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The Cyprus Template: Your Money *And* Your Life  
LaRouche: The New Governance of Inner Solar Space  
EIR Attends Iran Conference on Persian Gulf Cooperation

## The Great Cyprus Heist: Glass-Steagall, or Death



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# EIR

## From the Managing Editor

We continue our coverage of the Schiller Institute's conference on the 30th anniversary of President Reagan's announcement of the Strategic Defense Initiative, with the panel titled "Glass-Steagall or Hyperinflation." If you are a newcomer to *EIR* and the LaRouche movement, you might ask what Glass-Steagall has to do with the SDI—why did we put them both on the same program?

There's a long answer to that, but for a short answer I refer you to Paul Gallagher's remarks at the conference on "Winning the War for Restoring the American Credit System." Gallagher described the fight for the SDI, how Lyndon LaRouche had said at the end of 1982 that the SDI, as he uniquely conceived it, had to be adopted *immediately* by the President, both in the interests of world peace and for economic reasons. Almost nobody believed this would happen; but by March 1983, it did. The same situation applies now to the uphill fight for Glass-Steagall.

Dennis Small, in his conference speech and also his article in *Economics*, lays out the dimensions of the economic meltdown in Europe and what must be done about it. The banksters' idea of a "Cyprus template"—grabbing depositors' money to save the banks—turns out to be nothing new; it has been on the drawing boards for at least three years. And not only for Cyprus.

Another principal focus of the Schiller Institute conference, as we reported last week, was the Strategic Defense of Earth from the threat posed by asteroids and comets. LaRouche's *Feature* picks up again on that subject, with the polemical idea of the need for "governance" of the inner Solar System. For such governance to succeed, however, mankind requires an upshift in our qualities of mind: "It is not sufficient that we should report our goals within Solar space, and beyond; it is now an urgent matter, that we must be enabled to reach toward, and control the effects which we must achieve without depending upon bare sense-perception as such."

Finally, I draw your attention to Hussein Askary's report from a conference in Iran, at which he was a speaker. He brought the Schiller Institute's grand designs for international economic cooperation to an assembly that received them with enthusiasm.



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*Cypriots protest in Nicosia, March 18, 2013, against the looting of depositors' funds to bail out the banks.*



YouTube/PBS Newshour

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## Glass-Steagall or Hyperinflation

We continue this week to present the speeches from the March 23 Schiller Institute conference, “A New Paradigm To Save Mankind: After 30 Years, the Need for the Principle of the SDI Today!” commemorating the anniversary of President Reagan’s announcement of the Strategic Defense Initiative on March 23, 1983. (See EIR, March 29, 2013, for coverage of the first panel, which included speeches by Helga Zepp-LaRouche and Lyndon LaRouche. Videos of the entire conference are posted at [www.schillerinstitute.org](http://www.schillerinstitute.org)).

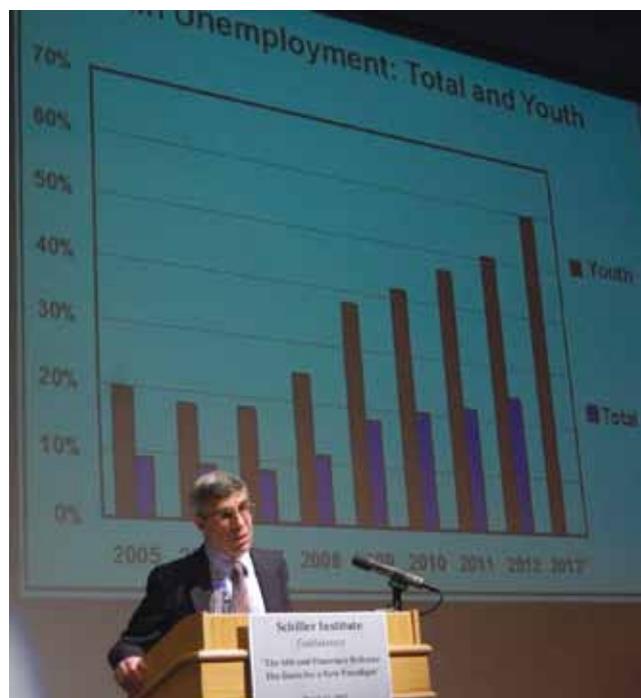
The second panel was titled, “How To Stop the Hyperinflationary Blowout of the Trans-Atlantic Financial System through Glass-Steagall, a Hamiltonian Credit System, and the North American Water and Power Alliance (NAWAPA).” The speakers were: Dennis Small, EIR Ibero-American Editor; Alabama State Rep. Thomas Jackson; Indiana Farmers Union President James Benham; Michael Kirsch, LaRouche Political Action Committee; and Paul Gallagher, EIR Economics Editor. The panel was moderated by Dennis Speed.

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### Dennis Small: LaRouche’s Program To Solve The Breakdown Crisis

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The fact of the matter is, that we are now in the thick of the breakdown crisis. The crisis has indeed struck. The crisis is in fact upon us, exactly as LaRouche has warned would be the case. In 2008, when the bubble

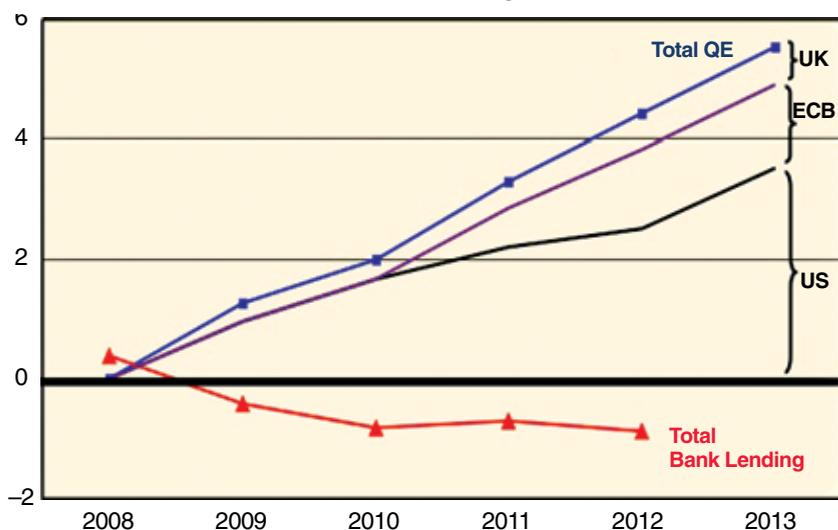


EIRNS/Stuart Lewis

Dennis Small focused on the destruction of labor power, as Nazi economic policy, under the regime of “quantitative easing”/hyperinflation. This is no accident, he said, but the deliberate intention of the British imperial system.

burst, it was so-called “solved” in the *exact worst way imaginable*. What happened is that massive amounts of bailout money, of so-called quantitative easing, were issued, which led to a hyperinflationary blowout which has made things simply worse. And if you take a look at

FIGURE 1  
**Trans-Atlantic QE and Bank Lending**



the first slide (Figure 1), you'll get an idea of what I'm referring to.

Now, you may have seen things similar to this in our earlier presentations, but what you have here is the fact that the total amount of quantitative easing—let me explain what that term means: It means funny money, it means Monopoly money with no backing whatsoever. Since 2008, on principally Barack Obama's watch, there has been a total of about \$4.5 to \$5.5 trillion in funny money issued, between the United States, the ECB, and the Bank of England. Against that, supposedly the purpose of those was, of course, to give the banks some money so they could be so kind as to lend to us, and so on. And, of course, they got all of this money, and did they lend? No! Of course, they didn't lend. What actually happened is that total bank lending, dropped by a \$1 trillion over this period.

But this is only a small reflection of the problem. This is really not the gist of it. This is just one small piece, because what you had, was a massive bailout, way beyond this \$5 trillion or so in quantitative easing, and what you had was a total collapse of the physical economy in all parts of the world, in some places worse than others, but nonetheless, the entire physical economy has been imploding over the last five years. And that has brought us to the situation that we're facing today.

## We Are All Cypriots

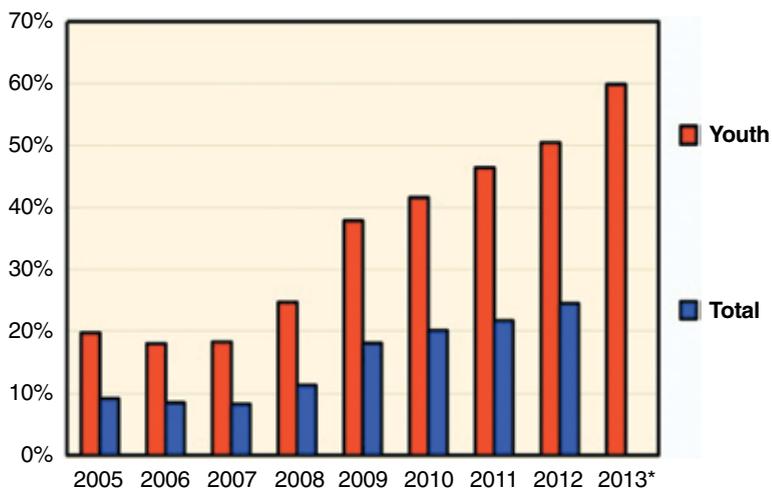
I'll give you an example: what happened just now in Cyprus. What you had was the seizure of the bank accounts around the Cyprus situation. In Spain, there are economists who are saying that right now, we're all going to face the same thing. They're going to seize our bank accounts, too. And you know what? It's okay: It's the way it goes. We simply have to accept that it is actually what is going to occur. And this very prominent Spanish economist says, "What we have to do, is realize that, out of the 23 million people in the labor force of Spain, there are no jobs for 5 or 6 million of them, as there is unemployment now for that many people (Figure 2). And what we have to do, he said, is,

we have to throw 'em out of the country. Just expel 'em! After all, they're foreigners, most of them."

So, if this smells a little bit like "first the Gypsies, then the Jews, and then everybody else," you're right! That's exactly what this is! This is Nazi economics, and that is the alternative that is being posed, and that we're facing today.

Now, what is behind this? What you have to ask yourself, if you want to know what the enemy is going to do—know thy enemy: If you want to know what he's going to do, look at his *intention*. Intentions are actually critical. And if you take a look at the next slide [quote

FIGURE 2  
**Spain Unemployment: Total and Youth**



from Bertrand Russell, below—ed.] I think you have a very good summary of what the intention of the British Empire is. This is Bertrand Russell in 1951. You’ve heard a bit about him. He was the nice guy, who wanted to blow the Soviet Union to smithereens with nuclear weapons, before they had one themselves. After that, he became a little bit different in his tenor.

But Bertrand Russell is a straight genocidalist, and there’s a reason that Lyndon LaRouche called him “the most evil man of the 20th century”—and he would have been of the 21st, had he lived that long. What he said, and this is just one of his quotes, “War . . . has hitherto been disappointing in this respect [of population control], but perhaps bacteriological war may prove effective. If a Black Death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full.” Now, this is the policy of the British Empire today, reducing the world population from 7 billion people down to 1 billion! And they’re very explicit about this. So, it’s very important to know what *the intentions* are, of your enemy. And in fact, I think it’s safe to say that, actually, the road to Hell is paved with *bad intentions*.

### From the Top

Now, what’re we going to do about this? Let’s take this actually from the top. People are fairly familiar, I believe, with the LaRouche program, the three-point program: Glass-Steagall; a credit system, a Hamiltonian credit system; and great development projects like NAWAPA, like asteroid defense, like the common aims of mankind. But I want to go at it from the other way around: I want to take it from the top down. So this was as top as I could get, with a quick search for some pictures on the Internet (**Figure 3**). And I cannot vouch for the truth of that statement, that you’re actually there. I also want to assure you that this was *not* taken by Google Earth. They’re not up there yet. They’re not up to the task.

Now, we have to get outside the here and now. We’ve got to look at this from a standpoint of simultaneously looking at this, not just from here, from the local planet, as Ben [Deniston] was discussing earlier.

FIGURE 3



FIGURE 4

### An Asteroid-Eye View of Planet Earth



We have to think of this from the standpoint, minimally, of our Solar System, and in fact, of our galaxy and the entire universe. And we have to look at this, not simply in terms of the immediate here and now, of this situation today, and this hour. We’ve got to think towards the future, because the future is actually here, now, and will happen, unless we change the course of events.

Now, the problems that we’re facing—I’ve been told by reliable sources, that the Sun is more than likely going to explode some time in the next 2 billion years. Now, that may seem like it’s fairly far away; it will, however, pose a pretty big problem to us. But, even more quickly than that, as the next slide indicates, what we’re looking at are very serious dangers to the existence of the entire species (**Figure 4**): This is an asteroid’s-eye view of the

planet Earth. And we've been discussing today, the kinds of dangers that the existence of the species faces, *if we don't get beyond the boundaries of the here and now*, and look at things from the standpoint of actually changing and affecting the future and the far reaches of our Solar System, the galaxy and the universe.

Now, possibly sooner than an asteroid impact, is the danger of thermonuclear war, which is a *very real* danger, and immediate danger, if we do not get humanity on the course of jointly organizing around the common aims of mankind. That is something that could happen in the very short term. And what's going to be required, to solve all of these problems, starting with the disappearance of our Sun, to the possibility of an asteroid impact, to the danger of nuclear war, to the *very great danger* of the entire world financial system disintegrating, *as is now occurring*, all of which threaten the human species in different ways, what we are going to have to do, is to think differently. We have to *think differently* to come up with solutions to these problems.

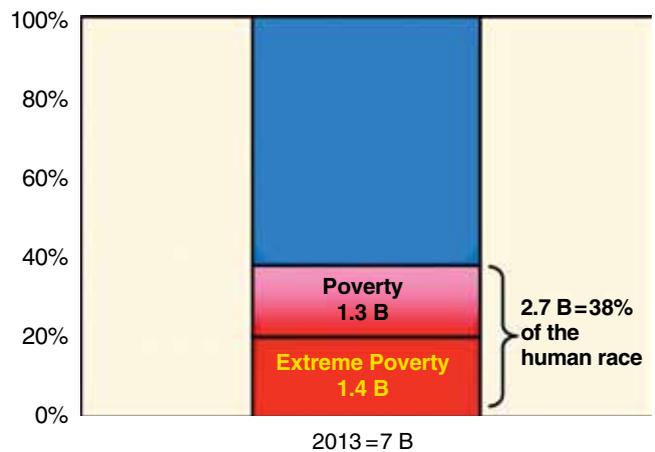
### The Strategic Defense of Mind

We have to figure out, not what our senses detect around us, but we have to think about what the intention of the universe is: What are the principles that are guiding the development of the universe? And for anyone who doubts the concept that the universe actually has intentions, or that there is an intentionality given to the universe, in terms of its development, I simply ask you to contemplate the fact that man is part of the universe. In fact, we're a highly functional part of the universe, if we choose to not be jerks.

And that man is endowed with free will, which is to say, the same thing as creativity. That has been demonstrated empirically, not in an empiricist way, but empirically, over the course of human development of our species; and it demonstrates, in fact, that since *we* are characterized by that capacity for creativity, thus, free will, thus intentions do matter—good and bad—that the universe as a whole, of necessity, if we're part of it, which we are, is characterized by those same principles.

So we have to figure this one out, and we have to figure it out fast, and operate on that basis. That's what I mean, by taking this problem, the economic problem, from the top. The question is, man's ability to detect, to know, and to *change the intention of the universe*, depends on the development of the productive powers of labor. What I mean by the productive powers of labor, is this: the ability to think, creativity. That's labor. It's

FIGURE 5  
World Population and Poverty



activity which changes the physical universe, and there's nothing more powerful, as a force, as a *material force* in the physical universe, than creative ideas.

Now, that increase of the productive powers of labor, is in fact, the source of wealth. That's where actual wealth comes from, not money—for sure, not these days, and you don't have to have a bank account in Cyprus to know that, although it's certainly proven there! But that's not the source of wealth. The source of wealth is man's unending, continuous *capability*, not guaranteed capability, of actually coming up with new solutions and new ways of addressing problems.

So, in one sense, what we're really talking about here, that I would pose is the real challenge facing mankind, is that we have to establish something that I would call the "strategic defense of mind." Because it is *that* which is most dearly threatened, and which is the most crucial thing to be defended.

### How're We Doing?

Now, with that approach and outlook, that *intention* in mind, let's take a look at the planet, starting from the top, from the outside. Let's take a look at the population of planet, the most *precious* resource that we have: If it is in fact the case, that the development of the productive powers of labor *is the source of wealth*, of real wealth in an economy: How're we doing? As former mayor of New York City Ed Koch used to say, "How'm I doin'? How'm I doin'?" Some people will remember that. How are we doing? Where do we stand?

Well, take a look at the next slide (Figure 5): This

comes from plain old World Bank data, most of which I take to be false, so what I'm showing you are proportions, and they're probably off to some degree, but it gives you the idea. The stupidest thing we could possibly do, as a human species, is to take that which is most precious, and is the source of wealth, and either make people incapable of exercising that capability by making them so poor they can't think, so poor they're hungry all the time; or the other thing that's quite effective, if you want to achieve that result, is to just make sure they don't work—*unemploy* them.

Now, what we have here, is the fact, that *2.7 billion* human beings, out of a total world population of about 7 billion, *currently live in poverty*. Poverty, according to the wisdom of the World Bank, is defined as an income of less than \$2 a day.

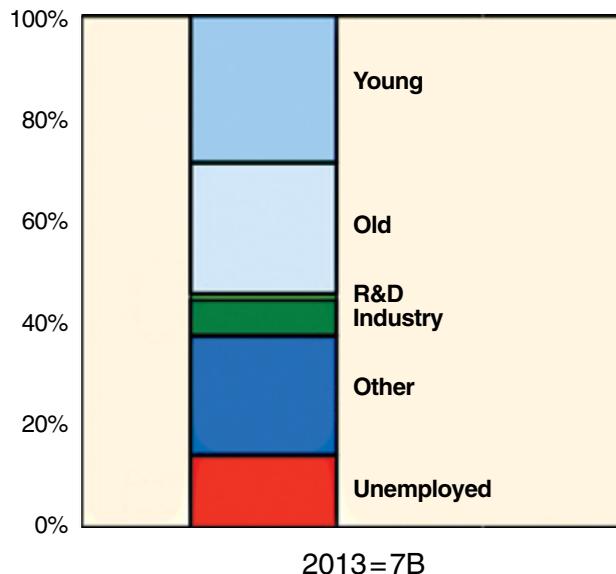
Now, again, forget the units and the measurements, just think about the idea here: *38% of the human race is poor!* And of that 38%, more than half, which is to say, 20% are *extremely poor*, live in extreme poverty. That's sometimes classified as "food hunger," which I gather does not require any further explanation from me. They quantify it as less than \$1.25 a day in income. So, that's pretty *stupid*, if we're allowing this to happen to the human race.

Now, let's look at the question of employment and unemployment. This is LaRouche's bar diagram (Figure 6), which many of you may be familiar with. It's reorganized a little bit to make the point. There's a certain amount of information on here, just to give the idea, but the important thing to look at is, first of all, *15% of the entire world's population is unemployed*. Now, since their [the World Bank's] figures say that about half of the population is part of the labor force—which I would dispute, but nonetheless, let's take them at their word on that—you're talking about a global unemployment rate of approximately 30%: A third of the workforce *of the world* isn't working! Pretty stupid. Or, pretty genocidal, depending on who's causing it and what their intention is.

Then, if you take a look at the areas of economic activity, even those who *are* working, the areas of economic activity, which produce changes in the productive powers of labor, which increase our ability to know, master, and make advances in the physical universe around us—industry, manufacturing, science, technology—where do we stand? *How're we doing?* Not so good! Seven percent of the world's population, 14%

FIGURE 6

**Economic Activity of the World Population**



perhaps, of the labor force, are involved in industry, and that's *very loosely* defined. Believe me: That's not all actually productive; it's their category, though. And of that, 1% is engaged in R&D, maybe 2% of the labor force worldwide, with a significant component of that, obviously, in the United States, Japan, Germany; *even* with the collapse going on here, the rest of the world is nowhere on this thing.

This is about as stupid as you can get, if you sit down, and you say, "Okay, I'm part of the human race, where do we stand?" It couldn't have been done worse, had it been done intentionally. Which it was.

Now, let's be very specific. How stupid is it to unemploy your population? Take a look at the next slide: This is the situation in Spain. Spain, which is following close behind on the heels of Greece, tumbling over the edge of the cliff into fascism, fascist economics. Over the course of the last eight years, the total unemployment in Spain has risen from about 9% to 25-26%; and *youth unemployment* in Spain is now 55%, just behind Greece at 62%.

Now, you tell me, what does it mean for a society, for nation, for the world, *for morality*, if *60% of your youth have no job?* What does that mean? It means there's no future. I've said this before, and I'll say it again: *There is no difference between this and Hitler's concentration camps.* There is no systematic distinc-

FIGURE 7  
The World Land-Bridge



tion. There's a distinction of degree, but it's also coming from the same intention, the same British intention behind those concentration camps.

### Increasing the Power of Labor...

Now: What are we going to do? Well, again, let's take this from the top. Our intention, as opposed to their intention, is to increase, and improve, the proportions of the labor force that are dedicated to those areas of activities, which actually produce wealth. Wealth, not defined in money terms, not even defined in terms of physical output; but produced wealth, which is an increase in the productive powers of labor. How do we take that horrible bar diagram that I showed you before, those terrible proportions, *and change them*? So that more people, for starters, *eat*; more people, work; more people produce things that are productive; more people are involved in science and Classical culture and so forth? How do we do that?

Again, let's take it from the top. This is (pardon the Spanish; that's the only version that I could find that I had handy for this) a polar view of Lyn and Helga

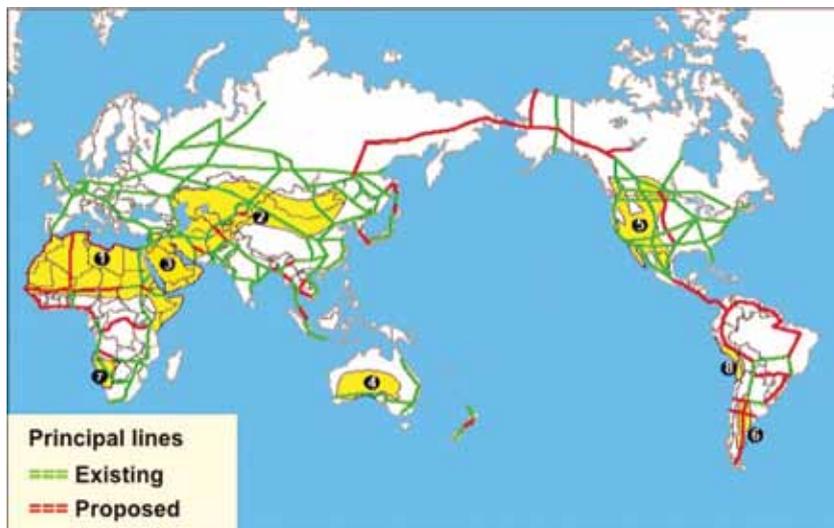
LaRouche's proposal for the World Land-Bridge (Figure 7). And it identifies, you could call this, the asteroid's-eye-view of things, but this is *human* eye view, this is the way human beings need to think: Let's take a look at the whole planet—okay, what're we going to do?

Now, you see this in a slightly more familiar presentation, which is the World Land-Bridge (Figure 8), showing in red, what does not yet exist, but which must be built, and in green, the rail lines that do exist. And this is superimposed on something which I find quite useful to think about, the world's great deserts. Because the entire planet has to be terraformed. In other words, we have to improve the functioning of the biosphere, of which we are not only a part, but the highest expression, as the noösphere, and we have to improve this by our economic activity to increase the productive

powers of labor.

Well, what shall we do? Here are some ideas: Why don't we build a tunnel under the Bering Strait, and let's build rail links that actually link together in productive corridors, 100 kilometers on each side, high-speed rail lines, maglev if possible, wherever possible—moving toward that where not yet quite feasible—and that we establish energy-intense forms

FIGURE 8  
The World Land-Bridge and Principal Deserts



of industry all along these rail lines, move into the next stages of nuclear energy development, and that we use this, these kinds of massive infrastructural projects, to get everyone back to work, and to get them back to work producing productive things, and especially those things that lead toward an increase in the productive powers of labor, i.e., *idea-intense* activity. We have to increase the *idea-flux* density of our economic activity.

