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The Greenback Precedent of President Abraham Lincoln  
Blair's Legacy: ISIS Targets Iraq for Disintegration  
British Monarchy's Green Summit Busted Up in Mexico

**Now Comes the Schiller-Time;  
'Create a World Without War'**



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# EIR

## From the Editors

This issue of *EIR* features an extraordinary conference held in New York City June 15, dedicated to the theme “It’s Time To Create a World Without War” (*Feature*). Called to celebrate the 30th anniversary of the Schiller Institute, founded by Helga Zepp-LaRouche, this conference brought together leading figures in the battle to restore the U.S. Constitutional system to deliberate on how to establish the basis for true collaboration among sovereign nation-states, which would lead to world peace.

Some of the leading contributions to the event are featured in full transcription, including Helga Zepp-LaRouche’s keynote address, addresses by former U.S. Attorney General Ramsey Clark and former CIA analyst turned anti-war activist Ray McGovern, and an in-depth presentation on the New Silk Road strategy of the Chinese government by a distinguished professor from China, retired Col. Bao Shixui. We also provide the texts of greetings to the conference from prominent individuals, including an advisor to the President of Russia; in these messages you can get a good idea of the impact the Schiller Institute has had in the realm of ideas of economic development globally.

We will dedicate the next issue almost entirely to completing coverage, with transcriptions of the other important speeches.

The issue does include other important news analyses. A leading focus is the current mayhem in Iraq, the direct legacy of the British monarchy’s evil servant Tony Blair, who has been, and still is, dedicated to destroying the principles of the 1648 Peace of Westphalia (*International*). Our analysis comes from our Arabic-language editor Hussein Askary. In the area of the British Queen’s drive for Green genocide, we report on a recent event in the Mexican Congress, which saw Mexican patriots in the LaRouche movement taking on a genocidalist crew seeking to crush humanity in the name of reducing carbon emissions. In *Economics*, you will find some important developments—both by the ECB fascists and their opponents, the Chinese and the Russians.

We also follow up our presentation of Lyndon LaRouche’s “Four New Laws To Save the U.S.A.” with a review of what exactly President Abraham Lincoln’s Greenback policy was, and how it defended the nation against the British stranglehold over international finance at that time (*National Economy*).

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*Helga Zepp-LaRouche, the “Silk Road Lady”; behind her, a schematic of the World Land-Bridge.*



EIRNS/Stuart Lewis

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The 30th anniversary of the founding of Schiller Institute on July 4, 1984 was celebrated with all-day conference in New York City June 15. Prominent figures, among them, longtime allies of the Institute from many nations around the world, joined founder Helga Zepp-LaRouche to mark this important milestone, which took place amidst the growing danger of world war. A program of Classical music provided a powerful counterpoint to the sober but optimistic presentations.

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SCHILLER INSTITUTE TURNS 30

## Now Comes Schiller's Time; 'Create a World Without War'

by Nancy Spannaus

June 17—At the conclusion of her keynote address to the 30th anniversary conference of the Schiller Institute June 15, in which she had reviewed the extreme danger still faced by mankind at the hands of a murderous British Empire, the Institute's founder Helga Zepp-LaRouche said:

"I can not give anybody the guarantee that we will be here in a couple of weeks or days, because this is very, very dangerous. But nevertheless, I can tell you, I've *never* lost my profound optimism, in the true character of human beings, and I believe that Leibniz was absolutely correct when he said that a great evil is also bringing forward in human beings a greater desire and power for the good. And therefore, I still, after 30 years of the Schiller Institute, I still believe: Now Comes Schiller's Time."

"Now Comes Schiller's Time" had been the banner theme of the founding of the Institute in Arlington, Va., on Independence Day 1984. Representatives of 50 nations marched into the hall behind their flags, and pledged their support to a renewed era of cooperation among sovereign nation-states based on their highest cultural achievements. While originally focused on uplifting German-American relations with a revival of the Classical culture of both nations, the Schiller Institute rapidly became a worldwide institution, and has campaigned tirelessly for global economic development and a realization of the German poet Friedrich Schil-

ler's assertion that "It is through beauty that one proceeds to freedom."

Thirty years later, the results of the Institute's campaigns, which have especially emphasized the economic development policies of Lyndon LaRouche, have contributed to palpable results, particularly in the Eurasian region of Russia and China. This reality is reflected in these nations' pursuit of the Eurasian Land-Bridge concept of high-technology development, with its prominent stress on thermonuclear fusion power and space exploration. The prominent role of the Institute in Eurasia was also evident at the 30th Anniversary conference, in the greeting received from Sergei Glazyev, an advisor to President Putin, among others (see Greetings, below), and the presentation given by retired Col. Bao Shixui, of the Chinese Military Academy, on China's Silk Road policy.

Yet, Europe remains largely under the dictatorial control of the British financial empire, and the United States has been so corrupted and controlled by British imperialism, especially under recent Presidents Cheney-Bush and Barack Obama, that most of the world sees *it* as a murderous reincarnation of the Roman Empire itself.

Thus, the importance of the Schiller Institute conference at this time, which convened at Lincoln Center's Merkin Hall on June 15. As the keynote speaker for the afternoon panel, former Texas Senate candidate



EIRNS/Stuart Lewis

*Helga Zepp-LaRouche opens the Schiller Institute conference, as former Attorney General Ramsey Clark (left), and other speakers listen. To the right of Mrs. LaRouche are (left to right): moderator Jeffrey Steinberg, Ray McGovern, and Wayne Madsen.*

Kesha Rogers asserted that there is a “real America,” an American citizenry eager to restore the United States to its historical mission of world leadership as defined by the Founding Fathers, Abraham Lincoln, and most recently, Franklin Roosevelt and John F. Kennedy. That “real America” must rise up *now* to take back the nation, and reinstitute the Constitutional measures which will bury the British Empire’s control, and put the United States on the road to progress, joining with the nations of Eurasia to build a world without war.

Indeed, as the high-level international messages to this conference reflect, top political circles around the world are looking to the forces allied with the Schiller Institute in the United States to make the necessary changes to prevent war.

This “other America” was also reflected in the participation at this conference, including the speakers and the greetings received, as you will see in the summary of the conference proceedings below. In this issue of *EIR* and the next, we will provide the full proceedings of the event, which will also be available in video form on the Schiller Institute website. It is our intention to get the widest possible circulation in the short term, to contribute to the urgent objective: creating a world without war. (Following Zepp-LaRouche’s speech, several additional speeches are included below.)

## Panel One: Creating a World Without War

The all-day conference, which drew an audience of approximately 300, began with great Classical music, a performance of a Beethoven piano and ’cello sonata by My-Hoa Steger and Jean-Sebastien Tremblay. That set the tone for the opening panel, which was moderated by Jeffrey Steinberg, senior editor of *EIR*.

Helga Zepp-LaRouche’s keynote provided a comprehensive strategic assessment of how the world has come to the current state of extreme danger, and then sketched the nature of the solution, ranging from the economic projects the In-

stitute has championed, to Lyndon LaRouche’s recently issued four-point legislative program for returning the United States to its founding republican principles. The key to optimism, she stressed, lies in understanding that the true nature of man is as the uniquely creative species, and that this nature can be accessed in a time of extreme crisis such as today.

Former U.S. Attorney General Ramsey Clark, who served under Lyndon Johnson from 1967 to 1969, and has fought consistently for returning the United States to its Constitutional principles, then briefly addressed the conference, stressing the hideous record of wars which the U.S. has waged since the end of World War III—many of whose sites he had visited. And now, he warned, the United States is once again sending warships toward the Persian Gulf. He concluded with a plea for Americans to rise up and insist, “No more, no more. We want our country to end violence in the world, not to be the greatest purveyor of violence on Earth.”

The next speaker, Ray McGovern, had served 27 years at the CIA, and after his retirement, became a political advocate for avoiding wars and restoring the Constitution. His remarks, emphasizing the need for the U.S. population to end this country’s acting as an empire, evoked the spirit of Martin Luther King and the anti-Nazi resistance in Germany to inspire his listeners.

Investigative journalist Wayne Madsen, who had worked for the National Security Agency (NSA) as a U.S. Navy officer, spoke on the national security state. He described how that agency was devoted to gathering “total information,” and that it has the capability of gather personal information on anyone via supposedly secure sites such as PayPal, AT&T, etc. Madsen concluded on the NSA: It’s an intelligence agency out of control: “End it, don’t mend it”; it needs to be shut down.

Eric Larsen, Professor Emeritus at John Jay College of Criminal Justice, City University of New York (CUNY), best-known as the author of *A Nation Gone Blind*, spoke next. His point was twofold: 1) Americans have lost the ability to think, because the language they use, or the language that is written for them, deprives them of the ability to connect their thinking and emotions; and 2) as a result, they accept the Big Lie about al-Qaeda committing 9/11.

The morning session concluded with two video presentations, one by Terry Strada, co-chair of a committee of victims of 9/11, entitled Justice Against State Sponsors of Terrorism Action Committee, and one from Congressman Walter Jones (R-N.C.), a lead sponsor of House Resolution 428, which would mandate the release of the classified 28 pages from the Congressional Joint Inquiry into 9/11 dealing with the financing of the atrocity. A written statement by Virginia State Senator Richard Black (R), which reviewed the Obama Administration’s support for terrorism in Syria and Libya, was summarized, and will be published in full in our next issue.

## Realizing the Eurasian Land-Bridge

The second panel, moderated by Dennis Speed of the Institute, presented a multifaceted perspective on how to bring the United States into the Eurasian Land-Bridge perspective which had been outlined by Zepp-LaRouche in her keynote. The presentations were punctuated by greetings appreciating the historical role of the Schiller Institute, notably, from International Association of Machinists and Aerospace Workers President Thomas Buffenbarger; former Boston Mayor and Ambassador to the Vatican Ray Flynn; leading Japanese industrialist Daisuke Kotegawa; and Ukrainian political leader and economist Natalia Vitrenko.

After the performance of Beethoven String Quartet No. 4 by the Dirichlet String Quartet, Keshia Rogers delivered the keynote as a message to her fellow citizens to “answer the call” to regain the “real America” which has been usurped by the British Empire. She repeatedly

referenced the leadership of President John F. Kennedy as setting a standard for bringing together individuals from both parties around a national mission, and described how she, along with Congressional contender Michael Steger in California, pursued this effort.

Rogers utilized two singular and poignant events from American history to underscore her points: JFK’s speech on the 30th anniversary of the TVA, and the commemorative ceremony for FDR in the Redwood Cathedral of the Muir Woods (north of San Francisco) by the 45 nations founding his United Nations project. She concluded by reiterating the challenge, using a quote from Vladimir Vernadsky underlining the unique human qualities of mind required to develop the future.

The second speaker was a distinguished guest from China, retired Col. Bao Shixiu. Zepp-LaRouche introduced him as a special friend, and he delivered a delightfully droll and informative speech on the New Silk Road and the New Security Architecture for Asia, which China is putting together. The speech dealt with three areas—the ancient Silk Road, the current Silk Road policy, and the current security crisis being created by the U.S. in the South China Sea.

The next speaker, conductor Anthony Morss, addressed the question of why Classical culture is necessary and must be revived today. He homed in on the difference in the way Classical culture deals with horrors of life, versus the current genre of “culture,” which glorifies violence. Particularly effective was his discussion of Igor Stravinsky’s “Rite of Spring,” composed in 1913, as a turning point to murderous modernism.

Maine State Rep. Andrea Boland (D) then spoke to the conference about her fight to restore Glass-Steagall, giving personal reminiscences about her acquaintance with the subject, the disastrous consequences of the law’s repeal in 1999, and the fight she has been engaged in. She included a discussion of bailout and bail-in, and constantly raised the high-technology direction the United States should be going in—as indicated in the rail and water projects in China and Russia—in contrast to the collapse in the U.S.

Economist Nomi Prins’s video on the history of passage of the original Glass-Steagall and why it needs to be instituted again today was then shown, and proved a very effective complement to Boland’s presentation.

The final speaker was *EIR*’s Mike Billington, who had to substantially condense his prepared remarks, but proceeded to focus on what was needed to get the Land-Bridge: overturning the axiomatic belief that Russia



EIRNS/Stuart Lewis

*The Northeast Schiller Institute Chorus and Orchestra opened the evening concert with a performance of J.S. Bach's Cantata BWV 102, "Herr, deine Augen sehen nach dem Glauben."*

and China are enemies of the United States. He reviewed the history of U.S. collaboration with those nations, which actually led them to take up American System practices, and then the specific work of Lyndon and Helga LaRouche in taking this process further over recent decades.

### **The Power of Classical Culture**

The concert which concluded the conference was a moving tribute to the method of the Schiller Institute itself—that “it is through beauty that one proceeds to freedom.” After a day of intense strategic discussion on ending war, building the future, and defeating the British Empire, the evening concert touched the souls of those in the audience, giving each a sense of what Zepp-LaRouche described as the role of Classical poetry in strengthening the soul.

