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LaRouche: On the Subject of Oligarchy  
Detroit Leader Says: No Financial Dictatorship  
A Proposal for Egyptian Economic Independence

**Delivering the Message:  
Glass-Steagall, or Death**



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# EIR

## From the Managing Editor

Lyndon LaRouche's *Feature* "On the Subject of Oligarchy" sets the stage for the political battles we cover in this issue. *Oligarchism*, he writes, is "the major source of the relatively global evils practiced among mankind." What, then, are the most appropriate remedies to that pervasive oligarchism? "The most readily accessed example of the contrast of good to evil in modern times," he continues, "has been typified not only by the goodness of the *anti-monetarist principle* on which the original Constitution of the United States of America was premised; it was also the same principle which had been adopted earlier by the Massachusetts Bay Colony. That principle, which modern society should trace back to such Renaissance geniuses as Nicholas of Cusa, has been demonstrated through the crucial quality of a leading contributing role specific to the included role of U.S. Treasury Secretary Alexander Hamilton."

The first issue, then, is the distinction between an economy based on *money*, and one based on *physical economy*, a principle of development of the creative powers of mankind. That is the essential conflict posed in the current fight over restoration of the Glass-Steagall law in the United States and internationally.

Our *Economics* section reports on the LaRouchePAC mobilization to kick Congress into supporting Glass-Steagall, contrasted with some hideous consequences of the failure to reinstate that law. Detroit political leader LaMar Lemmons tells, in an interview, how a financial dictatorship is running his city into a Dark Age; and Marcia Baker provides an overview of the falling life expectancy in the *United States* because of the oligarchy's criminal intent.

Counterposed to this collapse is our *Conference Report* on the Schiller Institute's conference in San Francisco. Our continuing coverage highlights the speeches on development of the Pacific Ocean Basin, and notably, the historical precedent and present potential for improving U.S. ties with Asia.

Finally, I draw your attention to Hussein Askary's policy memorandum, a "Proposal for an Egyptian Declaration of Economic Independence." Egypt's future bears heavily on the fate of Southwest Asia as a whole, and the measures Askary enumerates are essential.



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LPAC/Pavel Penev

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LAROUCHEPAC TO CONGRESS

## Delivering the Message: Glass-Steagall, or Death

by Nancy Spannaus

July 22—Can Congress respond to necessity within the next two weeks, and rush through passage of FDR’s Glass-Steagall law, in order to save the United States and the rest of the world from an otherwise certain financial crash that will lead to global fascism, and perhaps thermonuclear war? That is the question which the LaRouche Political Action Committee (LaRouchePAC) is deploying to answer in the affirmative, with the in-depth mobilization that began July 15, in Washington, D.C. and around the country.

Leading the effort is the LaRouche Policy Committee, the group of six LaRouchePAC leaders who have been forged into a leadership team under the tutelage of LaRouche himself, to the point that they as a group represent a quality of Presidential leadership. Over the course of their interventions in Washington this week, these organizers considerably raised the level of confrontation and education in the Congress. They were backed up by citizen delegations from Connecticut, Delaware, Maryland, New Jersey, New York, Ohio, Pennsylvania, Virginia, and West Virginia, with more on the way. “We won’t take ‘no’ for an answer,” Policy Committee member Kesha Rogers, two-time Democratic candidate for Congress from Texas, put it.

The atmosphere on Capitol Hill is already becoming saturated with the Glass-Steagall debate, in the wake of the high-profile introduction of the third bill for its res-

toration, the Warren-McCain S. 1282, on July 11. LaRouchePAC’s banner, “Pass Glass-Steagall Before the Crash of 2013,” provided a focal point for discussion, with Congressmen and others stopping in the oppressive heat to talk. The mobilization also provoked discussion of Glass-Steagall in Congressional hearings as well.

But the crucial edge on the intervention into Congress was provided by Lyndon LaRouche, who, in the course of his regular Friday webcast July 19, once again underscored what the stakes are in the fight for Glass-Steagall. Unless it is reinstated, as the first step in establishing a credit system, LaRouche argued, the Wall Street-London financial oligarchy is primed to literally foreclose on the livelihoods of the American people and everyone else, effectively condemning them to death. LaRouche’s opening statement, immediately below, drives the point home.

### **It’s Wall Street, or Us**

In response to the question of “Where do we stand?” on the Glass-Steagall fight, LaRouche threw down the gauntlet:

“As things stand as of now, it will probably be during the coming two weeks that we will have a picture of exactly how this is going to work out. Now, what’s on our side is reality. But Wall Street has a long record of being unreal, and therefore they’re counting



LPAC-TV

*LaRouche Policy Committee spokeswoman Diane Sare (left, front) leads a group of constituents on Capitol Hill, for the Week of Action to ram through Glass-Steagall, July 18, 2013.*

Wall Street kind of debt: There's no possible way that, as a Wall Street gang, they can avoid discrediting all of their debts to people generally. That means that the people will be shut off from all sustenance—which means mass death coming on fast inside the United States, and also western and central Europe in large degree.

“So, the point is, we now have no real choice *but* Glass-Steagall. Glass-Steagall is the only thing which will enable us to defend the nation against

on unreality for their cause. However, at the same time, there are lots of uncertainties in this process, and the fact that we have two more weeks, estimated as of now, for the continuation of the contesting of this mission, we now have a fair possibility of winning. This is no longer out from left field, this is in the center of the ring. And it will be persisting.

“Now, the options are, of course, is that if we don't get Glass-Steagall through, you can forget the United States and Europe for an indefinite period to come—even possibly forever. Because what the [Wall Street] intention is—and this is what you have to really understand—the intention is, to, first of all, defeat Glass-Steagall; that's their first objective. Once Glass-Steagall is rejected, or were rejected, then the next measure would be what is *not* advertised.

“There's no way in which the trans-European area can possibly effect a real bailout of themselves. They're hopelessly bankrupt. Their answer is: Once Glass-Steagall were eliminated, then they would just simply shut off all payments to their debtors, which would mean you would throw a major part of the population of Europe and the United States, in particular, to sit on the streets and starve to death. And that is exactly what the intention is.

“If you look at this thing carefully, you don't have to have information on the inside to see what is threatened. All you have to do, is look at the figures. The amount of debt, the rate of increase of that debt—of the

what the intentions are of Wall Street and related forces.

“Now, there are other factors in this. You have an English factor, which is saying ‘Well, let's not collapse everything. Let's save something in England and a few other places.’ So, it's a complex process, and there are no definite questions and answers. But you're in the situation where objectively, there's no way in which the current debt and growth of debt inside the United States in particular can be sustained much longer. And if Glass-Steagall were defeated, then Dodd-Frank and similar types of monstrosities would come in, and the effect would be the cancellation of those obligations, because there's *no way* that this machinery that's now functioning as Wall Street could actually ever sustain the unpayable debts which they've now accrued.

“And that's where we stand. So, therefore, the coming weeks may determine whether the people in the United States are going to live or die. That's where we are, and that's what the question really implies, is that. There is no other possible way. We have to realize that the debt—the Wall Street debt and similar kinds of debt—could *never* be covered by obligations—*never*. It's past that, and going further.

“So, therefore, the option is: They stall everything as long as they can. Prevent Glass-Steagall from being introduced. And if they do that, then they *cancel* the debts, now that Glass-Steagall has no claim on them;

they will simply cancel the debts of Wall Street and similar forces around the world. And what will happen to the people? The obligations to the people simply don't exist, because the debt is repudiated.

"And that's the situation we're in now. That is the reason, not because people understand what's happening, but because they have a *feeling* of what's happening. They have a sense of what is happening, and they see no possibility of anybody doing anything to help them. And therefore they're trying to *deny* the threat—which is what people do. They try to say 'No, everything's going to be all right; isn't it? Everything is going to be all right, isn't it? isn't it? isn't it? isn't it? isn't it? isn't it?' And then, if Glass-Steagall comes through: 'Ahh!' Rejoicing. And Wall Street is bankrupted.

"So, who does that hurt? Nobody of importance."

### **The Credit System Alternative**

In response to the second question, LaRouche elaborated the positive implications of Glass-Steagall being implemented—another element of what the Policy Committee has been discussing in-depth with Members of Congress:

"What is the implication of Glass-Steagall? What happens in a case like this with Glass-Steagall's response? The Federal government goes back to the original Constitution of the United States—the Federal Constitution—which is a credit system. And therefore the Federal government will take the responsibility for creating a source of credit to promote further employment and similar kinds of useful benefits to the American people. *And that will work.*

"Now, people will say 'That can't work.' That *will* work. In fact, it's the *only* thing that will work. The world at large, the trans-Atlantic region in particular, is already hopelessly bankrupt. All it's waiting for is the realization of that bankruptcy. All that's keeping this thing alive, is postponement of reality. And in the coming two weeks, that reality is going to be pressing on the situation.

"Now, the difference is this: These guys in Wall Street, these clowns—clowns and thieves—what they do, is they create an idea of a system which is a credit system of their own type. They invent the whole credit, allot it to themselves. But with us, with the U.S. tradition, which is the Glass-Steagall tradition, then we have a credit system; we don't have these overhangs, we

have a credit system. We put people to work, on credit. And that will lead to the increase of productivity, which will ultimately pay for the credit. Our job is to get people back to work, in real production, and as fast as we can do it. And to protect the health care, and protect the other things, of our citizens. And if we can do that, we can restore the confidence of our citizens, in themselves.

"The problem today is, the citizen has no confidence *in himself*. Look what has happened to him! He doesn't *have* any real employment any more. If he has employment, he can't feed his children and himself too. Everything that's there is being lost. They're stripped of the ability to produce. The food supply is totally inadequate. The present population cannot *live*, on the existing flow of food supplies under the present conditions. With Glass-Steagall, we can do it. But then it's going to be a tough job, but we will do it because we have to. We have to defend our citizens. But we've come to the point, that *this* is the answer.

"And what's gone on with the Bushes and all those kind of fellows, that thing is going to come to an end, with Prescott Bush on down. The guy who funded Hitler—and that Bush, and his children. That crowd is out.

"But there will be a rejuvenation of the people, from being *saved* from what they know is happening. People *know*, parents *know*, when they feed their children, they're not going to eat. And this is the pattern throughout the nation. We can turn that around. We still are far short of enough to feed our own people, our own nation. It's not being produced. And food that is essential to our people is being turned into *gasoline* for trucks, and so forth.

"And this is the enemy we have to eradicate, this whole policy. And we're going to have to do it. If we don't, the *horrors* that will hit the whole U.S. population, and European population as well, *are unthinkable*. The idea that we do not get Glass-Steagall through, is morally *unthinkable*. And anybody who's opposing Glass-Steagall, whether they know it or not, is actually perpetrating a crime against humanity."

### **The Congressional Fight**

Over the course of three days in Washington, D.C., Policy Committee members had at least 40 scheduled meetings with Congressional offices, plus many additional encounters. As the week progressed, the La-

RouchePAC spokesmen became more and more aggressive at smoking out the influence of Wall Street in the offices, either through staff or the financial strings attached to the Congressmen themselves. There was a unanimous agreement among the organizers that the Congress is *not in reality*, in terms of facing the catastrophe already engulfing the nation as a result of the Wall Street system—and that it will take an unprecedented mobilization from their constituencies to deliver the message that they must act.

Finally, LaRouchePAC's is not the only voice speaking out forcefully for Glass-Steagall on Capitol Hill.

For example, at a briefing in the Senate Dirksen Building July 18, FDIC vice-chairman Thomas Hoenig and former IMF chief economist Simon Johnson both declared that the Senate should pass the Glass-Steagall restoration bills recently introduced (S. 985, by Sen. Tom Harkin, and/or S. 1282, by Senators Elizabeth Warren, John McCain, Maria Cantwell, and Angus King). The briefing was sponsored by the Main Street Alliance and Americans for Financial Reform.

Also on July 18, at a small subcommittee panel of the House Government Oversight Committee, which was considering "The Impact of Dodd-Frank on Community Banks," GOP freshman Congressman Ron DiSantis of Florida put the following question to the three witnesses: "All these people around here are talking now about Glass-Steagall, Glass-Steagall, saying that the repeal of Glass-Steagall caused the bank crash. Do any of you agree with that?"

Two of the three "expert" witnesses, former Congressman Brad Miller (D-N.C.), now associated with a community banking group, and Wake Forest law professor Tanya Marsh, responded positively. More importantly, however, is that the necessity for Glass-Steagall is finally becoming an inescapable issue, despite the determined opposition of the White House, top Republican ideologues, and—the primary source for both of those—Wall Street.

### Wall Street on a Tear

In the two weeks since the second Senate Glass-Steagall bill (S. 1282) was introduced, there has been an explosion of media coverage on the issue, much of it featuring Massachusetts Sen. Elizabeth Warren fighting for the bill. In turn, Wall Street, led by JPMorgan Chase,

has upped its own pressure campaign dramatically—including visits to Congress. LaRouchePAC organizers picked up reports that representatives of JPMorgan were conducting their own visits to Congressional offices this week.

Morgan, of course, is "on record" (see *EIR*, June 28) opposing Glass-Steagall, and is wont to threaten those considering it. In Delaware last month, a JPMorgan representative suggested that 26,000 jobs in Delaware might be at stake, and *EIR* has now learned that JPMC CEO Jamie Dimon himself, during a visit to Texas in April, delivered the message that Morgan has 30,000 employees in Texas, and could have a lot more, *provided* the state remains "banker friendly."

The message is not unrelated to the fact that, despite promises to do so, no member of the Texas state legislature has dared to introduce a memorial for Glass-Steagall. Evidence of similar pressure has cropped up around memorials in other states as well.

Thus, the central question comes into focus: The American people must choose between Wall Street and their very survival. Which will it be?

## 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'

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"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

# Wall Street Controls Congress and the Treasury Secretary

by Anita Gallagher

Who can doubt that Wall Street controls the Members of Congress, when Citigroup openly paid its chief operating officer, Treasury Secretary Jacob Lew, a whopping \$1 million bonus when he joined the Obama Administration in 2009? Lew's contract with Citigroup made it explicit that Lew's eligibility for this special bonus was contingent on his securing a "full-time, high-level position with the U.S. government or regulatory body." Exactly such abuses called the first "Pecora Commission" into being; today, LaRouchePAC demanded a second Pecora Commission to investigate Wall Street's killer grip on U.S. government economic policy.

Far from it being unusual to pay what Bloomberg columnist Jonathan Weil called "a bounty for burrowing deep within government," *The Nation's* Lee Fang reported May 4, that many of the current leadership staffs of both Democratic and Republican Congressmen received six-figure bonuses and other pay incentives from corporate firms shortly before leaving the financial sector to take a job in Congress, and, can collect again by leaving government to return to Finance, Inc.

More than 900 ex-government officials, including 70 former Congressmen, lobbied for the financial services sector in 2009, exemplifying the revolving door from Congress to banks, investment firms, insurance companies, and real estate firms, which is even bigger today. More than 940 former federal employees are federal lobbyists, according to Public Citizen's analysis of data provided by OpenSecrets.org. More than half of the former Members who are lobbyists work for the financial sector; these include former House Speaker Dennis Hastert, former Republican Presidential candidate Bob Dole, and former Rep. Dick Gephardt (D-Mo.). Lobbyists also include 19 former Members who served on the House Financial Services Committee or the Senate Banking Committee.

The financial sector firms employing the most revolving door lobbyists in 2009 were Visa, Inc. (37), Goldman Sachs (33), the Private Equity Council (32), Prudential Financial (30), the American Bankers Association (29), and Citigroup (29) ([www.citizen.org](http://www.citizen.org)).

A sampling of Finance, Inc.'s contributions to members of the House Financial Services Committee for the 2013-14 election cycle shows that these Congressmen raise far more than the average member (unless that member is African-American). Even though it is early in the 2013-14 election cycle, and money is only beginning to flow, a comparison of the money flowing into the Financial Services Committee and Financial Services Subcommittee chairs with the average Member of Congress, shows the financier control which is blocking Glass-Steagall:

- Rep. Jeb Hensarling (R-Tex.), Committee chair, has raised \$1.6 million, already three times more than the average Member of Congress. The leading businesses contributing to him, by category: commercial banks, insurance, securities/investment, real estate, and finance/credit;
- Rep. Maxine Waters (D-Calif.), Ranking Democrat, \$227,000 so far, only one-half of what the average Member has raised; top business contributors: securities/investments, miscellaneous businesses, unions, retail sales, and insurance;
- Rep. Ed Royce (R-Calif.), \$973,000; 2.25 times the average Member; the top five business contributors: retired, insurance, lawyers, accountants, credit unions;
- Rep. Scott Garrett (R-N.J.) \$572,000, 1.25 times the average Member; top five contributor businesses: securities/investment, insurance, commercial banks, lawyers, and retired;
- Rep. Emanuel Cleaver (D-Mo.): \$223,000; one half what the average Member has received; top five contributors: insurance, securities and investments; accountants, lawyers, public sector.

Wall Street's siege of Congress to repeal the Glass-Steagall Act in 1999 puts the current massive effort to block re-enactment into perspective. The finance, insurance, and real estate sectors contributed more than \$86 million to Members of Congress between 1997 and the key vote on Gramm-Leach-Bliley in November 1999. Those Congressman voting for repeal received an average of \$180,000 (in 1997-99 dollars); those voting against it received about half that—\$90,000 ([www.opensecrets.org](http://www.opensecrets.org)).

# Crush Wall Street, Not The American People

*Bill Roberts released this statement on behalf of the LaRouche Policy Committee on July 21.*

On Friday, July 19, during a live webcast, Lyndon LaRouche warned that if we do not succeed in forcing the U.S. Congress to put through a reinstatement of Glass-Steagall, we can kiss the nation good-bye. The banks of the trans-Atlantic financial system would simply default on payments to their debtors, and a major part of the population of Europe and the United States would simply be left out on the streets to starve to death.

The unmistakable proof of LaRouche's warning can be seen in the situation unfolding in Detroit. Last week, emergency financial manager Kevyn Orr filed for Chapter 9 bankruptcy for the City of Detroit, making it the largest city ever to file for bankruptcy in U.S. history. While swaps dealers and too-big-to-fail banks have been given a sweetheart deal by Orr to preserve 80% of interest-rate swap claims, the pension plans of municipal workers will be almost entirely defaulted on. Since under Federal law, municipalities and their workers do not necessarily have to pay into, and therefore do not receive payments from, Social Security, defaulting on pension obligations to retired city workers will eliminate the sole source of income for an entire segment of the population.

Almost exactly one year ago, in testimony before the Detroit City Council, I warned that either the City Council demand and fight for the re-implementation of Glass-Steagall, or they would see the city and its population sacrificed on behalf of the same criminal banks that pulled off the largest banking swindle in human history: the rigging of the LIBOR rate against cities and municipal utilities, which bilked them out of billions of dollars. My advice was not heeded, and Detroit was put under a financial dictatorship, just like the financial dictatorship over Greece and Italy by the European Troika (IMF/ECB/European Commis-

sion).

## **Morgan Calls for Bankers' Dictatorship**

What's going on in Detroit is the type of blatantly fascist bail-in policy spelled out in Title II of the 2010 Dodd-Frank financial reform bill, which creates a top-down authority by which the "systemically important" global banks can commence a Cyprus-style default on depositors' accounts. It also reflects what JPMorgan has openly called for, in a 16-page document published May 18, in which they brag that a top-down, unified bankers dictatorship over Europe is already halfway complete, and that the only thing standing in the way is anti-fascist, pro-democratic constitutions in certain European nations.

This attempt by Orr and Michigan Gov. Rick Snyder to trash public pension contracts has already been ruled a violation of the state Constitution, which guarantees public pension contracts under state law. More to the point, this action constitutes a fascist, Wall Street crime against the American people, and a violation of the U.S. Constitution, and is only the most extreme example of similar crimes being committed by Wall Street and the British Empire across the 50 states of the Union. The irony, of course, is that Detroit, once the city whose factories and workforce were most responsible for producing the wartime materials that successfully beat back the forces of fascism in the 1940s, is now occupied by a fascist dictatorship. On the top of Hitler's list of strategic bombing targets was Detroit, and now Hitler's policy is being imposed from within.

What is being done to Detroit is what will be done to the American population generally, if this is not immediately defeated. Congress must act now to bankrupt these bastards before it is too late!

Over the coming two-week period, the LaRouche-PAC National Policy Committee will be escalating the fight in the halls of Congress, against the criminal enemy faction behind these policies, in order to create a breakthrough in the fight to reinstate Glass-Steagall, the pivotal policy-shift necessary for destroying Wall Street and organizing a full economic recovery.

LaRouchePAC.com will be highlighting the crimes that have been committed by Wall Street throughout the 50 states, to further smoke out the traitors and force Congress to take the side of the American population against this willful genocide.

# Detroit Does Not Need a Financial Dictatorship; It Needs Glass-Steagall

*Detroit Board of Education president and former Michigan State Legislator (1999-2007) LaMar Lemmons was interviewed by LaRouchePAC's Matthew Ogden and Bill Roberts, a former Michigan Congressional candidate (2012) and member of the LaRouche Policy Committee, on July 21, 2013 (<http://larouchepac.com/node/27440>).*

**Matthew Ogden:** Detroit has become *the* largest city in the history of the United States to file for Chapter 9 bankruptcy. This came on the heels of several months of an emergency financial manager by the name of Kevyn Orr, negotiating and threatening city workers, city pensioners, to take a major cut in their pension funds and in their obligations that the city owed to them, using blackmail, saying if they didn't agree to voluntarily take a cut, the city would be forced to enter into bankruptcy.

And in fact, that is what has happened. The bankruptcy petition has been filed, in violation of the Michigan state constitution, and now this is receiving national headlines everywhere, and people are acknowledging that this is something which stretches beyond Detroit, and is threatening many cities in the nation.

So, LaMar, thank you for joining us. Let me ask you first, if you can give us some background on the situation there on the ground in Detroit, from your vantage point, and what your involvement in the situation leading up to today has been?

**LaMar Lemmons:** First of all, let me say this: I, too, am supportive of an FDR-like administration and, as a matter of fact, I had really

hoped that Barack Obama would be the second coming of FDR, and not a rehashed Bill Clinton Administration, which is what he is, in my opinion, unfortunately.

It is imperative that Glass-Steagall be reinstated, and I thought that the President understood that. I also thought that the President would institute a massive urban policy, like that which Roosevelt introduced with the WPA and the Civilian Conservation Corps of the 1930s, which would help stimulate our economy. Detroit has been in a depression for decades now—the country may have been in a recession, but Detroit has been in a *depression*. The banks have plundered and pillaged, and we're the capital in the world of abandoned home and property: There are more abandoned buildings and properties in the city of Detroit, than anywhere else *in the world*.



EIRNS/Stuart Lewis

*Former Michigan State Rep. LaMar Lemmons is challenging the bankers' attempt to impose a financial dictatorship over the city of Detroit.*

## From the ‘Arsenal of Democracy’ to Fascism

**Ogden:** As has been made clear over the recent period, in response to this crisis, what we’ve seen is a policy by the Emergency Manager of Detroit, Kevyn Orr, to intimidate public workers and the average resident of Detroit, into taking heavy pay cuts, and accepting pennies on the dollar for the obligations that they have been owed, after 20-30 years or more of hard work for the city; while at the same time, the banks, the major creditors which are responsible in large part for the depression which you just spoke about, which Detroit is experiencing, have actually gotten a separate settlement from Kevyn Orr, many of them receiving 75-80 cents on the dollar for the obligations, the swaps deals, and the derivatives contracts that Detroit was lured into accepting, as a way to drum up desperately needed revenue. Those banks have now cut a deal with Orr to get 80 cents on the dollar for those derivatives swaps deals.

Can you say a little about how the emergency control board, and the emergency financial manager, were brought in, over and above the democratically elected members of the Detroit City Council, and the School Board which you serve on, and the breakdown of representative democracy at the hands of this financial dictatorship?

**Lemmons:** As a matter of fact, that’s exactly what it is. Initially, the emergency financial manager was limited to just having control over the finances of the city—we’re speaking about Kevyn Orr right now, and the City of Detroit. And they then grandfathered the City of Detroit’s import of the emergency manager, to have complete control, under Public Act 436, over the assets and lives of the citizens of the city of Detroit. He is in effect a dictator. In the city of Detroit, we have a fascist state.