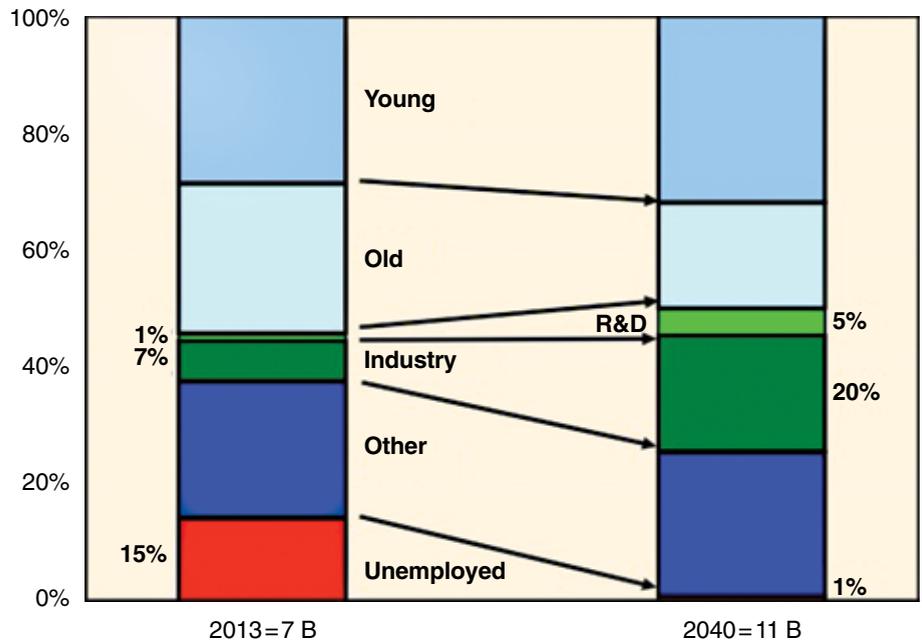
Now, not just the Bering Strait tunnel which is up in the North there, which you probably are familiar with; that's where Sarah Palin sits, looking over a couple kilometers towards Russia, so long as she's pointed in the right direction (which is by no means guaranteed)! But other major projects. Just look at the world, take it from the top! What else needs to be done?

Well, I'll identify it by three other major projects: We need to have a rail link built through the Darién Gap—that's in Panama and Colombia—to link in all of South America with North America; there *is no* passage there of any sort now, except if you're a drug-runner, in which case you've got plenty of passage. But there's *no* rail, there are *no* roads, there's *no* nothing. We need another sea-level canal, connecting the Atlantic and the Pacific, where the current Panama Canal exists, and we have to build high-speed rails through there. It's a bottleneck to the integration and development of those regions.

Then, extremely important, Gibraltar: The passage from Spain into Africa, is one of the crucial links to bring the Land-Bridge into Africa and to bring the process of salvaging probably the most benighted continent on the planet at this point. Also, an ambitious project that needs to be done.

And then the third one, which I'll only mention, because Michael [Kirsch] will be talking to you about this somewhat, is the crucial NAWAPA project, for the United States, Canada, and Mexico, which affects the Great American Desert.

FIGURE 9  
Economic Activity of the World Population



### ...and Energy-Flux Density

These are the kinds of things that need to be done, which will require the development of all sorts of ancillary industries. It will increase the technologies in terms of their energy-flux density—the power that can be wielded, by an individual human mind, to transform the universe surrounding us. Not how much bang do you get for your buck, but rather, how much power do your ideas have to transform the universe around us? And therefore, successful human development, requires increasing energy-flux density, which in turn, requires having some technologies that make some sense, like nuclear energy, as opposed to the insanity of what the Greenies enjoy talking about, which is solar and wind, and so on and so forth. I mean, that is so stupid and so unscientific, and so genocidal; that's almost as bad as if someone had *intentionally* meant, to kill people off. Which they did!

Now, in all of this, of course, we need to, and we will, change the proportions of the labor force, in terms of this activity. And the next slide shows you again what I showed you first (Figure 4), and then, the next one shows you the transformation which we're going to undertake (Figure 9). I want to point to three things: We will be, in 25 years, one generation, by the year 2040, the world population will *increase* to 11 billion. *It will*

not drop to 1 billion people, it will increase to 11 billion—like or not, *Bertrand Russell!* And Parson Malthus! And Prince Philip! And—whatsisname? Barack Obama.

So, 11 billion people. But, more important than just an increase in the population, is, what are the proportions of activity, of *labor force activity, of our species*—our species, yours and mine—to bring about a potential for increased growth of the productive powers of labor? Well, first and foremost, this idea of people being unemployed is just completely ridiculous. And we *will* be able to, within a generation's time, reduce unemployment to perhaps to 2% of the labor force, so, 1% of the population. Industry, we will be able to increase very significantly, probably to 20% of total population, perhaps 40% of the labor force, more rapidly in some areas than others.

It's going to take a little work, in the areas that are further behind to qualify people! It doesn't happen by saying, "Be it done!" It happens by educating people, training people, mobilizing politically, and so on. And then, the R&D, or the research side, the investigation of science side, of necessity moves even slower. But nonetheless, we will be able to bring these proportions up, according to very rough calculations that we've done, to about 5% of the total population, within a generation's time.

That's not enough, that's not nearly enough, because it is that activity, that and Classical culture, scientific and Classical cultural activity, which *makes* us what we are, human beings, our species. And that has to improve significantly, but that's not going to happen in only 25 years, but we'll be on the right road on this thing.

### **The Special U.S. Role**

Now, within all of this, the United States plays a very special role: I mean, the idea here is not to take the entire world's population and sort of distribute the wealth equitably. You will not get the most rapid rate of growth of the productive powers of labor of the species, if you do that. And the United States has a very special role, historically, politically, economically, as taking responsibility, not just for our country, but for the entire world, in the proper way. And that *very special* role of the United States, is something that, again, will be discussed further in the course of this panel.

What it has to do with, is setting up a financial arrangement to make all of this work. So everything I've

said so far, is actually speaks to point three, of LaRouche's three-point program. I've taken it backwards, as you've noticed. Because the rest is a piece of cake! If you get this right, if your intention is to do this, if you understand what it is, about the power of ideas, and we get people thinking in terms of those creative ideas, the rest falls right into place!

What sort of a financial system? Well, it's obvious! You need a credit system, along a Hamiltonian basis, which will do a couple of things: It'll make sure that the necessary amount of credit goes to the proper areas, quickly enough for sufficient periods of time; and in particular, it will allow us to measure in the economy in a way that makes sense. In other words, what sort of a financial instrument, or what sort of money is going to function 25 years down the line? Certainly not one pegged to the derivatives market! It's going to have to be a credit system! But if you have your intentions straight, that falls into place. It really is not that complicated.

And it should make clear as well, that the worst possible way to measure an economy is in terms of monetary values. Money has no value, in and of itself: And you do not have to be a Cypriot to learn that! Learn it before becoming a Cypriot—or you may end up regretting it. So, a dollar is *not* a dollar, is a dollar, is a dollar. It doesn't work that way. It works in a totally different way, in terms of the productive powers of labor.

So, if that's the kind of credit system we need to create, in order to be able to do what is *really* the most important thing, *ideas*, followed by physical economy, that, in turn, dictates what the credit system has to be; and that rapidly brings us to our third and final point, which is: What do we do about the fact that, right now, under the current state of affairs, all of the financial instruments are being channelled into the speculative bubble, into the cancer, and not into productive activity? I mean, you couldn't have done it this badly if you had intended to!

### **Glass-Steagall vs. 'Onconomics'**

Now, I've often thought that we need to define a new discipline, you know, you've heard about economics, and econometrics, and all of these things that you get terminal degrees in if you're foolish enough to study economics in a university. But, really, given what is studied today in what's going, is really a financial cancer, and nothing but—and cancers are studied by oncologists—I really think we need a new discipline

called “onconomics.”

Because, what would you say? If you say, if you, as a patient with cancer, went to an oncologist, and he said, “No problem; you’re doing great! We’re just going to make sure that everything goes to feed that cancer, and nothing at all for that other healthy tissue stuff, here. I mean, you owe it to your cancer! You signed a piece of paper that said you would respect that cancer! I’ve got a piece of paper here, I have an instrument! Yeah... I bet on a little bit, but, you know, that’s what derivatives are. *Those* are the laws of the market!” What would you say about that kind of oncologist? Assuming you didn’t strangle him in the first minute and a half of your meeting?

You would send him where he belongs, which is to rehabilitation in a local facility, either psychiatric or criminal, depending on his outlook.

This doesn’t work. This clearly doesn’t work. The favoring of the cancer has to stop, and what we have to do, the reason for Glass-Steagall, it’s *really* very simple: If your intention is ideas, and from that idea flows the intention of the productive economy, and from that flows the need for a credit system, it’s obvious, you need Glass-Steagall to simply say, to the cancer, “Sorry,

you know what? It’s all over! Done! No more money for the cancer, period!”

And what will be done, is that the resources that are available will be channeled, according to a credit system, into productive activity. The cancer is the held shares in a bank—sorry! The ride’s over! It’s more important that the population and the species survive, than you handful of criminal bankers! And the game is over on this thing.

And this is, of course, exactly what Glass-Steagall says! First of all, take all the other reports, take the Dodd-Frank report, and if you have a shortage of Charmin in your supermarket, you can use the Dodd-Frank report—it’ll last a long time! It’s long! So, you know, even if you have an upset stomach, that’ll work. And, you can take the Liikanen proposal, you can take ring-fencing, you can take electrified ringfencing (although I would not use that for your toilet paper!) It’s all useless!

Take the Glass-Steagall bill, all 36 pages of it (depending on the size of the print), and what’s most interesting to my mind about the Glass-Steagall bill, is that it has, as does our Constitution, a preamble. Now, the Preamble of the Constitution states the *intention*—what is the *intent* of everything that follows? So does the Glass-Steagall Act; the opening of the Glass-Steagall bill says the following—these are the very first words, the first sentence. It says: “An Act, To provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.”

Well, that’s reasonable: Let’s prevent the undue diversion of funds into speculative operations! It’s obvious! Straightforward. And it all flows exactly from that.

So, the way we’re going to win this fight, is not by providing people with “information.” They don’t need information! You have to win people over to a totally different concept of man. You have to get them to understand that sense-certainty, will take them to perdition: Remember, the road to Hell, is paved with sense-certainty. It’s a bad intention; don’t do it. Reject the idea of money as holding any value, which it does not, and join with other forces, in this country and elsewhere, to get this thing implemented, starting *immediately*. People need to change the way they think. And we all have to do that, starting with our own minds.

Done that, I’m fairly confident that the rest will be as music to our ears. Thank you.

## REVIVE GLASS-STEAGALL Now!



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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

# State Leaders Call For Glass-Steagall

A glimpse into the severity of the economic crisis at the state and local level, as well as the commitment to reverse the crisis with Glass-Steagall, as the first step, was provided by two state leaders who are working with the LaRouche Political Action Committee in the fight to restore banking separation, and the drying out of predatory speculation by banks. Alabama State Rep. Thomas Jackson, a longtime collaborator of the LaRouche movement, and a 20-year veteran in the state legislature; and Indiana Farmers Union President James Benham, each addressed a panel discussion on “The Nationwide Fight To Implement Glass-Steagall.”

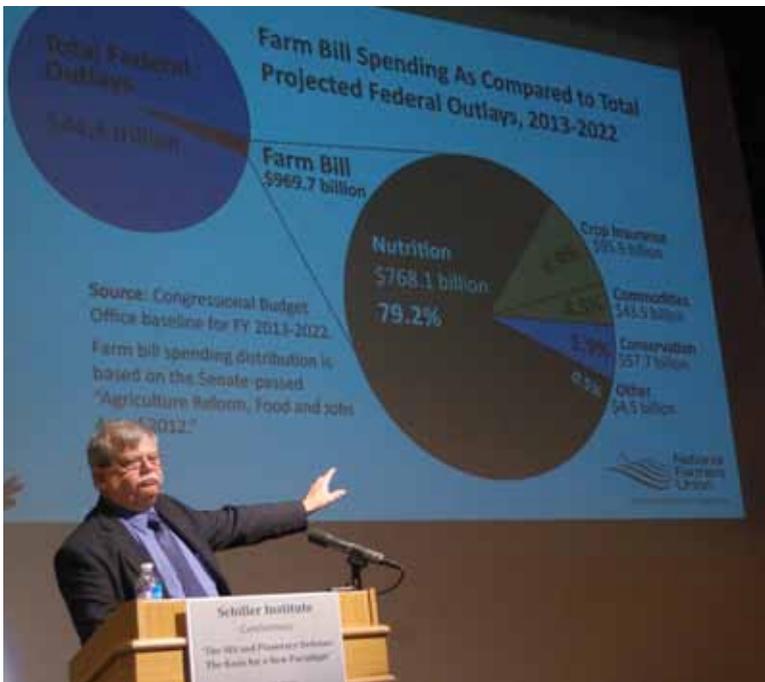
Representative Jackson, a leader of the Democratic Caucus in the House, and President of the Clarke County Education Association, announced that his resolution, calling on the U.S. Congress to adopt Glass-Steagall, had received bipartisan support, breaking through the traditional pattern of the Republican majority’s determination to push through their agenda unilaterally.

In the days leading up to the conference, Jackson had joined LaRouchePAC organizers who had blanketed the national Capitol with resolutions on Glass-Steagall. Jackson had visited the four members of Alabama’s Congressional delegation, in both the House and Senate, and pressed them to join him in supporting H.R. 129, The Return to Prudent Banking Act, the bill introduced by Reps. Marcy Kaptur (D-Ohio) and Walter Jones (R-N.C.), to reinstate Franklin Roosevelt’s Glass-Steagall law. In his meetings with Members of Congress, Jackson stressed the fact that without Glass-Steagall, labor, education, health care, and other aspects of the general welfare are under attack.

## Farmers Cannot Produce Food

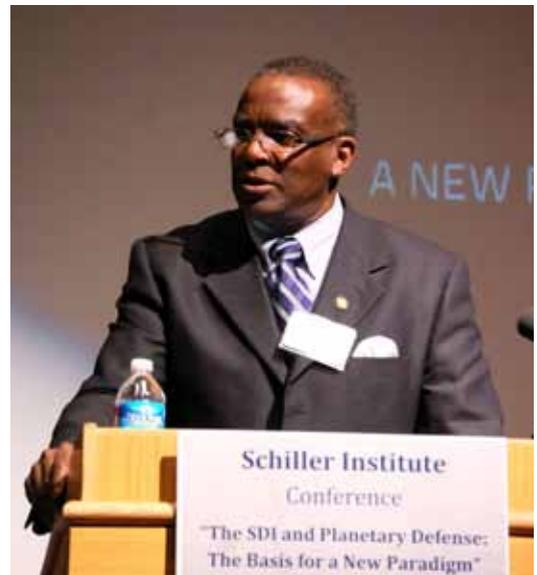
James Benham presented a number of slides, demonstrating the dire conditions facing U.S. farmers today. From below-production-cost prices for food commodities, to inadequate support from the Federal government, to drought conditions throughout the Plains states, farmers are being driven out of agriculture, which is already resulting in shrinking food supplies for the American people.

Benham showed how the lack of parity pricing has resulted in the farmer’s share of the retail food dollar shrinking to only 15.8% of his costs of production. Moreover, only about 2.5% of the Federal budget is earmarked for agriculture, which gives an idea of how much value is placed by our government on the production of food.



EIRNS/Stuart Lewis

Indiana Farmers Union President James Benham



EIRNS/Stuart Lewis

Alabama State Rep. Thomas Jackson

Without a return to Glass-Steagall, which would end the priority of money over production, Americans, already facing soaring food costs at the retail level, will be facing food shortages and even starvation, he said.

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Daisuke Kotegawa

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## The West Is Destroying Its Banking System

*Daisuke Kotegawa is currently the Research Director for the Canon Institute in Tokyo. He served as the Japanese Executive Director to the IMF, 2007-10, and was a top official at the Ministry of Finance for decades before that.*

*His message to the conference was read by Michael Billington.*

In the U.S.A. and in Europe, they seem to have learned nothing from the crisis in the late 1990s, that is, how we should try to maintain confidence in the financial markets, and the difference between the regular kind of economic slowdown, and the crisis that was caused by the financial crash.

As I have mentioned again and again, countries must create three kinds of safety nets: Number one, establish a mechanism to bail out financial institutions; number two, establish a system by which you can log the non-performing loans; and number three, establish a system whereby you can guarantee interbank lending, by the government.

But they have not actually put an action in place for the part about the resolution of non-performing loans, for, in order to dispose of all the non-performing loans, you have to conduct a very rigid examination of the balance sheets of each major bank by the government authorities, and make the results known to the public, and a kind of evaluation of the members of the boards of those financial institutions who were responsible for that kind of crisis.

In the case of the European countries, as well as the U.S.A., those kinds of very neutral, dependable financial examinations by the banking authorities have never been conducted, and so, obviously, the public has never

had access to the results of such examinations. Without that kind of transparency, it is impossible to persuade all the participants in the market that all the financial institutions' authorities have been cleared.

It is of the utmost importance to guarantee a certain level of the amount of deposits for all depositors in the country. So, in most countries now, we have a certain ceiling under which all deposits would be protected during any kind of financial crisis. But what happened in Cyprus was completely opposite to this policy—they have been trying to introduce a system whereby depositors are also asked to lose part of their deposits. This will completely destroy the confidence in the financial system, and thereby aggravate the financial crisis.

So, I can't understand why people in Brussels should use this kind of stupid policy, which, in everybody's eyes, at a glance, is a completely wrong policy to maintain the confidence in the financial system.

I hope that this kind of policy, which has been advised by Brussels, will be reversed as soon as possible, because this will have tremendous contagion effect to other countries in question.

That's my view. Thank you.

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Rep. Walter Jones

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## 'Your Effort Can Make a Difference'

*Congressman Walter Jones, Jr., Republican, Third District of North Carolina, gave this video presentation to the Schiller Institute/EIR conference.*

I want to say hello first, and welcome you to the Executive Intelligence Review in Sterling, Va., today, and sorry I can't be with you, but I am back home in North Carolina.

I want to bring up two or three issues that I hope that will be of interest to you—to let you know that I am working with the LaRouche people on a couple of issues that I think are very important. One is—and I would like to read a paragraph to you from the letter that I wrote to the chairman and ranking member of the House Permanent Committee on Intelligence, and this



*Rep. Walter Jones*

is my second paragraph in the letter to both Mr. Rogers and also Mr. Ruppertsberger.

“I urge you, as chairman and ranking member, to recommend a declassification of the 28 pages of the Congressional Joint Inquiry Report describing what role the Saudi Arabian government had in the terrorist attack of 9-11. As you know, former Sen. Bob Graham has conducted extensive research into this issue, and has been nationally recognized and interviewed for his beliefs that these 28 pages should be declassified.”

I’m asking you today, as you’re attending this conference, to think about reaching out to other Members of Congress, and ask them to join me, in asking for this declassification. The American people will not survive unless they have sunlight and freedom, as to the knowledge of what is happening in Washington. So, remember, you’re very important to this cause.

Another issue that I would like to talk about, is Glass-Steagall. With all the nations around the world who are in economic chaos, and banks failing left and right, why should America not reinstate Glass-Steagall? I will tell you, that the two worst votes that I have made since I’ve been in Congress were, one, the Iraq War, as we were misled and lied to by the Bush Administration; secondly, I did vote to repeal Glass-Steagall, but I’m now on the House bill with Marcy Kaptur [D-Ohio], to reinstate Glass-Steagall, and we need your help to reach out to other Members of Congress, and ask them to join Marcy Kaptur and Walter Jones to reinstate Glass-Steagall.

I will tell you that your voices, your effort, can make a difference. We in this country, here in Washington D.C., we need to hear from the people of America. And

these two issues that I just mentioned to you, are very important to “sunshine” in Washington, D.C. And we need all the sunshine that we can get, because too often the government does try to hide from the American people—the taxpayers—the truth.

The truth will set you free. Help us if you can. And thank you for taking a moment to listen to me. Thank you, and have a great conference.

[At the end of his speech, Jones displayed this information:]

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Michael Kirsch

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## Nation-Building and The U.S. Credit System

I’m going to speak with you today about the United States Credit System, and what that involves.

There are really only two important sections of the planet which determine the course of history. One, is the nation-builders, and two, is the oligarchs and those who run the monetary empire now governing the planet. The former are in short supply.

It is really the nation-builders who represent the utmost necessity and importance for us to have, if we are going to have a credit system, and if we are going to re-instate Glass-Steagall and rebuild the United States. Without nation-builders, there is no credit system. There is no mechanical solution that can be installed, and will run its course, and make everything great once again. It is the nation-builders who have to take the lead.

Since the foundation of our nation, the chief and central aim of the monetary empire has been to divert the eyes and minds of citizens away from the powers and laws which uphold nations. It has created sophistries of monetarism, which creates citizens who think like its slaves.

Monetarism always looks backward to the past, monetizing the results of past production rather than the creation of new wealth. It lures citizens into looking at

these shadows of the past. Creations of wealth are viewed as mechanical excretions, randomly occurring from mathematical laws of supply and demand. Monetarism tricks people into thinking of how many goods can be liquidated for immediate profit, instead of making new creations. It tricks them to think of debts as objects, instead of actions generating value in the process of their extinguishment. It views debts as a burden, and demands all the potential that exists to be settled for immediate monetary interests. Monetarism looks at existing capital and labor, rather than the productive powers which create them, and draw forth their potential.

This has been the method to get sovereign nations to pass laws against the interests of their own citizens, and destroy themselves.

In contrast, nation-builders do not think likes slaves of an empire.

Nation-builders observe the requirement to constantly increase the energy-flux density of an economy, which determines the productivity level, by determining the context of the power source, and the rate and cost of production and transportation of raw materials and finished goods. They understand that man controls nature by power-producing instruments, from the discoveries of the mind. Mind has its power to convert natural agencies into super-natural forces. The development of ploughs, mills, furnaces, steam engines, railways, are examples of this.

The nation-builders understand that mastering and harnessing the laws of nature and improving upon them, is the identity behind the establishment of a nation. And this was the identity of Benjamin Franklin. The rights gained by sovereignty, and those who worked with Benjamin Franklin to found the nation, made it possible to channel the development of arts and sciences toward benefit of the general welfare, making discoveries of principles of nature available to all.

### **Hamilton Shapes the U.S. Constitution**

Now, this process is served by the United States Credit System.

The U.S. Credit System, as it was developed and came into fruition with Alexander Hamilton, but beginning with Cotton Mather and developed by Benjamin Franklin, is a system in which the currency is not viewed as wealth itself, but is the constitutional responsibility of government to facilitate the spirit of enterprise and scientific ingenuity.

Now it was this process—in the seven years leading up to the Constitutional Convention, under Alexander Hamilton and all of those he worked with—Benjamin Franklin off in France receiving the report of Robert Morris as financier, James Wilson, Gouverneur Morris—the most active members of the Constitutional Convention—that [the creation of a credit system] was the chief reason for them to arrive at that happy occasion of the Constitutional Convention.

As Alexander Hamilton said, “a nation without a national government is, in my view, an awful spectacle.” But a national government necessitates a credit system in order to be effective. And these men, for seven years, beginning in 1780, understood that what was required was a credit currency. And it was Hamilton’s conversion of a monetary paper currency and monetary debts into a credit currency, that tied the nation’s future to the success of all the states. And translating the action of making good on the debts, into the currency itself, was what founded, and built the nation. The intention to make good on the debts defined the currency, and the economy became a drive to build the nation—the economy, and the meaning of economy, became the drive to build the nation.

Now, with the credit system that Hamilton established, he was able to actualize this essential principle of economy: a physical system of productivity, where the measure of value in an economy is not things, material things, capital and labor that have been created, but the mental powers which created them, which increase the productive powers of labor and capital, and therefore become the measurement of all action in an economy and all productivity. Innovations that arise increase the profit of the credit system and further increase the productivity of the economy.