The first of three performances was the Bach Cantata BWV 102, performed by the Northeast Schiller Institute chorus and orchestra (with the addition of two professional oboists), conducted by John Sigerson. The Cantata is a warning to wayward souls who reject God’s “mercy, patience, and forbearance,” and therefore risk his wrath. It begins with a playful, intricate choral piece, with solo recitatives and arias sung by Frank Mathis, John Sigerson, and Jessica Tremblay, and a concluding chorale, delighting the audience.

The second performance was Mozart’s Piano Sonata

No. 10 in C Major, K. 330, played by Benjamin Telmanyi Lylloff, a Danish Schiller Institute member now living in Germany. His breathtaking performance electrified the audience, setting the stage for the grand finale.

Zepp-LaRouche then took the stage in front of the second chorus, the Mid-Atlantic Schiller Institute Chorus, also under the direction of John Sigerson. She first presented the urgent necessity of reviving Classical poetry, describing how the effort of studying a great Classical poem, carefully

and deeply, creates something in the soul which forever changes it, providing a source of power to carry out the crucial tasks facing us in today’s existential crisis.

She read Schiller’s poem “Nänie” in German, and Sigerson then read his own translation into English. Zepp-LaRouche then discussed the mythological images used in the poem to establish the beautiful conception, that while all things beautiful must die, beauty itself does not die, if the beautiful soul has used his or her life to the benefit of mankind, but that beauty lives on in art, in the Nänia (song of lament) of loved ones, while “the tawdry goes down to Orcus [the Underworld] unsung.”

The wonderful tension and excitement in the room, including in the chorus itself, was palpable, as the chorus then performed the Brahms setting of the Schiller poem, capturing the essence of the poem and the music (all the performers agreed) far better than in any rehearsal, with intense emotion, as was also the case with the extremely difficult piano accompaniment, played beautifully by Alan Ogden.

There were many, many attendees, both longtime members and new friends attending their first event, who left in tears, joyful at experiencing both political truth and aesthetic beauty in one day’s event—a fitting tribute to Friedrich Schiller, to the Schiller Institute at 30, and to the mission to uplift mankind represented by Lyndon and Helga LaRouche.

# It Is Time To Create A World Without War

*Keynote speaker Helga Zepp-LaRouche was introduced by Jeffrey Steinberg, who moderated the morning panel.*

**Jeffrey Steinberg:** Exactly 30 years ago, Helga Zepp-LaRouche was deeply concerned that the trans-Atlantic relationship was in a profound crisis. People may remember that at that time, you had the battle over the deployment over the Pershing missiles in Europe. There was great concern about the danger of a situation escalating out of control, leading to a potential world war, a potentially disastrous thermonuclear war. And it was in that context, and a period of a certain bitterness back and forth between the United States and Europe, that Helga took up the task of founding the Schiller Institute, in order to create the historical and cultural foundations for a revival of trans-Atlantic cooperation around the great principles of liberty and justice that were the cornerstone of all of the writings of the great Poet of Freedom, Friedrich Schiller.

So, here we are now, again, unfortunately facing a grave global crisis; the threat of war, even thermonuclear war, again is looming very large, and it's in that context that we are convening this conference today, both to celebrate 30 years of extraordinarily important work by the Schiller Institute, and to also, once again, issue a clarion cry about the necessity for global cooperation to prevent the outbreak of another potentially needless and devastating war.

Helga really needs no further introduction. She's the founder of the Schiller Institute, she's the wife of American statesman Lyndon LaRouche, and, so I want to present Helga to give the opening keynote presentation, for this conference.

**Helga Zepp-LaRouche:** You have come here to discuss at this conference how to create a world without war, and that seems to be a very unlikely proposition, given the current state of the world. But before I go into the discussion of why I still have profound optimism

that we can accomplish this goal, let me just reference a couple of ideas which went into the founding of the Schiller Institute 30 years ago.

As Jeff mentioned, it was the period of heightened war danger. People were talking about the possibilities of the middle-range missiles, the Pershing-2 and the SS-20, which were only a minute's distance from each other in Central Europe; that you could have an accidental launch of only one missile, and in that case, the entire arsenal would have been fired by the opponent, because the time was too short. A lot of people were talking about us being on the verge of World War III, and I think people were much more aware than they are today—even though we are at a hair trigger from the potential extinction of civilization.

## Why Schiller?

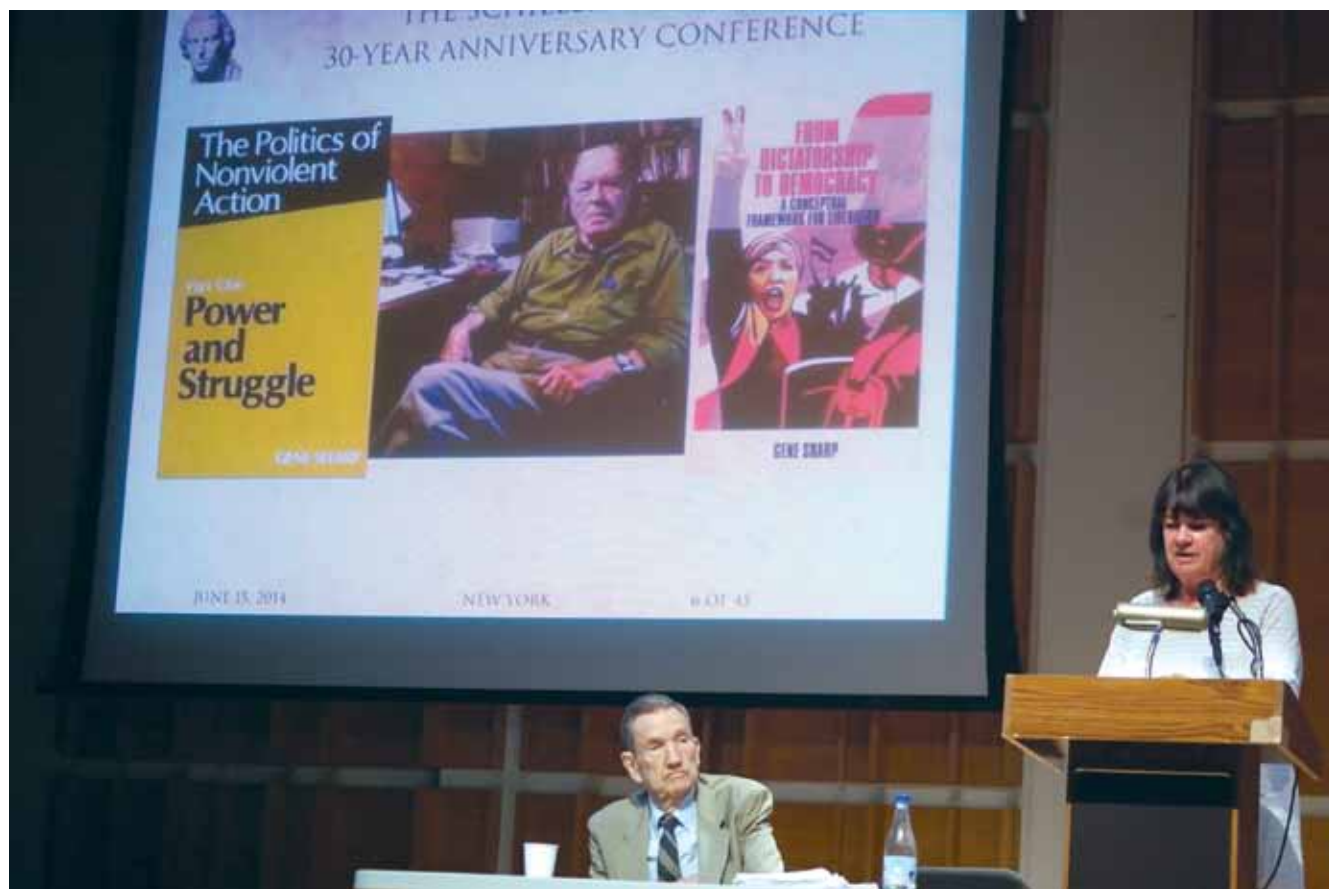
The reason I gave the name Schiller to the effort to have a completely different conception of relations among nations—and I want to say this because I want to encourage people to go to the library or to the Internet, and read Schiller—is because he has, to my knowledge, the most beautiful image of man. He was convinced—and he is convinced, because he's immortal—that every human being has the potential to become a beautiful soul. That every human being has the potential to become a genius, and that eventually, mankind will arrive at that condition, where all people born will be able to unfold all the potential which they have.

His ideas were sort of the red thread in my life, from early school on, and when I thought about how to create a new era of civilization, I could not think of a better synonym than him.

Now, the idea of the Schiller Institute was that foreign policy should no longer be based on coups, on subversion, on sabotage, on murder—which unfortunately dominate much of foreign policy in the world today—but that each nation should refer to the other on the highest level of their best cultural-scientific achievement. So, when you're talking with the United States, you should not think about slavery and the Vietnam War, and many other things, but you should think about Benjamin Franklin, the Declaration of Independence, the Constitution, John Quincy Adams, Abraham Lincoln, Franklin D. Roosevelt, Martin Luther King, John F. Kennedy—and that should be the image of America.

In the same way, when you're talking about Germany, you should not reduce it to 12 years of Nazi





EIRNS/Stuart Lewis

*Helga Zepp-LaRouche addresses the conference: “Color revolutions are a synonym for a whole variety of modes of regime change. It’s an undeclared warfare, but it is war, with a different characteristic appropriate to each country.” With her at the podium is Ramsey Clark.*

terror, but you should think about all the great thinkers and poets and composers Germany has produced: the Classical culture and scientific contribution.

So, the Schiller Institute was founded on that idea, on the 3rd and 4th of July, 30 years ago, in Arlington, Virginia, and then, two months later, in Wiesbaden, Germany. And at the Arlington founding conference, we had quite an audience of 1,200 people from 50 nations, who all came marching in with their flags, their national anthems were played, and we decided that we would work relentlessly on the idea: “Now Comes Schiller’s Time”—that we are to create a time where the ideas of Friedrich Schiller would dominate the world.

In the beginning, it was meant to be a German-American effort, but it became very clear, that the relationship between Europe and the United States was in terrible shape, and with the so-called Third World, it was even worse. So, it quickly became an international effort.

And since then, we have really had hundreds of conferences worldwide. We worked on development plans for the whole world: for Africa, for Latin America, an Oasis Plan for the Middle East, a 40-year development program for India, where we worked with Indira Gandhi, together; a 50-year Pacific Basin Plan, and after 1989, after the Berlin Wall came down, we had the idea of uniting Europe and Asia through the so-called Eurasian Land-Bridge, through infrastructure corridors. And in the meantime, over the last 25 years, we have enlarged that to the World Land-Bridge, meaning a real in-depth development of all parts of the world, and that is still absolutely the concept for a peace order for the 21st Century.

### Origins of ‘Regime Change’

Now, obviously, that is not the condition of the world right now. So, I want to go into the question, how did we come, 69 years after the end of World War II, to



*Arlington, Va., July 3, 1984, Helga Zepp-LaRouche and Lyndon LaRouche, presiding. Here they have received the flags presented by delegations from around the world, according to Friedrich Schiller's idea of the beautiful soul as "a patriot and world citizen."*

the point where we are on the verge of World War III, which, if it occurs, would be, by the nature of things, a thermonuclear war, and therefore lead to the extinction of civilization.

The reason is, when we had this idea of the Eurasian Land-Bridge, in '89 and especially when we extended it after the collapse of the Soviet Union, why was this rejected?

Well, the unfortunate historical coincidence was that at that time you had Margaret Thatcher as the prime minister of the British Empire; and in the United States you had the neo-cons. And rather than using the opportunity of the vanishing of communism, to create such a new peace order, they decided to go for the so-called New American Century Doctrine, which was really a prescription for an Anglo-American-dominated world empire.

The first objective of these people was to reduce Russia from a former Soviet superpower, to a Third World, raw materials-producing country. And the means by which they accomplished that was to apply the so-called shock therapy, by which, for example, Russian industrial capacities were reduced to 30%,

from 1991 to '94.

The second main objective was to eliminate Russia as a potential competitor on the world market. They went, after the second superpower had vanished, for what is called globalization, or unrestrained globalization, which meant the complete deregulation of the financial system, creating cheap labor markets, turning the whole world economy into a casino economy, protected by private security firms, turned into what my late friend J.C. Kapur, a great Indian philosopher, called "armor-protected capitalism."