**Ogden:** Bill and I were discussing earlier that Detroit was one of the most proud cities of the United States. The population of Detroit exploded in the first several decades of the 20th Century, and then it became the most strategically significant area of the United States during World War II, and what Franklin Roosevelt did to build up what he called “the arsenal of democracy.” That was the critical element of the role of the United States in defeating fascism in Europe in the 1940s. Unfortunately, we now see that exact same kind of bankers’-dictatorship-driven fascism coming to Detroit itself.

You know the population in Detroit reached its

maximum in 1950s; there were over 1.8 million people, making it the fourth or fifth largest city in the United States at that time. According to the 2010 Census, that population has dropped to 700,000 people! So that’s a more than 50% reduction—and that’s just in 2010.

Can you discuss what the conditions are that the people of Detroit are facing right now, and what the effect is of the increasing poverty and the transformation of Detroit into essentially a ghost town: Can you give us a picture of that?

**Lemmons:** Let me say this, we have about a 50% unemployment rate in the city of Detroit in real terms—50%! That means that every other Detroiter you see is unemployed, and seeking and wishing to have work, even if they have stopped looking. We have massive crime; we have conditions which are unbearable—the street lights are out in much of the city; and the misery index for the city probably eclipses most places in the United States, and in some cases, on the planet Earth.

The fascist fate that you referenced earlier is here in Detroit, in that we don’t have democracy: We vote for a mayor who has no power; we vote for a council, which has no power; and yes, we vote for a school board, which has no power. And we’ve been waiting—this was supposed to be an “emergency”—but what we find, is that once the dictators come in, they don’t leave.

We’ve had, for the last four and half consecutive years, an emergency manager, an emergency financial manager, for the Detroit public schools, where they have plundered and pillaged the assets, sold them off, increased the privately run charter schools, and the student population has decreased from 200,000 to 50,000 students in the Detroit public schools, while there are another 60,000-70,000 students who attend the charter schools, which are, for the most part, privately run enterprises, using public dollars for private profit and gain.

And that’s what we now are having in the city: The bankers are being taken care of, the wealthy, the lawyers—the law firm of Jones Day has attorneys that are billing the city at \$1,000 an hour. They’re making *millions* of dollars off the misery of the City of Detroit, and they are being paid, while they threaten the pensioners.

And Detroit still sits in the middle of a metropolitan area with 4 million people! So the people have left the

city in favor of the suburbs, but now that Detroit goes down, the vortex that it will create, sucking in the rest of southeastern Michigan, and the rest of the state, may create an environment where this philosophy of having an “emergency manager” may even be imposed over the entire state, instead of a governor.

So, we’re concerned about the loss of democratic rights here, in the city of Detroit.

### Greece Comes to Michigan

**Bill Roberts:** Yes, the judge in Michigan [Rosemarie Aquilina] recently ruled that this filing for bankruptcy, in fact, is unconstitutional, according to the Michigan constitution. It seems to me that the whole idea of a non-elected dictator, bankers’ dictator, over a board of people who have been democratically elected, is unconstitutional from the standpoint of the U.S. Constitution.

And I would say that this is more of a reflection of what we’re seeing in Europe right now, where, for example, in Greece, the European Commission, the IMF, and the European Central Bank have complete control over all economic decision-making. And the cuts that they have made, which include cuts to wages, slashing of pensions, cuts to the city educational system, have actually created a situation where even the economists within the IMF have had to admit that those decisions have, in fact, created an even larger budget deficit for Greece, because the further contraction of economic activity has collapsed the revenue base, leading to larger deficits.

Could you describe the process of contraction of services, including education but also police and fire services, to the constituents of Detroit? And what conditions this has created within the city?



Library of Congress

*The “Arsenal of Democracy”: Ford’s Willow Run auto plant converted for war production of the B-24 Liberator, April 1943.*



*Detroit today: an abandoned house and car. “There are more abandoned buildings and properties in the city of Detroit, than anywhere else in the world,” Lemmons said.*

**Lemmons:** Well, let me start with the schools: They have placed 40, 50, and 60 kids in classrooms, the kids who can least afford it, who already come from families which don’t have the resources and the background to assist their children in educational achievement; and then to put a teacher, in many cases, an inexperienced “Teach for America” teacher, who doesn’t understand the urban child—or, any child, for that matter, since

they have very little experience. But they're the cheapest to put in front of these children.

And also we've closed, literally, over the last few years, 200 schools—*200 schools*—decimating neighborhoods.

It is also, with the cuts in services for the city—the EMS trucks often are over-extended, and people wait hours for service in an emergency. It is almost always better to rush to the hospital yourself, rather than to wait for an EMS. Fires break out and spread to occupied homes from unoccupied homes, and further destroying neighborhoods, because the fire department, because of archaic and non-functioning equipment, and the lack of trucks and firemen, is unable to put out the fires. Police response time is literally in the hours instead of minutes. And city services, as I mentioned earlier: The street lights are out in almost 50% of the city, so crime flourishes, desperation expands, and the misery index is magnified.

### Can the Ship Be Turned Around?

**Ogden:** Going back to 2005-06: You've worked closely with the initiatives that Lyndon LaRouche and LaRouchePAC have been leading to try to save the former industrial belt of the United States, starting with the Economic Recovery Act of 2006 [ERA], which was LaRouche's proposal to do what Franklin Roosevelt did with the retooling of the auto sector in World War II, to build munitions; but this time, to retool the auto sector and to rehire the autoworkers, the skilled workers, to build the necessary matériel to develop the rest of the United States, to build the necessary infrastructure, and great projects that are necessary. This was supported by the Detroit City Council at that time.

Also, following that, at the point that the 2007-08 crisis struck, the Bear Stearns/Lehman Brothers crisis of 2007-08, LaRouche's immediate response was to initiate an emergency bill called the Homeowners and Bank Protection Act [HBPA], which was really a precursor to the current Glass-Steagall mobilization. This was not only to erect a firewall between those crashing investment banks, and the legitimate commercial banks, but also, to put a moratorium on home foreclosures, and keep people in their homes.

So both of these initiatives, the ERA and the HBPA, and now, Glass-Steagall, are initiatives that you've been on the front lines fighting for. And maybe you can say something about your experience in that

fight, and where you see things standing right now.

**Lemmons:** Well, if Mr. LaRouche chose, he could say, "I told you so." He predicted the current economic collapse; and if we don't heed those words, we are facing some extremely dire times. I don't know if the ship can be turned around, but it certainly can't, if we don't reinstate Glass-Steagall, if we don't put in a works program similar to what Franklin Delano Roosevelt instituted.

It is proven that the austere economy doesn't work, the contraction of the economy doesn't work: We must build infrastructure; it is now archaic, and much of it dates from the 19th and 20th centuries; we must move on for the 21st and prepare for the 22nd Century. And so, we must expand and develop the infrastructure and create jobs, and thereby increase the standard of living for all Americans.

**Roberts:** A city the size of Detroit, being the largest U.S. city ever to file for bankruptcy, may be quite shocking to a lot of Americans. But I'm sure there are still those out there who are saying, "Well, that's Detroit. That's a separate case from where I live, or from other places." What would you say to that? Are we looking at a process that the rest of the country could really expect to be seeing?

**Lemmons:** Most definitely. Most of the tensions around the country are in these urban areas that are underfunded, and were highly tied to the real estate bundling of Wall Street and the hedge funds. And now, as more and more Baby Boomers come online to receive those pensions, they're going to find that their pensions are not there, and this is likely to spread. So Detroit becomes the canary in the coal mine—and it's more than a canary—it's an *eagle* in the coal mine.

### Pass Glass-Steagall, Now. Period.

**Ogden:** Over the past week, and over the coming two weeks at least, LaRouchePAC has brought our Policy Committee from around the nation into Washington, D.C.—this Policy Committee is comprised of six former candidates for Federal office, including Bill Roberts who ran for Congress in Michigan's 11th District; but also former candidates from Massachusetts, from Washington State, from New Jersey, from Texas. And we see a very intense, hand-to-hand combat in Washington, D.C. You've got J.P. Morgan, the other major Wall Street banks, coming directly into the Congress, using money, blackmail, intimidation, threats, to try to do everything they can to block

the passage of Glass-Steagall.

But despite this, really largely because of the organizing and mobilization that LaRouchePAC and others have done around the country, bringing Glass-Steagall into city councils, into local elected bodies; into now 25 different state legislatures, with official resolutions on this issue introduced, there's been an increased momentum around this in Washington.

Congressman John Conyers from Detroit, who is a co-sponsor on the H.R. 129 bill to restore Glass-Steagall, announced yesterday that he is going to initiate House Judiciary Committee hearings on the Chapter 9 bankruptcy in Detroit. He is the Ranking Member, the top Democrat, on that committee, and he's inviting testimony on whether or not Chapter 9 bankruptcy by, not only Detroit, but also other cities, has been misused, to, as he said, "unilaterally abrogate obligations otherwise protected under the law, such as pensions, health care, and other legal obligations, without sufficient legal safeguards." So this is significant resistance, opposition, coming from Conyers, and this will create the necessary forum for discussion in Washington, D.C., about what is happening to Detroit, but also other cities.

But with the LaRouchePAC Policy Committee in town for the next two weeks, and with this increased momentum around the fight over Glass-Steagall, I'm wondering what would be your message, directly, to the United States Congress, in terms of what has to be done, and the urgency of those actions being taken?

**Lemmons:** Pass H.R. 129, now. Period.

**Ogden:** Good. I would say that the eyes of the world are certainly now on Detroit, and I think your courage in fighting for this, LaMar, should inspire other people to do the same thing, and to realize that if you try to avoid the fight, or if you try to make deals or compromises, you're merely inviting more of the same, or worse. That's what we've seen going into this point, with the labor unions and the autoworkers who have taken the buyouts, and other cities that are trying to cut deals with these Wall Street banks. So, as LaRouche has explicitly stated this week, "You've got to wage an all-out war if we're going to save the country."

**Lemmons:** That's right.

**Roberts:** I would just say that we've got a big fight over the next two weeks on our hands. I wanted to thank you, LaMar, for your role in this fight, and thank you for joining us for this interview today.

**Lemmons:** My pleasure.

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## U.S. Economic Breakdown

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# Life Expectancy Falls In Dozens of Counties

by Marcia Merry Baker

July 20—New findings published July 10 in *JAMA*, the *Journal of the American Medical Association*, report that, while U.S. life expectancy, *on average*, still shows a rise to 78 years, there are many regions of the country where the expectancy is far below that, not even 65, and falling, under a dynamic of impoverishment, illness, and despair.

The U.S. economic breakdown process has proceeded to the point that even crude vital statistics for the county level, show the drop in life expectancy for millions of Americans, mostly women. The lowest U.S. life expectancies are found in the southern Appalachian, old coal regions of West Virginia, Virginia, Kentucky, Tennessee, and Alabama; in northern Mississippi; and in dirt-poor rural and tribal lands of Oklahoma.

Moreover, the county-by-county statistical survey reported in *JAMA*, which covers 25 years, stops at 2010; but the economic breakdown process has significantly quickened since then. Among the patterns shown, for the 3,000-plus counties, are:

- If you were born a male in McDowell County, West Virginia, in 2010, your life expectancy is 63.9 years; whereas, it is 81.7 years in Fairfax, Va. (Metro Washington, D.C.).
- Women's life expectancy has remained static, or dropped, in nearly half of all counties, over the 25 year period, 1985-2010.
- The U.S. now ranks 27th among the 34 members of the OECD.

The principal authorship of the newly published study is based in Seattle, at the University of Washington's Institute for Health Metrics and Evaluation (IHME). Its 96-page report, posted July 10, is titled, "The State of US Health: Innovations, Insights, and Recommendations from the Global Burden of Disease Study."

### Upping the Death Rate

The *JAMA* coverage is the latest in a growing number of articles in medical and public-health jour-

nals over the last two years, covering details of the demographic decline in the United States, but now, the full picture is starting to be publicized.

The process involved is the same as that now seen in southern Europe, where killer-austerity is being imposed in Greece, Cyprus, Spain, Portugal, and other nations, under the pretext of “fiscal discipline” to save bankrupt trans-national financial institutions. And the rate of death is rising.

In an arrogant cover-up, the Obama Administration staged a White House event July 20, to spin the worsening U.S. suffering and life-expectancy decline, as resulting—not from economic crisis—but from poor individual “lifestyle” choices. Michelle Obama lectured mayors and guests from 41 cities, on how they must admonish their people to eat smarter, exercise more, and not be fat. This is the identical trans-Atlantic script to that of the British empire’s Prince Charles, who advises his subjects on how to “live better.” They both issued books in 2012: Michelle Obama’s, *American Grown*, and Charles’s *The Future of Food*.

The new U.S. county health survey documents how the many stark national and geographic morbidity and mortality patterns are consistent with the process of demobilization of the population and cultural collapse. For example, among the top ten causes of premature death in the U.S. nationwide, is diabetes—associated with obesity. Diabetes has now soared, to rank as the 7th leading cause of death in the United States; it was 15th in 1990. Drug overdoses are also an epidemic.

The American obesity rate has sky-rocketed to 35.7% as of 2012, as the economy shuts down. In hundreds of counties now, there is nothing for anyone to do; you are considered expendable; if you can, you eat.

Conversely, the lowest obesity rate occurs in those counties with the highest rate of jobs, income, medical services, and (apparent) security. Falls Church, Fairfax County, Va., for example, has the lowest percentage of women considered obese—17%—of any county nationwide. The Fairfax and Northern Virginia job roster is propped up by the Federal government complex. Thousands of Fairfax residents have moved there to flee the shutdown underway in, for example, the Great Lakes states.

### Female Life Expectancy Falling

The Institute for Health Metrics and Evaluation county-level health study is regarded as a landmark of the last 25 years of research. Along with its new report, the Institute has posted its data series, by state and

county, for life expectancy, obesity, and physical activity, for the period 1985 to 2010.

The IHME looked specifically at 291 diseases, and certain other markers of health status and mortality rates, for the 1990 to 2010 period.

Much of the IHME research is part of an international project to comparatively “score” 34 OECD nations, considered “economic peers.” It is no surprise that the U.S. ranks a low 27th in life expectancy, while first in the dollar-value per capita spent on health care; this simply reflects the intent all along of the post-1971 privatized health insurance/“managed care” offensive, to loot the medical system and undermine the nation. Now the results are showing up in illness and death.

One outstanding pattern, is the decline in life expectancy for women. The picture shows that in 1,405 counties—which is 45% of the total number of 3,143 counties in all 50 states—female life expectancy remained static, or declined from 1985 to 2010. In 72 of these counties, the decline was very significant.

These counties are concentrated in regions characterized by poverty and desperation over the means of existence.

The national pattern was described in “Life Expectancy Declining for Many U.S. Women,” an article in the March 2013 issue of *Health Affairs*, which described the “disturbing trend,” in which “women age 75 and younger are dying at higher rates than in previous years, in nearly half of the nation’s counties, many of them rural, and in the South and West.”

The situation in two states makes the general point.

In Oklahoma, out of the total number of 77 counties in the state, the life expectancy for women went down in 48 counties, from 1985 to 2010. In 11 of these counties, the decline was more than 2 years (**Table 1**).

In West Virginia, out of the 55 counties in the state, the life expectancy for women went down in 15 counties, from 1985 to 2010. In two counties, the decline was nearly two years, McDowell (-1.7) and Logan (-1.6) (**Figure 1**).

The profiles of the counties explain the vital statistics in both states. Oklahoma has terrible poverty in rural and tribal areas.

### No Coal, No Nuclear, No People

The two West Virginia counties with the biggest decline in life expectancy for women, are in the “old coal” belt of Appalachia, a part of the nation whose population is considered “excess” under the Obama/London



## On the Subject Of Oligarchy

by Lyndon H. LaRouche, Jr.

Thursday, July 11, 2013

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*There are those among us who are already familiar with my own as also others' crucial insights into the contributions of that work of Johannes Kepler which I had emphasized in the combination of my June 10, 2013 "Nicholas of Cusa, Kepler & Shakespeare,"<sup>1</sup> and, also, my June 28, 2013 "The Great Ontological Paradox."<sup>2</sup> That combination should be recognized, now, as the principled basis for my warning here: that a notion of human sense-perception, is not, ultimately, intrinsically real in and of itself, even if it remains the subject of a stubborn belief among victims of current reigning popular opinion.*

*Here, I now include, in that same list, an insight into war as a subject of universal physical principle of still presently urgent importance, especially when it had been presented by General of the Armies Douglas MacArthur. The exploration of that principle, makes much clearer, not merely MacArthur's role as a source of a most expert opinion in this matter of peace and war; but, accordingly, the truly universal physical principles on account of an issue of what is sometimes named "Grand Strategy," as in the matter of facts concerning the assassinations of both President John F. Kennedy, and of his brother Robert: assassinations which were done to make way for both the launching, and the stubborn*

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1. Cf. Lyndon H. LaRouche, Jr.: "Nicholas of Cusa, Kepler & Shakespeare," [EIR](#), June 21, 2013, or [LaRouchePAC](#).

2. Cf. LaRouche, "The Great Ontological Paradox," [EIR](#), July 12, 2013, or [LaRouchePAC](#).

and worse than worthless continuation of what was to become known as “The Vietnam War.”

Thus, General of the Armies Douglas MacArthur’s role in his critical opposition to a turn to nuclear warfare, despite Winston Churchill and his virtual U.S.A. lackey, President Harry S Truman, was not a particular issue of that time, but, rather, an urgently needed recognition of the underlying, still presently continuing, universal decline in the physical principle of moral and economic decline involved.

I explain, as follows: The role of Britain’s butcher, Tony Blair, in the matter of the continuing war “in the Middle East,” echoes the same policy which had already underlain the continuing, long war in Vietnam.

Take note! I have made no mistake in dating the stated Anglo-American intention for nuclear warfare at that time (1946), and later, to both the role of President Harry S Truman and of Prime Minister Winston Churchill. The original date was late Summer 1946, and included Bertrand Russell as the most articulate, publicly avowed sponsor of “preventive” nuclear war, on that date.<sup>3</sup>



“Oligarchism, not merely war as such, remains, still today, the major source of the relatively global evils practiced among mankind.” Shown: “The Family of Charles IV” (1800-01), in which the great Spanish painter Goya lampoons the oligarchs of his day.

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## I. In the Roots of Warfare

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### (An important, but subordinate consideration in law: What is the true meaning of “evil”?)

In respect to the particular case of general warfare, when it is considered merely as such, the true root of evil to be considered, is typified for typical human Earth-dwellers today, by what is properly identified as *the oligarchical principle*. That oligarchical principle is conveniently identified, in turn, as being opposed to, for example, that same, contrary quality of true human principle which is actually illustrated by the case of Plato’s opposition to the inherently fraudulent propositions of the wicked pair known as both Aristotle and Euclid, alike. The same must be said, also, of such earlier cases as that of what is now known as the infamous genocide which concluded the Trojan War. *Oligarchism*, not merely war as such, remains, still today, the major source of the relatively global evils practiced among mankind.

For example: The Roman and British (e.g., Anglo-Dutch) empires have been typical of the relatively worst among the known evidence of those legions of evil which

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3. At that time, the stated intention of the Anglo-American advocates of nuclear war against the Soviet Union, premised their original confidence in launching nuclear war on the presumption, that the Soviet Union had not yet mastered an ability to effectively launch nuclear war at that time. As soon as it was made clear that the Soviet Union had a credible nuclear weapons arsenal, too, the Anglo-American war policy changed: “Wait until a thermonuclear alternative had been developed”—but, by that time, Nikita Khrushchov’s Soviet Union had a major capability for thermonuclear weaponry, too. The only thing really clear, was the intention to have nuclear warfare.

are also to be traced back to origins in ancient Rome, and even earlier. However, monetarism generally, even simply as such, is also a typical expression of that same, original quality of evil.

I shall emphasize here, that the practice of what is to be classed as *oligarchism*, so illustrated, is the most significant of the roots of the systemic evils of society, still today. I point out some remedies here, as follows:

The most readily accessed example of the contrast of good to evil in modern times, has been typified not only by the goodness of the *anti-monetarist principle* on which the original Constitution of the United States of America was premised; it was also the same principle which had been adopted earlier by the Massachusetts Bay Colony. That principle, which modern society should trace back to such Renaissance geniuses as Nicholas of Cusa, has been demonstrated through the crucial quality of a leading contributing role specific to the included role of U.S. Treasury Secretary Alexander Hamilton.

### ***Hamilton's Role***

Hamilton's principle stands in bold opposition to that model for a true principle of evil which had been expressed, typically, then as now, by that oligarchical system which had been already specific to the Anglo-Dutch empire of the Seventeenth Century onward, to the present day. The phenomenon of that evil which has been contemporary imperialism and monetarism alike, is illustrated very well by the particular case of the man who was both a British agent and a virtually Satanic murderer: the same Aaron Burr who had sponsored, personally, from abroad, the virtually treasonous and thoroughly criminal U.S. Presidencies of such as Andrew Jackson, Martin Van Buren, and their relevant Anglo-Dutch successors.

To the present date, the true principle underlying our U.S.A.'s successfully continued existence, has been the principle of *the anti-monetarist credit system*, a



EIRNS/Stuart Lewis

*“Hamilton’s principle stands in bold opposition to that model for a true principle of evil which had been expressed, typically, then as now, by that oligarchical system which had been already specific to the Anglo-Dutch empire of the Seventeenth Century onward, to the present day.”  
Statue of Alexander Hamilton in New York City.*

principle which underlies the accomplishment of the founding, as by the contributions of Hamilton, of not only the original Federal Constitution of our United States of America, but the much earlier model, that Massachusetts Bay Colony led by the Winthrops and Mathers.

Consequently, in that light, mere money (e.g., “monetarism” as such), is to be fairly considered as being a certain expression of “the root of all evil,” that, in fact of practice, again, and again, and yet again. The cases contrary to monetarism, such as the U.S. Federal Constitution, like its proper predecessor, the Massachusetts Seventeenth-century shilling, were both premised on the function of *the notion of public credit*, as directly opposed to the inherent corruption represented by monetarist standards as such.

In other words, true economic value is properly delimited to *the identity of a system of public expressions of physically efficient credit*, as opposed to the notion of mere money *per se*. Money has been, often, a veritably customary expression of the “root of all evil,” as notably, for example, since the recent decades’ intrinsic looting of the U.S. economy, a looting which was launched by the U.S.A.’s 1999 Gramm-Leach-Bliley legislation.

“To be clear,” as President Richard M. Nixon had repeatedly spoken that phrase, evil is commonly expressed as the alienation of value, as away from the authority of that vital U.S. interest which is represented by a proper consideration of the social-economic effects on the whole population of the nation. Money itself has, actually, no rightfully intrinsic value, no value which were independent of the direct ownership which must be fairly available, in effect, to all of the people: all based on a condition of access to a higher quality of ownership which is expressed most efficiently as “the public interest of the nation as a whole:” a system based in the right to its origin and its participation in the national physical credit which is *composed, respectively, of each and all of*

*the people of a truly sovereign nation when considered as a whole. Whereas, the distinctions among both individual persons and households, arise to comprise the expression of the individual's contributions to the whole, as illustrated by Alexander Hamilton's treatment of the subjects inherent in the sequential relations among the practices of agriculture and manufactures, sequences which are merely typical in forming the evolutionary progress of the wealth of the nation as a whole.*

A form of money circulated both within, and outside the original national ownership by the people of our nation, should only be that of the ownership shared, in effect, as properly a system of both individual and common benefits for each and all among the people of a nation itself, or as benefits circulated according to similar standards for the benefit among relevant nations and their individual members. Any acceptable expression of monetary credit is, thereby, that which should have been a matter of achieving a relationship in principle which is shared fairly and honorably among the whole people of each nation, but also many, or all nations: even though the particular system of sovereign credit should be considered as being unique to its nation. Other forms of what is to be considered wealth, exist rightfully only according to that principle of a people in their personal rights to create, acquire, and possess wealth under circumstances provided by law among nations; but that, we must understand, is only the *relative* fact of the matter.

Money circulated otherwise, has often—even usually—been readily susceptible to becoming transformed into an instrument of what is actually evil, as in many such cases knowable to us as in both our United States and in Western Europe presently, and which is, also, properly known, presently, as oligarchism, as such. That, the oligarchical principle, in, and of itself, becomes, intrinsically, the expression of evil done both against, and among the nation and its people, as in the familiar case today.