In this credit system that was established, you had an effect, which I want to describe to you, which is that the economy’s operations were maintained increasingly within the time scale of productivity. Less and less goes into balancing past debts, or present debts. Less and less is allowed to create an excess immediate demand for payment in the present, but you have an increasing ratio of more and more future payments according to future growth and productive investment that will take place, through the promise of productivity, through promissory notes, faith, and credit, among an increasing amount of the total population involved in productivity.

And as it was demonstrated under Alexander Ham-

ilton, and John Quincy Adams, and Nicholas Biddle, that system allowed for a currency to essentially be a reflection of that productive process. That it united the resources and growth of the economy in the establishment and the circulation of that currency.

### The Principle of the Credit System

So the currency was not something that was separate, and the financial system was not something that was separate. It became the shadow of increased rates and efficiency of domestic production, and increasing facility of investment, and further consolidation of credit. And this was the essential principle of the credit system: that it is a currency united with the resources and growth of the economy.

And this process was necessary to ensure the reason the Constitution itself was formed. As I said, it was not that we created a constitution, and then we said, “Oh, we can establish an economy that operates on the future.” It was the intention and necessity to create an economy that operated on the future, that was the driving cause of the Constitution. Because, without that, it’s impossible to uphold the Declaration of Independence, the equality of man, as against the right of private property. The Constitution was not formed to protect property, but to protect rights, and specifically the right to be productive, to not waste the mind of the individual, at the hand or the mind of the Empire.

Because with the right to be productive, the spirit of enterprise becomes animated through more and more credit agreements, and the morality of the property improves. And it is the right and should be, of all men to become productive, and to embark on pursuits, pursuits of happiness, pursuits of industry, pursuits of science, which is the meaning of Ben Franklin’s pursuit of happiness discussion, about borrowed capital, on a small interest. But to obtain the ability to become productive, and tie yourself to the future. Not to receive a handout of money, or an equal distribution of wealth, but to receive the ability to become productive.

Those who say this is just a fancy, that the “general welfare” is a figment of the imagination, it is because they do not understand that the Constitution was formed for this purpose, of creating a future-based financial system.

And a lot of people want to know: Well, how do you really make sure that the National Bank that you would establish, how does it really do this, and how would it really be different than the Federal Reserve? Well, it’s



EIRNS/Stuart Lewis

*Michael Kirsch called on the nation-builders to defeat the oligarchs, if we are to reinstate Glass-Steagall and build NAWAPA.*

because Alexander Hamilton made it that way, and Nicholas Biddle made it that way. They made it function for that purpose. There is nothing mechanical about it. The interests of the Bank were fused with the interest of the nation because the Bank made it function in that manner.

So, why did they do that? It’s because they were nation-builders. Their intention to found a nation, as with Ben Franklin—individuals who decided to take it upon themselves—that was the most substantial thing, and the most necessary substance that must be present in order to make the credit system function.

And it is a principle, the National Bank. To create a system where more and more of the economy operates on future payments and the future, and not something that is a separate institution, but it guides the whole economy and makes the entire economy operate on this time scale of productivity and mind.

### NAWAPA

Now if we were to embark upon such a system today, we would be, if we had the ability, embarking on a certain type of national organization. This is one of the greatest [projects](#) ever that was conceived, that would uphold the national interest, not international cartels and the empire that seeks to destroy the power of the nation-state. We would work with Canada to the

benefit of both nations, and uphold all of the necessities of commerce, and production, and agriculture. This is the North American Water and Power Alliance (NAWAPA). And this is a continental system, improving upon nature—it begs us to build the system, because the current water cycle is inefficient.

Now we are zooming in here on the Mississippi River, currently dry. The barges are shut down. You see here an inlet to the Missouri River. You could pump out of the Missouri River above Fort Randall Dam, into the Niobrara River, and bring 10 million acre feet down to the Ogallala Aquifer Plain States; 30% of our irrigated agriculture comes from that aquifer which is being drained. The NAWAPA system itself comes up and meets with that plains system canal. And here we are now looking at the Texas Water Plan, which is another way to pump water out in a flood year, from the Mississippi River. You can pump water from the Mississippi River and the Missouri River, in a flood year, to serve the purposes of the Ogallala Aquifer and Texas.

When it's dry, we should be diverting flood water from the eastern slopes of the Rocky Mountains—along here you can see Saskatchewan and Alberta of the plains provinces of Canada—to bring water into the

Minnesota River down here on the right, and that brings water into the Mississippi River, just as it can bring water into the Missouri River. The water comes from the eastern slopes of the Rocky Mountains, and large reservoirs from the North, where we have 40 times the amount of runoff than the entire Southwest of the U.S., Canada, and Mexico.

We would bring down, and utilize 72 million acre feet of water, which is only 5% of the wasted runoff. So 5% of the wasted runoff running to the ocean would be brought down. Here you can see we would also pump water out of the Columbia River, which is supplemented from the north, into the Deschutes River, serving east and west Oregon, and then into Lake Shasta, to supply the entire California water system, with an additional 10 million acre feet of water a year, which is substantial. And the NAWAPA system itself—you can see all these branches down into California, Arizona, New Mexico, Texas, Utah, and Nevada—will link up with these additional extensions.

As you can see up here, the Plains States Canal from the Missouri River, could link up directly with the Southwest system of NAWAPA. So when there is a flood, it should be diverted for the salvation of drought

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From the Moon to Mars: The New Economics  
'The Woman on Mars' (excerpt)

### IV: Appendix

Constitutional Principles for a Recovery  
Franklin Roosevelt's 1933 Glass-Steagall Act  
Alexander Hamilton's Economics Created Our Constitution

areas. And so the water should be able to move where it needs to be. You are looking at a total system to maintain and make sure that we, for the next 100 years, can ensure our productivity. What would this do? The massive industrialization of the nation, for nation-building, and the doubling or tripling of food production.

### **Where Are the Nation-Builders?**

I want to conclude by saying that this system is why, after Glass-Steagall, you cannot have a commercial banking system that would somehow generate or excrete by itself, a recovery. Because the only valid profit of commercial banking systems is if they are located within industrial economies. Because it is only the profit, as I just described it, of turning raw materials into finished goods, building wealth, that commercial banks should take part in. Not shadow banking, which has banks in the shadows of real profit. But it must be this type of plan, which is the only way you could have private and Federal credit function. Because without the generation of this kind of wealth, you don't have the ability to have any kind of credit at all, because you have no credit, in the meaning of credibility, to complete and build anything.

So all the mutual funds of the 1990s, the fake profit, the false profit, which comes with the so-called market, will probably disappear. Because, it was not real. Because the only valid wealth of nations is this type of nation-building; and through this period where our nation was being destroyed, and people were making false profits in the shadow banking system—don't expect it to be maintained. Because the issue of wealth is science and arts, and the ability to sustain a given level of energy-flux density. Now, this principle is going to be learned painfully, but that principle will be learned.

And, what must be done now, is that we have to have the single intention to replace the old system with one of nation-building. We've almost destroyed ourselves entirely. And in order to change this course, we have to have a conscious and explicit commitment to nation-building.

And I would conclude by asking: Where are the nation-builders? Where is the plan among our nation's leaders, industrialists, and others, of how the nation should be built? Not their state, not their city, but the nation as a whole. Well, we must create such nation-builders; and where they do exist, but are lurking in the shadows, you must seek them out and bind them into a force.

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Paul Gallagher

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## **Winning the War To Restore the U.S. Credit System**

I'll just add a couple of things in terms of the fight in Congress: When you're fully mobilized banging your head against the wall, how do you know when it's about to crack and fall apart? It helps to know what it's made of. That's one point.

More than 30 years ago, Lyn [LaRouche] made a speech, a very notable speech, at the very end of 1982—in a conference just like this, in an auditorium exactly like this, in a high school just like this. And he said: "We have 90 days to get strategic defense to be the policy of the government of the United States."

At about the same time as he said that, he was being told by Russian officials, that they had assurances from all of their contacts, including leading contacts in the leadership of the Democratic Party in the United States, that strategic defense had no chance of becoming the policy of the United States.

More ironically, we had a meeting in the Pentagon, with a whole bunch of Navy officers, and some civilians, almost all of them strong advocates of directed-energy beam-weapon defense, and they told us all at the end of the meeting, that they were sure that strategic defense would not be adopted by the United States. Jeff Steinberg could correct me, but I think this meeting was on March 17 of 1983.

And very near the end, but within the 90-day period, President Reagan adopted strategic defense. Everything was on launch-on-warning at that point. The military nuclear forces commanders on both sides were on launch-on-warning. The governments of Europe were being destabilized and falling, because of this deployment of short-range nuclear missiles in Europe. It *had* be done. It happened in that period of time.

### **And What of Glass-Steagall Today?**

Where do we stand on Glass-Steagall now?

Lyn, as you know, through a national leaflet that we put out, with the Cyprus—the re-ignition of the Euro-

zone banking crisis in full bore—put out a statement that Glass-Steagall had to be done *now*. It had to become policy of the United States, whatever other nations did in the interim; this had to be the policy of the United States now.

Interestingly, just as he was saying that, *Politico*, which is a widely read, inside-the-Beltway newspaper, came out with an article, “Why D.C. Won’t Break Up the Banks, Yet.” Quote: “There is virtually no chance [that] any significant piece of legislation will pass Congress that will meaningfully reduce the size or restrict the activities of the nation’s biggest banks. There is nothing on the horizon, likely to satisfy those who say, the biggest banks led by”—and they name them—“continue to pose a systemic threat to the U.S. economy. Here’s why: *The White House has no desire to reopen any part of Dodd-Frank, and believes too-big-to-fail will soon be a closed chapter*” (emphasis added).

I’ll come back to this in a minute.

But all I want to say is, they’re merely repeating what the National Public Radio—the week before they had a little special in which they showed, \$350 million were spent in the 1998 Congressional election cycle in order to repeal Glass-Steagall; that amount of money is being spent now, continuously, and probably multiples of it—by Wall Street, by the City of London, and, if you count Obama’s campaign fund, it’s in the billions—to make sure that Glass-Steagall can not be adopted.

The vast majority of Members of Congress, including all of the supporters of Glass-Steagall, firmly believe that Glass-Steagall cannot possibly pass the Congress. This determines the situation that we’re in, now that in the last three months, with the advent of the [La-RouchePAC] Thursday night national organizers’ calls, and with the mobilization on the state level, we have now begun to bore into that certainty, in a way in which everybody participating in that activity has to understand.

The statement that Rep. Collin Peterson [D-Minn.] made the other day, in the House Agriculture Commit-

tee, when the banks had just bought—from a Democrat, a Democratic House of Representatives member from Greenwich, of the hedge funds in Connecticut—had just bought legislation to completely remove regulation from derivatives, all over again! Remember 2000! To do that all over again! Representative Peterson made a kind of, like in a Verdi opera, “*Maledizione!*” in the middle, and said, “This will haunt you! You will regret this!”

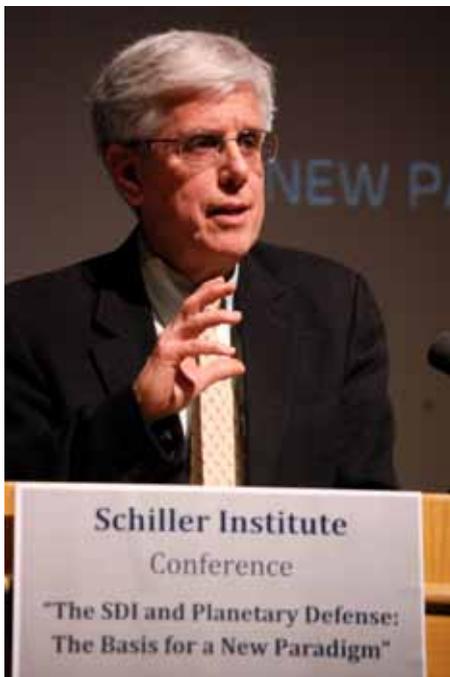
And we found that this remark that he made has really resonated all over the Congress. And since he made it, that you have, on the side of the Senate, no fewer than a dozen Senators who are tip-toeing around that glass, which says, “In Case of Emergency, Break,” and take out Glass-Steagall. They’re tip-toeing around it: They’re asking us, and their staffs ask us in the meetings, what the others of them are doing? [Alabama State] Rep. Thomas Jackson [see above for his remarks to the conference] had the experience of this in a meeting yesterday: In all of the meetings he did, he was taken with

*absolute* seriousness, as the author of a bipartisan move in Alabama, to get the Alabama Representatives and Senators to do this.

So they’re tip-toeing around it, and they are all convinced that it cannot pass. I had a relatively lengthy conversation with one of them yesterday, who totally supports Glass-Steagall, who said, he is absolutely convinced it cannot pass. He had other things to say, which indicated that the wall which is made of money, Wall Street money, and which comes from the White House and the Treasury, that that wall is breaking down.

### The Fight in the States

But this is what we are battling against: You’re doing it in the states, which is actively changing the situation. One Representative actually offered direct collaboration to one of the delegations that came in at the end of this past week—he, in Washington, and them, back in the state—in order to get the state’s delegation, as a whole, onto Glass-Steagall. This is what you can do.



EIRNS/Stuart Lewis

*We are on the verge of a breakout on Glass-Steagall, Gallagher told the conference, just as we were with the SDI, on the eve of Reagan’s announcement.*

And the way they're doing it in South Dakota, particularly, where every move they make, they also get it covered. And since the delegation from South Dakota that got that [a Glass-Steagall resolution] passed has been here, there have been two different letters in the press in Sioux Falls, saying, "a delegation of patriots is now in Washington, fighting for Glass-Steagall, back them up. Call your [Congressman]..." This: Just do it! They're all convinced it won't pass. If we're now cracking them, and one of them puts it in—watch, and see what happens!

### A Still Higher Task

**Dennis Speed:** We're going to now begin our question and answer period... I'm going to begin by asking Paul a question, because he was good enough to curtail some of his remarks. But there's something specific I wanted to ask him.

You just described, Paul, this side of being in a fight where people tell you, you can't win it. You referenced the March 17 [1983] meeting. But you were also the public face of SDI, in the immediate aftermath of Reagan's announcement. And I'd like you tell people a bit about what that was like. What the United States was like at that moment, and the fact that we were the only people, apparently, that knew what the hell was going on.

**Gallagher:** Well, I guess that could be a long subject. I mean, we were the only civilians and so, it came to my good luck, that the day after Reagan's speech, CBS News went hunting for some civilians who knew what Reagan was talking about, and they tried the Heritage Foundation. I went to a conference of the Heritage Foundation last week, on the 30th anniversary of the SDI. How many people were there—what do you think? Thirty-five people: They had more generals speaking than they had people in the audience.

So this is the conference, here, which is the 30th anniversary conference, recognizing the Strategic Defense Initiative. But at that time, the news producer of CBS called up the Heritage Foundation to get a spokesman, and was told, "This is the Fusion Energy Foundation's thing. You should call them." So, when I went to the conference last week, I thanked them for giving me the good luck to be the first civilian on TV news at that time.

But it's an indication, and some of them were talking about it even last week, it's an indication of how rapidly that program came under attack, and Lyn came under attack, for it; that what we're dealing with, 30

years later, is technologies. We're not dealing in any sense with the real mobilized capability of the United States, or mobilized culture or capability among the population.

We have to inject that, in the way we're doing now, with a still higher task, which has been discussed at length here, in terms of the SDE. But the reason for that, is just how rapidly and how across-the-board this thing was attacked.

Now, as I was trying to indicate, we're in a comparable situation, where the people who most are being affected by us, are simply convinced at the moment, that Wall Street and the City of London have more money to spend to stop them, and that the White House is more determined, and the Treasury more determined, to stop them, than they could possibly be, to get this kind of thing passed.

*We are the difference:* We're actively, in, particularly, the last few months, making the difference. And in this situation, it will not be as it was with the SDI, where it could be broken down into technologies. I mean, we've gone through what else has to be done. So, maybe that's one way to answer that.

## Planetary Defense

Leading circles in Russia have made clear their intent to judo the current British-Obama insane drive towards war, by invoking the principle of Lyndon LaRouche's Strategic Defense Initiative (SDI). Termed the Strategic Defense of Earth, the SDE would focus on cooperation between the U.S.A. and Russia for missile defense, as well as defense of the planet against the threat of asteroid or comet impacts.

The destiny of mankind now is to meet the challenge of our "extraterrestrial imperative"!

Available from [LaRouchePAC](#)

## The Cyprus Template: Your Money *And* Your Life

by Dennis Small

*The following is an edited transcript of a [video](#) posted on LaRouchePAC-TV on April 1, 2013.*

April 2—As the story of the Cyprus template for world financial reorganization unfolds, it is becoming clear that the British Empire’s policy is, “Your money *and* your life.”

What’s going on in the case of the recent developments is that The Great Cyprus Bank Heist, where the entire banking sector of Cyprus has in fact been frozen—there is a 100% freeze on liquidity—is not something that was done by the European Commission, the European Central Bank, and the International Monetary Fund, the well-known and well-despised Troika, as a response to the crisis in Cyprus. That’s nonsense. This was something that was long planned, and goes back, minimally, to a December 2012 planning document, jointly issued by the Bank of England (BOE) and the Federal Deposit Insurance Corporation (FDIC) of the United States, working with input of the Federal Reserve system of the United States.

In fact, it goes back, according to the best evidence that we have in hand so far, to planning documents issued six months earlier than that, by the European Union. That’s as far back as we have it at this point, of the black-and-white check stubs-in-hand evidence, of the planning that is going on for global seizure of your money, *and* your life, by the British Empire, to try to

salvage their completely bankrupt and unsalvagable financial system, and implement their stated policy of intentional genocide and depopulation.

There is legislation that is planned; it is so stated by the European Union. There are documents being presented to the European Parliament, and to the nations involved. And there is also existing legislation in the United States, including the notorious Dodd-Frank bill; and there is additional legislation planned, which is designed to bring about this great global bank heist.

Now, leaving all of the specific facts aside for the moment—and we will go through some of these facts—it was clearly evident, going back quite some time, that this policy was in fact the *intention* of the British Empire, even before it had stated that it was their intention. The fact of the matter is, that, as Lyndon LaRouche has repeatedly noted, it is *intention* that is the causal guiding force, not only in human history, and in the economy, but in the physical universe as well. And this is a lesson, a deeper, more profound lesson to be learned, from the current scandal underway.

Now, regarding the latest developments: yesterday, March 31—I’m speaking to you today on April 1—Lyndon LaRouche commented that what is now going on involves a crime so great that the people responsible, in particular, your Congressman, your Senators, will be held accountable. Lyndon LaRouche said, and I quote:

“The enactment of such a provision, now, would be,



*Cypriot depositors line up at the Laiki Bank ATM, in hopes of withdrawing funds before they are frozen, by order of the Troika.*

in effect, an act of treason against the United States, because it means the destruction of the United States. And the members of the Senate, or other bodies, which go for this, are guilty, in terms of intention, of treason, of a treasonous action. Not to support Glass-Steagall is already tantamount to treason, because only the Glass-Steagall Act would save the United States from collapse. We don't need to save any of the big banks. They go down, they go down. We save the nation."

### **You Can't Get Your Money**

Now, let's review what is underway at this point, to survey the battlefield as of this moment.

In Cyprus, in the course of last week, the authorities of the European Union and the Cypriot government announced what they would be doing with the largest banks, including the Bank of Cyprus, under the bail-out regimen being implemented, or what they're calling the "bail-in" mechanism. Thirty-seven and a half percent of all deposits in the Bank of Cyprus, above EU100,000—they *claim* they will fully honor all deposits up to that amount—will be forcibly converted into common stock in the Bank of Cyprus. In other words, 37.5% of what you thought you owned, over EU100,000: "Congratulations! You now are part owner of a completely bankrupt, insolvent bank! No choices; it's yours!"

Of the remainder, there is 22.5% of your deposits that you will never see again, and you'll not receive any interest on it either. Forty percent you will also never see—unless, of course, the bank does wonderfully well, which has zero chance of occurring—but you supposedly will accrue interest on that 40%.

Now, there's only one problem here, which is that, all of this supposed money, both the interest accrued and what you're possibly going to get later, is completely frozen and locked up in the Cypriot banking system! You can't get it. You can only get EU300 a day—which may sound like a lot, if the economy were simply people going out to buy lunch or something like that, or going to the gas station. But businesses cannot function under that regime. In fact,

what is going on right now in Cyprus, since banks do not cash checks, they will not take credit cards, everything is frozen to steal the money to bail out the trans-Atlantic banking system, there's no longer a monetary system of any significance whatsoever in Cyprus.

Restaurants are functioning on a cash basis. They have to pay their providers on a cash basis. Checks don't work, credit cards don't work, ATMs don't work—your money is worthless. It was worthless *before*, in point of fact, but now it is completely unavailable. And the economy is beginning to grind to a halt. How many days or weeks this will last is anybody's guess, but you already have shortages of everything. The ports in Cyprus are not functioning. The restaurants are closing down. Businesses are closing down. People are not able to eat—the food lines are growing in many of the cities in Cyprus. And there is growing panic in the population, a cross between panic and resignation and despair.

### **A Europeanwide Policy**

That's just Cyprus. But the exact same thing, the exact same policy, this "Cyprus template" which we have been discussing, is in fact, already underway, actively, in Spain as well. In that case, depositors in Spanish banks were swindled into buying preferred stocks in those same banks, which now have gone bankrupt, like



EIRNS/James Rea

*The LaRouche movement in Germany, BüSo, organizes in Berlin March 6, for “The Real Trennbanken System,” the equivalent of FDR’s Glass-Steagall.*

the famous case of Bankia bank. So you are now the proud owner of worthless bank stock, just like in Cyprus, where it was done involuntarily; except in Spain, they swindled you into doing it. And you now own stock, which is worth .1% of what it was worth two weeks ago.

Parenthetically, that is exactly what was done in the United States, by First National City Bank, in the early 1930s. And it was the subject, among other things, of the famous Pecora Commission under Franklin Delano Roosevelt, which at the time led to the 1933 Glass-Steagall law. And it has to lead to that again today. It’s the same crimes; it’s the same cast of characters; it’s the

same requirement; and this time, it has to end, as it did under Roosevelt, with a return to Glass-Steagall (see p. 30).

But it’s not just Cyprus and Spain. This *is* the active policy, for example, throughout the whole European Union. It was stated by Joeren Dijsselbloem, who is the new president of the Eurogroup, on March 25, where he said, “Cyprus is the template.” Four days later, on March 29, just to make it clear that this was no false statement by Dijsselbloem—he may have been a little excessively frank about what the policy was, but this *is* the policy—a member of the governing council of the European Central Bank, Klaas Knot, said this approach of swiping deposits “will be part of the European liquidation policy.”

On the same day, a Swiss member of the European Parliament, Gunnar Hokmark, said, “You need to be able to do the bail-in as well with deposits.” And he announced that there is specific legislation to this effect, that has been prepared and presented to the European Parliament.

Perhaps most explicit of all, on March 26, was the statement, at a press conference given by Chantal Hughes, the spokeswoman of Michel Barnier, who is the European Commissioner in charge of financial robbery—excuse me, of financial regulation. What she said was: “At no point is it possible to bail in depositors under EU100,000”—Oh, heavens no—except that it just happened in Cyprus, but it won’t happen anywhere else—“either now or in the future. But in the Commission’s proposal, which is under discussion, it is not excluded that deposits over EU100,000 could be instruments eligible for bail-in. It *is* a possibility.”

There are also reports that we have from Canada, of the Economic Action Plan of 2013, laying out the same policy, which is to swipe people’s deposits to try to bail out the bankrupt banks. And so on and so forth.

So let’s take a step back, and look at the entire world. What you’re talking about is an interconnected chain, a financial chain, which has two weak links. The first weak link, as we’re seeing clearly, is the case of Cyprus.

The second “weak link” of the chain is *the entire trans-Atlantic financial system*. The entire chain, in fact, is gone. And don’t assume for a second, that somehow South America, or Africa, or even Asia, will fare

well under these circumstances. The entire thing is coming down.

Now, since we've taken a step back to get a global view geographically, let's do so conceptually as well.