Then, they decided to go for regime change against all countries that

would not submit to this new world empire. This was the basic reason for the first Iraq war in 1991, conducted by Bush, Sr. Then you had eight years of the Clinton Administration, which was sort of a mixed form—a little bit imperial, a little bit more republican. But after that, they went into the idea of eliminating all sovereign nation-states, which were regarded as an obstacle to this control by the world empire.

And regime change started. It happened in Iraq, Afghanistan, Libya. They attempted it in Syria. They did accomplish it in Ukraine for the time being. And for Europe, they decided to turn the European Union into the regional expression of this empire. It was demanded from Chancellor Kohl to give up the D-mark, to establish the European Monetary Union, as the price for the German reunification—especially with the aim of preventing Germany from developing strong ties with Russia, which it had historically many times.

Then they transformed the EU from the Maastricht Treaty of '91, into an empire. The criteria for the European Monetary Union, the Stability Pact, were agreed upon, which turned the EU into essentially an instrument in the interest of the banks.

In 1999, the monetary version of the EU was introduced, and in 2002, the euro as a cash currency.

Then, in the meantime, on Nov. 4, 1999, you had the repeal of Glass-Steagall, which was the starting point for the complete deregulation of the financial system, and at the same time, these forces cleared up the final conceptual underpinnings for the empire.

Extremely important was the 1999 speech of Tony Blair in Chicago, when he declared de facto the post-Westphalian order; the basis of international law was finished, and was to be replaced by so-called humanitarian interventions worldwide, which, in the United States, led to the Responsibility to Protect doctrine.

Now the Blair doctrine immediately started to go into a complete confrontation with the Putin doctrine. Putin, who said that international law must be respected, that the UN charter is to be upheld, that the national sovereignty of every country cannot be violated—as compared to Blair, who said no, we can find pretexts to intervene militarily around the globe.

So, again, they basically decided to go into regime change against all nations that would not submit, and the EU was turned into a total empire. If you look at the condition of the EU today, which is committing genocide against the people of southern Europe, you can see that nothing of the words which they use has any truth in it.

## The Color Revolutions and 9/11

Concerning especially the countries of the former Soviet Union, they decided to develop “color revolutions.” Now, color revolutions are a synonym for a whole variety of modes of regime change. It’s an undeclared warfare, but it *is* war, with a different characteristic appropriate to each country.

What I’m saying will probably be surprising for most people, but my husband, Mr. LaRouche, recently said, that the 9/11 in the United States was a form of “color revolution,” because it turned the American republic, which had already some problems before, into an instrument of empire. And to turn the United States into the military arm, into the muscle, with the British having the brains, was sort of the precondition for the rest of the regime changes to succeed.

Under the Clinton Administration, the United States was still a kind of semi-republic, but after Sept. 11, it became the spearhead of this empire.

For the record, some of you will remember that Mr. LaRouche made a prophetic webcast on the Jan. 3,

2001, three weeks before the Bush Jr. Administration came into office, where he said that this administration would be confronted with so many problems in the financial system, that they would go for a Reichstag Fire. This was exactly nine months before Sept. 11 occurred.

And you all remember what happened with Sept. 11, what kind of hysteria gripped the population, with their yellow ribbons, with the over-and-over TV showings of the planes flying into the World Trade Center, and all the other pictures. And that was used then to implement the Patriot Act, the National Defense Authorization Act [in 2012], the total extension of the NSA to spy on the whole world population, violating the human rights of practically every citizen on this planet. And what happened was then, more and more, by Bush, and later by President Obama, government by decree, eliminating the separation of the three branches of government.

After 9/11, there was declared the war against Afghanistan, evoking Article 5 of NATO; and then, if you think what really has come to the surface—and we’ll hear more about this today, what really was involved in Sept. 11, which was exactly what will be revealed when finally the 28 pages [are released] which have been classified from the original 9/11 Joint Inquiry report—and you will hear about that later with messages from Walter Jones, and Terry Strada, that there is a strong reason to assume that it was conducted by the British, and the Saudis having their hand in that.

Then, you look at what happened after 13 years of war in Afghanistan. You have now in Afghanistan 40 times the opium production of before that war. You have, between Iraq and Afghanistan, 120,000 traumatized [NATO] soldiers, whose lives have been destroyed. In Afghanistan, the training of the so-called security forces looks more like a mafia, which is already now, with U.S. and NATO soldiers still there, terrorizing the population.

Then, in 2003, you had the second Iraq war, which, as we now know, was entirely based on lies. There were no weapons of mass destruction. There were no missiles that could reach every city in the world in 45 minutes. It did happen, what was promised in both Iraq wars: the bombing of the country back into the Stone Age, and all of this was based predominantly on the lies of this man (**Figure 1**), who instructed MI-5 and MI-6 to make the famous dossier, which then was used by Colin Powell in his infamous UN speech.

FIGURE 1

## Britain's Tony Blair



EU

Now, some of you remember that President Bush, Jr. arrived in Iraq one time in his bomber jacket, and declared “Mission Accomplished.” If you look at what is happening in Iraq today, you have the takeover by [ISIS], this radical split-off of al-Qaeda, a group whose terrorism is, even for al-Qaeda, too violent, which has taken over Mosul and several other cities in Iraq.

And this, according to various articles in the British press, means the old partition of the Middle East of the Sykes-Picot Treaty, which was established during World War I (1916), is dead. It is leading already now, to a redrawing of the maps. The Mosul oil is now Sunni oil, belonging to the Saudis. From Mosul alone, more than 1 million people are fleeing, and the ISIS has announced that they will topple King Abdullah of Jordan. They will try to occupy the Sinai, Gaza, Lebanon. And obviously there is the immediate danger of a full-fledged war in the entire region.

And this is a security problem, naturally, also for Europe and the United States, because among these people are thousands of Europeans and Americans who have joined them.

Now, the color revolution against Russia and China, already started, in a way, in the '70s and '80s, with Project Democracy and the National Endowment for Democracy [NED], which was founded in 1983, and funded by the International Republican Institute, the

National Democratic Institute, the Open Society Institute of George Soros. They were proceeding to build up so-called “democratic movements” against governments which resisted the tendency toward globalization. It went along with the idea of a free-trade system, to turn the populations into cheap labor, and basically organize the whole world economy on the principle of “buy cheap, sell expensive,” and treat many people of many countries as helots, as “useless eaters,” like Prince Philip is regarding them, who has announced many times that he would desire a world population to be reduced from 7 to 1 billion people, and who has been on the record to say that he wants to be reincarnated as a virus, because he could help

better to reduce the population.

Now, this whole system has more and more led to a gap between the super-rich and the poor. Recently it was published that 85 individuals on this planet own as much as 3.5 *billion* people!

### The British ‘Mother’

This then was escalated, naturally, after the collapse of the Soviet Union, when the same forces proceeded to build up “civil society,” as they call it, in Central and Eastern Europe. While the main funding came from U.S. institutions, the concepts and the strategy really originate in British universities, especially Oxford and Cambridge, which are sort of the intellectual headquarters of the British Empire.

While Cambridge was more in charge of the technology side, things to do with the information age, the Internet, the social media, the spy apparatus, the GCHQ, which is the equivalent of the NSA in Great Britain, Oxford was more the operational side. They were the base of operations already at the turn of the 19th into the 20th Century, for Cecil Rhodes, who had quite sinister plans for the Third World; they were the origin of the Round Table; they selected Rhodes scholars from around the world, and the main aim of this was to reconquer the U.S. former colony.

After they had not succeeded to undo the American Revolution by military means, in the War of 1812 and



the Civil War, they decided to subvert the American establishment into adopting the model of the British Empire as their own, to create a world empire based on the Anglo-American special relationship. Whoever wants to look into this, read the book by H.G. Wells, from 1928, *The Open Conspiracy*.

Now, one mentor coming out of this was William Yandell Elliott, who was the professor and mentor of such people as McGeorge Bundy and Sir Henry Kissinger, Zbigniew Brzezinski, Samuel Huntington. And naturally, they again have another, new generation, where you have the interventionists around [U.S. National Security Advisor] Susan Rice and others.

The Oxford project, where this whole thing came from, was called “Civil Resistance and Power Politics,” led by Sir Adam Roberts, who was one of Susan Rice’s mentors, and who is one of the main advocates of “liberal internationalism.” And they trace themselves to the Lord Palmerston doctrine of the 19th Century. Collaborators of Sir Adam Roberts and Timothy Garton Ash conducted this project at Oxford University, which was called, “The Oxford University Program on the Changing Character of War.” It was the idea to build up civil resistance in terms of military strategy, and in March 2007, they had a conference at St. Anthony College, in Oxford, with the title, “Civil Resistance and Power Politics, the Experience of Non-Violent Action from Gandhi to the Present.” They decided to develop new techniques, and in the catalogue of these new techniques, they ask, “Are economic sanctions useful to support the actions of civil resistance movements?”

One of the speakers at this conference was Michael McFaul. Here you have Nadia Diuk from the National Endowment for Democracy, and McFaul (**Figure 2**);

FIGURE 2

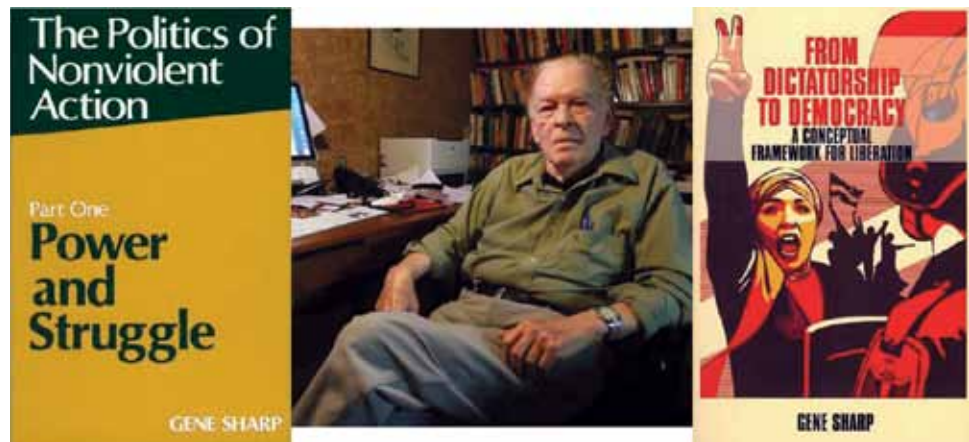
## Promoters of the Color Revolution



*Nadia Diuk of the National Endowment for Democracy (left); then-U.S. Ambassador to Russia Michael McFaul, with President Obama.*

FIGURE 3

## Gene Sharp, Author of the Color Revolution



another participant was Gene Sharp (**Figure 3**), who is really the author of the color revolution. He sits in the Albert Einstein Institute in Boston, Massachusetts, and is the author of a three-volume book, *The Politics of Non-Violent Action*, which he wrote as a dissertation already in 1968; *From Dictatorship to Democracy, A Conceptual Framework for Liberation*, which was published in 1993.

This work has been published in 40 languages, financed by George Soros, and it teaches the techniques



for political defiance. He enumerates 198 tactics, from boycott, to symbolism, like—don't look for a theoretical underpinning; I tried to find it but I couldn't—it's reducing everything to one word, or one sentence, like a color, "orange," or "rose," or rude gestures, or some other symbolism, like a fist. And then they would supply these activists in the targeted countries with buttons, with flyers, sometimes with rock bands, with clothing, and they would have false references to such people as Mahatma Gandhi and Martin Luther King, but in reality, it is basically just paid activists.

Now, there is a video speech by Gene Sharp in 1990, which you can see on YouTube (it has no content, it's just "resistance," almost in a monotone), but this has now spread as so-called "color revolutions" to dozens of countries around the globe.

Now, the International Republican Institute (IRI), and the American Enterprise Institute (AEI) had training sessions, for example, in 2000 in Hungary, where they created the Serbian color revolution organization "Otpor!" which means "Resistance!" They were responsible for the overthrow of Slobodan Milosevic. Then the NED admitted the funding of Otpor! for Georgia, Ukraine, and also on YouTube, you can find a video by Otpor! where the present head of it in Serbia admits that they have trained activists around the globe. They take responsibility for the Arab Spring. Gene Sharp says he was also a key figure in the Tiananmen Square upheaval in 1989 in China.

In Ukraine, this apparatus has recruited 2,200 NGOs! They did the Orange Revolution before; they did the Rose Revolution in Georgia, and then, what erupted in the Maidan in Kiev after President Yanukovich cancelled the EU Association Agreement in November of last year, was exactly that apparatus, a mixture of such NGOs financed primarily from the United States, and neo-Nazis who had an unbroken tradition from Stepan Bandera, who was one of the collaborators with the Nazis, to help the Nazis to invade Ukraine in the '40s.

