **EIR** by mail.

—EIR Online can be reached at:

**www.larouchepub.com/eiw**

e-mail: **fulfillment@larouchepub.com**

Call **1-800-278-3135** (toll-free)

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Country \_\_\_\_\_

Phone ( \_\_\_\_\_ ) \_\_\_\_\_

E-mail \_\_\_\_\_

I enclose \$ \_\_\_\_\_ check or money order

Make checks payable to

**EIR News Service Inc.**

P.O. Box 17390, Washington, D.C. 20041-0390

Please charge my  MasterCard  Visa  
 Discover  Am Ex

Card Number \_\_\_\_\_

Signature \_\_\_\_\_

Expiration Date \_\_\_\_\_