### **British Imperial *Intention* Is Genocide**

Lyndon LaRouche foresaw that exactly this was the British plan. That, as they have stated, they can no longer run another bailout, like they did in 2008, by fleecing taxpayers directly; they have to go about it by fleecing the taxpayers *indirectly*, by stealing “unsecured creditor” accounts, meaning depositors. LaRouche foresaw this, knowing *none* of the details that I've presented so far, and none of those that I will present momentarily, as well.

Because what LaRouche recognized was the actual *intention* of where the British Empire was heading, which he presented in a Feb. 15, 2013 webcast, pointing to exactly this development. He said:

“The vast mass of debt, which is represented by the monetarist operation, would be cancelled. In its place, they would have a new system of finances, which ignores entirely all the obligations associated with the old! Which would mean that most of the people of the world would be starving to death, quickly.... I know exactly what they're doing, because I know how systems work.

“This is the greatest population-reduction scheme so far in known history. And that's what the policy of the people who oppose Glass-Steagall is—*whether they themselves know it or not*. But they will be held accountable for the effect of that policy.”

In other words, what LaRouche was operating on—and what *you* need to operate on, if you want to understand the nature of the enemy, and where the world is going, instead of relying on gossip and media accounts to determine how to act—is: You have to know the *intention*. And often the intention is unknown to the actors in the drama itself.

The universe as a whole, physically as well as in history and economy, is guided by intention, by an overriding causal direction of where things are heading. In the case of the economy, to survive and implement their depopulation policy, the British Empire had to do what they're now doing, which is what LaRouche knew and said they would do. So the question of *intention*, not the simple “facts” and “evidence” and sense-certainty which are presented to us on a daily basis, is actually the governing causality. It is this standpoint of La-

Rouche's, and only this standpoint, which can allow accurate forecasting, such as LaRouche has engaged in repeatedly.

### **Bailing Out the Cancer**

Now we have further documentation in hand. For example, we have revisited an earlier document, published on Dec. 10, 2012, jointly written by the Bank of England and the Federal Deposit Insurance Corporation of the United States. It is a document which has a very unlikely title: “Resolving Globally Active, Systemically Important Financial Institutions,” which, for the cognoscenti, are known as “G-SIFIs.” For the purposes of our discussion today, there are four points from this document that are worth underlining, all hung together under the guiding line that we have to bail out the speculative cancer, come what may.

First, they say that what they call “unsecured creditors” are fair game. Now, “unsecured creditors” can mean various things. It can mean, in fact, depositors above a certain amount that is supposedly guaranteed, either by the FDIC in the United States, or guaranteed by the EU in Europe. Now, that latter guarantee has just been ripped up into little pieces of confetti in the case of Cyprus, so I wouldn't rely on that particularly. But the argument about “unsecured creditors” is that, what will now be allowed is to simply lift, steal, rob, seize, the unsecured creditors, i.e. deposits in these financial institutions, for the purpose of bailing them out.

This is completely unheard of. Let's be clear: Under current standing regulations and practice, which are now being destroyed, what supposedly happens is that the FDIC-insured amount in the United States is protected, in the case of a bank going bankrupt and being rolled up, going out of business. The FDIC takes care of you to that level. If you have more than that: “Sorry sir, sorry ma'am, you just lost it.”

However, what's being proposed now, is that you're going to lose your deposits, not to put the bank out of business, but to *keep the bank in business*, to keep the cancer operational! It's absolutely scandalous! And the size of the cancer, the size of the bubble that they plan to keep intact with your money, if you have any, is enormous. You're talking about quadrillions of dollars! And that's why it's both your life *and* your money that they're talking about seizing.

And they're not just intent on doing it; they *are* doing it. It's happening now. It's happening in Cyprus;

it's happening in Spain; it's happening across the EU; and it's about to happen in Canada, the U.K., and the United States. Like they say, "It's coming to a bank near you"!

So that's point number one of the BOE-FDIC document: they intend to take the "unsecured creditors" to the cleaners.

Number two: they are talking about using this process to transform the cancer, the speculative bubble, into a leaner, meaner banking system, which is exactly what LaRouche was describing. To this end, they are using the arguments of the idea of "Too Big To Fail," of ring-fencing, and of the Dodd-Frank bill.

### **The Fraud of 'Too Big To Fail'**

Take Too Big To Fail, or TBTF as it is called: First of all, the whole idea is nonsense. What do you mean, "too big to fail?" They *have* failed! They're gone! To argue that the problem is TBTF, is to argue that the problem will be solved by splitting the banks up. It's like saying: Well, let's take this metastasized cancer, and divide it up into different portions, and place the different cancerous portions all over the body. That's the "Too Big to Fail" argument.

Furthermore, the problem is not the *size* of banks or bank lending. The problem is the *function*; and if the function is to feed the cancer, it's all got to go. And if the function is *not* to feed the cancer, as under Glass-Steagall, we salvage it. But what's happening with TBTF is that this is now the basis—and it is explicitly stated in the BOE-FDIC document—to push through their fascist banking reorganization.

The same thing with ring-fencing, and they're quite explicit about that too: "The resulting new private sector operations would be smaller, more manageable—and perhaps more profitable. . . . Ring-fencing of a banking group's retail banking activities from the group's investment banking activities would prove particularly valuable in facilitating such a restructuring."

So, it's not simply that TBTF, ring-fencing, the Liikanen proposal, electrified ring-fencing, Dodd-Frank, and all of these things are merely *distractions* from Glass-Steagall. They are actually part of the enemy's genocidal plan, and anybody who is using that as an excuse to not back Glass-Steagall, as LaRouche said, is committing acts tantamount to treason. Because the effect of this—as is clear, from this document, and

as LaRouche foresaw—is that the world's population is going to lose not just their money, but their lives. This is a case of your money *and* your life.

The third point of the BOE-FDIC document, is that they announce that the joint coordination between the United Kingdom and the United States will best go ahead only after the point that the British banking system is reorganized under a new regulatory authority, which will incorporate all of the non-deposit-taking financial institutions. That means the Goldman Sachs of the financial universe: the investment banks, the insurers, everybody involved in the derivatives bubble. In other words, prior to including these institutions under the regulatory scheme, the British side of the operation was not in place and assured, from their standpoint. But, they inform the reader, they will be shortly. When? *Today*, April 1, 2013. And this is no April Fool's joke. The British side is now operational to be able to do this. All systems are go, and this is what they're planning to proceed with.

The fourth and final point, is that they announce that they will have, by the end of this year, a detailed plan—bank by bank—of the G-SIFIs, which are the banks that they're going to save, and let the other ones go to hell. But the G-SIFIs will be bailed out, and they will have them identified, bank by bank, with the exact mechanism for each case, by the end of this year.

### **No Alternative to Glass-Steagall**

All of this was knowable, and in fact it was all known, without knowing any of the details or any of the predicates, some of which I've presented to you today. If you think like LaRouche; if you understand what the actual causal relationships are in the physical universe and in the political universe, and are not distracted by sense perception and the nonsense idea that somehow truth is based on that which you perceive, you will recognize that truth is not based on what you perceive—such things are knowable. Truth is based on understanding the underlying universal physical principles that are operating—often, with the absolute ignorance of the participants themselves.

But the problem here, with the Senate of the United States and with the Congress of the United States, is not principally ignorance. Not that they're not ignorant; they are. But the problem is cowardice. The problem is refusing to see what's directly in front of their eyes, because they don't like the implications of acting on that.

So we have this national problem of a cowardly, and therefore willfully blind, group of elected officials—Senators and Congressmen, and so forth—whom La-Rouche has made it very clear will be held accountable and must be pressured into adopting Glass-Steagall immediately, because there is no other alternative than that to this type of worldwide thievery and robbery and global genocide.

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## Documentation

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### BOE/FDIC/Dodd-Frank Plan To Save the Banks

*“Resolving Globally Active, Systemically Important, Financial Institutions” (G-SIFIs) a joint paper by the U.S. Federal Deposit Insurance Corporation and the Bank of England, was published on Dec. 10, 2012. The following are the four relevant policy topics identified in the lead article of this package:*

1. “The unsecured debt holders can expect that their claims would be written down to reflect any losses that shareholders cannot cover, with some converted partly into equity in order to provide sufficient capital to return the sound business of the G-SIFI to private sector operations.... In all likelihood, shareholders would lose all value and unsecured creditors should thus expect that their claims would be written down to reflect any losses that shareholders did not cover.... The new equity holders would take on the corresponding risk of being shareholders in a financial institution.

“Under a top-down resolution, shareholders and certain creditors at the top of the group absorb losses and recapitalize the group as a whole. For a top-down approach to work, there must be sufficient loss-absorbing capacity available at the top of the group to absorb losses sustained within operational subsidiaries.”

Paragraph 47 is ambiguous as to whether depositors are to be considered “unsecured creditors”: “Retail or corporate depositors should not have an incentive to ‘run’ from the firm under resolution insofar as their banking arrangements, transacted at the operating company level, remain unaffected.”

2. “The resulting new private sector operations would be smaller, more manageable—and perhaps more profitable.... Ring-fencing of a banking group’s retail banking activities from the group’s investment banking activities would prove particularly valuable in facilitating such a restructuring.... The newly resolved group would be solvent and viable, and should be in a position therefore to access market funding or, if necessary, funding from the authorities as discussed above.... The contingency plans are designed to minimize the triggering of cross-defaults or closeout of netting arrangements at the operating companies.”

3. “Once the Financial Services Bill comes into force in 2013, the Financial Services Authority will be replaced by two new regulatory bodies, the PRA [Prudential Regulation Authority] and the Financial Conduct Authority. The PRA, a subsidiary of the Bank of England, will become the prudential regulator of deposit takers, insurers, and the largest investment firms.

“In both the U.S. and the U.K., legislative reforms already made [Dodd-Frank in the U.S.—ed.] or planned in response to the financial crisis provide new powers for resolving failed or failing G-SIFIs ... to impose losses on shareholders and unsecured creditors—not on taxpayers.”

4. “The strategies will be translated into detailed resolution plans for each firm during the first half of 2013.... Subsequently, firm-specific resolvability assessments will be developed by the end of 2013.”

The G-SIBs (Global Systemically Important Banks) listed by the BOE-FDIC document are: Citigroup, Deutsche Bank, HSBC, JPMorgan Chase, Barclays, BNP Paribas, Bank of America, Bank of New York Mellon, Crédit Suisse, Goldman Sachs, Mitsubishi, Morgan Stanley, Royal Bank of Scotland, UBS, Bank of China, BBVA, Groupe BPCE, Groupe Crédit Agricole, ING Bank, Mizuho FG, Nordea, Santander, Société Générale, Standard Chartered, State Street, Sumitomo Mitsui, Unicredit Group, and Wells Fargo.

### EC To Use Deposits To ‘Bail-In’ Failing Banks

*Here is EIR’s transcript of the Q&A at the March 26, 2013 European Commission [briefing](#) on the Commission’s response to the banking crisis. Chantal Hughes,*

a spokeswoman for Michel Barnier, the European Commissioner for Internal Market and Services, responded to a question on the EC's June 2012 proposal for a bail-in mechanism. The exchange was in English.

**Q:** The resolution proposals from the Commission from last year—there is a bail-in instrument in this proposal. What would that mean concretely in a case like Cyprus, where there are not many bondholders? Would it be possible under this proposal to bail in depositors?

**Chantal Hughes:** One very, very clear statement to start with: At no point is it possible to bail in depositors under EU100,000, neither now, or in the future. At no point is that possible. When we're talking about uninsured depositors, you quite rightly point out that, in the resolution framework which was proposed last year in June, one of the tools is indeed bail-in.

What does bail-in do? Bail-in allows a bank to be recapitalized, with shareholders wiped out or diluted, and creditors will have their claims reduced or converted to shares. As part of that framework, there will be a predefined order in terms of the seniority of claims, in order for the institution to regain viability. Now, in the Commission's proposal, which is currently, as I say, under discussion, so I can't tell you what the final agreement will be, it is not excluded that deposits over EU100,000 could be instruments eligible for bail-ins. I repeat, it's not excluded, it is a possibility. At the moment, in terms of the proposal made by the Commission, that the uninsured depositors over EU100,000—only over EU100,000—could be bailed-in.

*From the June 6, 2012 European Commission [document](#), "A Proposal for a Directive of the European Parliament and of the Council":*

Insolvency laws are not always apt to deal efficiently with the failure of financial institutions insofar as they do not appropriately consider the need to avoid disruptions to financial stability. Resolution constitutes an alternative to normal insolvency procedures [and] limit taxpayer exposure to loss from solvency support. In the process, it should also ensure legal certainty, transparency and predictability regarding the treatment of shareholders and bank creditors, and preserve

value which might otherwise be destroyed in bankruptcy. In addition, by removing the implicit certainty of a publicly funded bailout for institutions, the option of resolution should encourage uninsured creditors to better assess the risk associated with their investment. . . .

[Once the] trigger conditions for resolution are satisfied, resolution authorities will have the power to apply the following resolution tools: (a) sale of business; (b) bridge institution; (c) asset separation; (d) bail-in. . . .

The resolution authorities should have the power to bail in all the liabilities of the institution. There are, however some liabilities that would be excluded *ex-ante* (such as secured liabilities, covered deposits and liabilities with a residual maturity of less than one month).

[By subtraction, this means that "non-covered" deposits (above the EU100,000 mark) would not be excluded—ed.]

*From Title II of the Dodd-Frank Act, passed by the U.S. Congress in June 2010:*

Similar to the rules governing other insolvency regimes, the Act requires that all claimants who are similarly situated be treated in a similar manner (except that, as noted above, claims of the United States are paid first).

Unlike other insolvency regimes, however, the FDIC may deviate from this principle as necessary *to maximize the value of the assets* of the covered financial company; to initiate and continue operations essential to implementation of the receivership or any bridge financial company; to maximize the present value return from the sale or other disposition of the assets of the company; or to minimize the amount of any loss realized upon the sale or other disposition of the assets of the company. . . . In disposing of assets, the FDIC must use best efforts to maximize returns, minimize losses and mitigate the potential for serious adverse effects to the financial system. In deciding upon a course of action, the FDIC also must determine that such action is necessary for the financial stability of the United States. . . . [And it must] ensure that *unsecured and uninsured creditors* bear losses in accordance with the priority of claim provisions [emphasis added].

# When Money Is Gone: The Death of Cyprus

by Tony Papert

March 31—Under the same treatment being prepared for the U.S. by those U.S. Senators who support “Too Big to Fail” and “ring-fencing” against reintroduction of Franklin Roosevelt’s Glass-Steagall protections, Cyprus’s economy has screeched to a sudden halt, which will only continue and worsen once banks are “re-opened” on April 2,—because firms will have been robbed of all their working capital, while nothing but cash is being accepted for payment throughout the island.

Reporting first-hand from Cyprus’s biggest port at Limassol, the March 30 *Wall Street Journal* shows that the island’s “cargo network has shuddered to a halt.” The *Journal* continues: “‘This is the artery of the economy, and now nothing can move through here, because no one’s sure they’ll get paid,’ dockworker Marios Theodosiou said, as a huge crane moved another steel container into a holding area.

“Many suppliers, wary of accepting letters of credit from Cyprus’s troubled banks, which reopened for business on Thursday [March 28] after being closed for nearly two weeks, have refused to release the containers for anything but cash. The result: Some goods are starting to disappear from shop shelves.... Unable to pay suppliers, many stores have opted to close until things improve.... With perishable goods such as fruit and vegetables running low, some Cypriots have begun to stockpile essentials, such as baby formula, tinned food and olive oil. Almost everyone is trying to hoard cash....

“Meanwhile, unpaid bills—including those for utilities and employee payrolls, many due for payment at the start of April—are stacking up. Some workers here are bracing for a protracted period without a paycheck.”

## Watch for a 20% Fall in GDP

A broader evaluation of the damage, undoubtedly understated, was given by U.S. economist Paul Krug-

man in the *New York Times* March 26. He wrote: “If you look at Cyprus’s trade profile, you see just how much damage the country is about to sustain. This is a highly open economy with just two major exports, banking services and tourism—and one of them just disappeared. This would lead to a severe slump on its own. On top of that, the troika is demanding major new austerity, even though the country supposedly has rough primary (non-interest) budget balance. I wouldn’t be surprised to see a 20 percent fall in real GDP.”

What will happen when banks so-called “reopen?” Nothing but more asphyxiation. Reuters says that depositors in the biggest bank, Bank of Cyprus, will lose over 60% of their deposits over EU100,000, and get bank shares “worth” the remaining 37.5%. Depositors in the second-biggest bank, Bank Laiki, which has been liquidated, will lose 80%.

Thus, a large part of the working capital of most businesses will disappear down the drain of bailouts for the bad debts of the financial parasites of Wall Street and the City of London.

But bad as it is, that is still not the worst of it for the Cypriots: none of what remains of the deposits over EU100,000 will be available starting Tuesday, April 2! None of it will be made available at *any* definite time in the future,—if ever!

## A 100% Haircut

Thus, a Greek correspondent of Yves Smith at [www.nakedcapitalism.com](http://www.nakedcapitalism.com), wrote to her today to say:

“If the Reuters story is correct, for the purposes of liquidity on Tuesday morning, that is a 100% haircut.

“If that is what they do, I am not sure how Cyprus can engage in economic activity on Tuesday without going to barter or scrips.

“I mean, that basically will mean 100% of the large deposits (all the business accounts) at Laiki and BoC are lost or not available as of next week. The Laiki wipe-out may have been survivable. If you wipe out (for liquidity purposes at least), both Laiki and BoC, then we are not talking about whether or not GDP drops X%, we are talking about how do you actually engage in commerce?

“If they do this, there is little chance it can last more than a month—the economy will simply fail at even basic functions.”

# Depositors Were Duped To Become ‘Investors’

by Paul Gallagher

April 2—The extraordinary “Pecora Hearings” of the U.S. Senate Banking Committee ran from late 1932 through 1933, exploding “bankster crimes” into the knowledge of millions of angry Americans, and leading directly to the passage of the Glass-Steagall Act in 1933.

While other stages of the hearings became more celebrated in later years (the questioning of J.P. Morgan, for example), it was the case of the nation’s largest commercial bank, National City Bank, which generated the broad outrage that drove through Glass-Steagall reform.

Just as Bankia and other Spanish banks have notoriously done from 2010 to 2013, National City had duped its depositors into becoming its “investors,” and had gotten them to move their deposits into stock of National City itself, and into stock in which its investment division, National City Co., was speculating.

The depositors then, from 1930 to 1932, lost big.

The Senate Banking Committee’s report, released on June 6, 1934, started with “The Nature of Commercial Banking,” stating flatly, “A sharp line of demarcation should exist between the function of the commercial banker and the investment banker.” National City Bank not only violated that line, it filled its own bank branches around the country with securities sales booths of National City Co., and turned its commercial bank employees into stock salesmen competing for bonuses for delivering depositors to the investment arm.

## Two Million Shares

Most of Senate special investigator Ferdinand Pecora’s many hearings had already been devoted to showing the huge role of commercial banks like National City Bank, from 1926 to 1929, in lending their deposit base into securities bubbles, securities pools, firms, and making brokers’ loans to carry speculation in stocks, bonds, and more exotic instruments. With National City executives and CEO Charles E. Mitchell, who was

disgraced by the hearings, Pecora showed how depositors were personally thrown into the sheep dip of stock speculation, and then sheared, all by the National City Bank.

The June 1934 Senate report, under the heading “Violation of fiduciary duty to depositors and investors,” stated:

“Commercial banks found a fertile field among their depositors for purchasers of security issues which their investment affiliates were sponsoring. These depositors were sold securities in which the [bank] affiliates had a pecuniary interest.

“Not only did the managers and employees of the banks recommend depositors as prospective customers to the salesmen of the investment companies, but bank employees directly sold bank securities to customers, the branch banks receiving a service allowance for such sales.”

And under the heading, “Trading and pool operations in the capital stock of commercial banks by investment affiliates,” the report summed up the admissions of National City Bank officers under Pecora’s relentless questioning:

“Commercial banks used their investment affiliates not only to circumvent the law forbidding banks to purchase and sell their own capital stock, but to participate in speculative ventures in their capital stock. . . . Commencing in 1928 the National City Co. started a vigorous, extensive campaign for the sale of the capital stock of National City Bank, which encompassed not only depositors and the public, but the bank’s employees. . . . It sold approximately 1,950,000 shares of the bank stock at an approximate cost of \$650,000,000 to the public. The National City Co. encouraged its salesmen to ‘switch’ the public, including National City Bank depositors, to National City Bank stock.”

In a particularly nasty practice, National City Bank officers and insiders used depositors to pump up the sales of other stocks in which they were speculating, and then sold out for profits, leaving the downside of the stock bubbles to the depositors, “the mickeys.”

The Banking Committee’s final report stated that the Banking Act of 1933, known as the Glass-Steagall Act, was thus passed to stop these practices by total bank separation: “The Banking Act of 1933, enacted on June 16, 1933, was promulgated to effect a complete severance of the commercial and investment banking functions, and to eradicate many of the abuses disclosed at the hearings before the Senate.”

## Is Cyprus the Trigger For World War III?

by Jeffrey Steinberg

April 2—The verdict is in. The Cyprus “bail-in”—grabbing depositors’ funds beyond the EU100,000 insured limit to bail out the hopelessly bankrupt trans-Atlantic banking system—is the long-planned model for saving the present British imperial financial system, on both sides of the Atlantic. A number of policy papers, prepared by the U.S. Federal Deposit Insurance Corporation (FDIC) and the Bank of England, the European Commission, and the European Central Bank (ECB), all make clear that, beginning no later than 2010, plans were in place to loot depositors’ savings in the biggest grand larceny in modern history.

The consequences of that policy decision are now playing out in Cyprus, and in all of the other European countries under Troika (IMF, ECB, and European Commission) receivership/bailout. At some point in the immediate days or weeks ahead, you can expect an exodus of foreign capital from all of the European banks, triggering a much deeper banking meltdown, as well as social chaos.

For years, Lyndon LaRouche has been warning that the policies of the ruling Western financial oligarchy are driving the world toward a moment when the entire money system will evaporate, leaving hapless citizens with no ability to buy food, pay for housing, or even get to work, if they are lucky enough to have a job. One pathway for such a shock is the ongoing hyperinflationary “quantitative easing” (QE) policies of the Federal Reserve, the U.S. Treasury, the ECB, and the IMF. The other pathway to social disintegration is the “bail-in”

policy that was maliciously imposed in the Cyprus fiasco over the past few weeks.

Europe now stands on the edge of the kind of social chaos that can erupt when people find their savings looted, their bank accounts frozen, their very ability to survive, taken away.

It is impossible to say whether steps will be taken to slow down the social disintegration now confronting much of southern Europe and beyond. The timing may be unpredictable, but the directionality is not. Europe is headed for absolute Hell, and the United States is facing the same fate as Europe—unless Glass-Steagall is passed through both Houses of Congress right away, before the social chaos erupts.

As LaRouche has been warning for years, Europe’s only hope for survival, ever since the 1992 signing of the Maastricht Treaty, has been for the United States to return to the sanity of Glass-Steagall and a restoration of the Bretton Woods system.

### **Thermonuclear War**

There is no coincidence in the fact that, at precisely the moment that Europe is going through a death spiral of hyperinflation, austerity, and social chaos, there is also the threat of global thermonuclear war.

While the Persian Gulf and Eastern Mediterranean region is being torn apart by internecine religious warfare within Islam, a crisis has erupted on the Korean Peninsula that poses an immediate danger of a new world war.

The North Korean leadership under Kim Jung-un continues to make bellicose threats against its neighbors and the United States, as the Obama Administration escalates the crisis with counter-provocations, rather than sane diplomacy. Instead of responding positively to a series of recent diplomatic approaches, including a request that President Obama make a telephone call to the young North Korean leader, the U.S. has threatened thermonuclear reprisal, under the cover of ongoing annual joint maneuvers between U.S. and South Korea.

In just the past two weeks, the U.S. has deployed long-range B-2 bombers to fly over South Korea, and drop dummy bombs. The B-2 is a long-range strategic bomber, normally armed with thermonuclear weapons. A similar deployment of B-52s from the U.S. base in Guam flew over Korean airspace, in a clear message that the U.S. is prepared to retaliate with massive nuclear strikes against any North Korean nuclear attack on the South.