Now, according to this concept, these militants are reinforced by mercenary types, who have trained with al-Qaeda and ISIS in Syria. They were shipped into Ukraine, and they were in large part responsible for the atrocities which were committed there: the barricades, the molotov cocktails, the snipers who fired on both sides, both police and the demonstrators, and who were responsible for the coup in Ukraine on Feb. 22.

Now the present "Yats" government—I call him not Yatsenyuk, but "Yats," because that is the name Victoria Nuland gave him, and she put him in there; this was a government based on a coup. They have now seven members of Svoboda in their government, which is a Nazi organization; the Right Sector is integrated very closely with the Ukrainian Army, and they are conducting presently air strikes against their own population in eastern Ukraine.

And so this has all led to a situation where, now, today, there may be more military action after the eastern pro-federalist forces in Ukraine downed this attack plane, and now there is a danger of a real eruption of a larger conflict between Ukraine and possibly Russia if this continues any longer.

### **Russia's New Doctrine**

In response to all of this, the Russian military announced a new military doctrine, which is of the highest importance. This was in the context of the Moscow Security Conference, which took place on May 23, where they declared that the use of color revolutions is a form of warfare against Eurasia.

Russia's Gen. Vladimir Zarudnitsky, who is the head of operations at the Division of the Military Staff of the Russian Armed Forces, declared that "the color revolutions are a completely lawless, medieval and disgusting form of aggressive war. A new form of a Thirty Years' War, going in their tactics, far beyond what the Nazis did." And if you look at what these other color revolutions are doing in Iraq or Syria, or in eastern Ukraine, you can only agree with that. They are using new techniques of aggression, with the geopolitical aim to destabilize countries that have an independent policy, and they are targeting, according to this general, Russia, China, the Middle and Near East, Africa, Central and South Asia.

One of the Americans who participated in this conference, Anthony Cordesman, from CSIS, was so impressed by the proceedings of this conference that he published a 52-page report of his notes on his [website](#), where he basically said that the Russian military is now regarding the color revolutions as a new method of U.S. and European warfare against Russia and China, based on having minimal cost and casualties, but that this all leads to an important source of terrorism. (**Figures 4 and 5**). This is from the PowerPoint presentation which was presented there.

And then, Defense Minister Shoigu also underlined

FIGURE 4



Russia Ministry of Defense

From the presentation by Gen. Valery Gerasimov, Chief of the General Staff of the Armed Forces of the Russian Federation, to the May 23 Moscow Conference on International Security.

that these protests, which supposedly come from the population, are really backed up by military means and irregular warfare (**Figure 6**). They're being used in Serbia, Libya, Ukraine, and Venezuela, and the so-

ter, Yuri Zhadobin, pointed to Gene Sharp as the author of these color revolutions, stating that these revolutions are always started from the outside. Russian General Zarudnitsky also said, that the West regards the color

FIGURE 5



Russia Ministry of Defense

From the presentation by Gen. Valery Gerasimov to the Moscow conference.

called "Arab Spring," which has destabilized (**Figure 7**) the entire northern African area. And as a result of it, several African nations are about to disintegrate completely, as a result of what happened in Libya, because then, the Tuareg and others fled to Mali, and other countries, spreading the terrorism.

Russian Chief of Staff General Gerasimov also said that this is a new method of warfare, conducted by the United States. It begins with the non-military tactics of the color revolution, but then behind that, military force, and if the potential of the upheaval is not sufficient, military force openly intervenes for regime change, as we have seen in Ukraine, Syria, and many other places.

The Belarus Defense Minister, Yuri Zhadobin, pointed to Gene Sharp as the author of these color revolutions, stating that these revolutions are always started from the outside. Russian General Zarudnitsky also said, that the West regards the color revolution as a peaceful means of regime change, but events in the Near East and North Africa "show that the military force is an integral part" of this, and if the sanctions are not sufficient, then they go into military operations.

Now, obviously this is completely lawless, it is not sticking to the Geneva Conventions which had established rules for declared war, and therefore it makes it all the more dangerous and criminal, and it is conducted also by open terrorists and private security firms, as we have seen it in

FIGURE 6



Russia Ministry of Defense

From the presentation by Gen. Valery Gerasimov to the Moscow conference.

Because if Russia says that the color revolutions are an undeclared war of aggression, then that means, we are presently in a state of war! So if you take that, in addition to all the other situations, in the Middle East, and in the Pacific, I think people had better be scared and do something about it, rather than being complacent.<sup>1</sup>

## NATO Encirclement of Russia and China

This all must be seen in the context of the encirclement policy of NATO and the EU against Russia and China.

There has been also a change in the military doctrine of the United States and NATO, because when we had the medium-range missile crisis in the beginning of the 1980s, which was the context for the creation of the Schiller Institute, you still had MAD, Mutually Assured Destruction, which was the idea that the use of thermonuclear weapons was completely impossible, because it would lead to the extinction of the entirety of mankind.

But in the meantime, this has moved to a first-strike doctrine, which is the basis for the ABM system in

Ukraine, where Blackwater and Academi mercenaries were deployed.

It is very similar to the way John Perkins describes the toppling of governments in his famous book *Confessions of an Economic Hit Man*, where different techniques are used to lure countries, first into indebtedness, and then with bribes; if the bribes don't function, use destabilization; and if that all doesn't function, go for military means, which Perkins describes in great detail.

Now, the significance of this new Russian and Belarus military doctrine is absolutely enormous, and the fact that you have not read about it in the *New York Times*, doesn't mean that that is not so.

1. See [EIR](#), June 13, 2014.

FIGURE 7

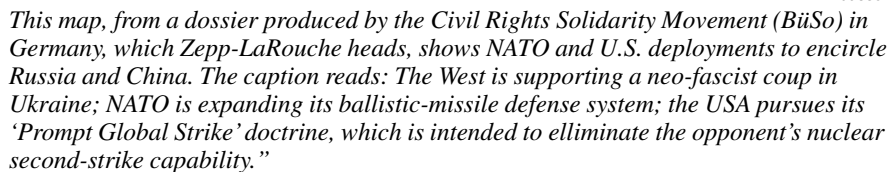


Russia Ministry of Defense

From the presentation by Gen. Valery Gerasimov to the Moscow conference.



## EU Geopolitics Brings the Risk of Nuclear War!



This is the utopian conception that nuclear war is winnable. And there are some military, even in the United States, who have made the point that these first-strike doctrines encourage both sides to go for a first strike, because if you wait too long, then you are defenseless, so it's better to be the first one.

in reality, murder, crime, terrorism, and war of aggression.

Now, if you kill somebody in an officially declared war, that may be terrible and tragic, but it happens according to rules of established international conventions, like the Geneva Conventions. But if you kill somebody in an undeclared war, it is murder. To instigate a war of aggression makes the person who does so a Nuremberg criminal.

The fact that we are already in a war, in a sort of global war, means we are sitting on a global powder keg, whose fuse has been lit in many places—in Ukraine, in the Middle East, in the Pacific. And then, the question is: Can we stop this in time, before the self-extinction of mankind?

The potential alternative fortunately already is in place: What the LaRouche movement has been working for, for 39 years, what Mr. Lyndon LaRouche proposed for the first time in 1975, to replace the IMF with the International Development Bank, and then, in par-

Compared to this statement of two years ago, the new Russian military doctrine is a very clear sharpening, because they have now confirmed what we have published for many, many years, but it is now official Russian doctrine.

And if you take all of what I said into one picture, which you should, you can only come to one conclusion: We are presently on the verge of World War III, and therefore, the danger of the extinction of mankind. We need *urgently* an international debate about this. We have to declare color revolutions absolutely illegitimate. We have to denounce the farce, that these people go around the world, militarily intervening everywhere and call that "democracy," "freedom," "human rights," when it is

FIGURE 9

## The Eurasian Land-Bridge, with Extension into Africa



EIRNS

ticular, after we proposed the Eurasian Land-Bridge, 25 years ago (**Figure 9**), it is now on the table.

The good news is that the Chinese government has put the Eurasian Land-Bridge, or the New Silk Road, on the table. Last September, in a conference in Kazakhstan, and in the meantime, at the recent Shanghai Russian-Chinese summit, Xi Jinping and Putin not only concluded the 30-year gas deal, which was talked about a lot in the media, but they had also 46 cooperation agreements on the New Silk Road, and the fact that on the highest level, namely, between the two Presidents of the two countries, there *is* an agreement to cooperate, which gives hope that also on lower levels and regional levels, still-existing tensions can be overcome.

Now, while the trans-Atlantic system is about to blow out financially, there is a gigantic dynamic of the New Silk Road development very, very rapidly. The new Indian Prime Minister, Narendra Modi, has expressed his full intention to cooperate with Russia and China on this New Silk Road, and to help to build the north-south extension of the Silk Road. Recently, Chinese Foreign Minister Wang Yi was in India pledging

full support for the Indian development to upgrade the railways and express highways, set up industrial parks, build many nuclear plants in India. In the meantime, Chinese Prime Minister Li Keqiang was in Bucharest, where he met with 16 heads of state of Central and Middle Europe, and announced that China is going to build a high-speed rail system in Eastern and Central Europe, something the EU obviously is incapable of doing.

He also went to several Africa states and promised that China will connect all African capitals through a system of high-speed rail. And at the upcoming BRICS summit in July, Xi Jinping and Putin will go on a tour through Latin America, to engage all of Latin America in the New Silk Road/World Land-Bridge conception.

This is the *only* hope to stop and reverse this war and terrorism, which is now exploding in the Middle East, and prevent it to come into Europe, Asia, and Africa. At a Schiller conference in November 2012, which we also had called because of the increasing war danger, we presented a comprehensive plan for the Eurasian Land-Bridge, for the entire region between



FIGURE 10

### Artist's conception of a Russian floating nuclear power plant



Afghanistan and the Mediterranean, Central Asia, and the Gulf.

If you look at this from the African Atlantic coast, all the way through the Arabian Peninsula, and into China, you have one big band of desert. Most of the Middle East is desert. And the *only* hope to have peace in this region is to green the desert, using aquifers, river redirections, large-scale desalination of ocean water through the peaceful use of nuclear energy (**Figure 10**), and have the hope that Russia, China, and India, Iran, some European nations that hopefully free themselves from the yoke of the EU Commission, *and* a changed United States, work together on development being the new word for peace.

There was recently a two-day conference in Dushanbe, Tajikistan, of the new Central Asia Expert Club on Eurasian Development, where the director of the Center for Strategic Studies Sayfullo Safarov spoke, and also Yuri Krupnov, of the Supervisory Board of the Russian Institute for Democracy, Migration and Regional Development, and they presented an economic development program for the elimination of drug production in Afghanistan, a program which [Russian anti-drug official] Viktor Ivanov had already proposed in March, in Moscow, and which again was then presented in Islamabad, Pakistan, for a development program for Pakistan and Afghanistan.

Yuri Krupnov presented four key areas of such development for Afghanistan, agricultural and food processing, machinery production, transportation infrastructure, rapid construction of hydroelectric power plants along the Panj River, science and technology education. They also decided at that conference to impose preventive measures to ward off a Ukrainian

scenario in the region.

So this is what the Schiller Institute and the LaRouche movement proposed 50 years ago, starting with the so-called “Productive Triangle” for Eastern and Western Europe, and after the Soviet Union disintegrated, with the Eurasian Land-Bridge, and which in the meantime, we have enlarged into the World Land-Bridge (**Figure 11**).

Basically, a global program for the reconstruction of the world economy and that program *is* becoming a reality. This represents a very concrete perspective for all nations on this planet.

The problem is, the domination of the British Empire in the United States. And Mr. LaRouche has declared in the recent period many times, the *only* way to stop World War III is the return of the United States to its Constitutional character as a republic—and that may require a change of government, which we will also hear about later today.

Mr. LaRouche has presented a four-point program: It is a scientific document, a basis for legislation, for the United States to adopt.

### Bail-In vs. Glass-Steagall

This is not a theoretical question, but as I said, the trans-Atlantic financial system is about to blow. It is much, much more bankrupt than in 2008. The ECB, European Central Bank, just implemented negative interest rates, and the head of the Hamburg economic institute, Straubhaar, who is a very conservative economist, declared that to be “the end of capitalism.”

Now, what they have planned in Europe and in the United States is the so-called “bail-in,” the Cyprus model, but we have calculated that even if you expropriate the accounts of all the people in Europe and in the United States, a haircut for the owners of savings accounts and business accounts, this would give you only 1% of the outstanding derivatives contracts. So what we are really looking at is a sudden danger of a collapse of the real economy, and it is my suspicion that this could only be managed under wartime conditions—or that’s what these people hope.

FIGURE 11

**The World Land-Bridge**

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So therefore, Mr. LaRouche says, the *only* hope to stop this danger is to end the Empire, to end this monster which has developed after the collapse of the Soviet Union. And the only way to do it is to bankrupt Wall Street, declare Glass-Steagall, do it exactly as Franklin D. Roosevelt did it, and then go to a program of National Banking in the tradition of Alexander Hamilton, the American System of economy, and to replace that present monetarist system.