However, although those terms toward which I have pointed here, are reflections of that which may occur as events, hopefully under true and proper law, there are also certain other, more profound considerations to be taken into account as being essential. These are not merely matters of possession, but, above all else, must be according to the need for vigorously produced net progress as such: as located in the effect of the increase of the productive powers of labor, as in and of society. Without the inclusion of the requirement of progressively higher states of development of those superior

principles uniquely innate to human beings, no rightful system of lawfulness were securely extended within and among societies.

The notion of a society of “the wealth of things as such,” were an essentially inhuman concoction, a concoction which lacks accountability for the necessary, efficiently noëtic powers shared in the interactions among the sovereign personalities of each of the cases of the individual's human mind.

The notions which I had presented in this chapter up to this point, must now be extended in essential qualities, not only in terms of nuclear powers and ever higher powers at human command within the presently known universe, but through now taking into account what is presently in progress as superseding the notions of sense-perception reigning heretofore.<sup>4</sup>

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## II. The Human Principle

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There are two leading principles of animated life—human and animal—to be considered from among those willful principles of society, as such, which I am setting before you, for your attention here.

What is most crucial, as one among the two types of animated life, is that which is most clearly characteristic of the combination of an implicitly willful expression of actually animated life; the other is distinctly, and specifically, human. Both of those two sets of cases, are associated, in an important way, with the notion of *noësis* in motion (e.g., evolution toward what is systematically, successively higher orders in states of existence), such as respectively distinct qualitative states which, speaking broadly, may be assorted as respectively animal and human.

Most notable, for our purposes in this report, is the specifically animal type, as that whose motion is developed through biological evolution; whereas, the contrasted species, that of human beings, is appropriately ordered by that self-development of categorical powers of *noëtic* potential which inhere in that often seemingly mysterious power of the *human mind* which is of the sovereign quality properly demanded as being the actively noëtic relationship categorically unique to both the individual members of the human species, and in the formation of its society.

For the sake of rough-cut convenience, we may state the following:

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4. I shall come to those aspects of the subject-matter in a later chapter.

The lower forms of life with which we are immediately concerned here, are what is merely animal; the second category, is the willful action by means of the uniquely *noëtic* quality of the potency specific to the potential of the human mind. That second specificity is, variously, relatively more or less rarely understood as occurring among the category of persons. That second case appears, now, to be universally unique to the inherent voluntary, intentional quality of motion by and in human society as such, as distinct from merely isolatable human individuals. We humans should, each and

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*The purpose of the life of the human individual, is located, uniquely, within the inclusive domain of those specific noëtic powers of the individual which distinguish mankind as a species, from beasts.*

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all, “evolve upward,” upwardly not merely biologically, but in voluntary shaping of social culture and its practice; but, to the best of our knowledge on that matter this far, this is chiefly a voluntary action by choice, or, as we should say, otherwise, *noëtically*: according to the *noëtic* principle characteristically specific to the human individual and his, or her quality of personality expressed as the motion among a society, or societies.

So, the purpose of the life of the human individual, is located, uniquely, within the inclusive domain of those specific *noëtic* powers of the individual which distinguish mankind as a species, from beasts.

### ***The Problem of Human Behavioral Corruption***

Unfortunately, thus far in history, the *noëtic* powers are not only the relatively least-understood influence encountered during these present times; but, most notably, as since the downward plunge in the U.S. economy, as that had followed, first, the assassination of President John F. Kennedy, and, then, that of his brother, Robert: both sets of principle of which latter cases have coincided, in effect, with the advent of the progress or decay of the U.S. and European economies, economies which have been, recently, being transformed into the increasingly ontologically downward, pathological trend, a trend which is now often to be properly identified, and that increasingly, as a mode of cultural degeneration known commonly, today, as “environmentalism.”

What is properly defined as the deadly disease which is spread through the peoples of nations, and which is called “environmentalism,” is being expressed currently in the form of a presently accelerating plunge into a vicious decline in the process of direction, downward, in moral and physical-economic decadence in the standard of living, in the quantity and quality of food-supplies, and in the general health and intellectual decadence of the populations of affected regions: all such trends into the direction of decadence, including such examples as those to be noted in the United States and Europe since the midstream of the 1960s, have been in a culturally downward direction, toward the threat of a willful commitment to a net effect of the threatened, self-inflicted doom of our species.

Under the most recent, downward-plunging trends, most notably by the U.S. Presidencies since the beginning of 2001, there have been massive accelerations of what are presently *taking the form of a vicious succession of relatively potential human death-rates*, which has taken over the trans-Atlantic regions, in an increasingly conspicuous expression, during the lapse of time in the course of the four either most recently started, or already completed, U.S. Presidential terms in office. The principal source of the presently onrushing, and also increasing rates of immediately threatened, now accelerating genocide, had been visibly expressed as implicit trends which have been presently continued, since the early 1960s, as the expressed effects of the so-called “Greenie” cult.

The currently precipitous rate of collapse of the U.S.A. food supply, is only typical of what is now in the process of becoming an accelerating present and future death-rate in the current U.S. population. Monstrous rates of increasing collapse of environmental conditions and food-supplies, are already warnings of massive accelerations of death-rates within the U.S. population as such, itself, even threatened extinction, unless the trend is soon reversed.

For example that continued, accelerating, mass-murderous trend under both the recent, named Bush and Obama Presidencies, is now approaching rates consistent with the British empress’s loudly stated intention to reduce the human population of the planet as a whole, from seven billions persons, to an accelerating effect avowedly intended to soon reach less than one. Without a present reversal of the so-called “green practices” of such gimmicks as the inherently silly wind-mills and related insanities, the Anglo-Dutch Queen’s

presently mass-murderous objectives could be realized as fulfilled at steeply accelerated rates, even with, or without, major warfare throughout the planet—although nuclear/thermonuclear warfare still remains as the likely effect of the indicated oligarchical intentions and their consequent trends.

Those are, and will remain simply facts, unless the recent trend of such as Britain’s mass-killer Tony Blair’s reign, and unless the earlier, late 1960s decades’ already, if lesser rates of kindred, pro-genocidal tendencies, were both reversed.

Simply put: the rates of increase of energy-flux density in the concentrations of increasing rates of intensity of power per capita, must be now be restarted, and also accelerated; otherwise, the death-rates throughout the world are now already accelerating at rates which must be identified as a global trend in planetary human genocide.

The nominal trend in rising rates of genocide is not the only aspect of this threatening trend. The inability to maintain a correlated set of rates of increase of the energy-flux density of the human persons per capita, must be correlated with the falling rate of intellectual development of the typical U.S.A. or European citizen. The so-called “green doctrine” is a doctrine of practice which results in not only human genocide, but a decadence in the mental powers, and also the relative sanity, of the individual human being.

**To Be Seen, from the Opposing Options**

The two leading options for mankind now, may be fairly identified as the choice between the “Oligarchical,” on the one side, and what is fairly nameable as “the Classical,” on the other. The problem to be emphasized, is that the prevalence of the “Oligarchical,” on the one side, would ensure a rate of destruction of humanity which would be of the type which is typified presently by the tradition of the oligarchical system. In that case, the nightmare which General of the Armies Douglas MacArthur had faced in his time, leads toward a general destruction (and, possibly, the extermination) of the human species. In the case that the “oligarchical model” were defeated, the horror of thermonuclear warfare, or comparable consequences, would probably also be defeatable.

To restate the point just made, which of the two options prevails will tend, essentially, to predetermine the outcome for humanity.



Nuclear Information and Resource Service

*“The so-called ‘green doctrine’ is a doctrine of practice which results in not only human genocide, but a decadence in the mental powers, and also the relative sanity, of the individual human being.” Shown: Italian anti-nuclear zealots.*

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### III. Beyond Sense-Perception

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When a currency, or its surrogates, assumes a form of what is called “monetarism,” or, in other words, what is classed as a system of money *per se*, or its likeness, the putative currency of the subject nation becomes, as it were, a practice-target, of a kind of potential evil, a downward-directed trend, readily wrought upon the credulous, and also an empty hoax, like Wall Street, presently practiced upon the credulous.

In competent practice of economy, the alternative to the folly of credulity, has been, chiefly, what has been presented by the initiatives of that true scientific genius, the original Federal Treasury Secretary of the United States, Alexander Hamilton. It is the same issue of conflict which I have long-since defined as a leading subject of my own profession, *the scientific practice which is appropriately named “physical economy.”* That has been a practice to which I have been committed professionally, with relatively exceptional rates of successes, since the 1950s, up through this present moment.<sup>5</sup> More to the point, are my most successful forecasts, as in the Summer and Autumn of 1971, and continued onwards as through that year and beyond. On that issue I have never since been mistaken in a given economic forecast

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5. As opposed to the trend toward intellectual and social degeneration of a society guided by the practice of monetarism. My successes have been widely successful in fact.

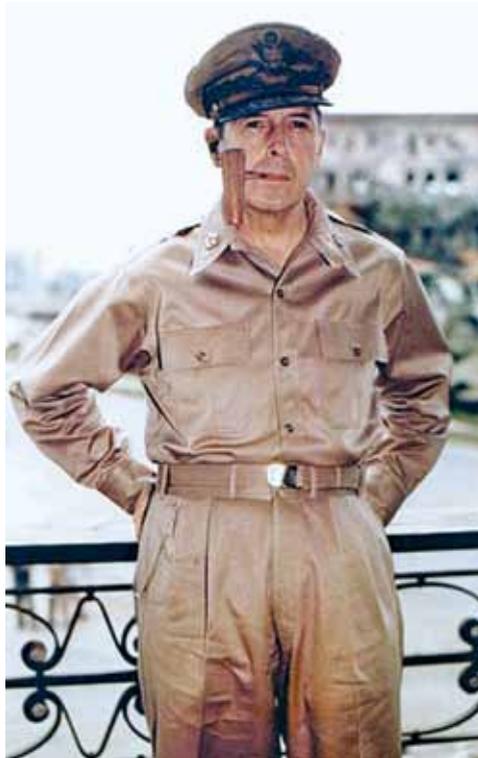
placed on the record by me. The reason for that success is that I had rightly known that the contrary methods of forecasting had always been systemically wrong.

The fact of my clearly actual forecasting successes, from 1956 through the present time, has been the result of the wrongness of all leading U.S. forecasting since 1956-1957, as shown in what broke open in February-March 1957 in the U.S. auto and related Wall Street sectors of the U.S. "Wall Street" economy. The assassination of the Kennedy brothers, combined with the clinically insane, long war in Indo-China, had sent the U.S. economy on a long-range decline in net economic effects from that time to the present situation.

Then, that much already said: why, more precisely, is my relatively unique, successful practice, the proper use of the names for the concept of "physical economy," as here, in this specific context?

In fact, the unfortunately relevant fact placed at issue by the popularly foolish misuse of the term "physical economy," has been typified by the case of such hoaxsters as the virtual idiots who have been operating widely in the name of "science," such as such poor wretches as those typified as the admirers of that pathetic wretch, Isaac Newton. For all such poor wretches, the future exists only as a product of a deduction from the existence of the past. Just so, virtually all merely mathematical systems of what are called "economy," are customarily premised on that often actually witless presumption often called "statistics," or a worse mistake in the history of living species: the folly of the presumption that truth lies chiefly in an experience rooted from the past. The truth of the future is the occurrence of what never actually happened before.

There have been other aspects to U.S. economic follies, such as the folly of the political noise-maker and President Andrew Jackson, which all have a general background for effects based on the British banking system's invasion and take-over of the market centered



*In contrast to "statistical forecasting" by Wall Street and its likeness, i.e., "worship of the dead, the late Douglas MacArthur is distinguished, in matter of fact, by his exceptional ability to forecast the outcome of the future while he lived!" Shown: MacArthur in Manila, Philippines, August 1945.*

in Wall Street and Boston, leading into and far beyond the great financial crash under President Martin Van Buren, whose pet fool Andrew Jackson had been.

Now, henceforth, I emphasize the virtual idiocy, in effect, of the popular economists' practice of an attempted forecasting of (implicitly) the wished-for birth of the presently, virtually economic dead suitably called "Wall Street and London." That popular forecasting, by so many so-called economists, is what is still the customary practice of what is called "statistical forecasting." Hence, the inherent stupidity in fact of practice, by Wall Street and its likeness, then as now.

In contrast to such worship of the dead, the late Douglas MacArthur is distinguished, in matter of fact, by his exceptional ability to forecast the outcome of the future while he lived! In all of this, up to the point of recent developments now, almost no important quality of forecast by me,

was ever actually accomplished by means of statistical-forecasting methods. What did happen, was the absence of the potentially critical event on a relatively global scale, which already is more important in customary statistical forecasting, but which did not actually happen.

### ***More Broadly at Present***

Thus, when it comes to statistical methods as such, the most important forecasting is based more on "what did not happen," far more than attempts at statistical forecasting of what were mistakenly presumed to be the statistical forecasts of the immediate non-eventful, but taken as typical of the abilities of our species during the time we have been presently living; the former are the most significant of events to be met in all attempts at forecasting crucially significant developments, especially the strategic forecasting of what did not, and probably could not have occurred according to the customary practice of merely statistical methods.

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## IV. The Real Economy!

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What I have said just now, typifies the most important of all forecasting capabilities, precisely because it is not, by its very nature, derived from any merely statistical experience. Such ostensibly unusual classes of phenomena, illuminate the most crucial aspects of human experience, precisely because it is in “their nature,” to do, actually, what could not have been discovered by statistical or closely related qualities of means. The most crucial discoveries delivered by Max Planck and Albert Einstein, for example, typify the distinction of that matter of scientific method, if not perfectly, but very well; they have done as both Nicholas of Cusa and Johannes Kepler had understood in their own times, and in their own pathway, *a way which always lay along the pathway of a negation of that world of perpetual change, which had been, always, about to pass into a pathway of universal, higher energy-flux density, always kicking, as if, habitually, against the pricks.*

*Sedate? Or, sedated?*

Let us, therefore, explore the escape-route from the fantasy of a blinded faith in a silly universe which must be wound-up even to seem to actually exist. I mean the principle of life *per se*, or call it some sort of human emotion, or a principle of change, for an example. The universe must certainly be moved, and, the evidence is presented, that it can be moved.

What should be considered the actually underlying meaning of that which I have just written here? Who moves what, and, in turn, what moves whom? Are those not the most relevant questions to be considered when we are faced with a reality for the universe? Is human life not, then, the expression of the effect of a moving experience by mankind? What, then, should passion mean? Perhaps: **I Corinthians** 13? Where, when, and how, is that implied motion expressed?

Under the Roman Empire, it was to be persecuted, or, most probably, killed. That could not be the proper intention, except for the satisfaction in the courage to defy evil, as a growing number among our citizens face comparable threats at the present prospect. Yet, the fact of our continued existence forewarns us to pursue missions of achievements in our Solar System which lie beyond the mere bounds of Earth. There is something important to be said, on that account: to wit, as follows.

### ***Consider the Hoax in Sense-Perception***

On the one side, those among us who are actually witting, recognize that mere sense-perception is not the

underlying characteristic of the human existence. Our human reality is a cast shadow, which we have often been resolved to regard as a useful surrogate for a cast shadow called “sense perception.” Our true self, is as we are presently situated to think in such terms of reference, if we are focussed on our experience of the Solar System to such an extent as the surroundings represented within the ranges of both Earth and Mars. For many among us, particularly those of a more limited range of outlook, we are thinking in terms of thermonuclear instruments of change within the context of two nearby planets and a host of millions of pieces of debris known as both asteroids and the more menacing comets and matters akin to that.

Thus, as mankind advances into thermonuclear and related means within the implied future reach of the nearby planets and related debris, man’s reach will extend beyond the means of thermonuclear abilities, and, with that, the traditional outlooks of mankind on Earth will, as Douglas MacArthur might have said to us, seem to fade away, as the powerful forces which we shall acquire will make our past view of life within the range of man on Earth seem to fade away, as the mightier instruments of exploration emerge as means which mankind can progress in controlling.

This trend which I have outlined as prospective, prescribes a quality of human mission which we must adopt out of respect for the rapid increase of energy-flux density empowering continued great leaps in the energy-flux density of developments approaching human capabilities within our Solar system and ultimately far beyond. This century itself proffers giant leaps in the energy-flux density which might be achieved within the four currently prospective generations of human life on Earth.

Under such conditions, that prospect implies what mankind will then become, already, as relatively giant leaps in the prospects of mankind on Earth, and in terms of efficient connections within what appear to be forbidden reaches within the range of our presently still young century.

Already, within the bounds of the subject-matters which I had already scanned since the life-time of the great Nicholas of Cusa and his student Johannes Kepler, we should be enabled to shrug ourselves free of the oligarchical nightmares which have delimited our powers for progress during more than four centuries to present date. Then, the childish memory of blind faith in sense-perception will have dwindled, seemingly almost away.

# Obama's War Policies Spark Resistance from Many Sides

by Jeffrey Steinberg

July 21—The Russian government is reviewing Edward Snowden's application for temporary political asylum, and is about to move him from the transit lounge at Moscow's Sheremetyevo Airport to a facility where pending asylum applicants are housed. While President Obama has threatened to cancel a meeting with President Putin in St. Petersburg in retaliation for Putin's handling of the "Snowden Affair," the Russian action comes in the context of a much broader revolt against the policies of the Obama Administration.

A Swedish professor, Stefan Svallfors, has nominated Snowden for the 2013 Nobel Peace Prize, writing to the Committee that Snowden's courageous actions have made the world a safer place by revealing illegal American espionage activities that jeopardize world peace.

- Former President Jimmy Carter has praised Snowden for revealing illegal operations by U.S. intelligence agencies, carried out with White House approval.

- American diplomats, retired flag officers, and Members of Congress are demanding that the Obama Administration seriously pursue diplomacy with the Iranian government of the newly elected President Hassan Rouhani. A letter from 29 retired diplomats, admirals, and generals calls on the Administration to immediately begin bilateral talks with the new government, to parallel the anticipated resumption of the talks between Iran and the UN Permanent Five Security Council members plus Germany (P5+1) over the Iranian nuclear program. The letter was signed by former top State Department official Thomas Pickering; Gen. Joseph Hoar, former

head of the Central Command; Col. Lawrence Wilkerson, former Chief of Staff to Secretary of State Colin Powell; and Ambassador Chas Freeman.

- Several days after the open letter to President Obama was released, a petition signed by over 100 Members of Congress from both parties similarly called for serious dialogue.

## The Israeli Factor

These actions were intended to push back against a renewed campaign by Israeli Prime Minister Benjamin Netanyahu to force the Obama Administration to take military action against Iran. Earlier this year, when Obama visited Israel, he and Netanyahu reaffirmed an earlier agreement that the United States would use all means at its disposal, including military force, to block Iran from obtaining a nuclear weapons capability. Netanyahu claims that Iran has already reached the threshold of obtaining a bomb, and that prolonged negotiations will assure that Iran "goes nuclear."

To press the case, Netanyahu has appointed a new Ambassador to the United States, Ron Dermer. Dermer is an American-born, rabid neoconservative, who was sent to Israel in 1997 to promote the "Clean Break" plan to eradicate the Oslo Accords and press for regime change in Syria, Iraq, and Iran. Dermer is a protégé of the "Prince of Darkness," Richard Perle, and has been an aide to Netanyahu and to prominent Israeli hawk Natan Sharansky since renouncing his American citizenship in 2005. A senior U.S. intelligence source has



*Gen. Martin Dempsey, JCS chairman, is pulling no punches in his opposition to a U.S. military involvement in Syria.*

confirmed to *EIR* that Dermer's assignment in Washington will be to rally neocon support for military action against Iran before Obama leaves office.

### **Drawing the Lines in Washington**

With "humanitarian interventionists" Susan Rice and Samantha Power now in critical positions in the Obama inner circle, the White House is also contemplating direct military involvement in the Syrian crisis.

There are also hints of a rotten deal between the White House and Sen. John McCain (R-Ariz.). McCain, who was a harsh critic of Rice and Power, following the Sept. 11, 2012 terrorist assault on the U.S. mission in Benghazi, Libya, in which Amb. Christopher Stevens and three other Americans were killed, has suddenly thrown his support behind Power's nomination as U.S. Ambassador to the United Nations, and has supported recent statements by Rice on Syria.

Rice, in her valedictory speech at the UN Security Council, assailed Russia and China for blocking military action against Syria's Assad government and accused the UN of failure to act to prevent genocide.

In Senate confirmation hearings last week for Gen. Martin Dempsey, who has been nominated for a second term as Chairman of the Joint Chiefs of Staff, McCain launched a vitriolic attack on the general for opposing U.S. military intervention in Syria, and actually placed a hold on the nomination until Dempsey answers more questions. Following the hearing, McCain and Michigan Democrat Carl Levin, the Chairman of the Senate Armed Services Committee, sent a letter to Dempsey demanding that he answer an additional series of questions, indicating his "per-

sonal" opinions about the military option against Syria.

Dempsey has played a leading role in blocking direct U.S. military involvement to overthrow the Assad government, arguing that the U.S. strategic relationship with Russia and China would be severely damaged by any such U.S. action. For Dempsey, the danger of a strategic confrontation between the United States, and Russia and China, is the greatest strategic threat, and everything must be done to maintain positive ties with the two other leading nuclear-weapon states.

To underscore the danger of a strategic confrontation between the great powers, Russian President Vladimir Putin last week presided over large military maneuvers in the Russian Far East. The maneuvers, which involved 160,000 Russian troops and sailors, were the fifth and largest of such surprise maneuvers to take place this year (and the largest since Soviet times). Russia has also accelerated deployment of new generation strategic weapon systems.

Last week, U.S. intelligence agencies confirmed that a bombing attack on a military site in northern Syria had been carried out by the Israeli Air Force, which was targeting a shipment of Russian surface-to-sea missiles. Israel has also threatened to destroy any Russian air defense systems sent to Syria, threatening a broader strategic confrontation.

In his testimony at the Senate, Dempsey acknowledged that the Joint Chiefs had recently presented President Obama with updated options for U.S. military action against Syrian targets. While he made clear that he and the Chiefs strongly oppose such direct U.S. involvement, he acknowledged that the President has the new plans on his desk and that the ultimate decision rests with the President. While Obama, under normal circumstances, would find it hard to ignore the advice of his generals, there is nothing normal about the present situation, and Obama is seriously considering U.S. military action.

McCain's assault on Dempsey can be properly understood only in the context of the pressure for the U.S. to be sucked deeper into the Syrian quagmire. The British policy of promoting a permanent sectarian war within the Islamic world, between Sunnis and Shi'ites, would be greatly advanced, were Obama to order U.S. military action against the Syrian Army and the Assad government. The "London Factor" with Obama can never be underestimated.

# Russian Drills Show War Preparedness

by William Jones

Russian military forces on July 13-20 held the largest military drills since the collapse of the Soviet Union. Staged in Russia's Far East, on Sakhalin Island, and in and over the Pacific Ocean, the exercises were the fourth in a series of a snap military practices, aimed at testing the reaction capabilities of the Russian defense forces on a large scale, since Gen. Sergei Shoygu was installed as Defense Minister last November, and began to redress the damage done by his predecessor Anatoli Serdyukov, an accountant and tax specialist.

It was clear that maneuvers of this size would attract a great deal of attention, especially coming on the heels of major Russian-Chinese joint naval maneuvers, held in mid-July in the Peter the Great Gulf. Clearly the "Asia pivot" of the Obama Administration, combined with the growing militant rhetoric of the Japanese government, has heightened an awareness in both Moscow and Beijing, that military confrontation in the region could become very serious, very fast, and the Russian leadership is particularly aware of the vulnerability of the Russian Far East. Through growing military and naval collaboration with China, as well as flexing its own military might in the Far East, Russia is preparing to protect its sovereign interests there from whatever threat might emerge.

According to the Russian military newspaper *Red Star*, the Far East exercises also tested new C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance), established as a part of Shoygu's transformation of the Armed Forces. The maneuvers involved five separate armies and all branches of the Armed Forces, with a total of 160,000 troops, more than 5,000 tanks and armored vehicles, 70 ships from Russia's Pacific Fleet, and 130 war planes, including the TU-95 "Bear" strategic bombers based in the Amur region. "The main goal of the drills is to check the readiness of units to carry out their missions, and to assess the quality of their training and technical preparedness," the De-

fense Ministry said in a statement on July 13.