According to U.S. intelligence sources, the U.S. has also established a permanent presence of submarines

equipped with nuclear weapons in the waters off the Korean coast. It is no secret that the Obama Administration is considering other “deterrent” options, including the basing of U.S. tactical nuclear weapons in South Korea.

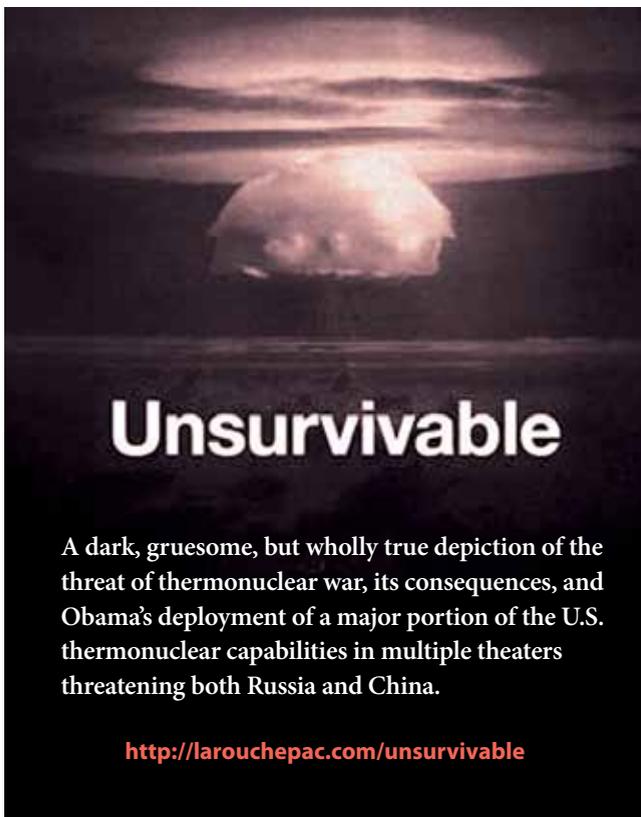
While Defense Secretary Chuck Hagel cast all of the blame for this hair-trigger situation on the North Koreans, during a recent Pentagon press briefing, Gen. Martin Dempsey, the Chairman of the Joint Chiefs of Staff, followed Hagel by declaring that there was nothing new in the actions of the North Koreans. Dempsey explained that every year at this time, when the U.S.-South Korean joint maneuvers take place, the North Koreans retaliate with heated-up rhetoric. “There is nothing new here,” the General asserted, clearly pushing back from any escalation of tensions.

Dempsey is scheduled to go to China sometime in April to meet with his counterparts in the People’s Liberation Army (PLA) and Central Military Commission (CMC). He is also scheduled to visit Moscow, at the invitation of Gen. Valery Gerasimov, Chief of the General Staff of the Armed Forces of Russia, and first Deputy Defense Minister, sometime in May. Dempsey is a leading figure in a war-avoidance faction of the U.S. institutions, which sees the danger of the present situation, and is intent on preventing an escalation to world war.

### The Big Picture

What must be understood to carry out a true war-avoidance policy is that the trans-Atlantic financial disintegration is *the* driving cause for the war provocations.

For the past two years—since the overthrow of the Qaddafi government in Libya—LaRouche has been warning that the British imperial faction of radical Malthusians have been setting the stage for a global showdown between the United States and NATO on the one side, and Russia and China on the other. The objective of these provocateurs is not necessarily to blow up the world in a war of thermonuclear extinction from which they would not survive. Their goal is to get Moscow and Beijing to back down in the face of the lunatic provocations coming from the London-controlled Obama Administration and other NATO forces. So far, their efforts to get the Russians and Chinese to back off from the defense of the Assad government in Syria have



**Unsurvivable**

A dark, gruesome, but wholly true depiction of the threat of thermonuclear war, its consequences, and Obama’s deployment of a major portion of the U.S. thermonuclear capabilities in multiple theaters threatening both Russia and China.

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failed miserably.

Now the provocations have moved to North Asia, and to the threat to trigger thermonuclear war on the Korean Peninsula. Once again, the goal is capitulation, not extinction. Only if China and Russia cave in, and agree to make their vast resources available for the preservation of the current hopelessly bankrupt global financial system, can the inevitable total disintegration of that system be postponed beyond a matter of weeks or months.

A faction in and around the British Crown, on record as demanding the wiping out of 80% of the human race, is going for the ultimate bluff: Threatening thermonuclear extinction to force a capitulation by Russia and China. Such madness can easily lead to a succession of miscalculations, and thermonuclear extinction.

### **The Four Horsemen**

The threat of thermonuclear war, whether on the Korean Peninsula, or in the Persian Gulf, is one road to perdition. There is another option, already playing out: The British Empire faction, aligned with Saudi Arabia, is pushing hard for a permanent war inside the Islamic world, pitting Sunnis against Shi'ites. With 1.6 billion Muslims in the world today, this conflict can lead to genocide, far beyond what has already been seen in Libya, Syria, Iraq, Pakistan, Afghanistan, and Iran.

London has also activated a new genocide on the African continent, as the direct outgrowth of the overthrow of Qaddafi in Libya, and the massive flow of weapons into the hands of Dark Age jihadists throughout the Maghreb and Horn of Africa.

The spread of endless "each-against-all" warfare is complemented by the fact that food production is being vastly reduced in many parts of the world—including North America—as the result of disinvestment in water-management and other vital infrastructure, and the consequences of World Trade Organization policy, which makes national food self-subsistence a crime.

Drug-resistant diseases, warned of by LaRouche and the Fusion Energy Foundation in the mid-1970s, are adding to the death count.

The greatest war-avoidance flank today is immediate reinstatement of Glass-Steagall in the United States. Ending the bailout of the oligarchy's massive unpayable gambling debts would constitute the biggest real transfer of political power in modern history. Then the tough task of rebuilding a desperate planet would commence.

## **Syria Opposition Group: No to Ouster of Assad**

March 29 (EIRNS)—A well-known Syrian opposition group has called for a U.S.-Russian summit meeting to take place as soon as possible to reach a solution in the Syrian civil war. In a statement posted on the website of the Syrian Civil Democratic Alliance (DCA), whose members visited the United States March 15-20, on the anniversary of the Syrian opposition's first actions, Haytham Manna, one of the leaders of the delegation, wrote:



*Haytham Manna*

“We realize that after two years of the revolution, Syria now experiences its most challenging existential test since the Syrian Conference that took place during the 1920s; and the difficult and complex situation is no longer a Syrian problem but rather a regional and international one that necessitates a U.S.A.-Russia summit that could produce an understanding based on the Geneva Declaration.”

During their visit, members of the Syrian DCA were in New York, meeting with members of the UN Security Council, and in Washington, D.C., meeting with Congressional offices and the State Department, to promote a peace plan that would implement the Geneva Agreement negotiated in early 2012. The group, which held a press conference at the National Press Club on March 19, is not only lobbying in the United States, but also in Russia, reported the online publication Truthout on March 27.

The Syrian Civil Democratic Alliance, a confederation of political parties, has been urging the United States and Russia to agree to encourage factions to negotiate an end to the fighting, *without* making President Bashar al-Assad's resignation a precondition, Truthout

said. In addition to Manna, the delegation was headed by Rim Turkmani, an astrophysicist at Imperial College London.

In a March 15 interview on Democracy Now!, Turkmani went through a history of the Syrian opposition being taken over by the violent fighters after March 2011, and emphasized that only a peaceful solution without arming the rebels can lead to peace.

“I see all these statements, you know, from France and Britain, and even the U.S., are very contradicting and saying that we want to arm the rebels; however, we want a political solution,” Turkmani said. “I mean, for me, a political solution means a peaceful solution. Peace can only be reached through peaceful ways, peaceful means, and can’t be used through fueling the violence. So, I don’t think their efforts will help in calming the situation or dropping the number of casualties in the country.”

### **The Non-Violent Opposition**

She also emphasized that the fighting in Syria has become a proxy war with outside forces arming the rebels. It’s more of a geopolitical struggle, really, over Syria than responding to the needs of the people. “I am a member of the opposition, as well. All my group, very active inside Syria, is in opposition, but it’s a nonviolent opposition. That is very clear in its aim to reach democracy. However, we don’t reach any—we don’t get any support. We are—*there’s systematic efforts to marginalize people like us inside Syria and focus only on the armed rebels. And they are the ones now who are stealing all the headlines.* Now, why? Because, yes, there are certain actors, regional and international, who see this as proxy wars, and it’s an opportunity to fight their international opponents. It’s a struggle over Syria, over power, and the Syrians are falling victims to that” (emphasis added).

The visit has been blacked out by the U.S. national media—despite the high-profile event at the National Press Club on March 19. According to the group, they had a large range of meetings, including with members of the UN Security Council, the offices of Senators Ron Wyden (D-Ore.) and Mark Udall (D-Colo.), and with the U.S. Institute for Peace, the Atlantic Council, and a number of Arab-American organizations.

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## Interview on Iranian TV

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# Will Obama Start War over Korea?

April 2—The crisis on the Korean Peninsula threatens to break out into a regional war, which could be the spark for global thermonuclear war. The crisis comes in the midst of the terminal breakdown of the Western financial system, and an escalating confrontation between the Obama Administration, and Russia and China, over U.S. military encirclement of those countries. Any effort to approach this crisis from a lesser perspective could well lead to World War III in the near term.

On March 28, Iran’s English-language news station, Press TV, interviewed *EIR*’s Mike Billington on the situation in North Korea, publishing the [transcript](#) under the title “Global Thermonuclear War Not That Far-Fetched.” Billington’s review provides the crucial facts about the current confrontation.

### **Essential Background**

To understand how we got here, it must first be recognized that the Korea crisis, a remnant of the Cold War, was well on the way to being resolved in the 1990s under the Clinton Administration. The “Agreed Framework” established with North Korea in 1994 provided for the closure of North Korea’s plutonium-producing nuclear facilities, in exchange for the construction by an international consortium of two light-water nuclear reactors, considered far less capable of producing weapons-grade material, under the close observation of the International Atomic Energy Agency (IAEA). The U.S. was to provide oil to North Korea during the construction phase of the new nuclear reactors.

Also of great importance to North Korea was the pledge to work toward improving relations between Pyongyang and Washington, with the aim of replacing the 1953 Armistice, which ended hostilities but not the state of war, with a peace treaty and cooperative relations.

This process proceeded constructively throughout the years of the Clinton Administration. When George Bush and Dick Cheney came to power in 2001, every-

thing changed. Secretary of State Colin Powell recognized the importance of the Agreed Framework, and stated immediately that the Clinton policy would be continued; however, he was publicly contradicted by Vice President Cheney the following day. Suddenly, unconfirmed accusations emerged from neo-conservative circles around Cheney that North Korea was secretly running a nuclear weapons program, and within months the entire successful move for peace in the region was in shambles.

North Korea then watched closely as Iraq, and later Libya, two nations that had given up their nuclear weapons programs, were destroyed, and their political leaders killed, by U.S. and NATO assaults under both Presidents Bush and Obama. Pyongyang's conclusion can be seen in the official statement of the special Central Committee meeting held on March 31, 2013: "The D.P.R.K.'s nuclear armed forces represent the nation's life which can never be abandoned as long as the imperialists and nuclear threats exist on Earth."

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## Interview: Mike Billington

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*An edited version of the Press TV interview follows:*

**Press TV:** The basic question is if there is going to be a war. If so, what will it look like, and what would trigger a war?

**Billington:** It is very, very possible that there will be a war, a thermonuclear war—but not with Korea alone. What is going on in the Korean situation is basically fraudulent, similar to what is going on with Iran.

Put this in the world context. We are in the midst of the total breakdown of the Western financial system. As we saw, with the breakdown in Cyprus—which is not a Cypriot problem, it is not even a European problem; it is a Western financial system problem, where we are looking at the death of the euro.

The United States itself is bankrupt; it is printing huge amounts of money, to bailout bankrupt banks, while the physical economy in Europe and the U.S. is



*EIR's Mike Billington briefs Iranian TV, March 28.*

crumbling. It is under that impetus that Wall Street and the City of London are using their puppet in the White House to lead an open provocation against Russia and against China, demanding that they back down from the new colonial policy of "regime change."

This is a demand upon him by the financial oligarchs. The intent is to justify setting up offensive military structures around both Russia and China, as we are doing with the ABM systems and other offensive weapons, which the Russians and the Chinese have publicly and repeatedly identified as a very serious threat, a potential "counterforce" threat, which could take out their retaliatory capacity against a first strike, and which therefore has moved the world closer to a thermonuclear holocaust than we have ever been in history, including the Cuban Missile Crisis and similar situations.

The idea that these massive capacities are being put in place to deal with Iran—which has no weapon, and which our own American intelligence sources have confirmed, over and over again, is not building a weapon—or against North Korea, which has a small nuclear capacity, is unsupportable. North Korea is not insane; it may carry out a military provocation in response to the repeated provocations, back and forth, between the U.S. and North Korea, but it would be small

scale, of the sort that you saw with the shelling of a South Korean island.

The idea that Pyongyang would launch a nuclear attack is, of course, ludicrous technically as well as politically. The danger is how this is being played, as you see in the headlines all over the world. Even though our own Chief of Staff, Gen. [Martin] Dempsey, who is a far more solid thinker than the fool in the White House, said just yesterday, that he has seen no movement in North Korea any different from the normal kinds of movements and statements that you see during these periods of exercises, which occur annually on both sides.

This forces us to reflect on the insane policies coming out of London and Washington, leading toward what could very likely be a near-term nuclear war between the superpowers, one which would literally destroy civilization, for which there would be no winner.

**Press TV:** One thing that does not add up, and that is something that you said about what the U.S. has done, this build-up of military equipment and personnel. Why didn't China react quicker when these military exercises were going on, only later coming down and saying the sanctions are okay?

**Billington:** Mr. Putin and Mr. Medvedev have stated repeatedly that the threat of a counterforce strike, as is being constructed in Europe and in Asia, with new anti-missile systems, the X-band radar systems that are being installed in Japan and in Philippines, are in no way necessary against the very small threat from North Korea. The Russians and the Chinese have repeatedly warned, as Medvedev said, that we are potentially on the brink of war. He said, "I do not want to scare you," but, he said, "thermonuclear war."

The situation within the United States is highly factionalized. What is standing between us and war at this point is the Chinese and Russian refusal to capitulate to the regime-change policies across the Middle East, after making the mistake of capitulating in Libya. They will not capitulate in Syria or Iran, and while the West may not want a nuclear war, they want Russia and China to capitulate to their regime-change policies, and if they do not, the British and Obama are willing to risk that war.

## What Next?

**Press TV:** [What should be done in Korea?]

**Billington:** I would say two things. One is that I

think you should look at what Donald Gregg, the former CIA official and Ambassador to Korea, had to say last week when he returned from Korea.

He said that if you look at the world from North Korea's view, and you see that those nations in the Middle East that have in fact given up their nuclear weapons programs, like Iraq, like Libya, have been destroyed. Gregg says that North Korea, seeing this, is absolutely unwilling to accept the current demand by the West that they will only talk with North Korea if North Korea first gives up its nuclear weapons.

They want a nuclear deterrent. But Gregg said that what the North Koreans really want right now, and the reason they disbanded the Armistice, is that they are tired of living in the "no peace—no war" situation—basically an official state of war existing since the Korean War—and they want to talk about a peace treaty.

If the West were willing to stop the tit-for-tat provocations, talk seriously about trying to reduce tensions in Asia, rather than increasing them, then they would be willing to talk. Russian Foreign Minister Lavrov's response today to this situation was that provocations are coming from both sides, that the measures taken at the United Nations—which both Russia and China agreed to, to warn North Korea to hold back on its nuclear tests and its missile tests—were adequate. But the expansion of military operations around North Korea, which happens to also be around China, is threatening an escalation, or, as he said, "slipping into chaos."

Obama continues to take down our NASA program, continues to massively cut our military capacities, and threatens war rather than building up the kind of global collaborative efforts needed to deal with the actual threats to civilization, those of a potential nuclear war between the superpowers and those of the asteroids, like the one we saw over Russia just recently, which could in fact threaten civilization.

That is human; that is using our minds to collaborate on a global basis to deal with the problems facing mankind, instead of being drawn into these regional wars, regime-change policies. We need to launch Glass-Steagall policies, to deal with the bankrupt banking system, and we need to launch global collaboration on advanced technologies—Strategic Defense of Earth, as it is called by the Russians—to get down to work to do what mankind had better do, if we are going to survive.

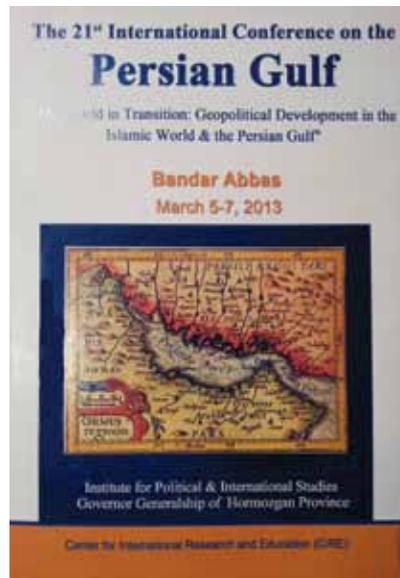
# EIR Attends 21st International Conference on the Persian Gulf

by Hussein Askary

March 28—The 21st International Conference on the Persian Gulf, titled “The World in Transition: Geopolitical Development in the Islamic World & the Persian Gulf,” held on March 5-7, was organized by the Iranian Foreign Ministry’s Institute for Political and International Studies (IPIS), and sponsored by the Hormozgan Province’s Governor Generalship.

This conference had been held previously in Tehran, but this one was held in Bandar Abbas, a glance away from the Hormuz Strait, to underscore the strategic and economic importance of the Gulf and this province for world peace and economic cooperation. Bandar Abbas is called the “the transportation capital of Iran,” because it enjoys sea, land, and air contact with other parts of the world. It has turned from being an isolated corner to a focal point for world trade, since the construction of the Mashhad-Bafq-Bandar Abbas double-track, electrified railway, which was completed at the end of 2004, connecting the Gulf to Central Asia and the Caucasus.

This writer, representing the International Schiller Institute and the Swedish LaRouche Movement (EAP), was one of the guest speakers, and presented the Schiller Institute’s ideas for a New Paradigm, based on economic development and cooperation among the nations of the region and the major powers of the world, on common goals such as the Strategic Defense of Earth and the common project to green the deserts. (See “A Revolutionary Development Plan for the Near and Middle East,” [EIR](#), Dec. 7, 2012.) A paper by Helga Zepp-LaRouche, titled “Double Standards in International Poli-



*The conference poster*

tics: Why Only a Paradigm Shift Can Save Civilization” was also presented to the conference organizers and printed in the proceedings, although she could not participate in person.

The conference was held in a very tense regional situation following the events of the so-called “Arab Spring” and the increasing destabilization that followed NATO’s military intervention in Libya in 2011, and the spread of U.S.-British-Saudi-backed jihadist terrorist activities from Libya to Syria, Mali, and Algeria. The threat of religious and sectarian war dominated most of the conference discussions. A lot of the blame was placed on Saudi/Qatari-backed militant Salafist groups, which are being used

to spread sectarian terror and division throughout the region, with complicity or silence from the U.S., Britain, France, and regional countries such as Turkey. The conference was also held in the shadow of the massive military deployment by Western forces in the Gulf, Arabian Sea, and Indian Ocean, whose clear goal is the targeting of Iran, and intimidation of Iran’s friends, Russia and China.

However, the line presented by Iranian officials attending the conference was conciliatory and open. The conference coincided with Iran’s negotiations with the 5+1 group (the five permanent members of the UN Security Council plus Germany) on Iran’s nuclear program, held in Almaty, Kazakhstan. The Iranian side expressed hope that these negotiations would lead to a better process between the two sides, and to the gradual lifting of the harsh economic sanctions imposed on Iran.

The opening session was addressed by First Vice Pres-

ident Mohammad-Reza Rahimi and the Governor General of Hormozgan, Ibrahim Azizi (see *Interview*). Foreign Minister Ali Akbar Salehi sent a message to the conference, which was read by IPIS Director General Dr. Mostafa Dolatyar.

Rahimi lamented what he called “Iranophobia” and the intervention by international powers in the internal affairs of the countries in the region, creating division among them, and a dangerous arms race in the Gulf. “In reality, in the current circumstance, the security of the Persian Gulf will not be secured solely through military force; rather regional countries must base their own security on mutual trust, expanding their interests, and mutual cooperation,” said Rahimi. He added that “the four main points of energy security—fighting terrorism, nuclear energy, economic development, and cooperation—have further increased the significance of the Persian Gulf within the global security system.” Concerning Iran’s role, Rahimi stressed: “The existence of a powerful Islamic Republic is not just a benefit to the entire region; rather, thanks to its possibilities, capabilities, and advancements, it can play a constructive role in providing political arrangements, security, and regional calm.” Most importantly, Rahimi called for “the establishment of a new security structure in the region, based on economic development and mutual arrangements among the nations of the region themselves.”

Foreign Minister Salehi focused on the common interests of the nations of the Gulf. “Religious, cultural, political, and economic commonalities, and, above all, the unchangeable fact of neighborhood, requires that we learn lessons from the past, look forward to a brighter future, and think of new horizons for cooperation and solidarity,” his message read.

Salehi stressed that the conflicts in the region were a result of foreign interventions. “Western powers, the United States in particular, have been trying to divide the regional countries by sowing discord, to widen differences through spreading phobia, and to prevent convergence in the region,” he said. He called for more unity among the nations of the region, and the establishment of a joint economic-political structure to prevent the current crisis from escalating.



Conference speakers. Askary is on the far right.

IRNA

## Religious Wars

Iranian officials repeated Iran’s official policy of working with neighboring countries on economic and cultural cooperation, avoiding reciprocal interference in internal affairs; however, the majority of Iranian scholars present—surprisingly, many of them young people—kept hammering on the sectarian problems in the region as a result of American-British-Saudi interventions in Syria, Bahrain, Iraq, and Yemen, against the Shi’a minorities.

The fact that the real goal is to destroy these nations as modern nation-states becomes diluted in the sea of sectarian Shi’a-vs.-Sunni emotions. This reflects the enormous dangers embedded in the Blair Doctrine of abolishing nation-states through regime change, and the divide-and-conquer British tactics of both the Bush-Cheney, and now, Obama administrations. Rational thinking is replaced by religious emotions, and solutions move further and further away from the agenda. New “academic” terms, never before known to this author, were presented at the conference by Iranian scholars, such as “Shi’aphobia” and “Shi’a geopolitics.”

One paradox was not resolved, due to the official Iranian line of calling the events in the Arab world collectively an “Islamic awakening.” The paradox that presented itself is: How then is it possible that the same United States and Britain are aiding this great “awakening” with weapons and terrorists, as in the case of Libya and Syria? Looking at political-social upheavals from a strictly religious key-hole entangled many of the speakers in self-contradictions.

Nonetheless, the Iranian officials participating in, and

moderating the sessions, who represented different governmental and quasi-governmental institutions, kept a certain healthy distance from these arguments and traps. Some of them, as in the case of Dr. Ali Reza Enayati of the Foreign Ministry, even warned some of the speakers against using religious and sectarian terms while criticizing Arab countries in the Gulf. He reiterated that this is not the policy of the Islamic Republic of Iran.

Dr. Dolatyar intervened in the final session to correct some of the Iranian speakers, stating that the policy of the Iranian government is to regard the people in Bahrain, Saudi Arabia, and other countries not as Shi'a, but as fellow Muslims. He even stated that the rights being demanded by protesters in Bahrain and the Eastern Province of Saudi Arabia are not Shi'a rights, but universal human rights.

Reflecting the very dangerous situation in the region, even conference papers presented by foreign scholars were dominated by discussion of the "Arab Spring" and its impact on international geopolitics and the Gulf, with the war in Syria and the threat of sectarian and religious wars taking center stage. Papers were presented by academics from more than 20 countries, including the United States (although none could travel to Iran), Germany, Russia, Great Britain, Turkey, Ukraine, Poland, several South American countries, Japan, India, and some Arab countries.