Now, all of this has to be done from the perspective of the fourth point of Mr. LaRouche's conception, which is the idea of Vladimir Vernadsky, who basically defined the law of evolution in the universe: Namely, that the noösphere, the influence of human cognition and invention, is becoming more and more dominating over the biosphere, that the role of human cognition, of human creativity, will be more efficient in the entire universe.

**A New Standard for Science**

This also sets an entire new standard for physical science. Mankind is the only species which is capable of creative reason, and it is distinct from all other

beings, that it was able to control fire—no animal can do that—and to increase the control over the forces of nature through a constant process of discovery, which goes along with higher and higher energy-flux densities, to be used in the production process. And this ability of man has led to an increase in the relative potential population density, and therefore, that must be the yardstick for the physical economy, for the decision whether an investment is good or bad.

Pobisk Kuznetsov, the late Russian scientist, several years ago announced at a scientific conference in Moscow, that Mr. LaRouche will be known for his discovery, namely to signify potential relative population density with the word “La,” from “LaRouche,” in the same way as other inventors and discoverers give their name to their invention, like “watt,” “ampere,” and so forth.

Human progress is the intention of the universe! It's a physical principle, and it *is* the law of the universe itself. Vernadsky based himself on Nikolaus von Kues (Nicholas of Cusa), the great thinker of the 15th Century, who was the first to discover the biogenetic law of evolution. He was the first to distinguish between the

inorganic, the organic or biological, and the third level, creative reason, and he also then defined a fourth level, which is the Creator. He said: The evolution in the universe occurs in such a way that each species is only fully accentuated in its character, if it participates at least in one point, in the next higher species.

So the evolution does not occur from below, like a Darwinian survival of the fittest, according to Cusa, but from above. The higher level rips the lower upward, almost in a violent upward-pulling. Therefore, one can never measure the higher domain with the yardstick of the lower; you cannot measure the biological realm with the yardstick of the inorganic, and you can not measure the human mind with the tools of the biological sphere. Therefore, the human principle of an upward evolution, of the increase of the power of the noösphere, is the only yardstick to measure human affairs.

LaRouche says in this fourth point: Man is mankind's only true measure in the universe, and it is that idea which must guide the practice in physical economy.

Cusa already discussed this conception in principle, by saying that the Creator created the physical universe, but after He created man, man continued the creation of the physical universe as *imago Dei* through his *vis creativa*, his creative powers.

The problem with the present system of Empire, of globalization, of monetarism, is that it measures all mankind from the level of the organic, or the inorganic, from the standpoint of money: That is why it leads to such inhuman results. What the World Land-Bridge and the Silk Road is the synonym for, is the *conscious decision* for the next phase of the upward evolution of mankind, because only the completion of the World Land-Bridge, which includes the collaboration by many nations in the manned and unmanned space travel, the colonization of the so-called "Near Abroad" in space. That is the conclusion of the World Land-Bridge.

Nicolaus of Cusa already said in the 15th Century, that each human individual recapitulates the entire evolution of the universe in his mind, and when he becomes conscious about it, he can determine, with absolute scientific accuracy, what must be the necessary next step of discovery. This is why LaRouche, who developed this concept of the potential relative population density, which goes along with the absolute necessity of higher levels of energy-flux density in the production process,

has determined that mankind will only get out of this crisis if we go into a crash program for thermonuclear fusion power. Because only then, can we have any hope that mankind has a future as a species in the universe, because our planet is not only a planet in itself, but we are sitting in a Solar System, in a galaxy, and the challenges coming from there have to be met.

## Rid the World of Empire

So we have to get a situation where the true identity of mankind is that of a creative species. If we want to survive, we have to rid our institutions from oligarchy and Empire which have turned Satanic. War can no longer be a means of conflict resolution. It therefore must be prohibited, punished, eradicated, outlawed, banned, and condemned. And we have to make an international campaign to do exactly that.

The perpetrators of this war must be brought to court, and I suggest a new Nuremberg Tribunal. Even the British Minister of Interior Norman Baker said, in respect to Iraq, that it was the intervention of Blair and Bush which has destroyed that country and made it open for the extremists, and that what we see now in Iraq, is the legacy of Tony Blair.

Blair is trying right now, to campaign to become the new President of the European Commission, by making machinations to not have [Jean-Claude] Juncker have that post, and I'm totally committed, and I call upon all of you to help, that that should not happen, and that Blair should have a quite different place, maybe less comfortable, but secure. Whoever basically supports this person, who is a war criminal in my view, is himself not up to moral standards.

So therefore, we have a tremendous situation, and I can only say that having been in this movement for 40 years, the LaRouche movement, having gone through quite some unpleasant experiences, which Ramsey [Clark] also knows a lot about, but nevertheless, I must say, the world is in great peril. And I cannot give anybody the guarantee that we will be here in a couple of weeks or days, because this is very, very dangerous. But nevertheless, I can tell you, I've *never* lost my profound optimism, in the true character of human beings, and I believe that Leibniz was absolutely correct when he said that a great evil also brings forward in human beings a greater desire and power for the good. And therefore, I still, after 30 years of the Schiller Institute, I still believe: Now Comes Schiller's Time!

## We Want To See A Peace on Earth

*Ramsey Clark is the former U.S. Attorney General under President Lyndon Johnson, and a lifelong fighter for the preservation of our Constitutional republic.*

...I'm going to speak very briefly. It's an important occasion and an important moment. The last thing I heard on the news is that one of our aircraft carriers is steaming toward the [Persian] Gulf and the Arabian Sea to strike once again at Iraq—one of our favorite punching bags over the last four or five decades. A place that's been called the birthplace of civilization, that's suffered more violence over a longer period of time—at least since 1963, '73, '83; take your choice—than any other country. It's now largely in ruins, and we'll add a few more.

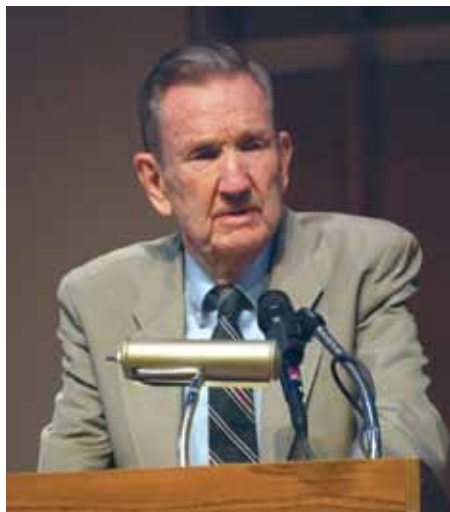
Coming up here in a taxi, because I knew I wouldn't have much time, I tried to think of our military aggressions since Vietnam, but before I get into those, I'll do the happy note.

I visited both Korea and Vietnam twice last year. It was a decennial anniversary of those two wars: '53 for Korea, and '73 for Vietnam. And it's about the only optimistic thing I know of on the planet today, because Vietnam particularly is thriving. And the people are happy, the streets are crowded. It may be five on a motorbike, but they love it, and they've got plenty of food and they've got no violence.

The hospitals still have infants cruelly twisted—their bodies and limbs—from Agent Orange, and we don't know how long. The smart guys who figured out Agent Orange didn't figure out how long it will be before you can purge it from a system where it's become widespread so that it doesn't destroy your children. But you can overcome and you can go forward, and two

victims of our violence are powerful evidence to that fact on Earth today.

The wars in Korea and Vietnam were singularly devastating in the worst sense. World War II. But there have been so many others since. Coming up in the cab, I started trying to list some of them. And after Vietnam, we had Nicaragua—it was a proxy war in some degree, but it was devastating for Nicaragua. It undermined their economy, it killed a lot of their people, destroyed a lot of their infrastructure. And we didn't destroy territory with Agent Orange as we did in Asia, but Nicaragua is free and independent, but it's poor.



EIRNS/Stuart Lewis

Former U.S. Attorney General Ramsey Clark

### Back to the Stone Age

Iraq and Libya are both more devastated than any other time in this century, and the past two for that matter. Both were prosperous countries; in their areas, they were the most prosperous. They had good medical systems, good housing, good schools; and both lie in ruins. Libya is a little harder for us to imagine than Iraq, because you hear more about Iraq, but Libya

hadn't known violence since the end of the desert campaign in late 1942, although they were still picking up landmines from the beaches from World War II. And there are probably still some there; that's the way we do it. But the standard of living was high, the level of education was high and strong, and they were both bombed back into the Stone Age, as some of our generals like to say. Boy, I remember that phrase, we'll bomb you back into the Stone Age. Happy New Year.

Grenada is an excellent example. A peaceful little vacation island—a lovely, lovely island. It had no war; no capacity for war, really, and didn't have 110,000 people. And we invaded one day; scared a bunch of the American kids who were students at a medical school on the beach there. (I don't know how much medicine they were learning with the beach so close.) And we killed more people in Grenada than we lost in World War II in proportion to the population, which is not a lot of people. I'll tell you this, there was nobody on Grenada who didn't know someone who got killed in that little incursion....

Countries like Rwanda and Panama. We usedartil-

lery from our permanent bases along the Canal there to rain fire in on the capital of Panama and hit the mayor's office, and hit the major buildings, and left the beaches a mess, and dragged bodies down on the beaches and used flamethrowers to ashen them, and then wash them into the sea. You can't tell how many people were killed.

There was a general out there—I got there about eight days after the invasion—and there was a general, major general, and he said 68 people had died. And I was walking down the street one day and a priest came up and he said, “Go to the cemetery; it's called Jardin de Paz (Garden of Peace),” and I didn't know where it was. And he said, “I drive around it every morning, and at the crack of dawn, these military trucks come in, and they've got canvas over them, you can't see what's in them, but something's going on in there.” So, we drove over to the cemetery, and there were a bunch of kids that played in the front part of it, jumping over tombstones and like that. We said, “Have you seen trucks come in here?” And they said, “Oh yeah.” “Where are they going?” So, one of them got in the car with us, and drove us back to some woods. And there were three long trenches about 60 or 70 yards long, I paced them off, and about 3 paces—9 or 10 feet. Two of them were filled in completely, and one was half filled. And when they were exhumed, there were about 500 bodies out there. I don't think the families knew anything about what happened to them, or who. There they were. Panama is a minor victim compared to other countries, if you think of what Afghanistan has been through.

Sudan was interesting. We decided we didn't like Sudan for some reason. And one fine morning we launched—as if it were an athletic enterprise—we sent a couple of thousand-mile missiles to the largest-producing pharmaceutical plant in all of Africa, which is just outside the capital there. A modern plant, foreign-owned, obviously. And whammy! It was dust. And it was exporting, free of charge, 20% of its product to countries in sub-Saharan Africa. It was the main source of the most sophisticated pharmaceuticals that were available there. Why we chose that as a target you can only imagine, but I'll tell you this: It's the type of target people remember when they know about it. And the people in Khartoum sure know about it.

### **‘No More, No More’**

Anyway, the numbers of wars have been so great and so deadly, and we've so glorified the power of violence; we've spent so much of our ingenuity on more

sophisticated ways of killing people on the cheap at the minimum risk to ourselves. And it's been, how many years since 1967, when Dr. Martin Luther King at the Riverside Church here, said “The greatest purveyor of violence on Earth was my own government.” And that violence is the ultimate human degradation. Other animals don't kill themselves in masses like that, you know? It's hard enough for them to get enough food, without worrying about going off and just randomly slaughtering their own species. But we spend a lot of money and a lot of ingenuity at it. And certainly as much as it was true in 1967, we're the greatest purveyor of violence on Earth.

I think I said the last thing I heard on the radio this morning was an aircraft carrier steaming toward the Gulf, ready to add a few more licks on the Cradle of Civilization, which hasn't known a moment of peace since our invasion in January of 1991, really. Remember, we had 115,000 aerial sorties over [Iraq] in four months; you could figure out how many that was every minute or something like that. It was a stunning number. I was there during the bombing, and the planes, American planes, were over all the time. I remember one time we were on top of this hotel having dinner in the dark, because the electricity was out, and there were some bombs that hit close by, so we ran up. And we were on the Shatt al-Arab, where the Tigris and Euphrates come together and flow down to the Gulf, and Iran is just across the Shatt. And there's a—I don't know why they put it there—there's a hospital, a good training hospital—a major hospital; I've been in it before—on a little island. There's two bridges that go out to it, about 20 or 30 feet. And there's no electricity in the country, but there is certainly not any in Basra, but there were emergency lights. There were lights on in the emergency rooms where they had electric generators going, and we saw bombs going down the Shatt, just hitting the island, and then the lights went out in the hospital down there. It was no possible military threat to the United States in that area, certainly not in that hospital or in the hotel we were having supper in. We were the only guests there. The chef was so happy, he made rolls for us and stuff, and cooking in the dark, or a lot of Coleman lanterns or something. And here's Iraq, all these years later, and now facing perhaps the heaviest violence it's had so far. And our—as we've called it for a long time—military-industrial complex being the greatest threat to life on the planet. And we live here. We have voices; we have hearts; we have minds; we have energy. And we have to



rise up and say, “No more. No more.” We want our country to end violence in the world, not to be the greatest purveyor of violence on Earth. We want to end our military preparations and manufacturing. We want to see, before it’s too late, a peace on Earth in which our precious little children can live healthy lives and grow up with healthy minds and bodies to live in peace and love each other. . . .