Military commanders in the Far East and Trans-Baikal regions where the maneuvers were held learned of the drills' details only after they had begun, through a secret communication from the defense minister. President Vladimir Putin, as commander-in-chief, issued the order on July 13 from Prokhorovka, where he was visiting on the 70th anniversary of the Battle of Prokhorovka (July 13-17, 1943)—one of the biggest tank battles of all time (1,000 tanks), and a crucial event in the Soviet counteroffensive to the German Operation Citadel against the Kursk Salient, known overall as the Battle of Kursk.

Drawing from the Central Military District, as well as forces permanently based in the Far East, the drills took some units more than 3,000 kilometers from their usual area of deployment. Seven hundred flat wagons and 50 railway cars made the transfer. The drills were also intended to test the capabilities of the defense forces when operating in unfamiliar terrain. The ground troops were given two days to reach their destinations, pitch their camps, mask their positions, and organize defensive strategies. Departing from the usual practice of pre-designing the scenarios for military maneuvers in excruciating detail, Channel 1 Russia TV reported, officers were instructed to move into designated areas, conduct reconnaissance, and determine what needed to be done next.

The transfer was secured by air power, with Sukhoi Su-27 fighters covering the crossings to Sakhalin Island and protecting the ships of the Pacific Fleet, which were also deployed in the exercise. The Pacific Fleet was divided into six task forces, which carried out anti-submarine and search and rescue exercises in the Sea of Okhotsk. Chief of the General Staff Gen. Valeriy Gerasimov traveled out to the 68th Army Corps, headquartered in Sakhalin, to oversee the exercise.

## A Test of Readiness, New Technologies

The maneuvers were also a critical test for C4ISR operations. Putin observed the maneuvers in the Far East, first from a command post on Sakhalin Island and then in the Trans-Baikal region from the headquarters at Ugol, near Chita. The command posts were receiving real-time information from the maneuvers through the deployment of drones, and involved coordination of military forces from 17 different military test ranges. A similar test of the new communications systems had been conducted earlier this year



Russian Presidential Press and Information Office

*Russia's Far East military maneuvers July 13-20, were the largest since the collapse of the Soviet Union. Shown: the Tsugol test ground, July 17, 2013.*

during snap naval maneuvers in the Mediterranean, involving units from both the Black Sea and Northern Fleets.

In his concluding remarks toward the end the maneuvers, the Russian President underlined the role played by the military transport authorities in moving troops and equipment, both by air and by rail. The air transport services transported more than 10,000 troops, 482 military and technical units, and more than 930 tons of equipment, utilizing 28 military transport planes based in Orenburg, Taganrog, Pskov, and Tver, and flying over 50 missions. Naval ships covered a total of 1,500 kilometers; 142 tons of provisions for the troops were transported, including 24 tons of hot food.

Defense Minister Shoygu has brought military support operations back under the uniformed services. Under Serdyukov, support functions, such as the kitchens, had been outsourced to civilian companies. This might be suitable for a peacetime army, but not for one prepared for war.

Units involved in the maneuvers also practiced drills under conditions of radiological, biological, and chemical warfare. The final stages of the maneuvers

involved naval artillery practices on Russian territory in the Sea of Okhotsk and the Sea of Japan, as well as amphibious landings. During the maneuvers, Russian aircraft encountered both Japanese and South Korean planes flying nearby, but the maneuvers were conducted solely on Russian territory or in international waters.

Situating the maneuvers over such a great expanse of Russia's Far East sent the important message that Russia is capable of defending *all* of its territory.

Putin also took the opportunity to underscore, not for the first time, his urgent desire for Russia's Far East development plans to move ahead. He held a session with Sakhalin and overall Far East officials, to dress them down for the slow pace of implementing even those plans approved in the federal budget. The fact that the Russian military has shown itself capable of conducting maneuvers over such a broad sweep of this still sparsely populated eastern region defines a fundamental commitment to maintaining it as an integral part of the nation. But Putin made clear to officials, both in Sakhalin and in the Trans-Baikal region, that he thinks these regions need much more intensive economic development.

# Eurobankers Drive For Financial Fascism

July 24—Helga Zepp-LaRouche, writing in the German weekly *Neue Solidarität* of July 24, described the imposition of emergency financial rule in Detroit, Greece, and Cyprus, concluding that “the truth is that both the U.S. and the European Union have come within millimeters of fascist regimes.” The battle lines are clearly drawn, she wrote: Glass-Steagall separation of speculative investment banking from commercial banking, or the financial fascism of the mega-banks.

Two recent documents explicitly advocate the fascist scenario for Europe.

## The Word from JPMorgan

JPMorgan Bank, in its “[Europe Economic Research](#)” newsletter of May 28, wrote that the problem in Europe is that national constitutional governments, established in the European “periphery” after World War II, are obstructing the austerity programs “necessary” to save the banking system.

“At the start of the crisis,” they wrote, “it was generally assumed that the national legacy problems were economic in nature. But, as the crisis has evolved, it has become apparent that there are deep-seated political problems in the periphery, which, in our view, need to change if EMU [Eurozone] is going to function properly in the long run. The political systems in the periphery were established in the aftermath of dictatorship, and were defined by that experience.

“Constitutions tend to show a strong socialist influence, reflecting the political strength that left-wing parties gained after the defeat of fascism. Political systems around the periphery typically display several of the following features: weak executives; weak central states relative to 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.

“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)... But, outside Spain little has happened thus far ... the process of political reform has barely begun.”

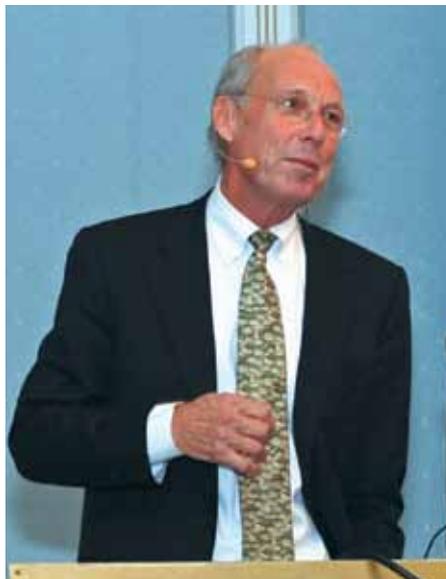
Translated into plain English, this means that countries like Greece and Spain have to dump their constitutional governments in order to impose the austerity demanded by the “Troika”—the European Commission, European Central Bank, and IMF. This is the austerity that has already created 50% or more unemployment in these and other “peripheral” nations (see Dennis Small, “The British Empire’s Concentration Camps vs. Glass-Steagall,” *EIR*, May 10, 2013).

## Malthusian Rule by ‘Elitocracy’

Zepp-LaRouche also drew attention to the “solution” to the crisis offered by Jorgen Randers, one of the co-authors of the 1972 report, *Limits to Growth*, which used computer modeling to relaunch Thomas Malthus’s discredited theories. That book claimed that whereas population grows exponentially, resources grow linearly, and at some point society will collapse. Not only is such an assumption, wrong because it excludes the effect of technology in redefining, and therefore expanding, resources, but eventually, the authors of the report were forced to admit that their computer models were flawed.

In the 1990s, Randers was deputy director of the World Wildlife Fund International, the mother of all environmental organizations founded and headed by the Queen’s consort, Prince Philip of Edinburgh.

Last year, Randers relaunched the *Limits to Growth* blueprint with a new report, titled *2052, a Global Forecast for the Next Forty Years* (see <http://larouchepac.com/node/22634>). He concluded with a recipe for dictatorship and fascism: that democracy has failed, because



Jorgen Randers

it is incapable of imposing the solution to the number-one problem that is causing climate change, which is population growth. The best model for such a dictatorship, in his view, is the unelected European Commission.

In an interview with *Sette Green*, a weekly magazine of the Italian newspaper *Corriere della Sera* on April 16, Randers explained that “The best system I know” to force citizens to swallow the bitter medicine “is the Commission of the European Union, an ‘elitocracy’ formed by very competent people, not controlled by the European Parliament, which succeeded in passing resolutions that probably would never have been approved by single, democratically elected national parliaments. It has been a leading force in negotiations on climate change.”

Randers praises technocratic governments such as that of Mario Monti in Italy (an extension of the EU Commission, it had recently fallen), for their ability to make quick decisions, “even with high immediate costs.” Prime Minister Monti’s “modern technocratic government,” like ancient Rome, “was ruled, in emergency situations, by temporary dictatorships.”

Lastly, people should have as few children as possible, he says, “especially in industrialized countries

where a child, on average, consumes 40-60 times more resources and energy than a child in India.” Again, Italy is a model for Randers, not because it chooses to be so, but because of economic hardship. Italy, he notes, has the lowest birth rate in the world (1.3 children per woman), “because in the last 20 years a society has been created that has made it totally impossible for a woman to have both a job and a child. Italian women, in a wise and rational manner, have chosen to work. And this, frankly, gives me great hope for the future.”

In an earlier interview with *transitionculture.org* in August 2012, Randers spelled out how constitutional governments should simply let the central banks take over economic policy. “Another more interesting modern example is of course the central bank,” he said, “which is an institution invented by democratic society, where parliament basically delegates to someone else, to pass the situation on, how much money to print, and many democratic societies have chosen to do so—to run monetary policy at arm’s length.”

Nothing could be further from the republican conception of national banking, as developed by Alexander Hamilton and as advocated by the LaRouche movement today.

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# Glass-Steagall Fight Expands Across Europe

July 20—In Italy, Sweden, and Denmark, the fight to end the financial oligarchy’s control over the economies of still-unsovereign nations moved forward in July, with public efforts by political parties, parliamentarians, and labor organizations, joining LaRouche-affiliated organizations in those countries, expanding their efforts to implement Glass-Steagall-style laws.

The Italian General Confederation of Labor (CGIL), Italy’s most venerable labor organization, with 6 million members, issued a “Manifesto of Good Finance” July 3, calling for Glass-Steagall-like bank separation. On July 12, CGIL general-secretary in Siena, Claudio Guggiari, stated, “We are deeply convinced that we need stronger rules on structured finance and derivatives, on reforming oversight authorities and bank governance, and on separating commercial banks from investment banks.” As a specific example, the local Siena press reported that Guggiari called for separating the troubled Monti dei Paschi di Siena (MPS) into commercial and investment banks. MPS, founded in 1472, is the world’s oldest bank, and Italy’s third largest.

Also on July 12, a third bill calling for Glass-Steagall was introduced into the Italian Senate, in addition to the two bills now before the Chamber of Deputies. The latest, S. 820, was introduced by Lega Nord Sen. Massimo Bitonci, and co-sponsored by the entire 16-member Lega faction. According to *EIR*’s sources, members of the Senate Finance Committee will push for a fast-track debate on the various Glass-Steagall bills, which can be initiated when one-fifth of Committee members demand it.

## Scandinavia Opens Glass-Steagall Flank

In Scandinavia, too, the push for Glass-Steagall is gaining traction.

In Denmark, Frank Aaen, the harshest critic of the financial sector in Parliament, who also is the chair of the Parliament’s Political/Economic Committee, has

come out with a forceful declaration for Glass-Steagall. In an hour-long debate at “The People’s Meeting,” the country’s national political town meeting on the island of Bornholm July 13-16, the Unity Party’s Aaen skewered the director of the Danish banking association, Jørgen Horvitz, and called for state credit for productive investment.

Asked by Schiller Institute of Denmark’s vice president Michelle Rasmussen if he would introduce Glass-Steagall legislation in the Parliament, Aaen replied, “. . . . Up to the ’90s, we had no major international financial crises, because you had Glass-Steagall legislation in all countries, which made sure that there were none of those giants that mixed pension, insurance, speculation, and regular banking.”

Aaen chastised Horvitz: “You don’t invest because you think it is a good investment. It’s not because you think that this is good for the economy, employment, or community development, but that you only think that by selling, or buying, and doing it again several times a day, you might score a tiny profit.”

From Sweden, the LaRouche-allied European Labor Party (EAP) has flanked a bureaucratic European Commission (EC) request for “Consultation on Reforming the Structure of the EU [European Union] Banking Sector,” which posed 11 questions in the most abstract, “value-free” manner, such as, “Do you consider that an EU proposal in the field of structural reform is needed? What are the possible advantages or drawbacks?” To this, the EAP representative replied with a hard-hitting review of today’s crisis, its origins, and what is required, including references, as well as the full text of H.R. 129, the Return to Prudent Banking Act in the U.S. House of Representatives which now has 70 co-sponsors.

As the EAP noted, in reply to the EC’s request for “Identification of the Respondent”:

“The EAP is actively relaunching the Roosevelt economic policies in Europe, starting with bank separation according to the Glass-Steagall Act of 1933, with the aim of recovering the remarkable physical economic growth that was achieved in Western Europe, until the policy of controlled disintegration was launched by organizations such as the Trilateral Commission, the Club of Rome, and the Worldwide Fund for Nature. . . .”

# Proposal for an Egyptian Declaration Of Economic Independence

by Hussein Askary

**Summary:** The interim Presidency of Egypt should make a public “Declaration of Economic Independence,” in which it should be announced:

1. That Egypt is in a state of economic emergency.
2. That the government will launch a national economic reconstruction program tantamount to a postwar reconstruction plan, a program which will be binding on every future government according to the new constitution.
3. The government outlines specific medium- and long-term national infrastructure, energy, water, agriculture, and industrial plans.
4. The government declares all previous agreements with the International Monetary Fund (IMF) to be null and void, and freezes all free-trade agreements with the EU, and replaces them with bilateral economic cooperation and trade agreements with European nations individually.
5. A sovereign credit system to be established domestically to support a “National Reconstruction and Development Bank,” to finance the necessary development projects. Foreign nations are invited to subscribe to the new national credit mechanism, either by direct deposits or by extending guarantees, including export guarantees to corporations that will provide technologies and know-how to the Egyptian reconstruction program.

These points have to be announced by the President, in a televised address to the nation, for a “Declaration of Economic Independence,” to seek the approval of the people of Egypt. Following such approval, a national convention is to be held in which these matters will be discussed in more detail by Egyptian scientists, engineers, industrialists, and economists, in addition to public figures. The convention will be held under the auspices of the different ministries of the interim government.

## Egypt’s Dilemma, and Its Future

Egypt has been, since 1882, one of the main targets of the British Empire, first for looting, and later, for control and destruction, when the Egyptian people’s charac-

ter and patriotic nature rejected British imperialism. Since that time, and throughout World War I, World War II, and the Cold War era, Egypt has been the backbone of the Arab nations. If it goes, everyone else goes. If it survives, a better future for the Arab nations and those in Southwest Asia and North Africa is possible.

While observers are puzzled by the recent events in Egypt, and whether there was a military coup or not, or why the Britain’s ally, the Saudi Royal Family, suddenly shifted their position to help overthrow the Muslim Brotherhood government of Mohammed Morsi, the only significant issue to keep in mind is that the British Empire’s intention to destroy Egypt is still on the agenda. The British do not care who is in power.

What is important for the Empire is the policy of looting and destroying Egypt, which in the past 40 years, has been characterized by economic destruction through the IMF policies, which are backed by the recent U.S. administrations, and by Europe. That Qatar and Saudi Arabia are suddenly on opposite front lines in Egypt (while still united in the destruction of Syria through their support for the British-deployed al-Qaeda jihadists) means nothing in the eyes of history, since both the Saudis and Qataris are puppets of the same British Empire.

Anti-Islamist liberals of Egypt, who were mostly educated in British economic schools, are equally as dangerous to Egypt as a nation, as are the jihadists and Salafists. For the empire, it does not matter if the cat is black or white. What matters is that it adds dead mice to its account.

That is why the January 2011 “revolution” in Egypt never managed to bring about the changes in the tragic social-economic conditions of the nation, which were wrought upon the Egyptian people by the combination of the IMF, the European Union, and U.S. policies imposed through the Hosni Mubarak regime.<sup>1</sup>

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1. See background reports by the author: “It Is Not Just an Egyptian Crisis,” *EIR*, Feb. 18, 2011; “The Myth of Overpopulation in Egypt,” *EIR*, Feb. 18, 2011.



*The key three sectors of infrastructure, without which, neither agriculture, nor industry could develop are: energy, water, and transportation. Shown: the El-Sheikh Zayed water-treatment plant, Sheikh Zayed City, Egypt.*

Then, following the organization of new Presidential elections in June 2012, and when then-President-elect Mohammed Morsi issued his Presidential declaration and his “First 100-day program,” it became clear that Egypt would not be relieved from these terrible conditions, and would enter into a new maelstrom of economic, social, and political crises leading to new upheavals and eventually to military intervention! This was made as a forecast by this author in July 2012.<sup>2</sup>

To make the point clear, here is the last paragraph of that article, which was published exactly one year before Morsi’s removal:

“Morsi’s First 100 Days program, which he announced after the elections, is nothing but a low-calorie diet for the Egyptian people. He effectively proposes to maintain the status quo of poverty, by focusing on keeping the bakeries open with subsidies (a policy which adds nothing new, as it was even followed by former President Mubarak) as the first point in the program, and keeping the streets clean and traffic rolling as second, and making sure the old subway system is running (and so forth). Such a program shows that this President is not serious about alleviating the poverty and social injustice in the country. If Morsi does not

2. See “Pan-Islamism Is the Death of the Nation!” [EIR](#), July 13, 2012.

break with the IMF and World Bank policies, and immediately call for an emergency mobilization to issue national credit to launch such crucial projects as Africa Pass, this President will only prove the points raised by this author about the origin and purpose of the Muslim Brotherhood.”

While providing bread to the people is necessary, this is not the only purpose of government. Instead of launching a massive reconstruction program, and breaking all ties with the IMF and its policies, Morsi’s government emphatically spent the next six months begging (“negotiating with”) the IMF to return to Egypt, and to extend a humiliating \$4 billion loan. Adding insult to injury, the IMF refused. Not only did Mr. Morsi completely mis-

read the internal situation in his country, and in the U.S. Administration he was hoping would support him, but he also failed to realize how bankrupt the IMF, and behind it the EU and the USA, are, economically and financially.

The misguided Morsi government and the economists who supported it tried to explain that the sum of the IMF loan was not the issue, but that the IMF loan would have become a “certificate” of good behavior for Egypt, allowing it to indulge in borrowing money from international financial institutions. This would have further enslaved Egypt with more debt.

The problem of the Morsi government, in addition to its hunger for power, and as a political pawn for Anglo-American geopolitics—in its role as part of the international Muslim Brotherhood organization—was not lack of money but its lack of vision and knowledge of true economics, physical economy.

### **Mistakes Could Be Repeated**

Now, what is to be feared, is that the new interim government of Egypt, appointed by the Supreme Council of the Armed Forces on July 4, will resort to the same temporary measures and solutions to keep the status quo, leaving even greater burdens to the coming government, which is supposed to be elected

three to four months from now, if political stability is preserved in the country!

The new interim President, Adli Mansour, issued a new constitutional declaration on July 8, which said almost nothing about the state of the economy. He left it to interim Prime Minister Hazem El-Beblawi to tackle this issue. Article 26 of the constitutional declaration states that the prime minister “issues the necessary regulation for the construction of public utilities and interests after the approval of the ministerial cabinet, but if these imply adding more burden to the government’s general budget, they have to acquire the approval of the President.”

Now, for any government, whether in Africa or even Europe, to stay within the limits of its budget, leaves no space for any investments in public utilities, or any meaningful large-scale projects to put the masses of unemployed people to productive work and increase the productivity of the economy as a whole. This becomes even impossible in light of the fact that the Egyptian government deficit has been increasing at a rapid rate, especially since April 2011. The Egyptian Finance Ministry announced in March this year that the total budget deficit reached 10.6% of the country’s gross domestic product (GDP) in the first ten months of the 2012-13 fiscal year. The deficit reached US\$26.5 billion, compared with \$16.8 billion in the period from July to April of the 2011-12 fiscal year. This deficit was expected to reach 11.5% of GDP by June. In 2012, budget revenues were at US\$50 billion, and expenditures were \$77 billion.

Egypt has been borrowing in the international financial markets to finance its budget deficit, and has been receiving preferential loans and aid from Qatar, the main supporter of the Muslim Brotherhood in Egypt and the region. Qatar has extended US\$8 billion so far to the MB government. Following the overthrow of Morsi, Saudi Arabia, the United Arab Emirates, and Kuwait pledged US\$8 billion in loans and grants to the new government. But everything has a price, and these generous offers will tie Egypt to the



Creative Commons/David Evers

*Egypt must break with IMF-World Bank policies, which have destroyed its economy, and impoverished its people (as seen in this Cairo slum), and undertake an emergency mobilization to build great projects funded by sovereign national credit.*

process of forever chasing handouts to fill the deficit.

Qatar, on the other hand, was looking for booty in Egypt to loot in return for its loans, as was the case with its attempt to lease the Suez Canal Corporation, an operation which was stopped after massive popular protests. Another attempt by Qatar’s “sovereign wealth fund” QInvest was to take over a 60% stake (worth US\$250 million) in the largest Egyptian investment bank, EFG Hermes. The deal, which was rejected by Egyptian financial regulators in May 2013, was brokered by none other than JPMorgan Chase, which advised EFG Hermes and Goldman Sachs, which were advising Qinvest.

EFG Hermes is typical of the corrupt financial institutions that are completely integrated with the Anglo-American speculative financial empire, and which were participating in the IMF-directed privatization of Egypt’s state-owned enterprises and assets in the era of President Mubarak. The deal was deemed by Egyptians to be politically infected, as two of EFG’s chief executives, Hassan Heikal and Yasser El Mallawany, are on trial, along with the two sons of the ousted Mubarak, upon charges of illegal share dealings in 2007 transactions.

More than a dozen domestic and international investment banks are active in Egypt, draining a significant amount of Egypt’s private capital into the global financial bubble.

## Declaration of Independence

Although the current President and government are interim, emergency institutions, they nevertheless have the possibility and responsibility vested in them through the massive public manifestations in the recent uprising, to declare the intention of the government and the nation of Egypt in terms of its future economic policy.

First, the fallacy of the current belief in money as the most urgently needed element for Egypt's economic recovery has to be dealt with. A related problem is the belief in "foreign investors" as a magic cure for most problems. It is therefore urgent for Egyptian government officials and economists to study the historic background provided by LaRouchePAC on Alexander Hamilton's methods to get a deeply indebted United States, which had just exited a Revolutionary War against the British Empire, to stand on its feet, by creating a truly sovereign credit system, whose purpose was to increase the productivity of society as a whole, through focusing the nation's own credit and financial resources on necessary "internal improvements" of infrastructure development, science, and technology.

A more recent example are the policies of the government of Argentina under both the late President Nestor Kirchner and his wife, the current President Cristina Fernández de Kirchner.<sup>3</sup>

What the Egyptian nation needs is to regain its sovereignty and independence, in economic terms. This can be made possible through these preliminary steps:

- That the President declare publicly the intention of the Egyptian government to rebuild the nation's economy through a number of concrete and well-known projects, and direct all available resources and energies toward that goal. The government should seek the consent of the Egyptian people to achieve that goal, as if Egypt were embarking on a new war effort. The government should also declare that the nation finds itself in a state of economic emergency condition.

- Under such a declaration of intent, backed the



*The true wealth of Egypt is its people, the millions of well-educated youth, its natural resources, its strategic location, its history and national character. Here, a 5,000-year-old wall painting representing agriculture, from the Grave Chamber, in one of the Great Pyramids.*

people, and being in a state of economic emergency, the Egyptian government will then allow itself to take certain drastic decisions:

1. Reversing the IMF policies:

- a) Severing all formal ties with the IMF and the World Bank "temporarily," and canceling policies imposed on Egypt by these institutions in previous years, such as structural adjustment, privatization of public enterprises, and liberalization of trade.

- b) Freezing the free-trade agreements with the EU, especially the Euro-Mediterranean Association Agreements, whose intention is to create a free-trade area in accordance with the rules of the World Trade Organization (WTO) through "the gradual removal of customs duties; the prohibition of quantitative restrictions on exports and imports."

Freezing these agreements, which made Egypt and other North African nations victim to unfair competition with Europe, will allow Egypt to impose tariffs and restrictions to protect its fragile agricultural sector, and to ensure a certain degree of food security, by dedicating the arable land and supporting the Egyptian farmers to produce the food that the nation requires. The emphasis on exporting of foodstuffs to acquire foreign currency, which was encouraged by the IMF policies, should be reduced. As an alternative to the Euro-Mediterranean agreements, Egypt would renegotiate bilateral trade and cooperation agreements with the European nations individually.