Several foreign guests, such as Prof. Aftab Kamal Pasha from India and Dr. Leila Nicolas Rahbani from Lebanon, made the point that one of the important causes of the instability in the region is the disintegration of the trans-Atlantic economic-financial system and the rise of the economic power of China, Russia, and their allies. This was reflected in several presentations, but unfortunately, merely as an academic geopolitical analysis, with no solutions in sight, other than balance of power and balance of terror that would hopefully deter the West from continuing its futile and destructive policies in the region.

The speakers expected nothing positive to come from the United States or Europe. The fact that there is a life-and-death fight going on inside the U.S. and Europe to save these nation-states and their citizens from the tyranny of the British imperial systems called the EU and the Obama Administration, does not really register in these circles.

Some reference was made here and there to the dismay of citizens in European countries and the U.S., as in the case of the Occupy Wall Street Movement, but

FIGURE 1  
Iran



the speakers said that these moves are usually crushed by the state police apparatus and powerful economic interests and their controlled mass media.

### Schiller Institute ‘Opens Doors’

This author addressed the conference on the second day, and with his presentation of the fight being waged by the LaRouche movement and the Schiller Institute in the United States and Europe against British geopolitics, and his outline of an alternative for all nations, the atmosphere inside the conference changed somehow, and “new doors were opened,” as one participant described it. Askary started by bringing greetings from Helga Zepp-LaRouche, and discussing her work as expressed in the two international Schiller Institute conferences that were held in Flörsheim, Germany, and New York City. But he shocked the audience by presenting the cosmic threats to Earth and the entire human race (taking up the meteorite blast over Chelyabinsk in Russia just two weeks earlier), reducing the academic talk of geopolitics and other small-minded chatter to nonsense.

With the Russian proposal for a Strategic Defense of Earth (SDE) presented as the forum for cooperation among nations to face the galactic threat and to prevent nuclear war, and the Schiller Institute’s proposed proj-

FIGURE 2  
**The World Land-Bridge**



EIRNS

*Rough outlines of the Schiller Institute's proposals. The circle at the center designates the Bering Strait bridge/tunnel, which would connect Eurasia with the Americas.*

ects to green the deserts as a gathering point for nations on the surface of Earth, a new kind of discussion suddenly dominated the conference, with representatives from Asia, especially, coming forward with ideas for economic cooperation.

Dr. Osamu Miyata, Director of the Center for Contemporary Islamic Studies in Tokyo, proposed an economic agreement among the nations of the Gulf, backed economically by Japan and other major powers, in the common interest. He was supported by the Indian guests and some of the Iranian scholars. The discussion took off on how to practically achieve that. Optimism is a legitimate and common aspect of all human beings!

The Governor of Hormozgan attended the final session of the conference, and Askary was given a chance by the moderator to present the Schiller Institute ideas once again, pointing to Bandar Abbas on the Schiller Institute's map of the World Land-Bridge [Figure 2] as a link between Eurasia and Africa, and suggesting that the Strait of Hormuz become a launching pad for global cooperation rather than global war. Askary emphasized that all human beings share common goals no matter where

they come from, and those are to ensure a good future for the coming generations, and a decent physical, cultural, and moral condition for the present society.

In concluding the conference, Dr. Dolatyar reiterated the words of Foreign Minister Salehi: "In learning lessons from past events, we would like to look to a brighter future and think of horizons of cooperation and empathy. In order to take advantage of the capacities of regional countries and by increasing our own capacities, we hope to aid in the growth and flourishing of the region's economy."

### **Conclusion**

Iranians believe, and correctly so, that they have been treated unfairly by the United States, in particular, and the West, in general. They stress that they have not attacked or invaded any other nation and have not played any subversive role against their neighbors. On the contrary, Iranians have shown a great deal of restraint against false accusations, and their help in supporting the anti-Taliban forces in Afghanistan (who became allies of NATO), and even their support to the

supposedly U.S.-allied President Hamid Karzai's government in Afghanistan, has been met with ungratefulness and scorn. Iran has been hit by an opium war from British/U.S.-controlled Afghanistan, and terrorist activities against its eastern provinces emanating from inside Afghanistan. The fact that Iran has increased its influence in Iraq, the participants say, was a result of the insane U.S. policy of dismantling the Iraqi state and its institutions. Iran, as the Iranians themselves state, "merely filled a vacuum" left by Saddam's regime.

But the reality is that Iran is building a buffer security zone against U.S./Israeli attacks in Iraq, Lebanon, and Syria, as a defensive move. The harsh economic sanctions imposed on Iran are completely unwarranted, because the excuse that Iran is developing nuclear weapons is without foundation, even according to U.S. intelligence estimates. And the uranium enrichment program Iran is following is completely in line with the Nuclear Non-Proliferation Treaty (NPT), which the country signed long ago. When Iranians look at the treatment they are receiving for behaving well, and then look at Israel, for example, which does have nuclear weapons, never signed the NPT, and is occupying other nations' lands and mistreating the Palestinian people, but gets praise and support from the U.S. and others in the West, the Iranians conclude that no matter what they do, whether they are friendly or unfriendly to the West, they would get the same treatment. This is the main reason that the Iranian leadership is completely distrustful of the West. The only reason they are engaged in the 5+1 talks, is that China and Russia are included.

In any case, the policies of the U.S., the British, and their allies only lead to increasing tension with Iran and in the Gulf. Any incident in the Hormuz Strait, whether intentional or not, could lead to a war, from which no one in the region, and maybe the world, would recover. Only a change in U.S. policies in line with its genuine national interest and its true political tradition, as best represented by President Franklin Roosevelt, can pull the fuse away from the bomb in the Gulf.

The response to my presentation of the ideas of the LaRouche movement and the Schiller Institute, for "peace through economic development and cooperation," made it clear to me that there is a natural openness in Iran for such initiatives, and these can serve as a basis for a fruitful dialogue among Iran, its Arab neighbors, and the West, to secure lasting peace and stability in this sensitive and important region of the world.

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## Interview: Ibrahim Azizi

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# Development Potential Of Hormozgan Province

*The Governor General of the Iranian Province of Hormozgan, Ibrahim Azizi, was interviewed by Hussein Askary of the Schiller Institute and EIR on March 6 in Bandar Abbas, at the conclusion of the 21st International Conference on the Persian Gulf. The interview was translated from Arabic by Askary.*



**Askary:** I would like ask some questions that were also raised at the Institute for Political and International Studies conference here in Hormozgan Province. The city of Bandar Abbas, since the building of the Bandar Abbas-Bafq-Mashhad Railway, has become a connecting point between Central Asia and the Gulf. How do you see the role of Bandar Abbas in economic cooperation extending from Asia to the Arab countries and Europe?

**Azizi:** Because Bandar Abbas has all four transport capacities—rail, road, air, and sea connections—it is known as the transportation capital of Iran. At the beginning of this rail corridor is the southern port of Shahid Rajai, with a 6.5-million-ton capacity, constituting a great and important base for future economic development at the southern end of this corridor. Under good and normal economic conditions, and if we could coordinate this optimal terminal capacity with our overall good relationships with the Central Asian nations, then this corridor and Shahid Rajai would serve as an important base for the economic development of Bandar Abbas, Iran, and those nations. It is true that capacity is very important, but even more important is the ability to use this capacity. There is a long way to go in this respect, and we all have to have a national will and a political will to use this capacity to its maximum.

**Askary:** When I came here from the airport, I saw there were areas where there was infrastructure, electric-

ity lines, and roads but there were no houses. I guess that you are planning to expand the city. What has been the impact of this development on the living conditions, the economic situations, of the people here in the region?

**Azizi:** The province of Hormozgan and particularly Bandar Abbas are now in a process of implementing a sustainable economic development plan. One of the aspects of this is the transportation system which I explained earlier, including the Shahid Rajai terminal itself; we are going to increase its capacity to 10 million tons in the mid-term, and up to 20 million tons in the long run.

Bandar Abbas is in fact a commercial city. In order to fully use these commercial capacities, construction of more residential areas is an important basis of the project. And if you had enough time here, you could see the plan of our residential areas under construction in the western part of the city. Right now, 56,000 urban residential units are being built in Hormozgan, of which 36,000 are planned for Bandar Abbas itself, of course, with all the standard urban development considerations as to per-capita educational, health, recreation, cultural centers, ports, and other facilities which provide good infrastructure for economic development.

**Askary:** If you look at this map of the World Land-Bridge [see previous article], it shows our plan for expanding the economic networks. Bandar Abbas in the future will be connected to Africa. Now some people say you should build a land connection, a bridge or a tunnel, to the U.A.E. and Oman; so in the future maybe you will expand even more.

**Azizi:** We have good relations with Oman and other neighboring states. We had a number of meetings and discussions in the past month, and as a result of these we are going to expand our trade and economic relationships with them. At present the longest bridge in the Middle East is under construction connecting the western part of Bandar Abbas, that is continental Iran, to our Qeshm Island, southwest of Bandar Abbas.

With the construction of this bridge, all will be able to use the terminal capacities of the Shahid Rajai port in Bandar Abbas as well as the Kaveh port in Qeshm, for the future economic well-being of the region. I should emphasize that the Shahid Rajai port is currently able to receive container ships with a capacity of 14,000 containers.

**Askary:** How long is the bridge going to be?

**Azizi:** Approximately 1 kilometer.

**Askary:** Are there plans to build more rail lines on

the line to Bafq and Mashhad, to increase the capacity?

**Azizi:** Yes, there are already plans to expand the rail tracks along the Bandar Abbas-Bafq-Mashhad line. [See next article.]

**Askary:** In Europe and the United States, the Hormuz Strait has become very well known. Everybody, even children, know about it, because people say if Iran is attacked, the Iranians will block their Hormuz Strait and world trade will stop. How do you respond to that?

**Azizi:** Look, in my opening address to the conference yesterday and also in the concluding address today, I pointed to certain issues, and the same issues were also addressed by [First Vice President Mohammad-Reza] Rahimi, who pointed to all the security matters concerning the Gulf. But just to reiterate, we believe that the Persian Gulf is a gulf of brotherhood, peace, reconciliation, and a good place for all nations to cooperate in this strategically significant area, and to conduct commerce, and to benefit from it. And we, in Islamic Iran, are working for that end. We don't have the habit of saying the first and last words. We believe that there should be an agreement to ensure that all the nations of the area are able to benefit from this waterway, in a way that ensures everyone's rights. And we believe that if there is unity, there will be security.

## Iran: A Bridge Among Continents

by Hussein Askary

Iran is one of the most active nations in Asia in building new national infrastructure projects of continental and transcontinental significance. Since the inauguration of the Mashhad-Sarakhs (Turkmenistan) railway in 1996 by then-President Hashemi Rafsanjani, Iran became connected to China, and the ancient Silk Road was revived. Two years later, Iran finished its connection to the northwest, to Turkey, and the Silk road was connected to Europe. In 2001, the Mashhad-Bafq-Bandar Abbas line was completed, connecting landlocked Central Asia to the Persian Gulf. Iran also completed the Bafq-Kerman-Zahedan railway to Pakistan, connecting Iran to the Indian subcontinent.



Iran is currently building a connection to the Indian Ocean at the Chabahar port on the Arabian Sea, and a railway that goes north from there to Mashhad and Central Asia. Together with the two other connections to the Caucasus, one through Astara (Azerbaijan) and one to Jolfa (Armenia), the South-North-Corridor connecting India, Iran, and Russia will be accomplished, reducing the time for cargo shipments from India or Eastern Africa, for example, to Northern Europe, from three weeks by sea to one week by land. Iran is also building railways to Herat in Afghanistan, to Khanaqin in Iraq, and to Basrah in Iraq.

Iran now has gas pipelines to Turkey and Pakistan (inaugurated on March 11), and in the next year it will have them to Iraq and to Syria on the Mediterranean Sea (if not sabotaged by the U.S.-British-Saudi-backed religious wars), and even to Jordan on the Red Sea.

With all these connections, the different Iranian governments have pursued a policy of national, regional, and transcontinental economic integration,

making Iran indispensable to the region and the world economically. It is complete foolishness for the Arab countries not to work with Iran to secure their economic security. Just to take one example, the massive transshipment activities in the ports of Dubai are now almost completely dependent on trade with Iran and secondly with Iraq.

In addition to being a bridge to other markets, Iran, with its 76 million population (mostly young) is one of the largest markets in the region for both consumer and capital goods. It has the world's fourth largest oil reserves and second-largest natural gas reserves. But these are underdeveloped, due to the sanctions imposed on Iran.

The potential, as shown in the developments around Bandar Abbas and Hormozgan Province since the building of the Mashhad-Bafq-Bandar Abbas railroad, is so great in this whole region, that it is economic suicide for regional and global economic powers to exclude Iran, and besiege it with sanctions.

A NEW MEANING FOR “US”:

## The New Governance Of Inner Solar Space

by Lyndon H. LaRouche, Jr.

March 16, 2013

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*In the several concluding pages of my March 11, 2013 “A New System Among Nations,”<sup>1</sup> I had introduced certain essential elements which should now be considered as required reading and practice. They are elements which are needed for an escape from the heretofore “standard” notion of what had been widely accepted, but, which is, nonetheless, systemically wrong. The fault in that mistaken notion is, that it is, essentially, a reductionist’s popular misconception of the underlying principles of the human mind.*

*I shall repeat myself here, when I believe that that is necessary.*

*I point here, now, to what had been a prevalent, but misleading definition of the human mind: a definition which had been premised on a prevalent, but misleading description of that human mind: a definition which had been premised, customarily, on an erroneous notion, on a mere description which had been premised on the popular, but a viciously mistaken premise: that of a notion of elementarity of mere sense-perception as such.*

*Here, I introduce, once more, a much-needed, more rigorous, corrected elaboration of that same general argument.*

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1. [EIR, May 22, 2013](#).

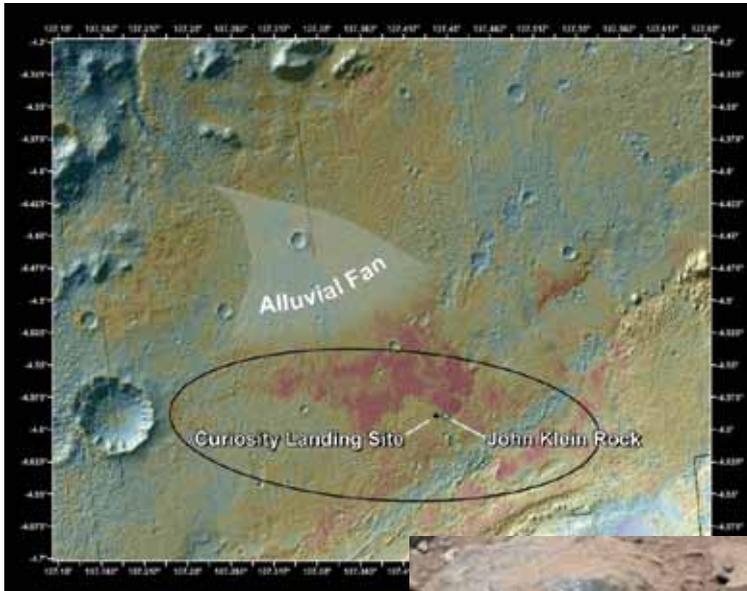
*On this occasion, I shall now proceed by shifting the emphasis absolutely away from the customary standpoint of considering the Solar system and its associated galaxy merely as subjects. We must now view the subject of the experience of life on Earth in a fresh approach: away from the all-too-elementary reference-point of a view which could be likened to one “from within a human experience within the habitat of our actually tiny Earth.” We must shift the frame of reference, to viewing a human experience of life pragmatically, this time as being experienced within the higher frames of our Solar system and its galaxy. These higher, inclusive points of reference must be searched out, and experienced as a new, preferred choice for the discussion, as I do here.*

*It is not sufficient that we should report our goals within Solar space, and beyond; it is now an urgent matter, that we must be enabled to reach toward, and control the effects which we must achieve without dependency upon bare sense-perception as such.*

*That much now said on the subject of definitions; now consider the following refinements:*

### ***The Goals We Require***

*Now, even the very name of “government,” as we might have presented the case under earlier circumstances, now tends to become useless, or worse, under our hitherto present forms of practice by governments*



NASA/JPL-Caltech/ASU



NASA/JPL-Caltech/MSSS/ASU



NASA/JPL-Caltech/MSSS

*Defense of the Earth from devastating impact by asteroids and comets requires defense of Mars as well, since Mars will be an outpost for the observational shield protecting Earth. The Curiosity rover provides a good start. Shown here are the site where the rover landed on Aug. 5, 2012, and rocks on Mars photographed by Curiosity, showing colors and patterns that will provide clues about the planet's geological history.*

*generally. All the various, gravest dangers to mankind, seem to be located in nothing less than the currently growing extent of threats to mankind, threats which are now located, in turn, in nothing less than what should be the requirement of an effective defense of the inner planets of the Solar system, a defense against the known danger from such as asteroids, comets, and meteors. This includes whatever else threatens mankind from within the bounds of such a domain as that.*

*I emphasize, that the goals which we must reach, ontologically, within the Solar system and beyond, represent something which we must cause to be achieved, but which are not necessarily consistent with the effects associated with mere sense perception as such.*

*On this account, a well-chosen definition of "domain," signifies, for our argument here, a region which could be, and should be defined as a target to be defended by mankind. It is a target which does not yet include, for us presently, the subject of the Sun as such; but, it does include regions and threatened targets which mankind might become capable of defending, and, therefore, also mastering.*

*However, a better choice of quality of terms of definition than I have stated here this far, is urgently needed, that as a practical matter. In the matter of definitions, as*

*pertaining to oneself: What is that region within the relatively inner Solar space, which serves us as a region which mankind could reasonably become capable of defending (at least conceptually), within some specified range of future time? What could we, as mankind, accomplish on this account, and how far does that reach for our purposes, in some reasonably extended investigation of our future?*

*That much said, how far into the future must the specified lapsed time for preparing a defense be extended for the purposes of our present argument here?*

*For our purposes of discussion within the confines of this present report, we should divide the relevant policy-areas between a time we might expect to have no significant defense, and the hope that we survive presently, and, also, reach the later point in time, at which we might expect to be capable of mustering a significant, continuing attempt at defense.*

*We must take a serious approach to both these direct, and the implied questions. Accept the fact, that the Sun itself is not presently in our range to control. Our likely choice of target for our actions of defense, tends to be centered, for the present moment, in plausible targets within a region of capabilities which includes defense against threats such as asteroids and comets. The typical model for a defense posture would be centered, initially, in a defense of Earth and Mars. As poor as that initial effort might be, we must start somewhere. Start with the proper mixture of a blend of arrogance and abilities, as those might be defined by aid of the notions of that which could be made possible if, as it were properly said, we are really serious.*

*The essential improvement to be introduced, is to eliminate the practice of attempting to present human experience as if it might be actually defined, ontologically, by sense-perception as such. Sense-perceptions are merely shadows, and must be treated as having the reality of mere shadows cast, rather than as intrinsically elementary. It is the interactions among “heavenly bodies (including mankind)” which are the true reality by means of which mere sense-perception must be judged.*

## **Chapter 1: A Prospect for the Discussion:**

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### **Project: “Defend Mars”!**

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For my associates, there are three heavenly bodies of provisional, but practicable importance, introduced for the indicated primary intention of mankind’s common defense of Earth, Moon, and Mars, against such threats as those of asteroids, comets, and meteors. For the moment, the most convenient facts which we might proffer would be those three. Those three cases are presently conspicuous choices. I share the sense of importance of those three cases in practical terms; but, my approach to those matters brings an added, different matter of principle into play.

For example, the outstanding attraction presented by Mars, for my use presently, is that it is, speaking relatively, a nearby planet, and also a planet with a relatively convenient range of gravitational field, a planet equipped with two moons, of which one might be notably useful for our intentions. The prospect for mankind’s use of Mars, implicitly includes the necessary defense of Mars (and implicitly also Earth). It also in-

volves considerations such as (in terms of the “speed of light”), relative proximity to Earth orbit, and the extremely significant fact that we have had what should be considered as success in deploying useful objects placed on Mars by mankind’s efforts this far. It is also notable, that one of Earth’s most significant assets for our species’ operations in Solar space, is that which should be considered as available to us, as not only our Moon’s potential as a launch-pad, but, also, its role as a production center, and, an extremely important fact, that mankind has already been there.

In particular, respecting the importance of our Moon respecting such matters as those, the combining of the process of extraction, processing and production, of raw and processed materials brought together for the Moon’s role as a part of the optionally active traffic between Earth and other bodies in space, this presents us with the prospect of a relatively massive margin of physical-economic advantage in the matter of mustering a defense of essential elements of our relatively local regions of the Solar system.

That much taken into account, now, as a kind of first step in a planning process such as that which I have in mind for our purposes here, the additional factors for planning include consideration of the proximity of a conventional, and also extremely useful, single Moon. The additional factor of greatest relevance, is the proximity in time, between the practice now, and flight launched from the Moon toward Mars. There is the latter consideration which points our attention, both to the relative imminence, in terms of prospective time of departure, and of properly controlled Moon-Mars, thermonuclear-fusion propulsion, and the scarcely indifferent factor of the cost of pushing heavy vehicles directly from Earth-base to Mars, and return flights. “Tunnels located, appropriately sub-surface, within the body of the Moon,” present us with a triad of relatively preferable factors which are to be needed for an Earth-Moon-Mars program.

Such are matters which must be included under the working category of “pretty much obvious facts of the trade.”

Such a program helps to define the options for creating a defense of both Earth and Mars (and also Moon). The prospect of developing an Earth-Moon-Mars-defense basis, presumes an accelerated effort in developing the roles of “thermonuclear-fusion” and, later, “matter-antimatter” trajectories. Beyond those “first-step travel” prospects, we must turn our attention to a



NASA/SAIC/Pat Rawlings

*An artist's conception of a lunar base from which technologies for Mars exploration could be built and tested.*

most crucial additional factor to be taken into account: human scientific-technological rates of progress as merely typified in terms of energy-flux densities.

### ***The Principle of Human Progress***

In the earlier report, which I bring into play henceforth in this report, I had emphasized a crucial consideration, a consideration on which all others depend: *the foreseeable potentiality of expected human rates of scientific progress per generation*. This now takes us into the subject of the actual nature of the human mind, the subject which I had presented to the following such ends.

Modern society's rates of potential progress, should be fairly estimated, now, in terms of rates of four human generations per century. Recently, as in the exemplary cases of the United States and western Europe, the rate of progress as such, has turned, since about the 1970s, toward nothing, or, now, much worse: accelerating rates of *negative physical-economic growth* per capita, a rate of regression and threatened general breakdown-crisis, which has been demanded presently by the British monarchy, and which already threatens the extinction of the human species, as the British monarchy has both proposed, and actually launched such destructive trends in Europe and the Americas, for example.

Nonetheless, we, operating within that scope, do have available access to records of higher rates of sci-

ence-driven progress at earlier times. Whereas, under the influence of the British monarchy's empire, since the assassinations of President John F. Kennedy and his brother Robert, the U.S. trend of progress has undergone a stubbornly persistent, and accelerating rate of physical-economic decline—special, temporary intervals of exceptions to be noted—and has become strictly negative, throughout, but generally downward-plunging since a time dated toward the close of the Presidential administration of President William (“Bill”) Clinton, as under the already rotted-out value of a Gramm-Leach-Bliley bill now turned

hyper-inflationary. This trend toward collapsed rates of progress and actually accelerating rates of collapse, has turned into an actual general trans-Atlantic breakdown-crisis now.<sup>2</sup>

Those facts mean, that we must now adopt a rate of increase of the per-capita, science-defined rate of increase of the productive powers of labor, which is one consistent with what can be achieved under a series of competent U.S. Presidents, putting to one side the worse than useless performance of the succession of both the George H.W. Bush, and the George W. Bush, Jr. administrations, and, a now steeply accelerated plunging under the Obama administration.