Thank you very much.

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Ray McGovern

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## ‘The Future Ain’t What It Used To Be’

*Ray McGovern served 27 years as a senior analyst on Soviet affairs at the CIA. After retiring from government, he has become a tireless political advocate for avoiding wars, and restoring America to its traditional Constitutional roots. He was the founder, and is still the head, of Veteran Intelligence Professionals for Sanity, VIPS.*

The *USS George H.W. Bush* aircraft carrier sailing from the Arabian Sea into Mideast waters—it’s a sitting duck, folks. How many people are there on that aircraft carrier? 6,000, I’m told. It’s a Nimitz class, the biggest one we have. It’s the biggest sitting duck that we have. It’s susceptible to all manner of provocation. Did you remember when Dick Cheney was ordering those PT boats, boats with Iranian colors on them? This is really dangerous stuff, folks. . . .

There’s an awful lot of hubris, and a lot of delusion, going on here. We act as though we are the sole remaining superpower, and I suppose we were at one point. Let’s take a close look at that.

Secretary [Leon] Panetta, Secretary of Defense, 18 January, 2012: “I think the main message the world needs to understand is, America is the strongest military

power, and we intend to remain the strongest military power, and nobody ought to mess with that. . . .”

The President at West Point: “By most measures, American has rarely been stronger, relative to the rest of the world. Those who argue otherwise, who suggest that America is in decline, or has seen its global leadership slip away, are either misreading history, or engaged in partisan politics.”

Well, you know, I prefer another political philosopher. His name is actually Yogi Berra. He used to hang around here. And what he said more profoundly, was, “The future ain’t what it used to be.”

### A Sunset for All Empires

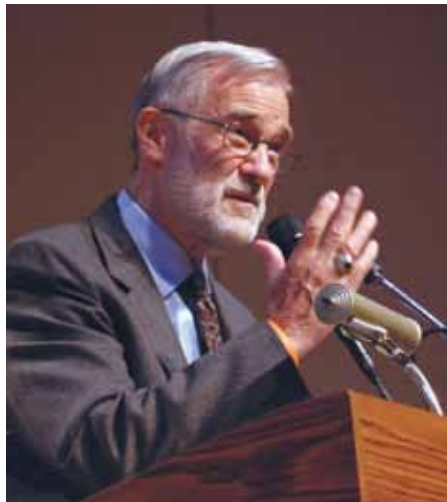
Now, I know a little bit about empire because when I sat at my Irish grandfather’s knee, he told me about the British Empire. He said, “Raymond, do you know why the Sun never sets on the British Empire?” I said, “I don’t know.” He said, “Well, because the Good Lord would never trust the British in the dark.”

So, there’s a sunset for all empires. And it’s getting to be dusk here for the American empire. And that’s not all bad, as long as we can handle the sunset.

. . . This was the policy set when we really became for the first time, the sole remaining superpower in the world. And when I read that it was George Kennan, my idol, that devised this as the first policy planning paper of the new Policy Planning Council at the State Department, I was aghast. But this is what it was, folks. Read it for yourself.

We’ve got to avoid all kinds of sentimentality and altruism, right? The day is not far off when we will have—[reads quote from Kennan]:

“We have about 50% of the world’s wealth, but only 6.3% of its population. Our real task in the coming period is to maintain this position of disparity. To do so, we will have to dispense with all sentimentality and daydreaming. We need not deceive ourselves that we can afford the luxury of altruism. We should cease to talk about vague, unreal objectives like human rights, the raising of living standards, democratization. The day is not far off when we will have to deal in straight power concepts.”



EIRNS/Stuart Lewis

Ray McGovern, Co-Founder, Veteran Intelligence Professionals for Sanity (VIPS)

So, there you have it, folks. It wasn't when the Soviet Union imploded. It was after World War II, when we survived and the Soviet Union, for example, lost—the estimates are 25 million. And there were some pundits who wanted to keep Russian leaders away from Normandy [at the 2014 celebration of the anniversary of D-Day]. Can you imagine, can you imagine the lack of sense of history here?

It was the Russians that turned the Nazi hordes back, at Stalingrad and Kursk, and they wanted to keep them away from Normandy.

Well, what I wanted to do is just show you, that this all started back then. And now it's kind of not attenuating very much, and it needs to. Kennan was one of those responsible for adding an operational arm to the CIA, a CIA that President Truman envisaged as an analysis division that would tell him what was going on, without fear or favor, reporting just to him.

So, we've got a covert action tacked on there, when the OSS came back. We got Iran in '53, Guatemala in '54, Chile in '63. That was the way we were going to enforce these concepts that were so eloquently put in that first policy planning document.

Now, to his credit, Kennan did learn. Some of us even at our old age can learn. And he criticized bitterly, he excoriated, Congress people, Senators and Representatives, for their slavish, their cowardly, their servile acquiescence in a war of aggression.

Fast forward to 2008. From Wikileaks we hear, or we learn, or we see on paper, that the current Deputy Secretary of State, William Burns, was burned by Sergei Lavrov, who even then was the Russian foreign minister, who told him, look, forget about the Ukraine. *Nyet* means *nyet*. Actually, Burns titled his cable, "*Nyet* means *nyet*." This was just a couple of months before NATO decided that *nyet* might mean *da*. And so, at the Bucharest summit, they said, Ukraine and George would become, will become—no subjunctive there—will become members of NATO.

And that's how it evolved, okay? That's how we get the putsch in Ukraine on the 22nd of February this year. Two months later, interestingly enough—nobody seems to read what Putin says; after all, he's only the head of Russia—what he said two months later was this. Missile defense, this is the issue. This is a direct quote: "It's probably even more important than NATO's eastward expansion. And incidentally, our decision on Crimea was partially prompted by this."

Oh, missile defense. Why Crimea? Why the Black

Sea? Because [former Secretary of Defense] Bobby Gates thought, hey, it'd be good to put some of this stuff on ships. And if we sail into the Black Sea, and if we get Ukraine into NATO, we can have the naval port of Sevastopol, which has been Russian since Catherine the Great—we'll seize that.

Well, Putin, he didn't really appreciate that. And in a jocular tone, at one of his press conferences, he said that we know that the sailors of NATO and the U.S. are really chummy guys. They must be really nice fellows. But we'd rather not have to visit them at their naval base in Sevastopol. We'd very much prefer to have it as it is now, where they can visit us.

So, Crimea was very clear. I don't know how Putin keeps his sense of humor under these circumstances.

Bobby Gates, of course, brags about violating any chance for the Russian reset. He said, well, the State Department, elsewhere in Washington, they said about this, "but making the Russians happy wasn't exactly on my to-do list."

Talk about hubris. Talk about delusion.

### The 'Noah Principle'

Now, we're going to isolate. Yeah, we're going to isolate. Actually what we've done is thrown Russia into the arms of China. Henry Kissinger and Richard Nixon, to their credit, were able to play that triangular relationship in a very thoughtful way, to our advantage. As a result, we got strategic arms limitation agreements, we got the four-power agreement on Berlin. The Russians were hell-bent and determined not to let China steal a march on them in developing rapprochement with the United States.

That's all delusional now, that's all across the board. What we have now is a situation where there's a \$400 billion deal on gas [between Russia and China], as you know. In my day, actually 50 years ago, I was given the account for Russian relations with China—in my day, we were convinced they could never cooperate. They hated each other.

It was sort of like watching a Gene Autry picture here in New York. The Iroquois Indians, they hated Gene Autry from another picture. So they hate each other, they'd never come to rapprochement. Well, now they have. And the triangle is being exploited by the Russians and the Chinese.

So, we have a triangular relationship that is not going to isolate the Russians, and we have BRICS, and other things that have been mentioned. The Russians

aren't going to be isolated. They may come under more Chinese influence than they would like, but that's the way the thing is evolving.

So, two or three can play the game of triangular relationship, and that's what's going on now.

The question is, in my view: Will the Sun set, at sunset of the U.S. empire, without violent thunderstorms, or even tornados? And my answer to that is, it's up to us. It really is up to us. We have to ensure that Yogi Berra is correct. That the future ain't what it used to be.

Dennis Speed asked me to sing a song here, and I never hesitate to sing a song. I'd like to sing one from the church-based Southern liberation struggle, from Vincent Harding, one of my patrons, who was so instrumental, and who helped draft Martin Luther King Jr.'s speech at Riverside Church, the one on Vietnam.

[Sings: "We've going to keep on movin' forward."]

Okay, now there is hope. If you keep that kind of attitude, there is hope.

Look what we all did at the beginning of September last year, when John Kerry lied through his teeth about those chemical attacks, and almost got us into a war with Syria. The American people didn't want a war with Syria. They let their Representatives and Senators know that, because they happened to be at home during the month of August, and that was one major factor why we were able to prevail.

So, let me invoke now, in my few minutes left, the "Noah principle." The Noah principle is, no more awards for predicting rain—rewards only for building arks. So, what kind of arks are we going to build?

Well, Dr. Martin Luther King, Jr. was mentioned here. I think the thing is exposure. Our co-citizens need to know what's going on. King spoke beautifully to this when he compared—what he said was, like a boil, it can never be cured as long as it's covered up, but must be opened, with all its pus-flowing ugliness to the natural elements of air and light. So too, violence. So too, oppression, must be disclosed, with all the friction its exposure creates, to the light of human conscience, and to the air of national opinion, before it can be cured.

That's our first task.

### Such a Thing as 'Too Late'

Now, for a lot of us—some of you have as much grey hair as I do—it's not a formidable task. Just get your grandchildren to teach you just two or three

things on the computer, and you'll find out what's going on. Now I'm preaching to the choir here, but tell your friends. Tell your friends it's really easy. You can find out what's going on. And it's essential that you do.

The other thing that I'd like to just close on here, is another thing that Dr. King said, and that is, that there is such a thing as "too late." We're getting close, folks. We're really getting close. And I'd like to tell you of a person who stood up to the Nazis in Germany, one of the few who did. His name is Albrecht Haushofer.<sup>1</sup> Anybody heard of him?

Ah, some of you have. Well, he, like Dietrich Bonhoeffer, was wrapped up toward the end of the war. Bonhoeffer was hanged, and they condemned Haushofer to be shot. Now, the Nazis were very meticulous, of course, and they insisted that you sign a confession before they shot you. Haushofer said, no way, forget it. I'm not going to.

Well, the Allies were coming, so they shot him anyway. And as they picked him up off the floor, out of his pocket came a small *Zettel*, a little piece of paper. It was a sonnet. The title was "Schuld" [Guilt]—it was his confession. It was very brief; I'd like to read it to you.

"...Doch schuldig bin ich. Anders als Ihr denkt!"  
Yes, I'm guilty, but it's not what you're thinking.

"Ich musste früher meine Pflicht erkennen." I should have earlier recognized my duty.

"Ich musste schärfer Unheil Unheil nennen." I should have more sharply called evil evil.

"Mein Urteil hab ich zu lang gelenkt." I put off my judgment, or my decision, far too long.

"Ich hab gewarnt"—and he did warn. He gathered some folks around him, and that's why he was wrapped up.

"Nicht hart genug und klar!"

"Und heute weiss ich, was ich schuldig war." I did warn, but not enough, and today, I recognize what I was guilty of.

There's a lot of guilt to go around in this country these days. Let's recognize what we're called to do. Let's keep on moving forward. Let's do what we need to do to turn this country on to a right path. Thank you very much.

1. Not to be confused with his father Karl, the geopolitical theorist and general.—ed.

## Americans Need the Truth about 9/11

*The following video-recorded message was sent to the Schiller Institute Conference by Rep. Walter Jones, Republican of North Carolina.*

I'm Walter Jones. I represent the Third Congressional District of North Carolina, in the United States House of Representatives. I'm pleased today to share some thoughts with you who are attending the Schiller Institute 30th Anniversary Conference, and I cannot think of a better title to be discussing than "It Is Time To Create a World Without War."

So thank all of you who are in attendance, and let me share a few thoughts with you.

I have joined Steven Lynch and Thomas Massie. Steven Lynch, a Congressman from Massachusetts, and Thomas Massie from Kentucky, and myself, have joined in a letter to President Obama, written on April 10, [2014,] and I'll read the first sentence to you. Let's just make it short.