3. See "What Europe Can Learn from Argentina," *EIR Special Report: Emergency Program for an 'Economic Miracle' in Southern Europe, the Mediterranean Region, and Africa*, June, 2012.

c) Imposing currency exchange restrictions to protect the value of the Egyptian currency and prevent capital flight.

2. Defining the urgently needed development projects:

In declaring that intention, the government of Egypt should clearly identify the weaknesses of the economy of the nation, and propose concrete remedies. For example, Egypt has been suffering from chronic shortages of food, fuels, electric power, housing, public transport, and unemployment, to name a few.

While hundreds, and maybe thousands, of urban infrastructure-modernization projects have been awaiting implementation for as long as decades, in every city and town, it is through the mobilization of a national, top-down reconstruction effort that the nation's resources could be mobilized.

The key three sectors of infrastructure without which neither agriculture, nor industry could develop are: energy, water, and transportation.

**Energy:** In the energy sector, Egypt's long-neglected nuclear energy program, which was planned to be launched in the early 1980s, has to be revived. While Egypt's nuclear ambitions go as far back as the 1950s, and President Eisenhower's "Atoms for Peace" policies, it was in 1984 that the Egyptian Supreme Council for Energy decided to begin construction of three nuclear plants, starting with the Al-Dhabaa plant on Egypt's northeastern Mediterranean coast. The plan was to produce both energy and desalinate seawater. But the intention to abandon nuclear power and technology in the West found a good excuse in the Chernobyl nuclear incident to block all discussions of new nuclear plants, especially, for developing nations.

Egypt has had a problem finding partners in the West to build the reactors. In the current situation, only Russia, China, and probably South Korea, would be willing to discuss these issues with the Egyptian government, and these possibilities should immediately be explored. Relaunching of the nuclear program should be made a key element of the new governments declaration of intention.

Egypt's petroleum sector is ill-managed, and requires new investments. The refinery capacity is so low, that Egypt exports \$9 billion worth of raw petroleum annually, but spends exactly as much on imports of refined petroleum products from industrialized nations. Egypt is in dire need of modernizing this sector and building refinery capacity to meet the massive short-

ages in automobile fuel and other petroleum products. Egypt should find ways of cooperating with the leading refinery and chemical plant builders in the U.S., Germany, and Japan to launch joint ventures to build such capacity in Egypt.

**Water:** While Egypt has enjoyed the comfortable company of the Nile and its narrow valley for thousands of years, the time has come that the Egyptian people move into new areas of the country, out of necessity and for their advantage. The nearly 80 million Egyptians live on only 6-7% of the land area of their country. Creating new, urban, agro-industrial centers to the west of the Nile Valley has become an absolute necessity. That area is a fertile, mineral-rich region, but is not connected in any way to the national transport, water, and energy grid. Egyptian engineers and scientists have urged successive governments to implement scientifically viable and economically feasible projects for this purpose, to no avail.

The three top projects this author is familiar with, which are aimed at achieving the reclamation of the desert, are:

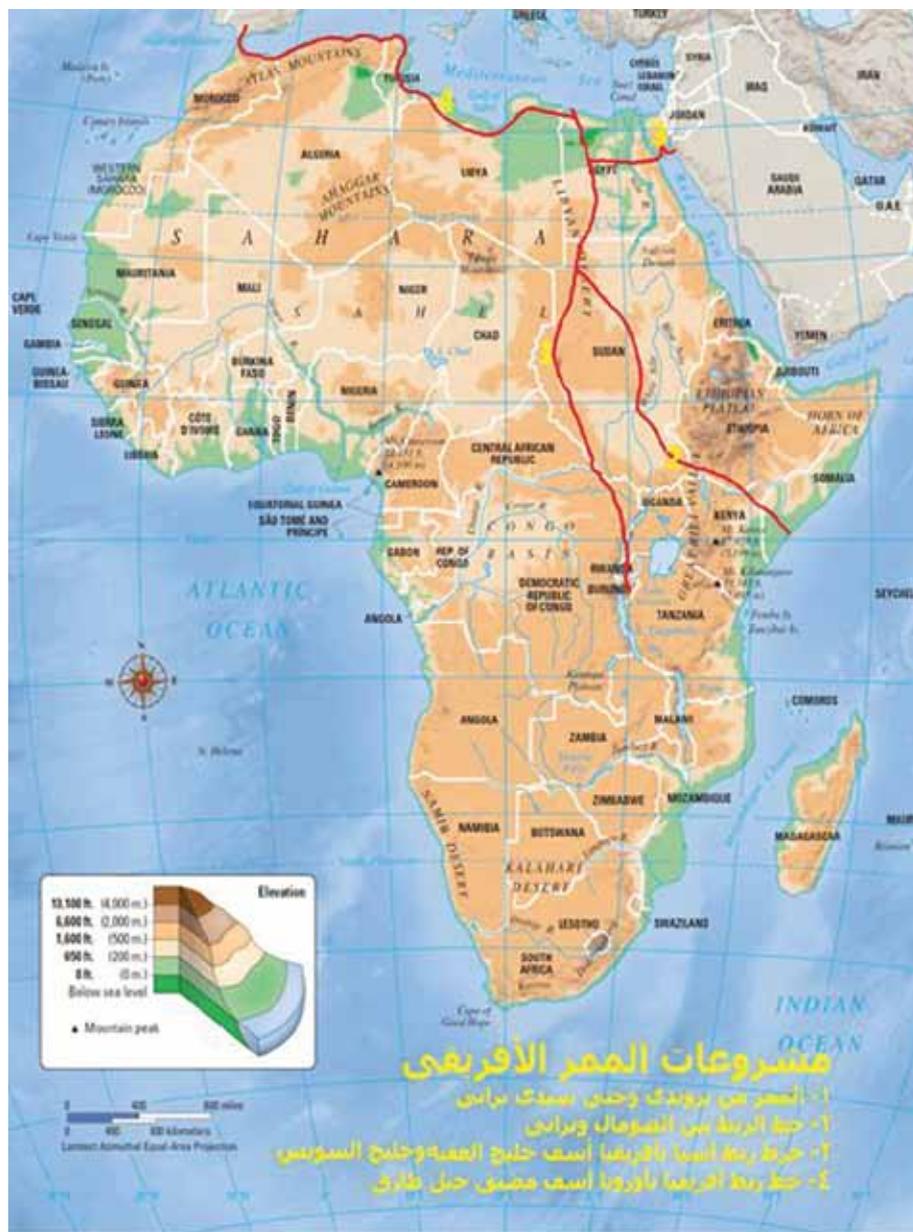
a), The Development Corridor proposed by space scientist and Egyptian-American patriot Dr. Farouk El-Baz.<sup>4</sup> The corridor of roads, rail, and canals is to run parallel to the Nile valley all the way from Aswan in the south to Alexandria in the north. The details of the project have been described in previous reports in *EIR* and can be studied on Dr. El-Baz's own website (<http://faroukelbaz.com/>).

b), The High Nile Pipe River project, proposed by Dr. Hamdy Saif El-Nasr, geologist and aqueduct engineer. This project is based on channeling water from the highest point of the Aswan Dam in southern Egypt, through large-diameter pipelines, along the mountain range that flanks the Nile Valley from east and west. A secondary pipeline system will bring the water down to the desert areas by the force of gravity, generating electric power. The project is supported by a large number of engineers. (The campaign website for the project is <https://www.facebook.com/The.High.Nile.River.Pipes>).

c), Africa Pass: This project, proposed by Egyptian engineer Aiman Rsheed, has the advantage of being a regional and transcontinental infrastructure project connecting Egypt to Central and East Africa, and the Mediterranean, through a high-speed railway system,

4. See "Farouk El-Baz, Ph.D.: Geologist Proposes 1,000 Wells for Darfur; Use Science To Serve Mankind," *EIR*, Sept. 14, 2007.

FIGURE 1  
**Africa Pass: Four Phases of Transport Corridors**



and also bringing water to the Western Desert of Egypt from the African Great Lakes region and eastern Congo through a canal (see footnote 3).

3. Creating a national credit system: To avoid the trap of monetarist thinking, which implies that without money at hand, nothing is possible to build or achieve, it should be made clear what a Hamiltonian credit system means, and how that system was the keystone upon which the U.S. was built as a modern, powerful economy. The Hamiltonian system implies that the

nation and its government reassert their national sovereignty through an independent credit system, and that the purpose of the government and the economic system is to develop the land and the people, and that a financial system is established to reflect that intention.

Therefore, the declaration of the intention is primary. Determining what steps to take to realize that intention in real physical-economic terms is step two.

And finally comes the question of financing. But all three steps must be clarified in the Declaration of the government.

While it is true that the government of Egypt is suffering a large budget deficit, and that Egypt is one of the most indebted nations in the region (about 1.2 trillion Egyptian pounds or about US\$500 billion in domestic debt, and US\$33 billion in foreign debt in 2013), the Egyptian nation is not bankrupt.

By declaring its intention to unchain itself from the current economic conditions, Egypt will be able to domestically and externally make itself creditworthy. It is important to remember that the true capital of Egypt is its people, the millions of well-educated youth, its natural resources, its strategic location, its history and national character. What has been

missing is a vision of the future, which can be provided in an appropriate Declaration of Economic Independence.

Even in simple monetary terms, Egypt has internal capital in both dollar and national currency, deposited in various savings and investment accounts in the country that surpasses any IMF, Saudi, or Qatari loans by orders of magnitude. The problem is that that money is invested in investment banking activities, both in Egypt and on international markets, that add almost nothing to the net physical productivity of the Egyptian economy.

In the best case, that money is not invested at all.

The Egyptian Finance Ministry announced in March 2013 that Egyptians have deposited US\$33 billion in various bank and savings accounts. An even greater amount is suspected of having been converted to dollar or other foreign currency outside the banking system, for fear of political upheavals and chaos, which have depreciated the Egyptian currency dramatically in the past two years. All financial assets in the nation have to be regulated to ensure that these assets are channeled toward investments in productive economic activities, rather than pure speculation, for example. They can also be encouraged to be part of the national credit mechanism to finance the reconstruction of the country.

If the Egyptian government decides to launch the reconstruction program, it would have to establish a National Bank for Reconstruction and Development. Private capital can subscribe to this institution, which will be backed and guaranteed by the state.

However, the principal matter is that the government, as a representative of the present and future interest of the people, use its power to create its own credit through the Treasury and the central bank, not merely

to fill the gaps in its own current budget, but as allocations to the national reconstruction plans. A sovereign nation's government has the right to become indebted in order to secure the future of the nation by increasing the productivity of labor and raising of living standards, and ensuring that the debt incurred this way will be redeemed in due time.

The credit generated through the Reconstruction and Development Bank will be channeled through government corporations and commercial banks to corporations that are involved in the specific projects.

As for the needed foreign capital goods, they will also be financed through bilateral mercantile long-term credit and trade agreements, or export guarantees by the exporter nations, which themselves are in need of markets and opportunities for investments.

The key to ensuring both domestic and foreign confidence, is that the leaders of the nation of Egypt have a clear vision of the future and a steadfast determination to alleviate the living conditions of the people, and to make the country a major contributor to prosperity in the region and the world, in a concrete physical economic sense.

## *There Is Life After the Euro!*

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# EIR Conference Report

MICHAEL BILLINGTON

## Leibniz, LaRouche, and the U.S. Link with China, Russia

*EIR Asia specialist Michael Billington gave this speech to the Schiller Institute conference in San Francisco on June 29, 2013.*<sup>1</sup>

As has been discussed here, the Obama Administration and its British controllers are driving the world very rapidly toward war against Russia and China, over Syria, which Russia will not allow to be turned over to terrorist mobs as was done in Libya; meanwhile in Asia, Obama has adopted the Air-Sea Battle doctrine for a war with China.<sup>2</sup>

My intention here is to show you that the idea that Russia and China are natural adversaries of the United States is entirely a British concoction, despite the fact that many dumbed-down Americans have swallowed the British Kool-Aid. The fact is that the natural connection between the United States and Asia—both Russia and China—began long before the founding of the United States as a nation-state, and even before the “discovery” of America by Christopher Columbus. America began, in fact, as a



Courtesy of Janus Kramer

thought-object in the mind of some of the greatest minds of Western civilization—in particular, Nicholas of Cusa and Gottfried Leibniz. It was as real then as it is today, for the nation is not just a physical location, or a government, recognized only by our senses, but it is a dynamic process, an idea, the City on the Hill, the New World.

Like Lyndon LaRouche today, Cusa and Leibniz not only dreamed about the future, they saw the future—both the horror of a future under imperial domination, and the great potential of the New World which they set about to create a republic free of the oligarchical control of European monarchs and global Empire. As we will see, Gottfried Leibniz had already established the natural alliance between the future United States and both Russia and China, before the official founding of our nation.

That natural alliance was restored under Franklin Roosevelt, to defeat the British-created Nazi movement, and is finally coming back into being today under the inspiration of Lyndon and Helga LaRouche, based on the concept of a New Paradigm for the Survival of Civilization. Great projects, such as the Eurasian Land-

1. Previous coverage of the conference, including keynotes by Lyndon and Helga LaRouche can be found in *EIR*, July 12, and July 19, 2013.

2. See Michael Billington, “‘Air-Sea Battle’ Is a Plan for War on China,” *EIR*, June 28, 2013.

Bridge, and the tunnel under the Bering Strait, uniting Russia, China, and the United States by rail, and bringing them together into a common mission for the future, can and must fulfill the creative discoveries of our forefathers, and end the power of Empire once and for all.

### Leibniz Brings ‘News from China’

The discovery of America by Columbus, as is now well known, can be attributed directly to Nicholas of Cusa, and to his close friend and colleague Paolo Toscanelli, who suggested to Columbus that the Far East could be reached by sailing west, including the belief that a New World lay in between Europe and Asia. Columbus carried with him on his voyage a map provided by Toscanelli.

As I reported last November in Frankfurt, at the first of these New Paradigm conferences, Leibniz was not only a follower of Cusa, and the seminal philosopher and scientist of his age, but also one of the great statesmen of history. He worked with Peter the Great in Russia to establish the Russian Academy of Sciences in 1724, worked closely with the Jesuit missionaries who had become the core of the scientific institutions in China, and even arranged a treaty between Russia and China over border issues and cooperation—the first East-West treaty in history. He published a journal, *Novissima Sinica* (*News from China*), in 1697, which analyzed the writings of Confucius, Mencius, and the greatest mind of the 12th-Century Song Dynasty Renaissance, Zhu Xi, which had been translated by the Jesuits, and made them known across Europe. A quote from that journal will be relevant to my report on the developments in the U.S.

I consider it a singular plan of the fates that human cultivation and refinement should today be concentrated, as it were, in the two extremes of our continent, in Europe and in China, which adorns the Orient as Europe does the opposite edge of the Earth. Perhaps Supreme Providence has ordained such an arrangement, so that, as the most cultivated and distant peoples stretch out their arms to each other, those in between may gradually be brought to a better way of life.

In his analysis of the Confucian philosophic outlook, Leibniz said: “It is pure Christianity, insofar as it renews the natural law inscribed in our hearts.”

Remember this concept for later.

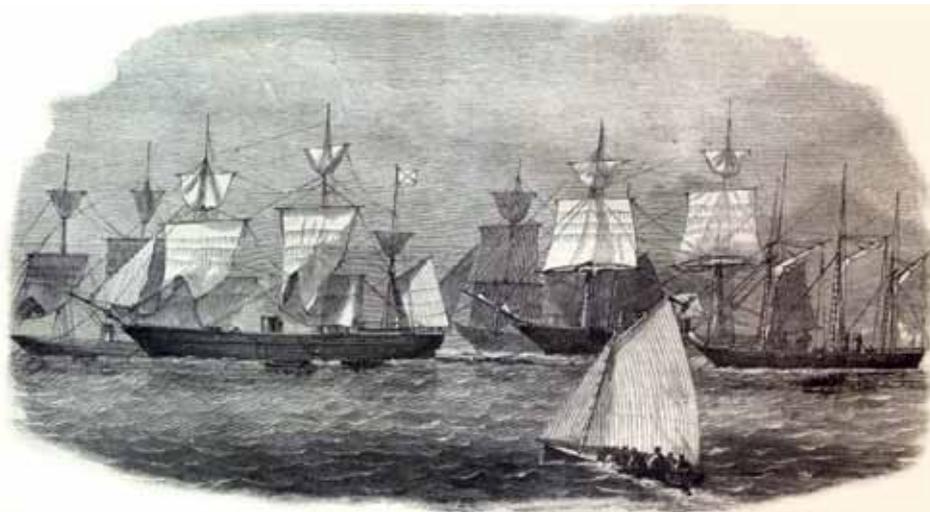


*Gottfried Leibniz collaborated with Peter the Great in Russia, to establish the Russian Academy of Sciences in 1724. His “Novissima Sinica” (1697) analyzed the writings of Confucius, Mencius, and Zhu Xi, and made them known across Europe.*

### Leibniz in America

The American Founding Fathers were profoundly affected by the works of Leibniz, and maintained contact with the Leibniz circles in Russia, especially in the Russian Academy of Sciences. During the American War of Independence, British warships were seizing Russian (and other) ships which were trading with the colonies, until Benjamin Franklin and other members of his American Philosophic Society made direct appeals to their associates in the Academy of Sciences in St. Petersburg and certain Russian diplomatic contacts, leading to the creation of the League of Armed Neutrality. The League of Armed Neutrality declared that Russia (and other officially neutral nations) had the right to trade with the colonies, and would consider any British attack on neutral merchant vessels as an act of war.

After the war, American naval hero John Paul Jones went to Russia, and helped build the Russian Navy, and, of course, America’s greatest statesman John Quincy Adams became the first Minister to Russia in 1809. Leading Russian circles translated and published Alexander Hamilton’s “Report on Manufactures” in 1807, telling the



Harper's Weekly (1864)

*Russian Tsar Nicholas II send the Russian fleet to New York Harbor and to San Pablo Bay, California (shown here), in 1863, to defend Lincoln's Union from the pro-Confederacy British and French imperial powers.*

Tsar that its principles were fully applicable for developing Russia as a continental country. And the U.S. Army Corps of Engineers worked directly on Russia's first railroad, from St. Petersburg to Moscow, in the 1840s.

The British spent much of the 19th Century trying to break up the United States and Russia (and China), through warfare and economic sabotage. The Crimean War against Russia in the 1850s was aimed at splitting up Russia; it was soon followed by the British-instigated Civil War in the United States, intended to split this nation, and to maintain free trade in slaves, and in cheap cotton from the slave plantations. To some extent, the Civil War was also an extension of the two British Opium Wars against China in the 1840s and 1850s—again, waging war to defend the free trade in slaves, and also opium.

Again, the U.S. ties with Russia were crucial in the victory over the British Confederacy. How many people today know that the entire Russian fleet was deployed into New York Harbor, and also, right here, near San Francisco, in 1863, at the crucial point in the Civil War? The Russians had informed the British and their French allies that, were they to proceed with their plan to intervene on behalf of the Confederacy (a peace mission, you understand, a humanitarian intervention to protect civilians, due to the Brits' moral concern and the responsibility to protect civilians in the Confederacy from the marauding Northern armies), then the Russians would intervene to defend the legitimate government of the United States.

If this sounds familiar to what is going on in Syria today, that is no coincidence.

## Lincoln and Russia

President Abraham Lincoln also understood, even as war was breaking out, that the United States was extremely vulnerable, as long as the continent remained divided. California had become a state in 1850, after the 1848 Gold Rush brought tens of thousands of Americans—and thousands of Chinese—to California, but transport to the West Coast took several months, and was treacherous. This was one reason that part of the Russian fleet came to San Francisco—to prevent any British incursions in the unprotected region on the Pacific.

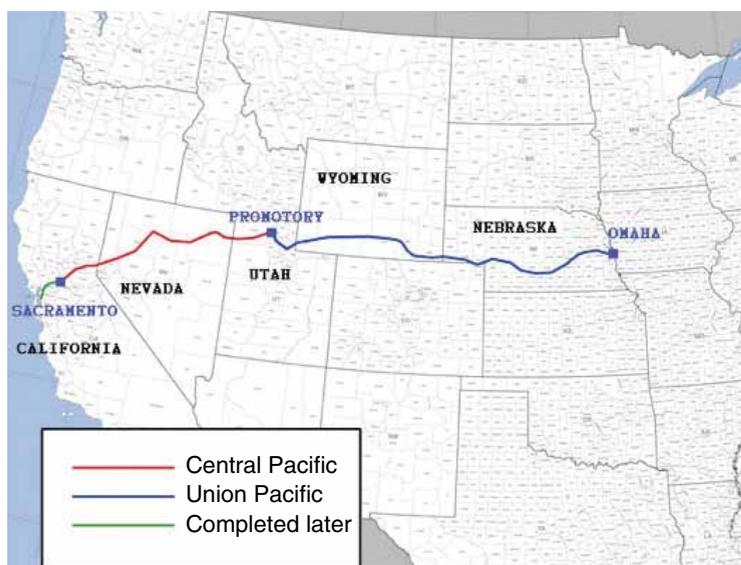
So Lincoln and the Congress launched the Transcontinental Railroad project in 1862, even as war was raging, to connect the nation from east to west by rail. The result, of course was the development of cities and farms across the continent, and eventual statehood for all the area in-between.

Another purpose was the outreach to Asia. The U.S. had been largely excluded from Asia—in fact, our major commerce in Asia before the Civil War had been carried out by Boston merchants, outright British agents, who were openly part of the British opium trade—including the family of William Weld, the Massachusetts U.S. Attorney who prosecuted LaRouche in the 1980s.

Efforts by courageous missionaries and others to counter the British in China and Asia generally were easily crushed by the overwhelming British power. But the Transcontinental Railroad was an arrow through the continent pointing directly at China; it opened up the growing industrial might of the Union to trade and investment in Asia (**Figure 1**). It is well known that 80% of the workforce on the Railroad was Chinese, and that the Chinese workers were greatly respected for the quality of their work.

Less well known, is that Russian engineers were in San Francisco at that time, and, as the telegraph wires spanned the North American continent along with the railroad, so also, Russia and the U.S. began building telegraph wires up the northern coast of the Pacific, through Russian America (now Alaska), with the intention of crossing the Bering Strait and crossing Russia all the way to St. Petersburg. The Bering Strait project was only de-

FIGURE 1  
**The Trans-Continental Railroad**



serted in 1867, when the Trans-Atlantic cable was successfully laid, but it had opened up the region, and contributed to the U.S. purchase of Alaska from the Russians at that time. And of course, the project is now being revived by the LaRouche movement, and the Russians, in the form of the rail connection over the Bering Strait, connected to the NAWAPA project and related great projects internationally—the International Land-Bridge.

Following the Civil War, Lincoln’s economist Henry Carey carried the American System and the idea of transcontinental nation building to Europe—to Germany, where Bismarck created the German nation based on American System principles; and to Russia, where Count Witte led the effort to create the Trans-Siberian Railroad, once again connecting the Atlantic to the Pacific, this time across the Eurasian continent (Figure 2).

**The Oldest and Newest ‘Empires’**

On the U.S.-China connection, I want to talk about a single

individual whom you have almost certainly never heard of. But that very fact speaks volumes about what has happened to this nation. Rev. William Speer was a dentist and a Presbyterian missionary who went to Canton (Guangzhou) in 1846 to open the first Presbyterian mission there. He became fluent in Cantonese, but was forced to leave for health reasons after five years. He then spent most of the rest of his life working with Chinese immigrants in San Francisco, opening the first Asian Christian Church in the U.S. (now called the Presbyterian Church in Chinatown), as well as a school and a dispensary (now called the Chinese Hospital). He spoke widely, published many pamphlets in both English and Chinese, and authored a book in 1870 titled: *The Oldest and the Newest Empires, China and the United States*. (Don’t be distracted by the term “empire”—he used the term benignly to mean a nation with a universal mission.)

I want to read to you several passages from his book, which you will immediately recognize as coming from the Leibnizian tradition. On Speer’s view of China in America:

“It is hard to account for the common estimate of China and its people in Great Britain and America other-

FIGURE 5



U.S. Passport Service

wise than by attributing it to the influence of the bad East India Company and the diabolical opium trade.”

He reports that nearly all the books on China were written by servants of the British government or by British missionaries, all corrupted by two fatal influences, namely, the monarchy, and their self-enrichment from the opium trade. So you see he is not confused about Empire.