This entails the fact, that rates of progress in societies, are now bounded implicitly by the rates of relatively downward intellectual development among generations of children, adolescents, and young adults. The fact is, that although full generations of members of society could set a trend of increased scientific-technological productivity into motion through an appropriate selection of generations, there is a crucial stage of relative development of children, adolescents, and young adults, which tends to pre-define a notion of expectable

2. Admittedly, “Bill” Clinton did sign Gramm-Leach-Bliley, but that was under the special circumstances of the final times of his term in office.

levels of accomplishment. As I have already emphasized, the current trend-of-trends, which is the more appropriate marker in such moments of history, has been actually in a state of relative collapse of the rate of progress, then diving into accelerating rates of collapse, already under the effects of the George H.W. Bush Administration, which later erupted as an accelerating rate of plunge into hyperinflation under George W. Bush, Jr., and, worse, under his successor, President Obama. The most significant factor in that overall decline, has been the factor of the sheer, accelerating perniciousness of the globally pro-genocidal effects of the so-called “environmentalism” cult steered by the imperial reign under the British Empire’s Queen Elizabeth II.

The only basis for a reversal of the presently accelerating rate of collapse of the economies of the trans-Atlantic regions, would be a science-driver-program covering the range of all generations, including improvements in the conditions of life of what are termed “senior citizens.” The major benefits of such a return to sanity and actually human conditions of life, would appear in the trans-Atlantic regions with improvements expressed among the present population under approximately ten years of age—presently, even youth over five years of age, tend to be qualified as “doubtful.”

That is what had happened, as elements of a net long-term trend into net collapse, after the death of President Franklin Delano Roosevelt; this has been the trend of effects set into motion afresh under President Harry S Truman, and since the assassinations of President John F. Kennedy and his brother Robert.

### ***The Prospects for Recovery***

The leading efforts of recovery to be achieved, must come out of high-grade agriculture, revitalized high-energy-flux-density in basic economic infrastructure (such as, emphatically, a NAWAPA program), and improved products of education and employment skills generally. The rescue of the children from the presently ominous policies of practice under the relatively depraved, recent Bushes’ and Obama administrations, is the exemplary program upon which an upward turn into the future of civilization in the trans-Atlantic region now depends.

That much said, as a kind of warning, once we have escaped the virtual captivity of the semi-destroyed generations of children and adolescents, and the special category of drug-addicts, the institution of an accelerating rate of progress among successive generations, can

be brought into play.

If we premise our policies of practice on the kinds of experience of the most successful generations of both native-born Americans and immigrants, there is no inherent obstacle to our future, except those blockages brought to bear by the current enemies of net physical-economic growth of progress per capita, as measured in absolute physical terms. The possibility of a future existence of our human species, now depends, as a clear matter of fact, upon a level of performance in progress for producing model generations of leaps in science-driven, physical-economic progress, when oriented to what I have specified for qualitative leaps in higher energy-flux densities of effects according to a schedule of four generations per century.

Once we add to that, a consideration of the compounded, sundry rates of accelerated productivity, under such policies, it points clearly, from demonstrations of past experience, toward a hyper-growth-rate of productivity in future populations of these characteristics of growth in per-capita productivity.

## **Chapter 2:**

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### **An Ancient Legacy of Evil**

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*Mankind has no future which is not rooted in its history to date. Some history has been mislaid, but that fact must not be over-looked.*

When we might consider the presently proven characteristics of the Egyptian culture of the Great Pyramids, and even the later maritime achievements in the Indian Ocean and even the Pacific regions, of the time of the Alexandrian Library of the great Eratosthenes, the proper question before us, becomes: How did relevant, ancient Mediterranean-region civilization *fall into* becoming so stubbornly and so “damnedly stupid” as during some presently preceding generations?—even, again, in the Mediterranean and trans-Atlantic cultures presently? The general answer to such questions, whether in relatively ancient times, or, still presently, is readily accessible to reasonably well-informed persons who are still thinking clearly. The answer, is most efficiently developed by concentrating on the historical pivot, up through the present time, of the case of the inherent degeneracy of the Roman Empire then, as also continued under the British empire-in-fact today.

For example:

The long-ranging degeneration of Roman culture,

such as that of Britain's Tony Blair now, is conveniently presented by the best evidence accumulated, onward, since the time of the death of the living voice of Cicero.

So far, as a matter of fact, the Roman empire has, actually, never left us. In an outstanding example of one of its threatened extremes, the core of the Roman imperium, in its ebbs and flows, had moved to the region of the upper Adriatic, from whence it re-appeared as the several successive stages of the Venetian oligarchical system, up to its present re-incarnations as successive Venetian oligarchical phases up to both the British empire's home base, and the same old Venetian oligarchy of such as Britain and Modena into the present date of hyper-inflationary collapse currently in a breakdown phase.

As a case of the contrary model to that of the U.S.A., as in continental Europe and related neighborhoods: the Roman empire never actually disappeared. In fact, the British, virtually global empire, has, more often than not, controlled the leading circles of the United States since the time under the mouth-foaming treason of Aaron Burr and his puppet-President Andrew Jackson, all under the control of the British financier oligarchy. That oligarchical influence on the governing influences in the United States, has continued up through the "Wall Street" swindlers led by perennial British super-spy Aaron Burr, and even the times of a majority of the related U.S. Presidencies such as those "skunks" from the Twentieth and Twenty-first centuries known as Theodore Roosevelt, Woodrow Wilson, Calvin Coolidge, Herbert Hoover, Harry S Truman, Richard Nixon, James Carter, the Bushes, and Barack Obama (so far). All of those "skunks," and, also, the mere failures among the U.S. Presidents of the Nineteenth Century, all but for relatively exceptional intervals, have been controlled by British empire financial agencies which were traditionally centered among the cronies and outgrowths of Aaron Burr in the area of

the New England and New York regions, up to the continued corruption of the "Wall Street" of the present date. All of this history includes, of course, the Venetian circles of today's Modena et al., and the financial tyranny associated with the power exerted within the "Euro system."

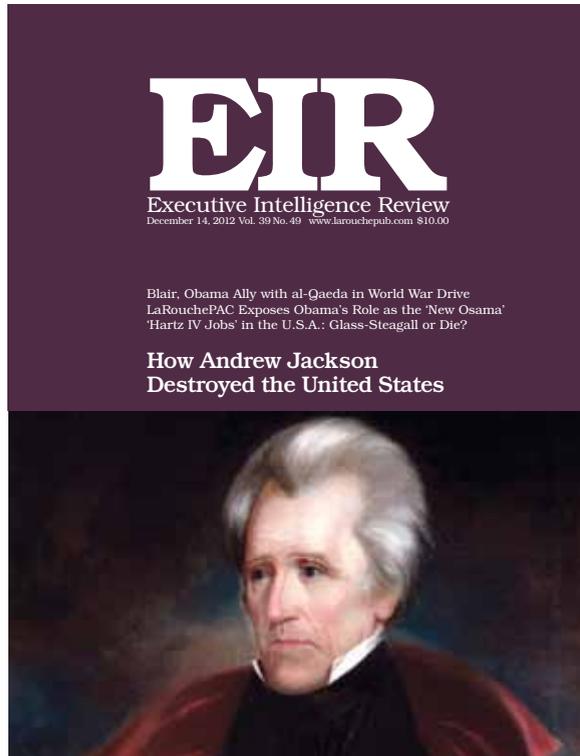
The emphasis is to be placed on the dominant role of the oligarchical system throughout a modern world history of the monetarist system. The world empire, still presently, has been, predominantly, the monetarist system, a moral and intellectual state of an often fatal, recurring mental disease of nations and peoples, since no later than the establishment of both the ancient Roman empire, and its typical antecedents.

### *The Viewpoint of Nicholas of Cusa*

The most successful initiative for resistance to oligarchical rule during modern times, continues to have been associated

with the central role performed by the work of Cardinal Nicholas of Cusa and of the Catholic Church Councils of that same time of what was identified, then, as "the Golden Renaissance's" effective revulsion against the news of the Norman cooking-alive of Jeanne d'Arc. The global significance of the achievements of the work of Nicholas of Cusa, was brought to the surface of modern European life, by Cusa's crucial role in prompting what was to become the crossing of the great oceans of the world as an indispensable action for the rescue of civilization from the recapture of Europe by the resurgent forces of the Venetian party of that time.

It was, most emphatically, the influence of Cusa's policy on Christopher Columbus, an influence which was exerted initially in Portugal, which set into motion a process which was to lead into what was to become our United States.



*President Andrew Jackson, under the control of the British financier oligarchy and its agent Aaron Burr, destroyed the Bank of the United States, hallmark of the American System. The documentation is in this EIR feature, Dec. 14, 2012.*

Although the Massachusetts Bay Colony was crushed in the course of the Seventeenth century, crushed by the new evil of William of Orange's "New Venetian Party," that was in contrast to the continuing devotion to the intention of the then young Benjamin Franklin to the heritage of the Winthrops and Mathers which had actually engendered what was to become our United States.<sup>3</sup> The sweeping influence of immigrants into the United States, once it had been founded, provided the influx of populations drawn from Europe, which enabled Europe itself to achieve periods of resistance against the evil embodied in the New Venetian Party of William of Orange's British creation.

The pre-history and history of our United States had been centered in a process which checked, repeatedly, the oligarchical evil which had so often taken over the nations of Europe, then, as presently. The assassinations of President John F. Kennedy and his brother, Robert, had set into motion the process of the decline of the economy of the United States, which has been the continuing basis of the net physical-economic decline of the United States, up through the present time of the presently impending, currently onrushing, general, hyper-inflationary collapse of the U.S. economy as a whole. The Bushes and Obama, have been the very worst among them all, throughout our nation's recent century's relevant history.

The question of physical scientific developments which those facts require, are the subject of this following chapter.

### **Chapter 3: *The Subject of Physical-economic Principles.***

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## **Money Had Never Had an Intrinsic Value**

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Money as such, never actually had an intrinsic value in its own right. Indeed, any claim to some intrinsic value for money as such, had been inherently a swindle, clearly intended, or not. It is the folly of belief in an intrinsic "value" of money as such, which turns silly fools into the virtual slaves of society's busiest swindlers,

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3. However good, poorly informed, or bad, my North American ancestors had been in at whatever stage in their lives, they were, usually, a reflection of the process within which they lived.

such as the "Wall Street swindlers" operating in the name of that outright fraud presently identified by "quantitative easing." The intrinsic "value" of merely nominal "money," is less than "zero;" in fact, it has an ultimate value of waste-paper, or ultimately less, as in Weimar Germany, 1923. Presidents James Monroe and John Quincy Adams, had shared a clear, bold, and effectively truthful view of this subject-matter of the value of money as national credit.

In point of fact, the proper approach to the differences expressed by that subject, lies in the vividly fundamental contrast between the animal kingdom and the human species. To wit, the following.

The recommended first step, is a scrupulous study of the general elements of the evolutionary history of plants and animals. The appropriate measure for organizing a discussion of that subject-matter, is the yardstick provided as a continuing increase of the "relative energy-flux density" of the functions of our human species. In an attempt to compare and contrast plants and animals with the human species, the measure of increase of the energy-flux-density of an upward progress of human individual behavior, is the most useful way of opening the relevant discussion. To open that subject-matter, the best option is to examine the function of "fire" in defining the characteristic progress specifically unique to the human species. The measure chosen, to distinguish the progress of the human species should be "relative energy-flux density." The function of "energy-flux density," is a crucial measurement.

In that setting, mankind is unique (at the least in principle) for its obedience to reason, as in the rule of voluntary increases in relative energy-flux density. That is to say, among other points of relevance, that a stagnation, or, worse, a lowering of the energy-flux density of human productivity (and, therefore, also, "cost") means a march of the relevant groups of persons toward extinction. In the case of human individuals and their societies, a lowering of the relative energy-flux density of performance is the threatened death-knell of the relevant part of the human species.

In those terms, we must say of both man and beast, in the relevant German from 1960: "Die Hauptsache ist der Effekt!"<sup>4</sup> ["The main thing is the effect!"]

In the annals of actual human history, the social dis-

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4. *Spukschloss im Spessart*, a 1960 German film.



Rembrandt van Rijn, "Christ Driving the Moneychangers from the Temple," 1626.

inction of "slave" from "overlord," is that of the serf, or slave, which is treated as a category of mere animal, albeit "talking animal," which is, thus, of a type of a fixed species much in the sense of the categorical likeness of an animal species. The biological form of the human species of the "chattel-like category" requires the suppression of scientific and related progress in the behavior of the general population. In the real world, as a matter of contrast, any species which does not increase its own relative energy-flux density of productivity, is destined for threatened merely looting, or even extinction, as a species which has outlived, or never enjoyed, what had been the true reason for its species of existence.

Animals and plants depend upon their delivery of

their progress in evolution; the human species is essentially defined, functionally, as a species whose appropriately defined typical behavior is qualitatively upward-driven, and, thus, as evolving upward in species of behavior, rather than in merely ordinary biological evolution. That means a species which depends upon a rate of increase of relative energy-flux density, an increase of which has an effect equivalent to representing a higher order of species, in effect.

The latter point now confronts mankind in terms of the history of what is identified as the oligarchical system as that system is typified by the Roman empire and such of its successors of that same generic type, as the British monarchy and the system which it typifies as a global oligarchical system.

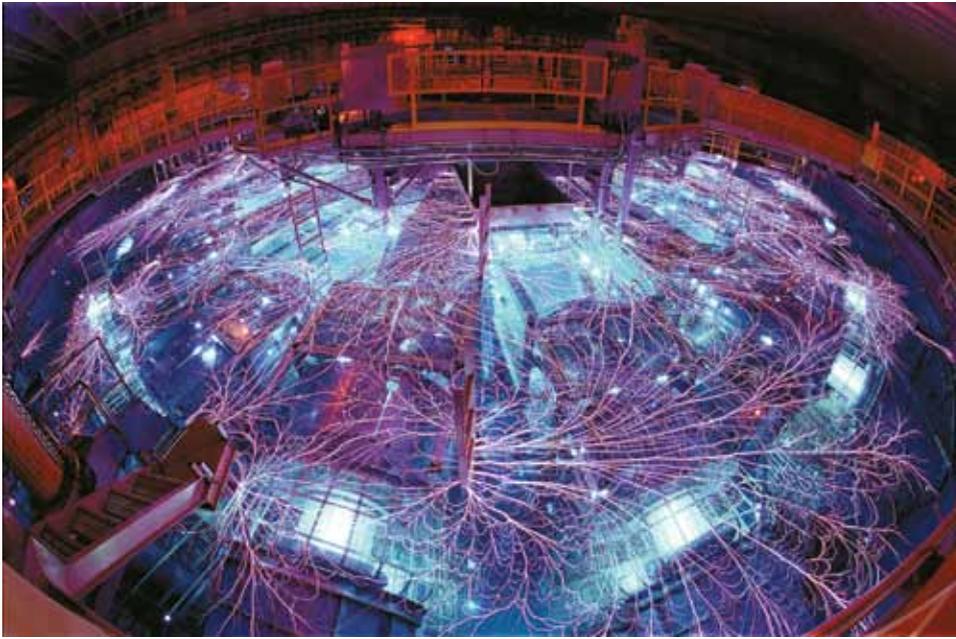
This quality of progress of what is effectively the human species, is measurable in terms typified by the notion of qualitatively upward leaps in energy-flux density of fuels used by successive stages of progress of the human condition. It is a history, which, for our archeologists, begins with the remains of a very ancient fireside left by an early state of progress by the relatively primitive type of human specimen. From thence, progress is implicitly measured in leaps toward higher types of energy-flux density.

### ***The Power Which We Humans Must Wield***

So far, mankind has become broadly aware of a significance of concentrations of a power reaching beyond nuclear fission, into thermonuclear fusion, and into the domains of matter/anti-matter densities. We must develop the capabilities of "reach" within that universe which we must seek to control, including goals of bringing to bear effects far beyond our reach. This means that we must be capable of gaining access to efficient influence over goals which lie beyond our explicit reach to observe. Instead of limiting our capabilities to what we can observe in time, we must learn the means to actually foresee the desired future effects.

That is no fantasy!

Some among us are already familiar with the person's power to foresee the oncoming effects acting upon the future. I have been practicing that quality of forecasting for some decades past—that as a not-infre-



Sandia National Laboratory

*The Z-pinch machine at Sandia National Laboratory is used for research in thermonuclear fusion, a technology that will be essential for propulsion to Mars and other parts of our Solar System.*

quently successful economic forecaster. The principle involved is that of what some might identify as a “fourth dimension” of experience, as, for example, the difference in time between the reaction of pigs to an earthquake, and the lapsed time required for human detection of the same earthquake.

Admittedly, as we grow older, fresh experiences of that type may often tend to be weakened; but, nonetheless, the habits experienced from the past can be learned as if as “habits,” even if the original “trigger” experience is no longer experienced as such. We recall proximate effects no longer explicitly experienced: no “voodoo,” or the like, is required.

#### Chapter 4:

### The Genius of Shakespeare and Bach

In the concluding pages of my earlier “A New System Among Nations,” I had emphasized the crucial importance of both Johannes Kepler’s *vicarious hypothesis* and the principle of *metaphor* as typified by Shakespeare’s dramas and Johann Sebastian Bach’s **Preludes and Fugues**.

As I have reported during some earlier occasions,

the prevalent forms of error in generally accepted thinking by human individuals, are typified most simply by the reliance on an attributed set of words merely as such. Such distinctions in meaning are typified for physical science as such, by the case of Johannes Kepler’s presentation of the notion of the principle of *vicarious hypothesis* for the principles of the practice of physical science, and, for Classical artistic composition by *the principle of metaphor*, including such expressions of poetic composition as Classical musical composition, as typified by Johann Sebastian Bach for music, and for Classical drama by Shakespeare and

other great poets, such as Friedrich Schiller.

In both categories of cases, the existence of the principle lies in the effect, not an interpretation of the expression.

For example: those who are falsely described as “Classical musicians,” include such ostensibly popular hoaxes against Classical musical composition, as the work of Franz Liszt and Richard Wagner. The falsity of such, and kindred composers and performers, is precisely definable as explicitly located as a distinction of what is called “the categorical effect.” The same denunciation is necessary for a broad assortment of designs or practices of drama.

The categorical distinctions which such cases of systemic distinction evoke, were nicely defined for drama by William Shakespeare in the model form of development of drama presented by the exemplary case of Shakespeare’s critical advance in human culture, as encountered in the use of “Chorus” in his **Henry the Fifth**. The first entry of “Chorus” is sufficient to provide a precise meaning to Shakespeare’s use of the distinguishing significance of such notions of the proper use of the playwright’s and director’s giving a specifically distinct species of meaning to the notion of Classical dramatic composition, just as Johann Sebastian Bach supplies a perfected quality of



EIRNS/Stuart Lewis

sical, or otherwise, the function of performance is the achievement of truth. The choice of actual truth in such matters, is not a matter of personal choice of idiosyncracies, but, rather, the performance presents us with something of a quality which suggests a nearness, or actual realization of perfected intention. “Perfected intention,” in such cases, means something near to, or even beyond the very best intention yet experienced, whether absolute or relative. The adducible fidelity of intention in performance, is the broader consideration: “Are we speaking the same language as the composer?”

*A performance of Bach’s motet “Jesu, meine Freude” at the Schiller Institute’s conference on March 23, 2013. Bach’s work embodies the principle of metaphor in Classical musical composition, as Shakespeare’s work does for drama.*

meaning for the term, “Classical musical composition” for those compositions which fit those categories of intention and performance which fulfill the intended meaning of the performance of Classical musical composition.

The significance of such distinctions, with respect to the cause of such categorical distinctions, is not attributable to a mere style of composition as such, but to accord with a principle of truth. Shakespeare’s **Henry V**, for example, is governed by the intention of its effect, with those real-life characteristics which supply a quality of intrinsic verisimilitude to a presentation of a stunning reality of the characterization of the drama: not a mere style, not mere gimmicks. *Is the composition and its performance combined in effect, to present an inspired grasp of virtually self-evident, human reality?*

It is the same for Classical musical composition. Truth, rather than “cute effects,” is the required standard.

For example:

Take, for purposes of illustration of this same point, the case of two contrasted performances of Franz Schubert’s **Ninth Symphony**, one as directed by Wilhelm Furtwängler in a famous post-World War II performance, and as contrasted to another under a well-known conductor of the approximately same vintage during a nearby time. In all great Classical drama, mu-

In the matter of the comparison of achievement in drama or music, consider the interesting cases such as those of the outstanding physicists who were also of excellent qualities of performance as musicians, such as Max Planck, for example.

### ***The Foolishness of “Practical” People***

When we escape from ignorance, and enter, thus, into a domain on which science depends, we are repeatedly confronted with instances such as the mistake of many musicians who are not real musicians in the same meaning of the term at all, but are only caricatures, as in the cases of Franz Liszt and Richard Wagner, or the even far more ominously weird specimens of that entertainment world which has lately dragged its noxious rubble into the cultural trash-bins of the present Twenty-first Century of the likenesses of the Bushes and Obamas. What should we make of that?

Look back to an earlier point in this report, when I had included not only the discovery of the universal physical principle of *vicarious hypothesis*, but also the scientifically essential principle of *metaphor*. We have already considered, here, earlier, the highly practical, scientific importance of freeing the human mind from the fetishes of what has been merely sense-perception. Granted, sense-perception does subject the victim of that belief into accepting what often passes for a com-

elling distraction; but, the belief in an absolute principle of sense-perception in the role of physical science generally, has been one of the greatest sources of mental damage to the cognitive powers of the believers.

Fortunately, the practice of medicine had tended not only to produce, but to foster improvements in the practice of medicine. However, since the assassinations of President John F. Kennedy and his brother Robert, a former emphasis on patient care and actual health, otherwise, has lost, officially, important aspects of our society's earlier passionate devotion to its code, as in a relatively worst case such as Britain's accomplices Tony Blair and U.S. President Barack Obama. This has become a source of the occurrence of accelerating rates of diminished care for the well-being of the human individual. Hastening the demise of the aged and ill, has become a religion spread by the British system, that of Her Majesty Queen Elizabeth II most notably now, as was done similarly, under Adolf Hitler earlier, and also by President Barack Obama now. The root of the evils practiced on that account, is located in the intention to shrink the welfare of the member of society, even as Tony Blair and his like have been copying Hitler's health-care policies in Britain, and have been spreading that British practice of such Blair-style murder into the United States, in sundry direct and indirect ways. Murder, by any means, is murder, whether under Blair's war policies of mass-murder and torture for Iraq, or President Obama's falsely alleged care for the lives of his victims in such places as Libya and Syria.

These points to which I have referred, in passing, have their importance; but, the important aspect of the subjects on which I have touched, this far in this report, lies in the subject-matters with which I had begun, in the opening discussion of the prospects for Mars.

## Chapter 5:

### I Return to the Subject of Mars

The great challenge to mankind presently, is to be found, in every practically essential respect, in our confrontation with menacing problems within the present and future Solar system itself. The perceived quality of a present threat to mankind, is globally existential, at the least.

That threat has three, interacting, but knowable as-

pects. The first of the three, is the threats from, again, such sources as asteroids, meteors, and comets. 1) Has mankind the will, now, to defend its existence against those and related types of threats? 2) Will mankind muster an adequate force to defeat such threats efficiently? We must, of course, commit ourselves to defeat such threats; no contrary option exists for mankind; 3) The nagging question is: "Is sense-perception real?"

In any case, the primary thrust of action in the current state of our Solar system, requires immediate and rapid advances in the very-high-energy-flux density actions which must be mustered as the source of the power needed as a precondition for defeating the indicated probable types of threats now menacing us. A full-scale re-launching of a greatly enhanced NASA by the U.S.A., for example, while also closing out the so-called "green doctrines," are among the elementary preconditions for a possible survival of the human species.

That much said, this far, the stunning next question (if you actually understand it), is the third of the three questions just posed: **Is human sense-perception as physically real** as Shakespeare caused his "Hamlet" to speak:

*... that dread of something after death—  
The undiscovered country, from whose bourn  
No traveller returns, – puzzles the will,  
And makes us rather bear those ills we have  
Than fly to others that we know not of?*

How real, actually, is that which passes for us as living human flesh? What *really* is "time"? What is that work of mind, whose footprints of thought move on, as the still-living works of the human mind: a creative mind whose force remains efficient, when the flesh is dead? What, therefore, of the spirit of those originally created human thoughts which voluntarily, or otherwise, still create the living future of mankind, even when the human body is more or less long dead? What of those thoughts which are enabled to increase the power of the existence of the true discoverer of universal physical principles, principles which are enabled to move the human species into domains which had never existed before, domains which, in a certain setting, bring into being a willfully engendered principle which had never existed before?