"We write today to urge you to declassify the 28 redacted pages of the Joint Inquiry into Intelligence Activities before and after the terrorist attack on September of 2001."

How can you have a democracy, or a republic, and not have sunshine in your government? And I, quite frankly, have read the 28 pages. So have Steven Lynch and Thomas Massie; and a few other Members of Congress in both parties have taken the time to read the 28 pages.

We had a news conference several months ago, and we brought the families in who had lost loved ones [on 9/11]. If the President could just see the pain in the eyes and the words of those family mem-

bers, then hopefully, he would declassify these 28 pages.

The 28 pages have nothing to do with national security. If it did, I wouldn't be speaking to you today. It does not. It talks about relationships in the international world that we live in. And who we can trust and not trust. And I would encourage you today, as you leave the conference over the next couple days, to contact

your Members of Congress and ask them to look seriously House Resolution 428, which was introduced by Congressman Steven Lynch [D], Congressman Walter Jones, and ask that Member of Congress to do what is right for the families of 9/11.

When you have people like Sen. Bob Graham, who for years, ever since he left the Senate, have been calling on the President, and all the Presidents, and the Senators, and the House members, to declassify these 28 pages, the families deserve to know what's in the 28 pages, and the American people do as well.

There is no democracy, there is no republic, without the American people knowing the truth about 9/11. Thank you.



*Rep. Walter Jones, Republican of North Carolina*

EIRNS

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Bao Shixiu

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## A New Silk Road and A New Security Architecture for Asia

*Bao Shixiu is a Professor of Military Affairs and a Senior Research Fellow at the Academy of Military Sciences, People's Liberation Army, China.*

Ladies and Gentlemen, Dear Friends,

It gives me great pleasure to come to the U.S. beautiful metropolis of New York, THE Big Apple, on the occasion of the Schiller Institute's annual conference

2014. I think the symposium will give us the opportunity to renew friendships and explore ways to further cooperation. First of all, I wish to express my sincere thanks to Mrs. Helga Zepp-LaRouche, Founder and President of the Institute, for the warm reception and thoughtful arrangement they have made for the meeting.

### **An Historical Review of the Chinese Ancient Silk Road**

The Silk Road is a series of trade and cultural transmission routes that were central to economic and cultural interaction throughout regions of the Asian continent. It connected the West and East by linking traders, merchants, pilgrims, monks, and soldiers, from China to the Mediterranean Sea, during various periods of time. Extending 7,000 km, the Silk Road gets its name from the lucrative trade of Chinese silk which was carried out along its length, and began during the Han Dynasty (206 B.C. to 220 A.D.).

Over 2,100 years ago. Zhang Qian (c. 164-114 B.C.), the Han Dynasty envoy, expanded the trade routes to central Asia. Since then, commodities, including silk, tea, and chinaware, have been transported from Chang'an (today's Xi'an, capital of Shaanxi Province) to Central Asia, West Asia, and even Europe via the trade route, and commodities from these destinations also found their way back to China.

Trade on the Silk Road was a significant factor in the development of the civilizations of China, the Indian Subcontinent, Persia, Europe, and Arabia. It opened long-distance political and economic interactions among the civilizations. Although silk was certainly the major item from China, many other goods were traded, and various technologies, religions, and philosophies were shared. In addition to economic trade, the Silk Road served as a means of cultural trade between the networking civilizations.

After the Tang Dynasty (618-907 A.D.), China's political center was shifted to the northern part and its economic center was shifted to the eastern coast and southern areas. Shipping became the top choice for



*Bao Shixiu, Academy of Military Sciences, PLA, China.*  
EIRNS/Stuart Lewis

commodity transport and the Silk Road was later gradually abandoned.

### **What Is the New Silk Road Like?**

The very mention of the Silk Road evokes memories of the good old times for the western region of China. Now, plans are afoot to bring back the glory days, as China proposes a modern version of the world famous trade route. In a speech at Kazakhstan's Nazarbayev University in September 2013, Chinese President Xi Jinping proposed to establish a Silk Road Economic Belt, similar to the Silk Road of more than 2,000 years ago, to boost political and economic ties

between China and the Eurasian countries. The trans-Eurasian project would target more than 3 billion people, and represent the single biggest market in the world, one with unparalleled potential.

Although the ancient Silk Road was eventually replaced by shipping routes via sea, China and the Central Asian countries have a great incentive to revive the historic link in the spirit of cooperation and mutual benefit.

Compared with 2,000 years ago, current modes of transportation between China and the Central Asian countries are far more swift and convenient. The railway from China to the Central Asian countries is the major trunk of a new Eurasian Land-Bridge. China's expressway joins Europe's E40 road through Central Asia. China has also opened flights to major Central Asian cities including Almaty, Tashkent, and Dushanbe.

Furthermore, China's Xinjiang Uygur Autonomous Region features 12 land ports along the border with Kazakhstan, Kyrgyzstan, and Tajikistan.

A comprehensive transport network across China and the Central Asian countries, including railways, roads, and air travel, has now been established. The revival of the Silk Road can be expected soon.

### **A New Security Architecture for Asia**

At a time when tensions loom over many parts of Asia, leaders from the 26-member Conference on In-



teraction and Confidence-Building Measures in Asia (CICA) produced a milestone declaration at a recent summit in Shanghai. The declaration highlighted their strong political will to work together in an increasingly complex international environment. The success of the summit may come as a surprise for many. But the fact that the CICA leaders were able to formulate a collective response to common challenges is evidence that Asian countries remain committed to engaging in talks to solve their problems. Moreover, they are eager to play a leading role in regional affairs.

This growing willingness to collaborate is rooted in Asian countries' shared aspirations for peace and development. While redoubling their efforts to rev up economic growth, improve living standards, and maintain social stability, they must cement bonds with one another in pursuit of greater benefits.

Take China for instance. The rapidly emerging economy is ready to share its opportunities with neighbors, such as the New Silk Road Economic Belt and the Maritime Silk Road of the 21st Century. At the same time, it needs their cooperation in addressing problems such as terrorism, cross-border crime, and drug trafficking.

Asia has been a pivotal engine driving the global economic recovery from the 2008 financial crisis. The sustainable development of Asia, which accounts for about two-thirds of the world's population, and one-third of its total GDP, is a blessing to humanity. In this sense, high credit should be given to the CICA.

At the recent summit, Chinese President Xi Jinping, as a conference host, expounded a new concept of security in Asia, proposing to advocate common, comprehensive, cooperative, and sustainable security.

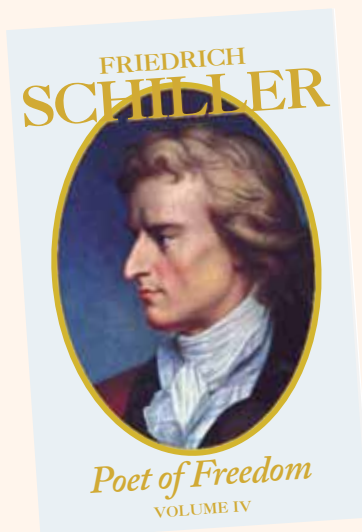
In his keynote speech, President Xi also proposed making CICA a security dialogue and cooperation platform that covers the whole of Asia.

Xi said, "No country should seek absolute security for itself at the expense of others. We cannot just have security for one or a few countries while leaving the rest insecure. A military alliance which is targeted at a third party is not conducive to common regional security."

As I understand it, commonness, comprehensiveness, cooperativeness, and sustainability are four pillars of the New Security Architecture for Asia; and a security for all Asian countries is its keystone.

*"There is a limit to the tyrant's power."*

—Friedrich Schiller,  
Wilhelm Tell.



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## The New Security Architecture Is Challenged by Some People

Of course, Asia is an open continent. It welcomes major global players, such as the United States. But as they get involved in the region, they must respect its realities and traditions. The past years have seen numerous cases in which their pursuit of national security resulted in the destabilization of countries in Asia.

Unfortunately, such practices have yet to be cast aside. Despite claims it would not take sides on territorial rows between China and some of its neighbors, Washington has openly supported its allies involved in the disputes, prompting many Chinese analysts to caution against what they perceive to be a return of the containment policy.

The fact is obvious in the past. When U.S. President Barack Obama came to office in 2009, he implemented a new strategic focus, that is, to rebalance the U.S. presence in the region to consolidate its dominance.

The South China Sea is a huge area of about 3.5 million square km. Chinese ownership of the islands were recorded long before Christopher Columbus first sailed to North America in 1492, and Ferdinand Magellan made his historic global voyages in the 16th Century.

But the United States is using the Philippines and Vietnam to make trouble for China by increasing tensions in this sea. It is clear that China's legitimate drilling for oil and gas has been disrupted by Vietnamese vessels.

However, at a regional security forum, the Shangri-La Dialogue in Singapore, Chuck Hagel, the United States' Defense Secretary, claimed that China's actions are "destabilizing" the Asia-Pacific region. Of course his speech was refuted by experts immediately. One of observers said the finger-pointing served as an excuse for Washington to seek a closer security relationship with Asian countries, in an attempt to maintain its diminishing role amid vast cuts in its military budget.

Chinese President Xi stated that "security problems in Asia should be solved by Asians themselves, who are able to achieve regional peace and stability through co-operation."

Yes, "security problems in Asia should be solved by Asians themselves." Outsiders should consciously exit the game.

Thank you.

## Greetings to the Conference

### Sergei Glazyev, Russian Federation

*Advisor to the President of the Russian Federation*

It is a great honor for me to greet and congratulate you on the occasion of the 30th anniversary of the Schiller Institute!

Dear colleagues! The Institute has been and will always be a unique platform for dialogue and for the development of important solutions to various aspects of contemporary social, political, and economic development and humanitarian cooperation in the world!

Many of your ideas, proposals, and thoughts have found demand, in the development of valuable initiatives of practical significance, in the areas of social justice, the global order, and the prevention of regional conflicts.

Besides the solution of strictly practical tasks related to current, day-to-day problems of our mutual development, you also make, on a daily basis, a weighty contribution to the conceptualization and solution of urgent issues of geopolitics and public life.

I am certain that your conference today will provide an important impetus to discussions concerning the equality of peoples, regardless of where they live, the sovereign right of peoples to self-determination, and the choice of methods for building a harmonious future, based on peace, cooperation and good-neighboring relations!

I wish you fruitful work, dear colleagues, and peace to your houses!

Sergei Glazyev

Moscow, June 13, 2014



SPIEF

*Sergei Glazyev*

### Natalia Vitrenko, Ukraine

*Doctor of economics, Chairman of the Progressive Socialist Party of Ukraine, co-founder of the National Resistance Front Against Eurocolonization*

Congratulations on this jubilee anniversary, which is important not only for the Schiller Institute, but for all progressive humanity.

I am proud to be taking part, together with the La-Rouche movement, in the fight to change the world and save civilization. I am proud to know Lyndon LaRouche and Helga Zepp-LaRouche, these outstanding public figures of our time, personally, and to know many La-Rouche movement activists in the USA, Germany, France, Italy, Australia, and other countries.



EIRNS/Daniel Grasneck-Tente  
Natalia Vitrenko

I greatly value your intellectual and research work, which is honest, bold, and great in spirit.

Great, too, is the practical significance of your work, because many scientists and politicians around the world have been guided by your evaluations of the International Monetary Fund and the World Trade Organization, and of the problems of the banking system, as well as (most important) your specific proposals for transforming the world.

As usual, the topic of your conference, “An End to War!”, is precise and extremely timely. It is especially timely for us, as citizens of Ukraine, and for the entire Eurasian continent. A war is going on in our country. It is a terrible war by a neo-Nazi regime against the population of Ukraine’s southeast, which has risen up against it. You and we precisely identified the nature of the coup d’état in Ukraine, and sensed the monstrous danger that would result from it, not only for our people, but for all mankind. It was the Schiller Institute that organized the historic tour of our delegation in France, Germany, and Italy (February 23-March 5, 2014) and made possible an informational and political breakout of the truth about what was happening in Ukraine, through our numerous meetings with political and other public figures in these countries, and through press conferences (including at the European Parliament) and interviews for the media. Unquestionably, this was our joint contribution to preventing a Third World War from being ignited.

But the officials in Brussels and Washington, pursuing their geopolitical goals and defending their own personal, selfish interests, have supported the Ukrainian putschists and entered into a shameful alliance with Ukrainian Nazis.

Today, southeastern Ukraine is drowning in blood. Thousands of people have been killed, and tens of thousands are refugees. We have had the Odessa “Khatyn,”<sup>2</sup> the tragedies in Mariupol and Volnovakha, the blockade and humanitarian catastrophe in Slavyansk, and the use of cluster bombs and phosphorous bombs against civilians. These events, and much more, are going on right in front of our eyes, in the center of Europe. But the UN and the OSCE remain silent, and neither the Red Cross nor journalists from international news agencies are operating in the hot spots of Ukraine.