Reflecting his debt to Leibniz and Leibniz’s global vision, consider these passages. On the nature of the Chinese people:

“Both Confucius and Mencius saw with bitterness the utter inefficiency of truth which looks no higher than earth to reform society or to stay the power of human passions.” Speer believed that there were “few nations of the world among whom the freedom of the people is more large, more squarely founded upon their intelligence, or more carefully guarded against despotism, than in China.” He notes that in the Middle Ages, China was the greatest and most civilized kingdom on Earth, but China had remained stationary while the West moved forward with the coming of the Renaissance.

In a quotation from Leibniz in all but name—and recall the quote I read from Leibniz at the beginning—Speer wrote: “For centuries past the most philosophic minds have predicted the vast consequences which should ensue when the two opposite currents of empire—one eastward, one westward, since the beginning of time—should at last meet and flow together. Upon our Pacific Coast, this consummat-



*Rev. William Speer (shown here with his wife), a Presbyterian missionary, went to Canton (Guangzhou) in 1846 to open the first Presbyterian mission there. He later worked with Chinese immigrants in San Francisco, opening the first Asian Christian Church in the U.S.*



*Sun Yat-sen was trained by American missionaries who were steeped in the tradition of Alexander Hamilton and Abraham Lincoln. Sun went on to build a republic in China based on those American System principles. This statue, modelled on the one in the Lincoln Memorial, is located in the Sun Yat-sen Memorial in Taipei, Taiwan.*

ing event of the history of the world has now commenced.”

And on the nature of the human being, he again reflects Leibniz’s insistence that the truth is written in our hearts, referring to “the eternal principles of right which the Governor of the world has written in the chambers of the human heart and made deeper and more authoritative than any statutes of human appointment.” Alexander Hamilton, he writes, “presents their nature with the clearness of the light of the Sun”:

“The Deity has constituted an eternal and immutable law, which is obligatory upon all mankind, prior to any human institution whatever. He endowed man with rational facilities by the help of which to discern and pursue such things as were consistent with his duty and interest, and invested him with the inviolable right to personal liberty and personal safety. The sacred rights of mankind are not to be rummaged for among old parchments or musty records. They are written as with sunbeams, in the whole volume of human nature, by the hand of Divinity itself, and can never be erased or obscured by mortal power.”

Elsewhere, he quotes, essentially, again without naming him, from Abraham Lincoln’s Second Inaugural Address. Remember this is published in 1870 (just five years after the end of the Civil War): “The Ruler [referring here to God], in due time, asserts and displays divine justice and power by the terrible punishment of oppressors and wrong-doers, and compensation of those who have suffered. The history of African slavery and the

judgments it brought upon us is surely the lesson which this nation should never forget.”

And finally, on his global vision: “Three empires fill the vision of the future—the U.S., Russia, and China. Great Britain alone compares with them in the extent of her colonial possessions; but hers are remote and widely scattered, and will, when ripe as to the divine purpose, fall away from her, as the U.S. has done, and become centers of independent influence. Each [the U.S., Russia, and China] are animated throughout by the same general spirit, and possesses a certain unity in aims, laws, language, social habits, and religious sentiments.”

### Conclusion

This vision was snuffed out, as the British, as they have done repeatedly in our nation’s history, succeeded in using ignorance and corruption to unleash in the United States an era of racist exclusion laws and similar

policies to undermine the assimilation of the Chinese into the U.S. melting pot. Reverend Speer fought this insanity, and also spent some time in Hawaii, where later, the great Chinese revolutionary Sun Yat-sen was trained by American missionaries steeped in the tradition of Alexander Hamilton and Abraham Lincoln, and went on to build a Republic in China based on those American System principles.

The mission today is the same, but the consequences of failure far greater. Transforming the U.S., and reestablishing the historic alliances with Russia and China, are necessary if civilization is to survive. LaRouche has emphasized repeatedly that we must restore not only the vision, but the way of thinking itself, of the great minds who have shaped this nation, such as Cusa and Leibniz, and LaRouche, who saw the future, acted to destroy Empire, and created the City upon the Hill. It is ours to lose, or to create anew.

## Butch Valdes: The Special Role of the Philippines

*Butch Valdes, leader of the Philippine LaRouche Society, sent this greeting to the San Francisco Schiller Institute conference.*

We here in the Philippines take inspiration from the words of Mr. Lyndon LaRouche, as he has on several occasions told us, via our radio program, that our country, the Philippines, has a very special role, in trying to save civilization. Just as we have been, over the past so many centuries, the gateway of Western thought moving towards the Eastern part of the world, we, today, have that special role: to share with the rest of the world’s population from this part of the world, the ideas which are needed to be assimilated, the ideas that are needed to be implemented, in order for us to save civilization from this present, ongoing collapse of the financial system, and threatening a situation that we all are very scared of, that is, World War III.

Our history with the United States goes back all the way to the 1900s, or even before—but specifically the 1900s, when the U.S. had bought us from Spain, after Spain colonized us for close to 400 years,

and a new era for the Philippines started. President Franklin Delano Roosevelt gave us new hope in implementing many of the things that he had done for the United States. He paid particular attention to the Philippines, because we were, at that time, the only colony that needed to be given independence by the U.S., through the promise that he had made to the rest of the world.

After granting us independence, the sorry thing that had happened was, Roosevelt died. But not without starting certain infrastructural development programs, initiated by the very same people who may have started the Tennessee Valley Authority, putting the Philippines on a foundation which would allow us the opportunity to develop as well.

The role of the United States, as a leader nation, since 300 years ago, has not stopped. It has become even more significant and necessary at the present time. We call on the members of the international LaRouche movement; we call on the citizens of the United States of America; and we call on the leaders of the United States of America, to do everything that it takes to implement, to reinstitute the Glass-Steagall law, as a primary and necessary step towards saving not just America, not just the Philippines, but the rest of the world.

This has been your legacy since 1776, and this should be your legacy from this time on.

# The U.S. and China: Natural Allies For Justice, Peace, and Prosperity

*Dr. Chang, of the Institute of Sino Strategic Studies in Whittier, Calif., gave this speech to the San Francisco Schiller Institute conference on June 29.*

The world is entering a critical transitional and defining moment, as the 2007-2009 financial crisis has painfully demonstrated. The political and economic systems, which have been dominated by financial oligarchs over the last several hundred years, have failed all peoples around the world, and need to be changed. Therefore, I am pleased and honored to be invited to this important conference, “The Second American Revolution and A New Paradigm for Mankind,” sponsored by the Schiller Institute.

Time and again, Friedrich Schiller’s dramas demonstrate how a person’s duty lies above his or her own personal inclinations; how he or she must be both a patriot and a world citizen. For the true interests of any one nation can never be at odds with the interests of the world as a whole. It is in this spirit that his teaching is so relevant to our attempt to establish a new paradigm.

Any rational person would agree that to overcome the ongoing financial and economic crisis requires constructive partnerships among countries and peoples in this global village. However, the world has become even more unstable since the 2008 financial crisis. Political upheavals have spread to every continent, from Africa to America. Why? It is because of increasing polarization in wealth distribution among countries and among citizens in individual countries.

Tensions even flared in East Asia, a relatively calm region before 2008. Part of the reason is the highly vocal announcement of rebalancing of the U.S. military forces: 60% of the maritime forces will be deployed to Asia.



EIRNS/Daniel Platt

As an American, originally from the region, I totally agree that Asia is of great importance to the future well-being of this country. However, is destabilizing the region really serving the interests of this country, really serving the interests of Asian countries, and really serving the interests of the whole world? Of course, the answer to most of the rational people is a resounding no. So why did our policymakers do this?

As pointed out by Lyndon [LaRouche], Helga [Zepp-LaRouche], and many scholars

here, the source of the troubles is the financial oligarchs who have betrayed the U.S. Constitution, and have gradually taken control of U.S. politics since 1913, when the Federal Reserve was established. In this speech, I will mainly focus on why the U.S. and China are natural allies, and how to strengthen this strategic relationship.

## **The U.S. and China: Converging Interests**

As remarked by former Secretary of State Hillary Clinton on March 7, 2012, the U.S.-China relationship is unprecedented in the history of nations. The United States is attempting to work with a rising power to foster its rise as an active contributor to global security, stability, and prosperity, while also sustaining and securing American leadership in a changing world. The two countries are, together, building a model in which both countries strike a stable and mutually acceptable balance between cooperation and competition. This is uncharted territory. And we have to get it right, because so much depends on it.

Needless to say, there are many differences between the two political and economic systems, two cultural

and historical experiences. One of them is the U.S. trade deficit with China of \$300 billion a year, which needs to be addressed in a constructive manner, and not degenerate into finger-pointing matches.

However, there are many converging interests between the U.S. and China. Let me name a few:

- Both countries need a peaceful and stable international environment.
- Both countries have become thoroughly, inescapably interdependent.
- Both countries, or at least most people in both countries, are committed to building a cooperative partnership based on mutual benefit and mutual respect.
- Both countries are looking for a win-win relationship, instead of a zero-sum game.
- Both countries are facing increasing polarization of wealth distribution in their respective societies. The citizens of this country need to take back our government from the hands of financial oligarchs. China needs to get rid of crony capitalism.

China and the United States cannot solve all the problems of the world, but without our cooperation, it is doubtful any problem can be solved.

There are also many similarities between the two countries:

- Their size is uncannily close, with each occupying almost exactly 6.5% of the world's landmass.
- Both are multi-national states.
- Both are religiously tolerant countries, contrary to many smear campaigns against China. If you look at Chinese history, one thing stands out: that is, in her more than 4,000 years of history, there never was a religious war. Even Communist China, in recent years, is actually very tolerant toward different religions, as long as the religious groups are not using religion as a cover to engage in subversion and certain illegal activities.

Most importantly, Chinese and Americans share the same deepest beliefs and desires in our heart and soul, as shown by the similarities between the teachings of American Founding Fathers and the teachings of ancient Chinese philosophers and Chinese leaders of modern times. It is in this sense that the U.S. and China are natural allies.

Therefore, I shall discuss these shared values in the remainder of my presentation.

FIGURE 1

## Confucius and Ancient Chinese Philosophy (I)

仁 , broader than Benevolence, 人二 , two persons → proper ways to treat one another

愛 , Love

Ex. 己所不欲勿施於人 ,  
ethic of reciprocity

One should not treat others in ways that one would not like to be treated (Negative form of Golden Rule).  
(Positive form of Golden Rule): Do unto others as you would have others do unto you. (Western culture)

### The People-First Principle

The founding principle of the U.S. is best expressed in the Preamble to the Constitution. The basic idea is to “promote the general Welfare,” and “secure the Blessings of Liberty to ourselves and our Posterity.” Our government, as envisioned by our Founding Fathers, is a “government of the people, by the people, for the people,” as eloquently presented by President Abraham Lincoln in his famous Gettysburg Address. This idea greatly influenced Chinese leaders of modern times such as Dr. Sun Yat-sen, Chiang Kai-shek, Mao Zedong, Zhou Enlai, Deng Xiao-ping, Jiang Zemin, etc.

This people-first principle is also the deepest belief in the Chinese heart and soul, as reflected in the teachings of ancient Chinese scholars.

The most important concepts of Confucius and ancient Chinese philosophy can be expressed in terms of several simple Chinese characters. As this slide shows, the first core concept is commonly translated as “benevolence” (**Figure 1**). But actually its meaning is much deeper and richer than benevolence. As you can see, this character consists of two parts. The left part, which looks like a human, is the Chinese character for “person.” The right part, I think you all can figure it out, is the Chinese character for “two.” Figuratively, this character means two persons, which is extended to mean the proper way to treat one another.

In a more concrete way, the starting point of benevo-

FIGURE 2

## Confucius and Ancient Chinese Philosophy (II)

- 義, 羊我
  - Sheep was a sacrifice in ancient times
  - willing to sacrifice oneself for the greater good.
- 和, harmony which leads to peace
- 平, equality (Equal opportunity)

lence is love. One needs to love your friends, love persons around you. How do we exercise love? Confucius taught us that we need to practice the Chinese ethic of reciprocity, which translated into English is, "One should not treat others in ways that one would not like to be treated." This is the negative form of the Golden

Rule. Most western cultures adopt the positive form of the Golden Rule: "Do unto others as you would have others do unto you." This slight difference between the two cultures has a profound effect on the thinking of the two peoples.

This slide summarizes the next few core concepts. The first character (**Figure 2**) means that you would sacrifice yourself for the greater good of the society and the whole world. This Chinese character consists of two parts. The first (or upper) part is *sheep*. Sheep served as a sacrifice in ancient times. Sacrifice for what? For the greater good of your group. The second (or lower) part is "I" or "me." In other words, you are willing to act as a sheep for the greater good of the society. This is a very important value in traditional Chinese culture. The next concept is

*harmony*. You always seek for harmony, be it in music or in other things, and try to avoid going to extremes. The last character is *equality* and *equal opportunity*. If you combine the last two, you have the character which is translated into English as "*peace*." In other words, in the Chinese mind, a lasting peace can only be built upon harmony and equality.

FIGURE 3



### Conscience for Heaven and Earth

This slide shows a beautiful Chinese calligraphy of a motto treasured by generations of Chinese Classical scholars (**Figure 3**). I shall explain the meaning

FIGURE 4

### The Most Important Motto of Ancient Chinese Scholars

- 為天地立心，為生民立命，為往聖繼絕學，為萬世開太平
- To ordain conscience for Heaven and Earth. (Tao 道, the way of nature → to harness the way of nature for the benefit of all people and the world, 仁)
- To secure life and fortune for the people. (Great Love → 愛)
- To continue the finest teachings of ancient sages. (孔孟)
- To establish peace for all future generations. (和平)

張載 (AD 1020 to 1077)

of this motto. It consists of four parts, and I shall take the liberty to make a translation (Figure 4).

The first part is to ordain conscience for Heaven and Earth. How can one do that? According to Chinese philosophy, *Tao* is the way of nature, and you might have heard about that. As a scholar, you need to harness the way of nature (*Tao*) in order to bring benefits to all the people and the world. Next is the conscience for Heaven and Earth. For example, you observe the motion of Sun and its relations with the change of seasons, which can be harnessed to benefit people. This naturally leads to the second part, which is to secure life and fortune for the people. This is the great *Love*.

The third part is to continue the finest teachings of the *ancient sages*, such as Confucius, Mencius, and others. For what purposes? This is the last part: to establish *peace* for all future generations.

This is the most important motto for Chinese traditional scholars. And in my view, the Chinese values, as reflected in this motto, are consistent with the teachings of our Founding Fathers and the teachings of Schiller. Therefore, I believe that the U.S. and China are natural allies, because they share the same deepest values in their heart and soul.

### Promote Cooperation

So what can we do in a more practical sense? We should take the ideas as expressed by Lyndon and your group. We should promote cooperation instead of confrontation. We should build our cooperation based on science, technology, and development.

Take Far East Asia as an example. There are many tensions over there: tensions between Russia and Japan, between Japan and China, between North Korea and South Korea, etc. However, if rational people look at the real needs in the region, there really is no conflict in fundamental and long-term interests.

There are many real needs for further development. As mentioned in earlier speeches by different speakers, we should extend NAWAPA to Siberia and the North Asia; we should extend the Eurasian Land-Bridge to the U.S. and the American continent. We need to develop the vast lands of Siberia, Korea, and China, etc. It is based on these new developments that we can create new boundaries and a new spirit.

FIGURE 5

### Confucius and Ancient Chinese Philosophy (III): Chinese Dream

- 世界大同 .  
The world of great harmony and equality.
- 天下為公 ⇔ General Welfare
- **The Chinese Dream, which is neither communist nor noncommunist in character but simply Chinese, represents the spirit of development and progress not just for China but for the world. I hope that this will also be the dream of all the people in the world.**

Another area for cooperation is space exploration. Just several days ago, three astronauts who completed China's longest manned space mission returned to Earth safely, marking another step forward toward the country's goal of building a permanent manned space station by the year 2020. The U.S. and Russia were once the pioneers in space exploration. However, in recent years, the U.S. effort has become much reduced. I think, in the future of mankind, lots of opportunities are in space, and maybe our challenges and threats one day may come from space also. I believe, in this difficult financial time, it makes a great sense to pool the resources together to jointly explore outer space.

All the above-mentioned things will help the future of both countries, but the most important thing is to build a cooperative environment. This slide shows the ideal world as envisioned by Confucius and ancient Chinese philosophers, and this is called the *Chinese Dream* (Figure 5). The dream is to build a world of world of great harmony and equality, a world that belongs to everybody. In my view this dream is also the American dream of the General Welfare as expressed in the Preamble to the U.S. Constitution.

The realization of this ideal world is the Chinese Dream, which is neither communist nor non-communist in character, but simply Chinese. It represents the spirit of development and progress, not just for China, but for the world. I hope that this will also be the dream of all the people in the world.

Thank you for your attention.

# Australia—Free of the British Empire!

*Robert Barwick, member of the Executive Committee, Citizens Electoral Council (CEC), Australia, gave this presentation to the Schiller Institute conference.*

Good afternoon. I bring you warm greetings from Australia, even though in our Southern Hemisphere it's the dead of Winter right now. But it's politically hot.

I would like to present to you the strategic vision of the Citizens Electoral Council of Australia, which is the LaRouche movement in our nation. Our vision is one of vast, physical-economic development, premised upon national banking and a public credit system. We intend to play our part internationally to defeat the genocide policies and war threats coming from the financial oligarchy, which Australians for over a century have called “the Money Power.” That financial oligarchy is based in the City of London and centered on the British Crown—and the wearer of that crown, the Queen of England, happens to be our official head of state.

A new paradigm for the survival of mankind requires a process of continuous creative breakthroughs. We know from the history of science, that creative breakthroughs are made by confronting an existential paradox, and can also be prompted by grappling with an anomaly.

Australia is a nation-continent of anomalies, as Lyndon LaRouche famously said in 2003. He noted that in Australia you can find mammals that lay eggs! He talked about our paradoxical relations with the British Empire, and about the challenge of populating our nearly empty continent, including through immigration from Asia. He appealed to us (and this goes right to the heart of what I'll present to you today); he said: “You have large deserts—it's an opportunity! Look at all that



EIRNS/Daniel Platt

land you can turn into fertile land, by irrigation and development.” LaRouche summed up: “You know, in life generally, it is always the eccentricities, the anomalies, that are interesting, and Australia is an anomaly.”

Indeed, our nation of Australia presents anomalies at all three levels of terrestrial existence, defined by Vladimir Vernadsky.

- *First, in the non-living domain, or the lithosphere, Australia has six out of the 16 largest known impact craters on Earth. (So, for sure, the Russian proposal that the early-warning network for the Strategic Defense of Earth include greatly expanded monitoring in the Southern Hemisphere, is dead on!)*

The likelihood that there was another, even larger impact, over 500 million years ago, is still being studied (**Figure 1**). It's called the Massive Australian Precambrian/Cambrian Impact Structure, and it may have been a decisive event for the shift out of the Pre-Cambrian era and into the intensive development of life on Earth.

As a result of these impacts and other factors, Australia is similar to Siberia—not only in size, but in the quantity and quality of minerals beneath our soil (**Figure 2**). Among these are huge resources for the nuclear power industry: the world's largest reserves of uranium; and it's one of the world's top three countries in reserves of thorium, a crucial fuel for fourth-generation nuclear reactors.

Though blessed with these resources, Australia also has geophysical extremes, such as the second-largest expanse of desert on the planet after the Sahara.

- *In the domain of living matter, the biosphere, we have more anomalies.*

Our weather extremes are closely related to the biosphere, as you can see in the stark contrast between the

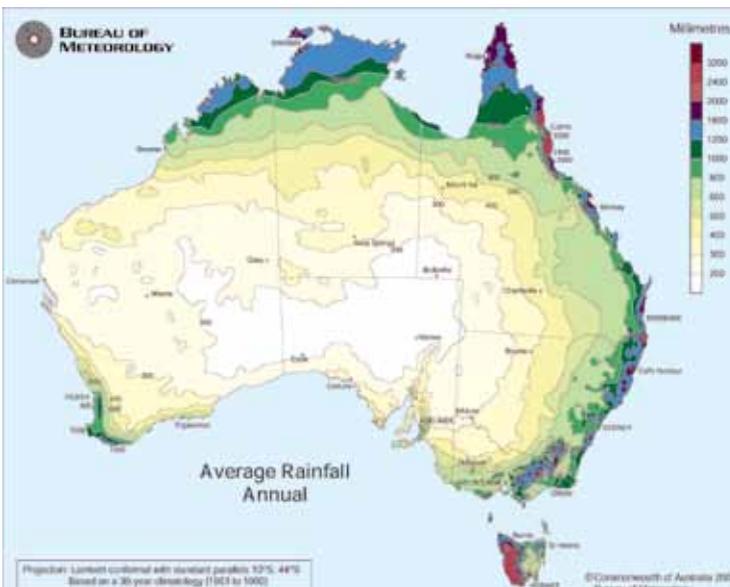
FIGURE 1



FIGURE 2  
Australia 'in' Siberia



FIGURE 3  
Rainfall in Australia



desert and semi-arid “Outback” areas of the continent, and the rain forests of Queensland in the northeast, shown in **Figure 3**, in terms of annual rainfall.

Our most famous biospheric anomaly, of course, is the prevalence of marsupials, which developed over the millions of years of Australia’s separation from other land masses. (Not to mention the monotremes—egg-laying mammals like the duck-billed platypus, that Lyn alluded to.) These are all fruitful subjects for scientific study.

• *In the cognitive domain, the noösphere*, we have evidence of a thrilling history of the settlement of Australia by early sea-faring peoples, by astro-navigators, well over 20,000 years ago.

And, we also have the greatest anomaly of all. Modern Australia was founded in 1788 as a prison colony and an outpost of the British Empire in the Pacific.

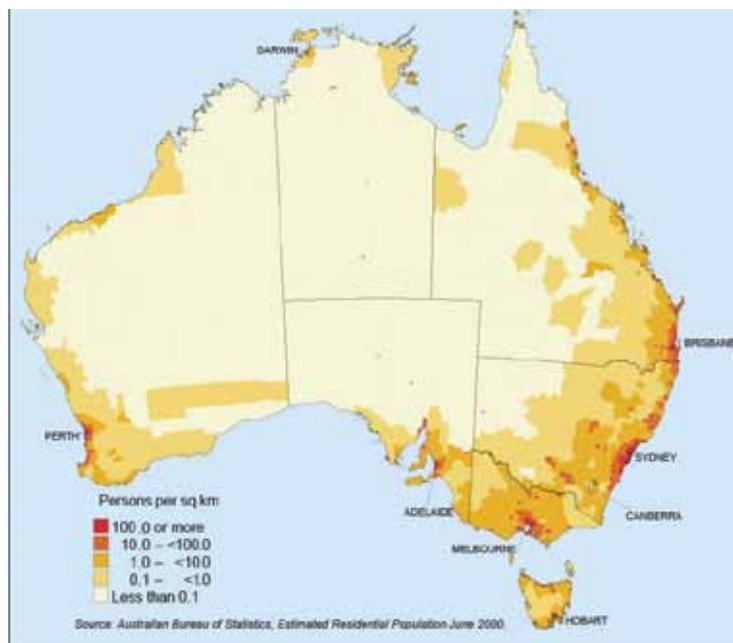
Yet, many of the Irish, Scots, and English people, sent out to Australia by the boatload, were political prisoners who had agitated for American-style revolutions within the British Isles. And Australia went on to create a full-fledged Hamiltonian national bank, the Commonwealth Bank, founded in 1911. During the 20th Century, this bank funded some of our greatest development projects, and the building of a world-class machine-tool industry during World War II.

Today, we live in the belly of the British Empire, and yet the CEC is a vigorous and growing wing of the LaRouche movement. Reviving Australia’s American System traditions, we intend to develop and populate the vast expanses of our continent, a process that will contribute decisively to the future of the entire, densely populated Pacific Rim growth area.

The measure of the success of new ideas is provided by LaRouche’s science of physical economy. That measure is the increase of potential relative population density.

Looking at absolute population density (**Figure 4**), you can see that Australia, with only 3 people per square kilometer (23 million people on 7.6 million km<sup>2</sup>), is the perfect object-lesson

FIGURE 4  
**Population Density (2000)**



for the new paradigm. By comparison, the current population density of the USA, including Alaska, is 32 people per km<sup>2</sup>; for California, it's 89 people per km<sup>2</sup>.