Admittedly, mankind often copies; but, there are also those much rarer makers of what might be given



NASA

An artist's rendering of the large asteroid 2012 DA14, which flew by the Earth on Feb. 15, coming closer than some of our own satellites. Does mankind have the will to defend itself against such threats in the future?

birth as a perpetually living future, those who express in discoveries of one kind or another, a certain, unique quality of discovery of an actually living, future, a thought—if, you must, a truly creative thought—which gives actually efficient birth, to an actually still living future. The rarer ones are privileged to bring forth the birth of an original future for mankind, and they are therefore to be prized on that account.

Take Mars, for an example.

Mars is, almost certainly, not immortal; it never really was. The same might be said of more imposing objects, such as our Sun, or the Solar system as a whole. Or, who might know whatever, even in some future place where mankind might experience a memory of a sense of times and places, such as, perhaps, a long forgotten Solar system of some future time. Such is the implication of the true human creativity which distinguishes us from the beasts, perhaps to be a subject of awe, which is to be remembered as if by a memory of a dying star.

There is that which we should come to recognize as something wonderful, which is the uniqueness, as known presently to us, the uniqueness of the implicit potential of an immortality lodged within that creativity which spreads the footprints of an eternity as the ever-passing footprints of the companion soul, whose own

footprints are those left in the tracks of a perpetual mission.

I shall now explain.

### *On the Subject of Mars, Therefore*

...

The Moon and Mars are, presently felt to be our nearest companions in the conduct of our leading action; but, this must not be taken for a frivolous sentimentality. There is a problem of ordinary human men and women, which needs to be heard, one might hope, by you. Let us consider those who are the immortal dead, those whose still impassioned spirit leaves the mortal one behind. We would never really die, when the good we had created lives still, sitting patiently, waiting, beside what we had thought to have been our true grave, but now lives forever.

## Chapter 6:

### The Outcome of Sense-Perception

Now that I have presented the subject of **Chapter 5**, the time has now come, to take up, most emphatically, the most crucial issue of all so-called “physical science,” the fallacy intrinsic to the general, naive belief in sense-perception as such.

Heretofore, I have referred, repeatedly, to the existence of a fallacy inherent in a reliance on sense-perception as an elementary basis for physical science. I had referred, earlier, as in several published references, as if *in passing*, to the existence of an inherent fallacy in such a reliance on sense perception. Heretofore, I had taken that subject little further than the fact that the belief in a reigning notion of sense perception was inherently fallacious. In coming forward to the present point in respect to such matters at issue, I have emphasized two apparently distinct, but actually fundamental proofs of the argument against the customary notions of “sense certainty,” as “sense-certainty” is customarily, but wrongly presented as a matter of physical-science principles today.

Those two proofs are represented by Johannes Kepler’s presentation typified by the principle of *vicarious*

*hypothesis*, and the principle of Classical artistic composition specific to such matters as Classical drama (e.g., *metaphor*), Classical poetry otherwise, and the principles presented by Johann Sebastian Bach, as Bach's principles are typified, as to method, by his sets of **Preludes and Fugues**.

Now, for me, the most crucial feature of that set of definitions, is that which is presented by Kepler's identification of *vicarious hypothesis*. A "*vicarious hypothesis*" is not a "*physical object*;" it is a *manifest creation crafted according to the design for a shadow of reality, not the reality itself*. It is, as Kepler defines the matter in his practice, a special kind of "an efficient shadow of reality." It is not something intrinsic to nature in the sense that the errant dogma of "sense perception" proposes; it is a comprehension of a shadow truthfully cast by reality upon the mind.

The shift from the subject of *vicarious hypothesis*, to *metaphor*, is a crucial advance in the quality of insight into the human mind. The function assigned to "*Chorus*" in Shakespeare's **Henry the Fifth**, has a relative crucial importance in this respect. The essence of the matter no longer lies in an image *per se*; the artistic direction creates the domain of the performed drama's

reality. All great Classical drama depends upon the same creative principle supplied as from above.

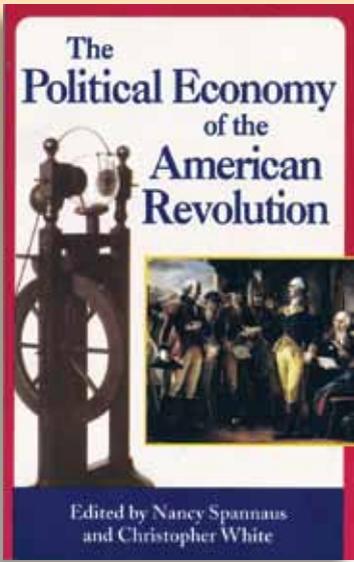
Now, treat Johann Sebastian Bach's set of **Preludes and Fugues** as called into action according to the principle which Bach supplies. Treat Haydn, Mozart, Beethoven, Schubert, Schumann, Brahms, Verdi, and so on similarly. But! Exclude Franz Liszt and Richard Wagner, and all of the so-called "modernists," alike: in the latter, exemplary cases, the creative action of true Classical musical composition is systemically excluded by the intention.

It is the action of the inherently noëtic powers of the human will, as through human voluntary imposition upon the process, which leaves its resonant mark, just as great poetic composition expresses this, which acts on the medium to create the result, as in the composition of fugues by Johann Sebastian Bach. This is carried to a higher quality of expression by successfully delivered, Classical musical performances, just as William Shakespeare's composition evoked a quality of a living form of action into what is, for the dull-witted, merely a manipulation of words and visions in a play.

There is a reality behind all this: the life of the drama must exist, and be found in the action which crafts the successfully crafted drama. The artistic creativity lies in the efficiently physical realization of the play. In the successfully crafted Classical drama, what the audience must experience in witnessing the drama, is not a mere comment on the enunciation of a script of the drama, but is the inherent living essence of the drama acted upon the stage, for which the proper actors are merely the specters placed in motion on stage. Otherwise, the mere play on the mere stage would be a failure in life. That creation is expressed not in the actor, but the character he is assigned to be in fact, just as Shakespeare's **Henry V** had created, in the medium of "*Chorus*," the actual image of the adopted souls of the players (for a moment). The human mind is really so, when its action creates a change the world which it occupies. Hopefully, it will either be a success in its own right, or a failure which inspires a subsequent, better successor.

The creative thought is the only true reality of the true existence of the human species; it is the reality of the universe in the drama: Whether in drama or in mankind's power to effect a willful change in a higher form within, and upon the universe which we not only change, but which we change by the appropriate means of a life created by our mind's inhabiting it.

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ALBRECHT DÜRER

## The Renaissance ‘Translated’ Into the German Vernacular

by Bonnie James

The National Gallery of Art’s exhibition, “Albrecht Dürer: Master Drawings, Watercolors and Prints from the Albertina” (March 24-June 9, 2013) is a feast for the eyes and the mind, despite the fact that the information provided about the great German artist-scientist’s life and work provided by the wall text, and in the large catalogue, does not begin to convey what, in this writer’s view, are some of the most important things to know about him.

Dürer (1471-1528) used the metaphor of visual art to bring Italy’s 15th-Century “Golden Renaissance,” to Northern Europe, and thereby spur the process that led to the Peace of Westphalia, and to the artist who most embodied its principles, Rembrandt van Rijn (1606-1669).

Dürer twice crossed the Alps into Italy (in 1494 and 1505) with the aim of assimilating the lessons of the Renaissance, and translating them into his own vernacular. A number of his beautiful watercolors of those

FIGURE 1



Albrecht Dürer: “Self-Portrait at Thirteen” (1484).  
This is the first known self-portrait in Western art.

journeys can be seen at the NGA exhibit.

The first work you will see as you enter the exhibition (which presents 118 drawings, prints, and watercolors, displayed over five galleries), is a signed self-portrait of the 13-year-old Albrecht (**Figure 1**). It is both the first drawing we have by the artist, and the first known self-portrait in Western art. Judging by this drawing, it is not hard to see why Albrecht’s father, a successful goldsmith, who had expected his son to carry on the family trade, realized that the artistically precocious boy should be apprenticed to the leading Nuremberg artist, Michael Wolgemut. It was in Wolgemut’s studio that the young artist learned the basic skills of the artisan’s craft—engraving, pigment grinding, panel priming, etc. He soon out-

grew Wolgemut’s studio, and in 1490, traveled through Northern Europe, working with established artists in various towns, to enhance his skills.

FIGURE 2



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Andrea Mantegna: "Lamentation Over the Dead Christ" (ca. 1480). Dürer greatly admired Mantegna's use of perspective, his mastery of human anatomy, and his ability to portray and evoke powerful emotion.

### Discovering the Renaissance

Meanwhile, prints and copies of Italian works of art had begun circulating in Nuremberg and other northern European cities. In 1494, Dürer made his first trip to Venice, which was then the capital of world

FIGURE 3a



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Dürer copied works by Mantegna (and other Italian artists), in his determination to learn the "secrets" of the Renaissance masters. Here, Mantegna's "Battle of the Sea Gods" (left, 1470s) and Dürer's "copy" (1494). Judging by this copy, the German artist has already surpassed his teacher.

trade and commerce, and, like Nuremberg, a center of the printing industry (Gutenberg's printing press had been in use since about 1450). There, he forged a close relationship with the artists Jacopo Bellini and his sons Gentile and Giovanni, who were then, along with Andrea Mantegna, the leading exponents of the Renaissance of Northern Italy. Dürer's Italian connection would permanently reshape his life and work.

It was Mantegna's (1431-1506) use of dramatic perspective (**Figure 2**,<sup>1</sup> his mastery of human anatomy, and his adoption of the print medium as a vehicle to convey Classical ideas, that captivated Dürer, and redirected his artistic focus. Two examples of Mantegna's prints, and Dürer's "copies" of them are included in the NGA exhibit (**Figures 3a and 3b**).

Dürer's godfather, Anton Koberger, also a goldsmith, had established one of the largest printing enterprises in Europe; and Nuremberg was among the earliest cities to use the new printing presses. After returning from his first trip to Venice, in 1496, Dürer began to

1. A number of Dürer's artworks discussed in this review, including this one, are not part of the National Gallery exhibit, but have been introduced to provide context.

FIGURE 3b



Albertina, Vienna

produce his now famous prints, which reflected the lessons he had learned in Italy.

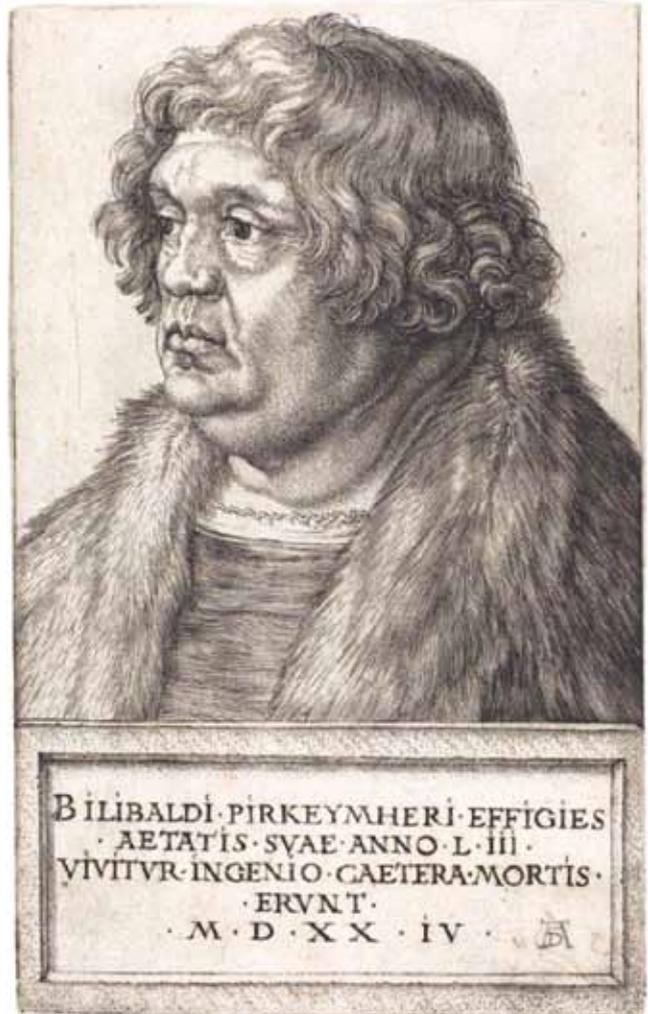
Another important connection for Dürer, was his lifelong friend and patron Willibald Pirckheimer (Figure 4), Nuremberg's leading humanist scholar, who possessed the finest Classical library in the city. Pirckheimer's grandfather was a friend of Nicolaus of Cusa, and had studied with him at Padua, where Willibald himself had attended the famous university. Dürer also studied with the mathematician and astronomer Johannes Müller, known as Regiomontanus (1436-76), a follower of Cusa. Pirckheimer had acquired Regiomontanus's extensive library after the latter's death in 1496; Dürer had access to this fabulous library, where Pirckheimer, who translated many Classical works into German, provided his friend Albrecht with some of his translations from Greek, Hebrew, Latin, etc.

Pirckheimer also introduced his friend Dürer to the circle of leading humanist intellectuals in Europe, including Erasmus. Others in Pirckheimer's orbit, such as Luther and Melancthon, intellectual leaders of the Protestant Reformation, were great admirers of Dürer's art; and the Emperor Maximilian and his successor Charles V, became Dürer's patrons. Dürer made insightful portraits of many of the most prominent figures of his time, for example, of Erasmus, Melancthon, and Maximilian, which appear in the NGA show. (While Dürer never formally abandoned his Catholic faith, he was strongly influenced by the reform movement within the Church, and reportedly avidly read Luther's writings.)

In 1500, the Italian artist Jacopo de' Barbari visited Nuremberg and met with Dürer. Dürer had been struggling with the representation of the human figure, and de' Barbari revealed to him the "secrets"—likely, the scientific study of anatomy—known to the Italians, which made it possible to perfectly render the human form. Dürer made his second trip to Venice in 1505-07, and from there, he wrote to Pirckheimer that he planned to travel to Bologna (65 miles north of Florence) "to learn the secrets of the art of perspective, which a man is willing to teach me."

Luca Pacioli, the celebrated mathematician, who instructed Leonardo da Vinci in Milan in the late 1490s—both were under the patronage of the Duke Ludovico Sforza—wrote his famous treatise, *De Divina Proportione*, with Leonardo, who illustrated the work with beautiful, and scientifically precise ren-

FIGURE 4



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*Dürer's lifetime friend, mentor, and patron, Willibald Pirckheimer (portrait, 1524), amassed the most extensive Classical library in Europe, and introduced the artist to the great thinkers of antiquity.*

derings of the Platonic solids, and other mathematical figures. Another Pacioli treatise, *Viribus Quantitatis* (On the Power of Numbers), was written sometime between 1496 and 1508 at the University of Bologna. Could this have been what Dürer was seeking in Bologna?

Later, Dürer himself would produce a number of theoretical treatises, on the principles of mathematics, perspective, and ideal proportions. For his *Four Books on Human Proportion*, Dürer asked that Pirckheimer write in the preface, "that I give the Italians very high praise for their nude figures and especially for their per-

spective.” In a draft introduction to that treatise, Dürer revealed how his interest in “human measurement” had been awakened:

“I found no one who has written about a system of human proportions except [Jacopo de Barbari], a native of Venice and a lovely painter. He showed me how to construct man and woman based on measurements. When he told of this, I would rather have come into possession of his knowledge than of a kingdom. . . . But Jacopus I noticed did not wish to give me a clear explanation; so I went ahead on my own and read Vitruvius, who describes the proportions of the human body to some extent.”

### The Prints: Educating the Common Man

Dürer took as his mission, to bring the ideas of the Italian Renaissance to the North, and to spread them, not only to his fellow artists, but to the common man, following the tradition of the Brotherhood of the Common Life—a Christian order dedicated to bringing learning to all children. Following in Mantegna’s footsteps, Dürer used the medium of printing, which produced multiple copies of a woodcut, engraving, or etching, to express the most noble ideas through graphic images, and to disseminate them more widely than had ever been done before. Until Dürer’s revolution, the only exposure ordinary people had to great art was through the works that adorned the churches. Now, Dürer’s masterpieces could be reproduced in large numbers, and sold for pennies in the marketplace.<sup>2</sup>

2. Dürer’s prints not only reached large numbers of people in his own time, but a century after his death, his method of “mass organizing” through the use of prints was adopted, and raised to an even higher artistic level by Rembrandt, an avid collector of Renaissance art, who owned a large number of prints by Dürer and Mantegna.

FIGURE 5



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Dürer’s “Four Horsemen of the Apocalypse” (1498) was part of his series of prints based on the Book of Revelation.

With a largely illiterate population, Dürer’s invention of a metaphorical language to express profound ideas, allowed anyone to “read” the images he created. For example, his “Apocalypse” series, of which the best known is “The Four Horsemen” (Figure 5): This series of prints, issued beginning in 1498, and based on the Book of Revelation, was intended to intersect the religious fervor that had overcome the superstitious

FIGURE 6



Wikimedia Commons

Self-Portrait in the image of Christ (1500).

masses, as the year 1500 approached (think of the hysteria around the year 2000). This was the early phase of what would become 150 years of religious warfare which ravaged Europe, causing massive depopulation and destruction, culminating in the Thirty Years War, which was finally ended with the 1648 Treaty of Westphalia.

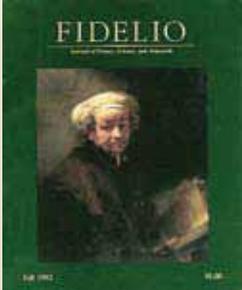
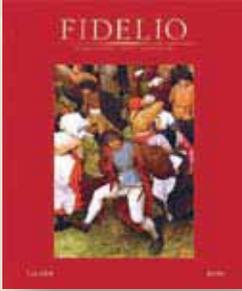
In the “Apocalypse,” series, Dürer depicts all the terrifying details of John’s account in Revelation, but in such a way that the viewer could not but be aware that an even more awesome power than evil itself were at work in *creating* the image, namely the mind of man. To underscore that idea, Dürer stamped each image with his, by now widely recognized “signature,” his initials, writ large.<sup>3</sup>

Reinforcing the same idea, but even more powerfully, is Dürer’s self-portrait of 1500, in which he boldly presents himself in the image of Jesus Christ (Figure 6). Could he have been any clearer?

3. Dürer’s brilliant “Master Engravings”: “Knight, Death and the Devil,” “St. Jerome in His Study,” and “Melencolia I,” are shown in the exhibit, along with other well-loved prints, such as “Adam and Eve.” For a further discussion of these and other works, see, Bonnie James, “Albrecht Dürer: The Search for the Beautiful in a Time of Trials,” *Fidelio*, Fall 2005.”

# FIDELIO

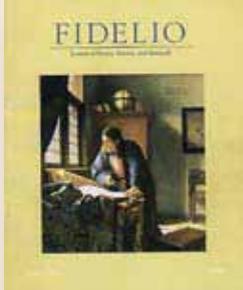
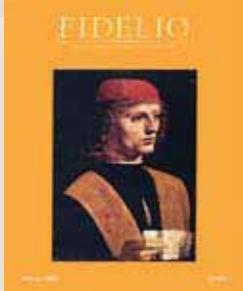
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From the first issue, dated Winter 1992, featuring Lyndon LaRouche on “The Science of Music: The Solution to Plato’s Paradox of ‘The One and the Many,’” to the final issue of Spring/Summer 2006, a “Symposium on Edgar Allan Poe and the Spirit of the American Revolution,” *Fidelio* magazine gave voice to the Schiller Institute’s intention to create a new Golden Renaissance.

The title of the magazine, is taken from Beethoven’s great opera, which celebrates the struggle for political freedom over tyranny. *Fidelio* was founded at the time that LaRouche and several of his close associates were unjustly imprisoned, as was the opera’s Florestan, whose character was based on the American Revolutionary hero, the French General, Marquis de Lafayette.

Each issue of *Fidelio*, throughout its 14-year lifespan, remained faithful to its initial commitment, and offered original writings by LaRouche and his associates, on matters of, what the poet Percy Byssche Shelley identified as, “profound and impassioned conceptions respecting man and nature.”

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## Editorial

### *Drawing the Right Conclusion*

It was almost four years ago, on April 11, 2009, that Lyndon LaRouche identified then-incoming President Barack Obama as a Nero-like narcissist, who, if not checked, would lead the United States to destruction. As Obama's Presidency went on, this evaluation was chillingly confirmed, with the elaboration of a "health-care reform" that proceeded from precisely the same premises as those of Adolf Hitler: cutting off care to those deemed "unworthy of life."

That Nero-Hitler profile has only gotten worse, as the war of aggression in Libya, the drone murders of Americans and others, and other rip-ups of civil liberties attest.

Yet, it is only now, *after* the American voters re-elected this danger to the public welfare, that a large swath of liberal Democrats have had the courage to come forward to publicly acknowledge Barack Obama's crimes. Some of those attacks on the President have occurred in the context of the anniversary of Watergate, others in the context of the anniversary of the Iraq War. All increasingly agree on the fact that the nominally Democratic Obama is not only committing the same crimes as the perpetrators of Watergate and the second Iraq War, but that he has gone beyond Nixon and Bush/Cheney on numerous fronts.

Exemplary were the remarks of George Washington University law professor Jonathan Turley in a column March 26. "From unilateral military actions to warrantless surveillance that were key parts of the basis for Nixon's impending impeachment, the painful fact is that Barack Obama is the President that Nixon always wanted to be," Turley writes in *USA Today*. "Four decades ago, Nixon was halted in his determined effort to create an 'imperial presidency' with unilateral powers and

privileges. In 2013, Obama wields those very same powers openly and without serious opposition."

Turley then listed the powers Obama has assumed, from warrantless surveillance, to unilateral military action, to kill lists, and attacks on whistleblowers and journalists. "We appear to have grown weary of the republic and traded it for promises of security from a shining political personality," he concluded.

Investigative journalist David Swanson went even further in a March 27 article in *Counterpunch*, arguing that 27 of the 35 articles of impeachment which he had drafted, and former Rep. Dennis Kucinich had included in his move to impeach President Bush, already apply to Barack Obama. Yet Obama continues to carry out these crimes openly and without shame, even brags about them, Swanson reports.

These are only two of a myriad of exposés, but face it: The problem is *not* that the U.S. population, and especially its political leaders, do not *know* about the crimes of Barack Obama against the Constitution. The problem is that they will not *act* to prevent those crimes from continuing, by taking the necessary steps to remove him from office.

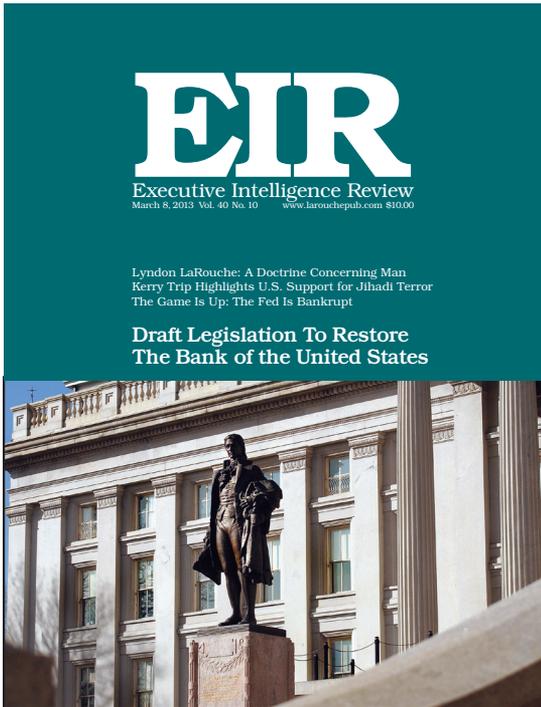
Every moment that Obama is permitted to continue his Hitler-Nero program—crafted, we must add, by the British Empire—endangers the lives of nations, and billions of people. Action must be taken swiftly and efficiently, to decisively weaken the President, on the way to getting him out of office constitutionally.

Ramming through Glass-Steagall is one way, although there may be others. But the starting point is to draw the right conclusion: Obama and his program must go!

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