The first American Revolution meant doing the impossible, by defeating the British Empire, and the supposedly impossible settlement and development of the North American continent beyond the Blue Ridge. Today in Australia, the next revolution again means doing the impossible—defeating the British Crown, and moving into the biospheric engineering of an entire continent, to transform Australia from being mostly a desert, into a garden and an industrial powerhouse to benefit our nation and all mankind.

### **Australia's Battle for Republicanism**

From the outset, with the landing of the First Fleet of political prisoners in 1788, the question for Australians was: Would we establish an American-style republic, or remain slaves of the British Empire? We were supposed to be a slave plantation run by a landed oligarchy, but our patriotic leaders fought to follow in America's footsteps.

Listen to the ardent early republican, the Rev. Dr. John Dunmore Lang (1799-1878), whom we call the "Benjamin Franklin of Australia," who fought tirelessly for "freedom and independence for the golden

lands of Australia," as he put it. John Dunmore Lang wrote this about the ideals that animated him and his fellow republicans:

"The feeling of nationality ... is the gift of God for the welfare and advancement of his creature, man.... The spirit of national freedom and independence is one of the most generous and disinterested, as well as one of the loftiest and most ennobling passions of human nature; and when it once animates a people, they become capable of deeds, and sacrifices, and exertions, of which they could never have supposed themselves capable before."

In spite of the Crown's control, republicanism has kept on bursting forth, throughout Australia's two-century-long history. At the end of the 19th Century, we had the creation of the Australian Labor Party—spelled L-A-B-O-R, American style—and the first Labor Party government in the world. Into this fertile political climate came an American immigrant of Irish extraction named King O'Malley, a follower of Alexander Hamilton and Henry Carey. O'Malley embarked for Australia from here, from San Francisco, in 1888. He dedicated the rest of his life to one goal—national banking. O'Malley was elected to our then-new federal Parliament, where, in 1909, he de-



*King O'Malley, Minister for Home Affairs, 1910-17*

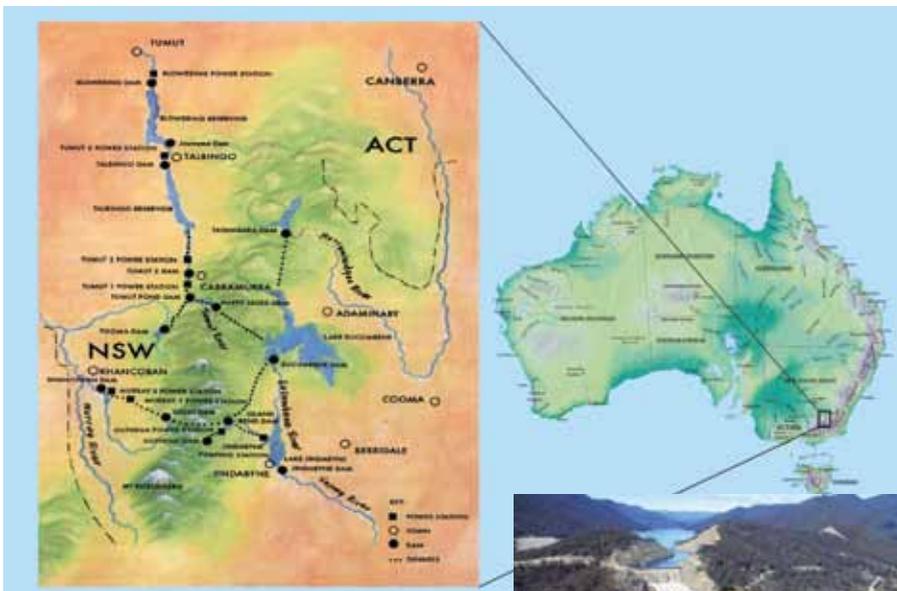


Prime Minister John Curtin and Gen. Douglas MacArthur.

don-based Money Power to hide its opposition to our national bank. Labor Party governments during both wars, especially World War II, were able to direct public credit to the maximum, for the war effort.

Just weeks after Pearl Harbor, our Prime Minister John Curtin announced that Australia was breaking with the British Empire and placing its hopes and resources with the America of President Franklin Roosevelt. In just three years, from 1942 to 1945, the national banking and credit policies of Curtin and his Treasury Secretary, Ben Chifley, transformed Australia from an agrarian backwater into an agro-industrial powerhouse, with a world-class machine-tool industry. This was vital to winning the war in the Pacific, under the masterful command of Curtin's friend and ally, Gen. Douglas MacArthur.

FIGURE 5  
Snowy Mountains Scheme



clared, “I am the Alexander Hamilton of Australia. He was the greatest financial genius who ever walked the earth, and his plans have never been improved upon.” In 1911, O’Malley’s efforts gave birth to Australia’s national bank, the Commonwealth Bank.

During two world wars, the power of national banking was seared into the consciousness of the Australian people. The realities of wartime forced the City of Lon-

As Prime Minister after Curtin’s death in 1945, Chifley pushed legislation through both houses of Parliament for the full-scale re-establishment of a national bank. His plan was to fund an amazing array of great economic development projects. The Queen’s Privy Council in London overturned that legislation, so that only one of those infrastructure projects was ever built—the Snowy Mountains Hydroelectric Scheme (Figure 5). Started by Chifley in 1947, and completed in 1974, the Snowy transformed Australia, and it is a model for what our nation must now do on an even grander scale.

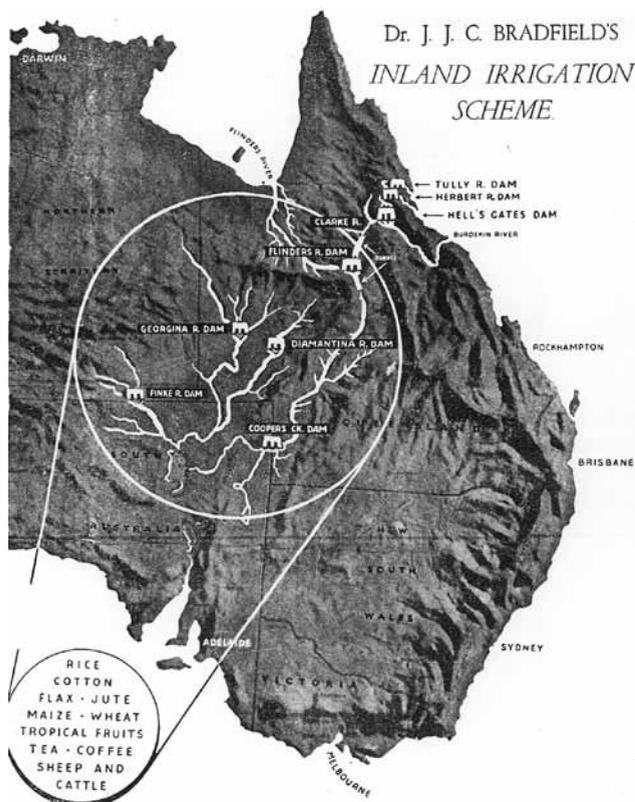
In 1967, the American Society of Engineers hailed the Snowy Scheme as “one of the seven engineering wonders” of the modern world. It covers an area of 7,780 km<sup>2</sup>, with 16 dams, 7

power stations, 145 kilometers of tunnels, and 80 kilometers of viaducts. It diverts the headwaters of the Snowy River and two other rivers, westward across

FIGURE 6  
New Great Water Projects



FIGURE 7



the Australian Alps into the irrigation areas of the Murray and Murrumbidgee rivers, thus creating one of the most productive irrigated areas in the world, the Murray-Darling Basin.

The Snowy Scheme was truly a joint Australian-American project. The head of the Snowy Scheme, New Zealand-born engineer William Hudson, sent a dozen young Australian engineers to the USA to be trained by those in the U.S. Reclamation Bureau who had designed and built the Tennessee Valley Authority and the great Hoover and Grand Coulee dams. Early stages of the project were designed here, in America.

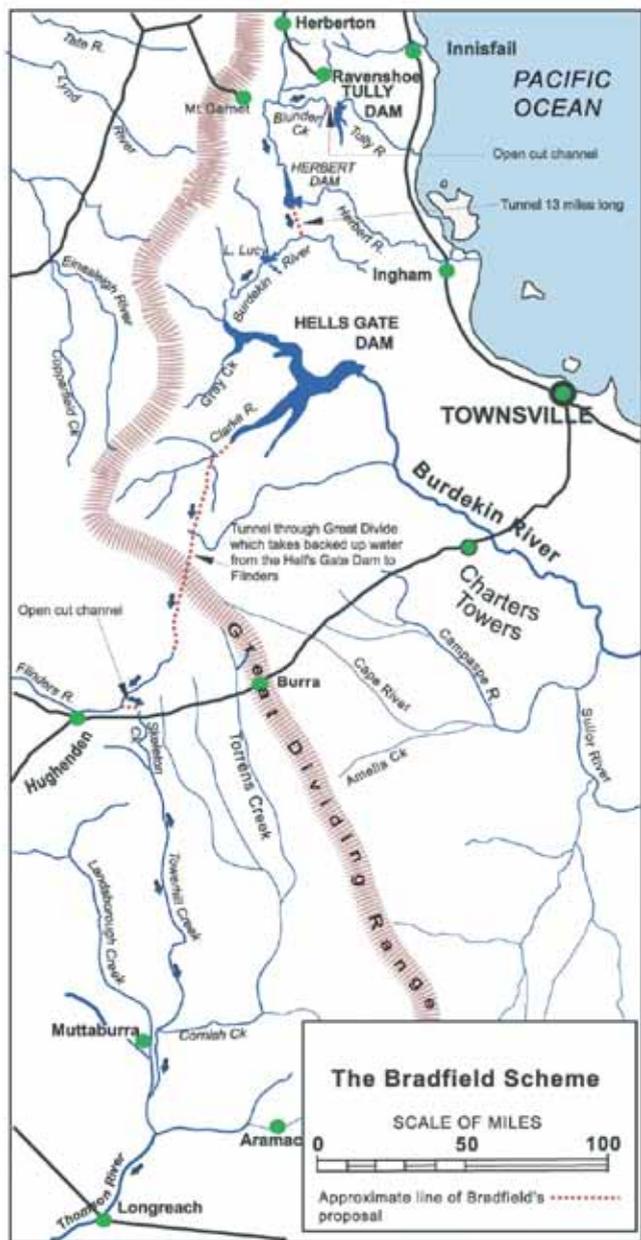
Returning to Australia under Hudson's inspiring leadership, these young engineers deployed

a workforce of 33 different nationalities, drawn from displaced-persons camps all over war-torn Europe. The engineering marvel was completed on time, under budget, and with many improvements and a greater capacity than specified in its original design.

With indispensable advice and expertise from the late Prof. Lance Endersbee, who had been one of those dozen young engineers sent to America to be trained for the Snowy, the CEC, in 2002, drafted a program of nation-building for Australia. It includes advanced nuclear power, a nationwide maglev rail grid, space exploration (we have an excellent location for launches, being near the equator), high-speed shipping to tie us to the rest of Asia, and, of course, great water projects (Figure 6). We specified 18 water projects, many of which have been largely designed and are ready to go. Five of them are on the scale of the Snowy Scheme, transferring water from rivers in coastal mountain ranges, like the Clarence River in New South Wales on the East Coast, and the Fitzroy River in the West, inland to the arid regions.

One of the most exciting of these projects is the Bradfield Scheme for Watering the Inland. (Figure 7). It was drafted in 1938 by Dr. J.J.C. Bradfield, the engineering genius who built Sydney's Harbour Bridge.

FIGURE 8



Primary river diversion engineering along the Great Dividing Range.

Updated in the 1980s, this brilliant project for biospheric engineering has, like NAWAPA, been gathering dust on the shelf for decades.

The highest rainfall area in Australia is in tropical North Queensland, where warm, moist air from the Pacific Ocean is pushed up sharply by the Great Dividing Range, which runs the length of eastern Australia. The Tully and Herbert rivers, only 123 and 340

kilometers long, respectively, carry this rainfall straight back out to sea. Bradfield proposed a series of dams and tunnels to divert the headwaters of these two rivers through the Great Dividing Range, down into the fertile but dry plains of central Queensland, and eventually into Australia's inland salt lake, Lake Eyre (Figure 8).

The project will reach from the far northeast of Australia, down across the continent to Lake Eyre in south-central Australia—a kind of mirror image of what NAWAPA will do in North America.

Bradfield envisaged not only the diversion of water for irrigation, but the transformation of the now-arid inland climate, through establishing vegetation and an increased permanent cycle of rainfall.

He also viewed his engineering scheme as political warfare. In 1941, Bradfield wrote, "Australia needs to adopt a long-range, constructive policy to develop, populate and defend itself. *Australia must control her own economic independence, not London.* A rejuvenated inland, creating employment and settling a population in comfortable circumstances, would be one part of such a long-range policy. The nation without vision perishes, but the heart and mind of any vigorous people responds to the dreams of its national destiny and will endeavor to make full use of its heritage." Bradfield called for Australia to have a population of 40 million by 1990, on the way to an eventual population of 90 million or more.

Today, the CEC's program is to implement the Bradfield Scheme and all these other projects. Doing so will save and expand Australia's economy as a breadbasket for South and Southeast Asia, and a machine-tool powerhouse for Asian development.

Before his death in 2009, Professor Endersbee devoted many hours to designing a program he called the Asian Express. A high-speed rail grid uniting Australia's major cities, in combination with a high-speed national shipping line, the Asian Express would place any part of Australia just one to four days from any part of Asia, including the world's two largest ports, in Singapore and Hong Kong, and many other major ports (Figure 9).

### The Queen Must Go!

To achieve these goals, we must defeat the British Crown. That lesson was brought home in 1974, when the Queen sacked our democratically elected Prime Minister, Gough Whitlam, after he and his govern-

FIGURE 9  
**Container Ports in Asia**



ment announced that they intended to “buy back the farm” from the Queen’s raw materials cartels (companies like Rio Tinto, in which she is the single-largest individual stockholder)—to reclaim control over our nation’s resources, and to build a nationwide scheme of infrastructure.

Without detailing all the evil the Crown has done, headlines from the *New Citizen* newspaper and CEC pamphlets (Figure 10) illustrate our fight against that evil empire. These were published since we established our national office in Melbourne in 1993, with the help of a core of intrepid LaRouche movement veterans from the United States, some of whom are here today. Most issues of the *New Citizen* are printed in 250,000 copies or more, an average of more than 1 for every 100 Australians. Our movement has survived and grown for two reasons: because we are animated by the universal principles espoused by Lyndon LaRouche and Helga Zepp-LaRouche, and because we have relentlessly attacked the British Crown ever since 1993.

In 2009, the CEC mobilized on the eve of the

FIGURE 10



Queen’s Copenhagen Conference on Climate Change (**Figure 11**). Before this paper came out, 60% of Australians thought that climate change was real. After half a million of these papers appeared, the ratio reversed: 60% thought climate change was a hoax. Then-Prime Minister Kevin Rudd, a key global advocate of climate change, lost his job over this (temporarily, as we’ve just seen), as did the head of the Opposition, Malcolm Turnbull, who also toed the Queen’s line at the time.

A special issue of the *New Citizen*, published in 2011, went after the core of British imperial policy—Green Fascism (**Figure 12**). We documented that the worldwide green fascist movement was hatched by the British Crown’s Privy Council following World War II, out of the British Eugenics Society. Queen Elizabeth’s immediate family took a leading role, beginning with her husband Prince Philip, co-founder of the family’s population-reduction charity, the World Wildlife Fund (WWF).

Our exposé documented the targetting of Australia by the Royal Family with their green fascist agenda. In 1963, Philip, on the Queen’s authority, personally ordered the Governor-General’s office in Australia to organize an Australian branch of his WWF, which became the Australian Conservation Foundation. Philip micro-managed the ACF, was its President from 1971 to 1976, ordered the Australian government to fund it, and led it in a vicious campaign to crush hydroelectric development in Tasmania. The world’s first green political party, the United Tasmania Group, was founded in Tasmania in 1972 and influenced Petra Kelly to start Germany’s Green Party.

Today, Prince Philip’s successors in the ACF are

FIGURE 11



FIGURE 12



campaigning to shut down food production in the Murray-Darling Basin, the agricultural miracle produced by the Snowy Scheme. They especially fear the LaRouche movement, because we are Australia’s greatest champions of development. In 2002, the WWF formed the Wentworth Group of Concerned Scientists, under Hans Joachim Schellnhuber’s buddy Tim Flannery, dedicated to stopping the CEC’s ideas for major water projects.

Four decades of green fascism and British free trade have reduced Australia’s agro-industrial economy to a raw materials quarry. At the same time, the British have expanded their plans for Australia as a strategic outpost. In 1995, Australian academic Katherine West, under British Royal Institute of International Affairs (Chatham House) auspices, presented “Discussion Paper 60: Economic Opportunities for Britain and the Commonwealth.” She identified the British Commonwealth as the core of a new British Empire, which she called “an informal financial empire.” West proposed that Australia be a British “bridgehead into Asia.” Thousands of British corporations now have their Asia-Pacific headquarters in Australia.

This is the setting in which Barack Obama, in 2011, announced the “Asia Pivot,” meaning the Anglo-American imperial targetting of China. Australia’s northernmost city of Darwin has become a base for 2,500 U.S. Marines. The ports of Perth and Brisbane are being upgraded to host the U.S. Navy, and Australia’s extensive electronic eavesdropping and signals intelligence infrastructure is being boosted for a nuclear showdown. Former Prime Minister Malcolm Fraser warned in September 2012 that present U.S. and Australian

FIGURE 13



FIGURE 14

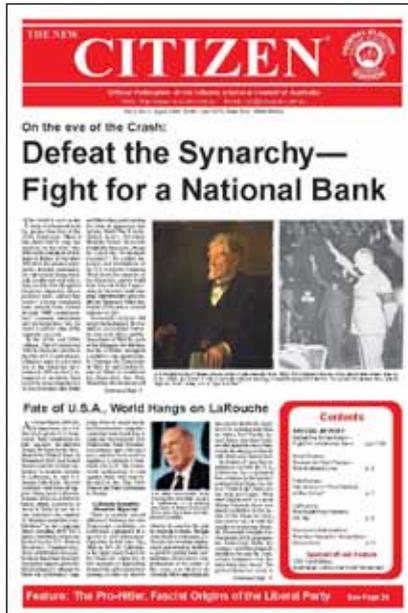


FIGURE 15



policy towards China was leading to nuclear war (Figure 13).

In a 2004 issue of the *New Citizen*, we contrasted a Hamiltonian National Bank to the policies of the international financial oligarchy (Figure 14) highlighting the role of the Bank for International Settlements (BIS) in promoting fascism in the 1930s, including the movement then known as the Synarchy. Based in Switzerland, the BIS was founded by the Bank of England in 1930 to be the “central bank of the world’s central banks.” The looting of Europe by the Nazis, sanctioned and assisted by the BIS, was the forerunner of today’s regime of genocide, being promoted by the same BIS and its Financial Stability Board, through austerity measures and the theft program known as “the bail-in” or “the Cyprus template” (Figure 15).

Typical of Australia’s subservience to British finance today, two Australia

lians hold the #2 and #3 positions on the FSB Steering Committee. Right now they are trying to push bail-in powers through the Australian Parliament, which the CEC is presently blowing up in their faces.

We intend to win that fight, so we can implement a national bank and a credit system, to fund the Bradfield Scheme and develop our continent, fulfilling Australia’s special role for Asia and the planet (Figure 16).

Thank you.

FIGURE 16



# The Extended NAWAPA: World Rail and Nuclear Power

*Dr. Hal Cooper is a prominent American engineer and infrastructure expert. He gave this speech to the June 29 Schiller Institute Conference in San Francisco.*

As has been pretty well indicated in this conference, we are at a crossroads: We are either going to follow the British path, with all of the bad things that it entails, or we're going to follow another path, which is growth, development, and prosperity. And that's what I'm going to talk about today.

I was asked to talk about three things. The first is California. We heard this morning that there are some serious water problems affecting our farming. Water has been severely restricted to the farms in the San Joaquin Valley. A lot of the land in farming has gone fallow. There is a preference for protecting fish in the delta, as compared to farms for growing food for people. The real problem is we have too many demands and not enough supplies for water. And the North American Water and Power Alliance (NAWAPA) project, with its extensions into California, as indicated in the most recent versions of the documents published by the LaRouche movement [<http://larouchepac.com/infrastructure>], really shows that.

We have agricultural demand which we've heard about; we haven't heard much about city demands. Southern California actually has a preference over the water rights in the San Joaquin Valley, which they are now being forced to appropriate, because they are losing their access to the water in the Colorado River, which is being taken by Arizona, because of the prolonged drought in the Southwest.



LPAC-TV

There's another demand: hydraulic fracturing of oil production. California has very large reserves of oil in the Monterey Shale (**Figure 1**). Some sources say it's substantially larger than the Bakken formation in North Dakota, which I'm working on right now. It's going to need water. Cities are going to need water, towns are going to need water, farms are going to need water. And we need to protect the water.

Governor Brown recently proposed building two tunnels, from Cortland on the Sacramento River, south of Sacramento, to Tracy, where the intake to the present California Aqueduct and Delta Mendota Canal

is; and we've heard this morning that the San Luis reservoir, west of Los Banos, is at a very low level, and is not going to be able to sustain the needs of farmers and other water-users in the Central Valley. So we need to get another source of water: Which is the North American Water and Power Alliance project, which will add the water in the Upper Columbia River, at Micca Dam, in central British Columbia, coming from the Northwest Territories, Alberta, British Columbia, Yukon and Alaska, from the Yukon and McKenzie River Basins, which flow into the respective Pacific and Arctic Oceans.

We need to have that water: Having it come down the Columbia River, being able to increase the hydroelectric generating capacity of the dams on the Columbia River, and then, pumping the water south into eastern Oregon, into Goose Lake and the far southern Oregon, into the Pitt River Basin, which flows into the Sacramento River.

And we have another need for water in the Klamath River, which actually starts in Oregon, and goes into the

far northwest of California; and right now, farmers and ranchers are going to be shut out of water, because the Indians have been given a preferential right to it by the Bureau of Reclamation of the U.S. Department of the Interior.

### We Need More Water

Actually, this goes back to earlier times; when there was a lot of flow, the salmon and other fishing rights of the Indians were protected. But at the same time, there was enough water. What we need to do is add enough water to offset what has been taken out, and then, there's water for everybody. That is one option that has not been considered. And the taking out of dams is not a smart idea! And that has become, basically, an official policy, and it actually exacerbates the problem, it doesn't solve anything.

What we need is more water, and it can't come from Oregon and California, it's going to have to come from somewhere else: And that means the North American Water and Power Alliance project, which this organization has greatly promoted.

The Monterey Shale oil development, the first leases were just awarded in February of this year. How much and to what extent that oil development takes place remains to be seen. However, the oil and gas industry has enormous influence, and if it says it needs more water, it will get it. But we don't want it at the expense of existing users, because right now, the fact of life in California, is that any new use of water has to take it away from an existing use. And without NAWAPA, we can't solve that problem.

In addition to that, oil production takes a lot of people. It's probably the most employment-intensive of the energy sources we have. I can certainly attest to that, working in North Dakota.

The California High-Speed Rail project—the construction contract for the first 26-mile section, from Maduro to Fresno (Figure 2), was awarded two weeks ago. That's good. There's been a lot of controversy about that project. What has been proposed needs to get built; but there needs to be another line along the west side of San Joaquin Valley, right next to Interstate 5, right next to the California Aqueduct, in-

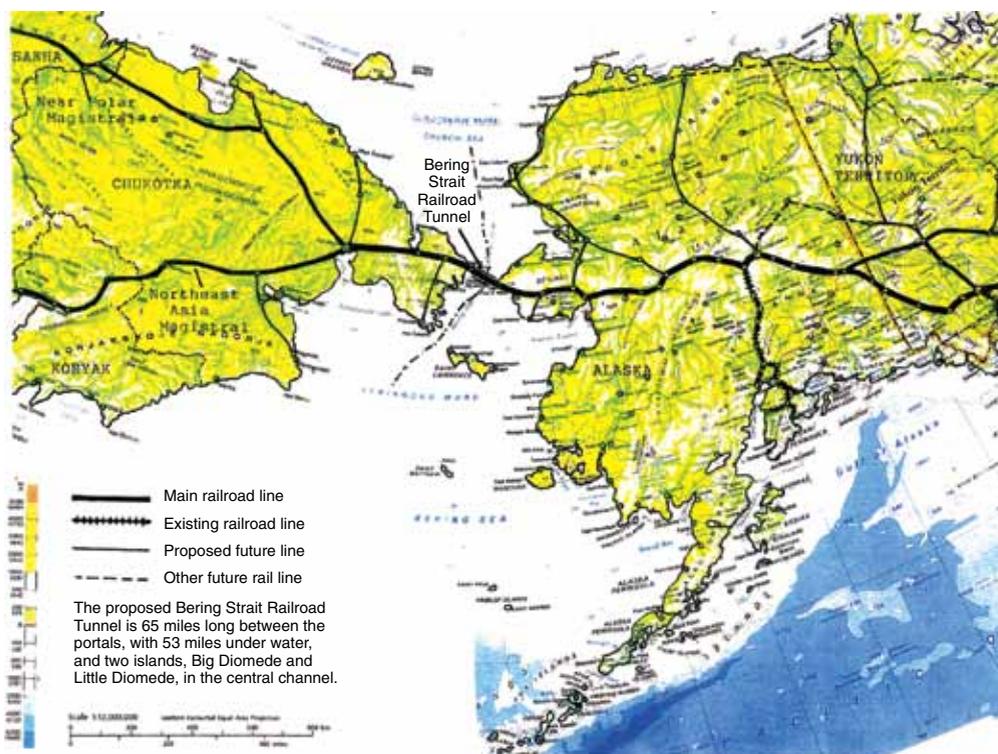
FIGURE 1  
The Monterey Shale Formation



FIGURE 2



FIGURE 3  
The Bering Strait Tunnel



cluding to get people to work. And that would help a lot of things.

And of course, all those projects need to happen: the canal, the tunnels, the high-speed rail, the water, and the oil. California's economy will be drastically transformed if that happens. It will certainly not follow the British model, or the Greek model. It will following the North Dakota model. It's remarkable, the work in North Dakota, where they have a huge budget surplus, that probably is much greater than they say it is. Everybody who wants a job has one. Maybe they can't all find a place to live, but they can certainly find a job.

### The Bering Strait Tunnel

Now, the Bering Strait Tunnel (**Figure 3**): There's been discussion about it, and sadly, in North America, primarily in this [the LaRouche] group; there hasn't been much official discussion. But the real goal here is to connect Asia and North America together. The Russians are already working on it. They've already built the first section; it's been in operation since December of 2011, from Neryungri to Nizhny Bestyakh, across the Lena River from Yakutsk. They need to build a

tunnel or a bridge under or over the Lena River, to connect the capital of Yakutsk.

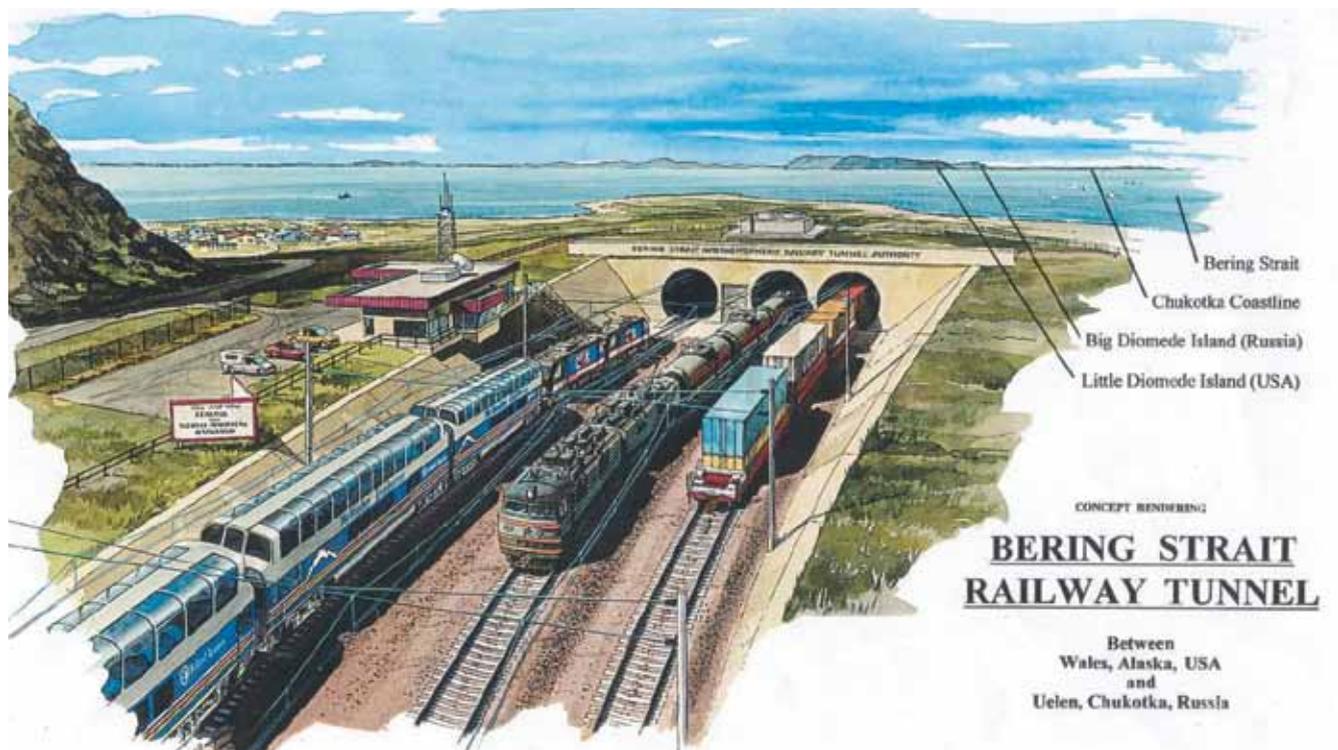
The second section, which would go to Magadan on the coast, by way of Oymyakon, in the Magadan region, is being designed now. They are planning to build, initially, single-track diesel, later, double-track electric, and a four-lane highway, and electric transmission, and probably natural gas pipelines too. And of course, that will all facilitate the development of northeastern Russia, whether or not the Bering Strait Tunnel gets built. It's just that if it does get built, it's going to generate much more traffic.

Eventually, over a 20-year period, their plan is to build out to the Bering Strait, and it will end in the far northeastern end of Chukotka, right across the Bering Strait from Wales, Alaska, and the Little and Big Diomedes Islands. *There's no such effort in the United States.*

However, Alberta [Canada] is in the middle of a big battle right now, in the middle of the Keystone Pipeline right now, which I'm sure most of you have heard about. Whether or not the Keystone Pipeline gets built remains to be seen—however, the oil and gas industry has suddenly gotten very comfortable moving oil by rail, especially in North Dakota: There's over 5,000 barrels of oil a day being moved out of there now by rail. I'm working on some of that. And if Alberta is unsuccessful in getting pipelines built out to the west coast of British Columbia, because of opposition from the British Columbia government and the environmentalists, and the First Nations, etc. because of concerns over oil spills, we'll just put it on a train and haul it to China. The only problem is, you've got to build the Bering Strait Tunnel to do it!

That's a good way to sell it.

FIGURE 4



Because, next to those large banks, that Michael [Kirsch] and others have talked about in terms of their influence, probably the industry that has virtually as much influence, is oil and gas. And if they decide they want to haul it by rail, very likely it's going to happen, and we would have developed ourselves a very powerful ally.

I presented this idea at the Oil Transport Conference in Houston in March, starting with building a railroad from North Dakota to Texas to haul oil, and the first question that I was asked when I finished my presentation, was, "Mr. Cooper, when are you going to start building this railroad?" This is coming from people in the oil business! These are not government people, they're not rail lobbyists or fans. They realize the necessity.

So, a strategic corridor.

And there's one other major source of traffic: Right up there in the northwest of Alaska is a huge coal deposit, at Point Lay. It's owned by the Arctic Slope Regional Corp., which is the largest of the native corporations in Alaska. They have tried to develop their coal, with previous work with BHP Billiton, at least, and probably others, but nothing so far has happened. And

they need to build a railroad. So far, no one was willing to build it. But if it gets built down to where the rail line to the Bering Strait Tunnel is, lots and lots of coal can get moved to China, along with lots and lots of oil from Alaska, Yukon Territory, and Alberta. And you'll probably see a change in the view of the Canadian government about whether they should support the Bering Strait Tunnel, because, while they're certainly a part of the British oligarchy, their economy is based on oil and gas. So there's a reason for them to be thinking about that.

Now, this is what a conceptual view of the Bering Strait Tunnel entry point at Wales, Alaska would look like (**Figure 4**). It's a painting done by Craig Thorpe. We show three tubes. Out there in the middle is Little Diomed Island, and behind that is Big Diomed Island, and way off in the distance is the Chukotka coast of Russia. It's 53 miles, by the shortest distance, a tunnel about 65 miles long. Actually, in some respects it's an easier tunnel to build than the English Channel Tunnel.

Now, the Russian government, the Russian Railway, is really, very much interested in seeing this developed, but there is one logistical problem that has to be

addressed, because it affects other parts of their system, and other systems as well. And that is, the gauge is different, by three and a half inches: It's just enough that you can't run from one system to the other. My own personal opinion is, you should have a dual-gauge, double-track railroad, at the minimum. And possibly, two main tracks: A standard gauge going to China, and two Russian gauge tracks.

And on the Trans-Siberian Railway, there is now a great interest by the Russian Railway in moving lots of

cargo from China to Europe, so they don't have to run on the British ships through the Suez Canal and the ocean, which takes them much longer. The costs, believe it or not, are almost equivalent. And if the Russian Railway can increase its transit speed, and reduce its transit time between China and Western Europe, they're going to get a lot of business. They already have plenty, but they were going to get a lot more. I think adding additional tracks to their standard gauge would probably help.

## Krupnov Issues Call for Revolution of Development

*Yuri V. Krupnov, chairman of the board of the Institute for Demography, Migration, and Regional Development (IDMRD), and leader of the Development Movement, both based in Moscow, sent greetings to the Schiller Institute conference in San Francisco June 29. Krupnov is the author of several books, including one titled "In Russia, the Sun Rises in the East."*



Dear conference participants!

I greet the participants in this inspiring conference and hope that your work will be fruitful!

The American Revolution is an event of universal significance, which made it possible for the people of the United States to build a powerful and independent nation, and to set an example of making constructive transformations in the interests of all mankind.

Today the planet Earth again needs a new, creative and constructive revolution—a revolution of development, as an explosive upsurge for the prosperity of all peoples of the world, without exception.

This revolution of development is directly opposed to the chaos, which is cultivated in the interests of a thin layer of global elites, who are indifferent to the historical and cultural interests of mankind.

In this critical situation, the peoples of the U.S.A. and Russia have a special calling, because we both

have the experience of carrying out constructive revolutions and super-intensive industrialization. Our task today is to move, through a new industrialization and new urbanization, to overcome destructive entropy and act to bring a new paradigm to life—the paradigm of development. This means to organize development on a planetary scale, relying on fundamental science, education, culture, and advanced industry.

The Pacific Ocean is of exceptional importance in this context.

The imperative for Russia's own development today is to shift the center of our country toward the East, toward the Pacific Ocean, which in Russia was also always called the Great Ocean. For Russia, the Great Pacific Ocean is not some alien place; nor are Alaska

and California alien for us, as you know from Fort Ross, which is nearby.

The time has come to transform the Great Pacific Ocean into a Great Development Zone for mankind.

And our task is to demonstrate to the entire world, through joint development projects, a model of a different socioeconomic way of life, centered upon the divine genius of every person, and upon respect for human history and culture.

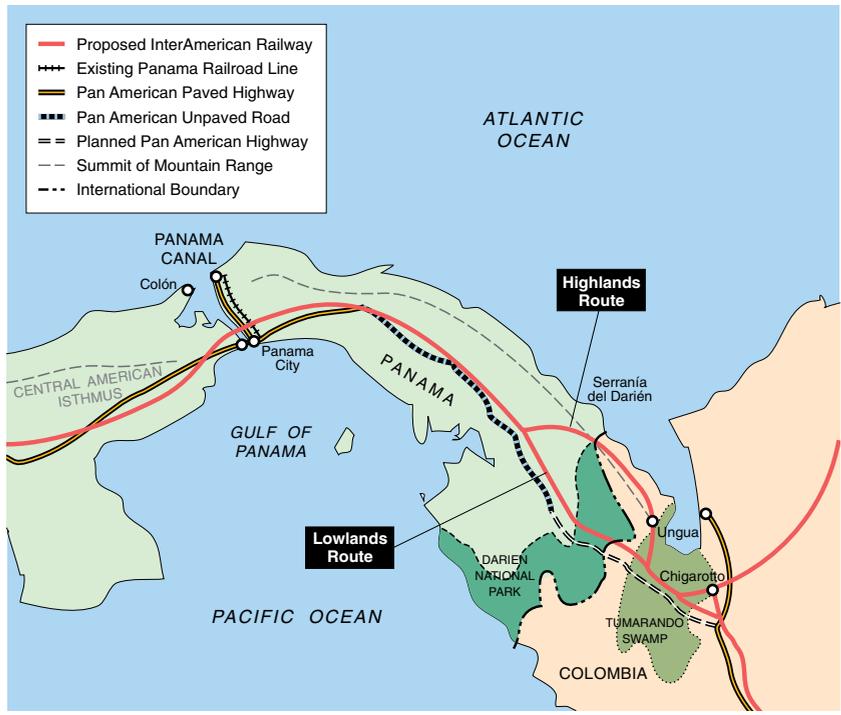
The youth of our nations must play a decisive role in this.

Your energy, determination, imagination, and faith in the creative, constructive abilities of man, who has the capacity to transform the Earth into a blossoming garden—that is where the future lies and where there is hope!

Be bold! I believe in you and your projects.

FIGURE 5

**Proposed Route Options for the InterAmerican Railway Through the Darien Gap of Panama**



Source: Hal Cooper/EIR

And of course, it's definitely a superior alternative to dealing with the British oligarchy on the ships, which has always been their concern. Of course, there are people in the LaRouche organization, and that includes myself, who believe that World War I was started to prevent the first effort to build the Bering Strait Tunnel.

**The Darién Gap**

Now, Latin America: While there's been a lot of talk about the Bering Strait, there hasn't been that much about the Darién Gap (Figure 5). It's possible to build a rail connecting Panama and Colombia, which really would mean Mexico and Colombia, through Central America; and it's about a 1,700-mile railroad. And once we get into Colombia, we can have rail lines going into Brazil, and Argentina, and Chile, and Peru, and Ecuador, and Venezuela! And we should.

And I think that's something that needs to be done. And the new President Enrique Peña Nieto in Mexico has talked about wanting to have joint development projects among the United States, Mexico, and

Canada—maybe a high-speed rail line from Monterey to Mexico City would be a good idea.

But, connecting to this main rail line going up to the Bering Strait would be another one, and preferably from the freight standpoint, a good idea. But we could be hauling lots of cargo in that, *and* we would open up that *entire* region for economic development: four-lane highway, double-track railroad, at least; electric transmission lines.

There are efforts to build electric transmission lines between these countries, but so far, I'm not aware of any governmental efforts to really start to build a main railroad through all of Central America. But there should be.

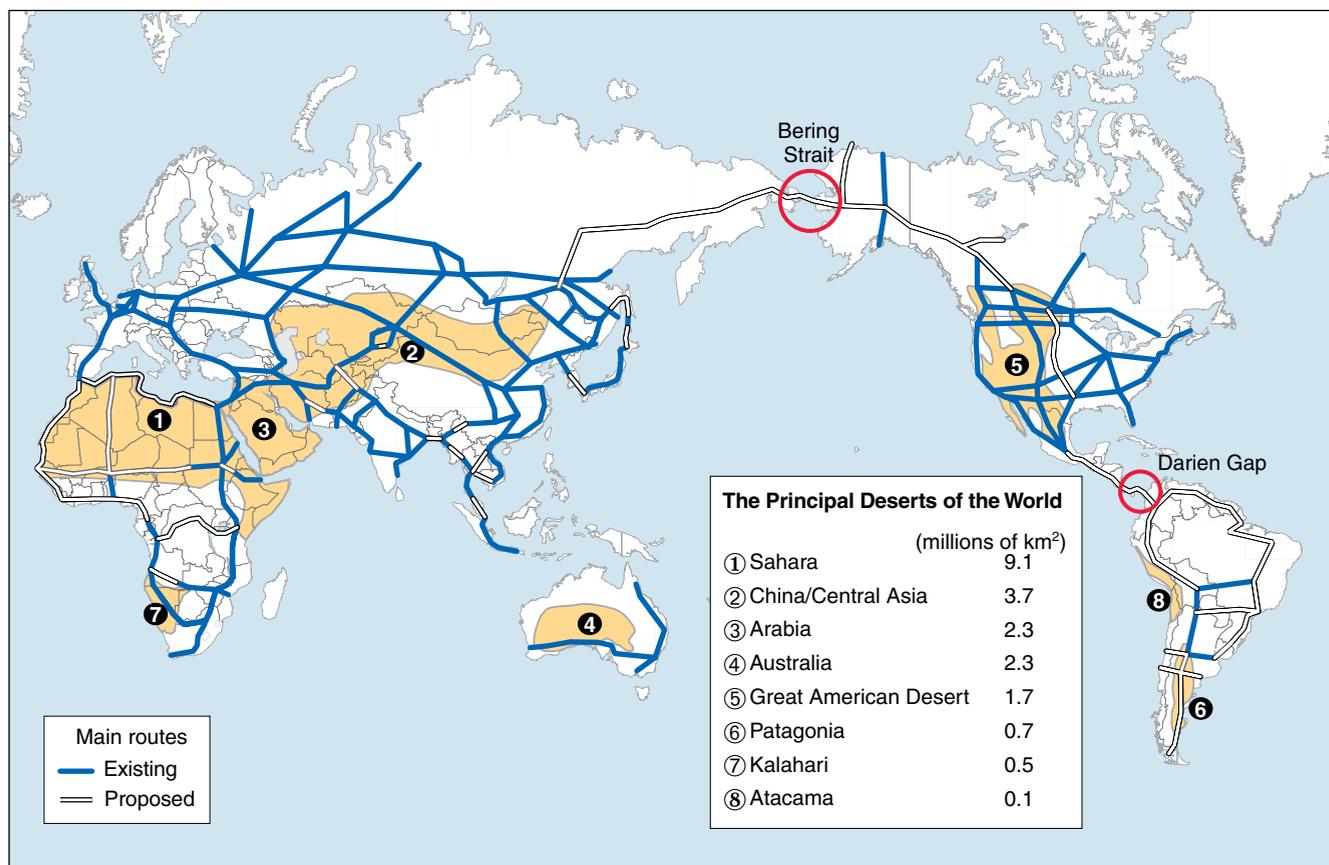
There are some mountains to cross. The line would probably be built on the west side, because the logistics are easier, and it's more direct, and you serve more of the population in the cities. But once you get into Colombia,

FIGURE 6



FIGURE 7

### The World Land-Bridge and the Principal Deserts of the World\*



\* Shaded areas include both deserts (0-250 mm. annual precipitation) and contiguous semi-arid area (250-500 mm. annual precipitation).  
Source: EIR.

and you have to go across the Tumarando Swamp, and go through the Darién Gap, and so forth, with overhead viaducts, and maybe a bridge over the Gulf of Urabá at northern end of Colombia, but after that, you're going to be going up in mountains, as much as 7,000 feet.

And of course, the Andes Mountains are a formidable barrier to building railroads. Believe it or not, there is a railroad that's now being proposed to be built between Mendoza in Argentina, and Santiago, Chile, for the purpose of trucks being hauled through the mountains. But it's going to require tunnels, and there was a proposal to build a line from Ecuador to Brazil to haul iron ore, so it can come out to China.

And China has been very good about investing not only in Africa, but also in South America. And I think the difference between what they're proposing to do,

and what the Obama Administration is proposing to do, is, the one brings development, the other brings conflict, which certainly doesn't sound like a very productive type of activity at this point.

And NAWAPA: NAWAPA, in conjunction with rail, with energy development for electricity, is essential for all this to happen (Figure 6).

And the world railway system (Figure 7). This is a map I developed a long time ago, I think back in 1997, or '98, and of course, it's been extensively shown, but this really is the concept of what we really need. We don't need the British oligarchy breaking everybody down into little compartments, and manipulating everybody, and keeping everybody in poverty and starting wars and all that foolishness. We need economic development for the benefit of mankind.

I thank you.

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## Editorial

### *'An Act of War'*

Recent action by Gen. Martin Dempsey, Chairman of the U.S. Joint Chiefs of Staff, should remind us that it is not just the threat of extermination by economic genocide that we face. The Obama Administration, in line with the British oligarchs who sponsor it, continues to press forward for regime change in Syria—an “act of war” that puts us on a path to thermonuclear extinction, if it is not stopped.

General Dempsey, who is on record as opposing such a confrontation ever since the Obama-British-French atrocity in Libya, clarified the matter in his responses to challenges from the Senate Armed Service Committee. In a July 19 letter outlining five military options for the U.S. in Syria, Dempsey concluded:

“All of these options would likely further the narrow military objective of helping the opposition and placing more pressure on the regime. We have learned from the past 10 years, however, that it is not enough to simply alter the balance of military power without careful consideration of what is necessary in order to preserve a functioning state. We must anticipate and be prepared for the unintended consequences of our action. . . .

“I know that the decision to use force is not one that any of us takes lightly. It is no less than an *act of war*. As we weigh our options, we should be able to conclude with some confidence that the use of force will move us toward the intended outcome. We must also understand risk—not just to our forces, but to our other global responsibilities. This is especially critical as we lose readiness due to budget cuts and fiscal uncertainty. Some options may not be feasible in time or cost without compromising our security elsewhere. Once we take action, we should be prepared for what comes next.

Deeper involvement is hard to avoid. We should also act in accordance with the law, and to the extent possible, in concert with our allies and partners to share the burden and solidify the outcome” (emphasis added).

Cries of outrage from lunatic warhawks like Sen. John McCain, and Obama Administration repeated assertions of its intent to support the jihadi Syrian opposition have followed Dempsey’s statements. And there are reports that Congressional opposition to arming the rebels is beginning to crumble.

Clearly, many in Congress are content to sit back and let the Administration once again violate the U.S. Constitution by making a unilateral decision to go to war.

Noted journalist Marvin Kalb warned of just that in a July 19 op-ed in the *Washington Post*. Obama “now sits like a European monarch of old, in command of his own all-volunteer army and in total charge of the nation’s foreign agenda,” wrote Kalb. Obama can get away with this because, “Sadly, Congress has become largely irrelevant in making and executing” U.S. foreign policy.

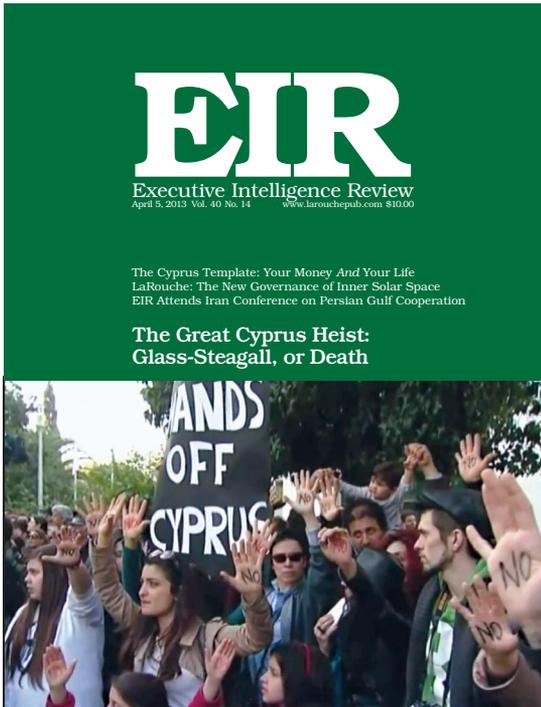
“For this and other reasons,” Kalb warns, “we would not be shocked if, say, Obama went on television tonight and announced that he had decided to bomb Damascus, set up ‘no-fly’ zones near Jordan and Turkey and send a limited number of Marines to turn the tide of battle and help the rebels defeat Bashar al-Assad.”

What Kalb doesn’t say is that the consequences of such action, are to put us on a fast track to thermonuclear confrontation with Russia.

Could there be a more compelling reason why Obama and his controllers must be crushed now, starting with passing Glass-Steagall?

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