And in this setting, a massive media campaign has been launched within Ukraine, aimed at turning the entire population of our country into Nazis and pitiless killer-robots, for the purpose of inciting war with Russia. There is no doubt that this would be a catastrophe for the Eurasian continent.

I am certain that, as always, you will deliberate in depth on the causes of the war in Ukraine, and identify who ordered it and carried out, and what their motives are. And, as always, you will offer a peaceful alternative. I promise to do everything possible, to bring your findings to the citizens of Ukraine.

I wish you every success!

Yours,

Natalia Vitrenko

Kiev, June 13, 2014

## Daisuke Kotegawa, Japan

*Research Director of the CANON Institute of Global Studies*

I would like to extend a deep congratulation for your 30th anniversary meeting in New York on June 15. At this critical time of the history, it is so important that unselfish people work together towards the common welfare of all people on this earth.

It is well known from our experience in late 1990s that recovery from an economic crisis triggered by financial crisis requires special subscription. A cleaning of the banking system, with substantial change in management of major banks and with pursuit of responsibility of management, is a precondition of the bail-out of banks and restoration of confidence in the financial system. A fun-

2. The fire deaths of dozens of people inside the Odessa Trade Unions building on May 2 have been compared with the March 1943 massacre of the population of the village of Khatyn, Belarus, by the 118th Schutzmannschaft Nazi battalion, composed chiefly of collaborationists from Ukraine; The Khatyn victims were locked in a shed and burned alive—translator’s note.

damental streamlining of the financial system by re-introduction of the Glass-Steagall Act is essential to avoiding repetition of the mistakes made by Wall Street to gamble with depositors' money. A battle against Wall Street is an urgent task for us, to defend our lives.

After restoration of confidence in financial system, a large-scale fiscal stimulus is necessary to create real demand and increase the welfare of whole world. One example is the idea of a new canal at the Kula Narrows in Thailand. Financial resources have to be mobilized for such purposes, rather than gambling by Wall Street.

Power has to be brought back to Main Streets from Wall Street. I hope that you will win in the battle soon.

With best regards,  
Daisuke Kotegawa



EIRNS/Christopher Lewis

*Daisuke Kotegawa*

## Sungbin Yim, Republic of Korea

*Former Secretary for Green Growth to the President of the Republic of Korea*

Many sincere congratulations on your anniversary, marking meaningful three decades of relentless strife for human dignity. Korea's future also lies in the success of the Eurasian Land-Bridge, which will bring countries in the region together to collaborate to build the physical economy based on science, human intellect, advanced infrastructure, and great culture. "Peace Through development," which the Schiller Institute upholds, indeed is a timely call for all mankind.

## Thomas Buffenbarger, United States

*International President, International Association of Machinists and Aerospace Workers*

On behalf of the Officers and Members of the International Association of Machinists and Aerospace Workers, I wish to extend warm greetings and congratulations to the Schiller Institute on the Occasion of its 30th Anniversary.



IAM

*R. Thomas Buffenbarger*

The IAM and the Schiller Institute have long shared a vision for a world built upon progressive concepts and the ideas leading to a better, brighter future for all nations.

The application of sound economic principles, such as those contained in the proposed reauthorization of Glass-Steagall legislation, combined with a renewed emphasis on an innovation-driven industrial policy in tandem with rebuilding the global energy distribution network, are the goals that capture the imagination of nations as we collectively seek to build productive, progressive, and sustainable societies.

The IAM applauds the Schiller Institute for its monumental efforts to inform, educate, and promote the alternative ideas our entire planet is yearning for.


Best wishes to all for a successful 30th Anniversary celebration.

R. Thomas Buffenbarger  
June 12, 2014

# THE EURASIAN LAND-BRIDGE

‘The New Silk Road’—Locomotive  
For Worldwide Economic Development

An EIR Special Report



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BLAIR'S LEGACY

## ISIS Offensive Targets Iraq For Sectarian Disintegration

by Hussein Askary

June 12—The British-American policies in Iraq have not been a failure, since the goal has been to achieve Tony Blair's vision of a post-Westphalian Treaty world.<sup>1</sup> The notion of a modern, sovereign, and independent nation-state under which flag many ethnic and religious entities could coexist as citizens of one nation, is becoming a thing of the past, at least in Southwest Asia. Since at least Sept. 11, 2001, and emphatically since the start in 2003 of the aggressive war (according to the Nuremberg Tribunals) by the "coalition of the willing" against Iraq, this has been the policy of the British Empire and its partners, the Bush-Cheney and Obama Administrations.

The offensive launched on June 10 by a relatively small Salafi-Islamic terrorist group, the Islamic State in Iraq and Syria (also known as the Islamic State in the Levant, ISIS/ISIL), on the second largest city in Iraq, Mosul, and, later, Tikrit, has shaken the region and the

world. However, it has to be emphasized that the ISIS has no possibility of taking over such a large city and territory by itself, let alone exerting any control over large cities or territories without support from regional or even world powers, in addition to collaboration of local tribes and political/armed groups that are opposed to the central government.

In the smaller context, and according to many observers and local analysts, this offensive has been in the works since the re-election of the political alliance of the current Prime Minister of Iraq, Nouri al-Maliki, which was announced on May 19. Saudi Arabia and its allies in Kuwait, the United Arab Emirates, and even Qatar, have made it no secret that they were disappointed by this result, giving an ally of Iran, and his Shi'a alliance, renewed control over the government and political life in most of Iraq. This happened at the same time that the Syrian Army of the Bashar al-Assad government was achieving major victories against the Anglo-Saudi-Obama-backed Islamic terrorist groups in Syria.

Al-Maliki had waged a massive military operation against the ISIS and its supporters among the local tribes in western Iraq in Anbar Province in November/December 2013, but was not completely successful, due to tribal wheeling-and-dealing that involved Saudi Arabia and its allies, in addition to corrupt deals made by Maliki with Sunni leaders in that province. Both Russia and the U.S. Defense Department supported al-Maliki's offensive in Anbar.

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1. In a speech in Chicago in 1999, Blair said: "Looking around the world there are many regimes that are undemocratic and engaged in barbarous acts.... War is an imperfect instrument for righting humanitarian distress; but armed force is sometimes the only means of dealing with dictators." He was more explicit said on March 5, 2004: "Before September 11th, I was already reaching for a different philosophy in international relations from a traditional one that has held sway since the treaty of Westphalia in 1648; namely that a country's internal affairs are for it and you don't interfere unless it threatens you, or breaches a treaty, or triggers an obligation of alliance. I did not consider Iraq fitted into this philosophy, though I could see the horrible injustice done to its people by Saddam." See [EIR](#), Jan. 28, 2008.

The ISIS move into Mosul was a signal for other forces to complete the ethnic/sectarian division of Iraq. The ISIS was able to invade the city of Mosul because the military, security, and police commanders ordered their troops to abandon the city without a fight, and then they, themselves, sought refuge in the militarily powerful Kurdish region. The local armed forces and police commanders are accused of treason by the central government. Many of them are former members of the Iraqi Army under Saddam Hussein's regime, which was dismantled by the regime-change commander, Paul Bremer. Many of these Sunni former soldiers turned into the resistance movement against the U.S. Army, but later were appeased by Gen. David Petraeus's "surge" policy, which paid and armed them to be incorporated into local security forces working with the United States.

However, that was done not on the basis of being part of a national army, but on the basis of protecting their tribe, clan, and local area. This made them strong rivals of the central government, which, after the U.S. Army left Iraq, had to fight their influence and the infiltration of al-Qaeda and ISIS into their ranks all by itself.

After Mosul, the ISIS moved to Tikrit, a stronghold of the tribes loyal to Saddam, who were humiliated and stripped of all economic, social, and political privileges after the American-British invasion in 2003. They were later side-stepped by the Shi'a-dominated, U.S.-backed new government, which looked at those tribes of the western provinces as their former tormentors and Saddam's henchmen. Left to their fate, these tribes, which share ancestral lines with tribes in Syria, Jordan, and Saudi Arabia, became easy prey for Saudi Wahhabi or extremist Sunni propaganda and money.

## The Conflict Escalates

According to eyewitness reports from Mosul, the ISIS has already left the center of the city, because they use their limited forces to attack other cities,

FIGURE 1  
Iraq



moving like locusts, farther south toward Baghdad. This triggered a number of reactions, or already planned moves.

In the absence of any effective Iraqi army, the Kurds extended their security zone into areas that are disputed with Iraq's Arabs, in both the Mosul province and oil-rich Kirkuk, under the pretext of protecting the Kurdish minorities from the ISIS. Since the Iraqi Army and security forces are no longer reliable, Shi'a clerics in central and south Iraq, such as Ammar al-Hakim and Muqtada al-Sadr, are forming or rebuilding their own militias to stop the advance of ISIS and its Sunni supporters into Shi'a-dominated cities and other cities where there are Shi'a religious sites, like Samarra, north of Baghdad. This move will turn the conflict completely into Shi'a-Sunni strife. Bloodshed can be expected to increase in the mixed areas north of Baghdad, and even in Baghdad itself.

While the ISIS is not going to be capable of control-

ling such a vast territory in the western provinces of Iraq, it is expected that local Sunni militias will be formed to prevent the return of whatever is left of the Iraqi Army. Local political and governing entities could also be formed in the Mosul, Salah al-Din, and Anbar provinces, to form an autonomous region like the Kurdish one in the northeast and the Shi'a one in the south, thus actualizing the division of the country into three parts. But, unlike the Kurdish and southern Iraqi regions, the western region has little oil and gas resources, the sole source of income for Iraq since 2003! This will make for a fight over the oil in the border regions among the three, and the ways of exporting it to Turkey, Jordan, or Saudi Arabia will be a major source of conflict. In the meantime, the Sunni tribes in the western provinces will have to rely on support from Saudi Arabia, Kuwait, and the U.A.E. But the price they have to pay is in their own and their other Iraqi compatriots' blood.

In terms of the broader region, Turkey, which is predominantly Sunni, and which has been supporting anti-Assad Salafi terrorist groups in Syria, has vowed to in-

tervene as a NATO member (!) in Iraq and would love to intervene directly in Syria, under the pretext of fighting the ISIS, which has taken hostage the Turkish consul and many officers in the Turkish Consulate in Mosul. Iran has offered the Iraqi government assistance in fighting the terrorists. The Saudi press, although paying lip service to the Saudi official anti-terrorist stance, is full of *Schadenfreude* over the failure of the Maliki government. In Kuwait, rallies were held in support of the ISIS!

In the larger, global context, this is part of the pattern of regime-change and "color revolutions" that have swept over large parts of Southwest Asia and North Africa, in addition to Eastern Europe. Tony Blair's vision is being implemented with blood, in Southwest Asia, North Africa, and Ukraine, and with financial warfare against the nations of Europe, which are being stripped of their sovereignty through the bail-out and bail-in policies. And in the United States, British stooge Obama is presiding over the takedown of what little was left of the real U.S. agro-industrial economy.

## Background to the News: Cheney and the Saudis

*The following is excerpted from Hussein Askary, "British/Saudi Terror Fuels Bloody Sectarian War in Iraq and Syria," [EIR](#), Jan. 17, 2014.*

In 2013, more than 9,000 Iraqis were killed in terror attacks, a horrific figure not seen since 2008, when terror attacks intended to inflame sectarian tensions were launched in Iraq. It was foreign fighters of the al-Qaeda brand who pulled the triggers, not Iraqi Shi'as or Sunnis. However, the net result of the continued targeting of Shi'a and Sunni mosques and religious activities divided the country along sectarian lines.

This new phenomenon in Iraq was fed by the U.S.-Saudi agreement in November 2006, following a visit by U.S. Vice President Dick Cheney to Saudi Arabia, to establish a "Sunni Alliance" led by Saudi Arabia, and consisting of the Persian Gulf countries (United

Arab Emirates, Qatar, Bahrain, and Kuwait), Jordan, and Egypt (in addition to the Sunnis in Lebanon and Iraq) to counter what became popularized as the "Shi'a Crescent" of Iran, Syria, and Hezbollah in Lebanon. Iran and Syria had long been on the "regime-change list" of the Bush Administration and the British government, following the invasion of Iraq in 2003....

After the Cheney-Saudi agreement in 2006, Saudi money and Wahhabi extremist preachers had started pouring into western Iraq, refocusing the attention of the previously anti-Western patriotic Sunni resistance groups on the new danger, "Iran and its puppet" Shi'a government in Baghdad, which were described as greater dangers to Sunni Arabs than the United States, or even Israel. With the gradual withdrawal of the U.S. forces from Iraq in 2009-11, this "new target" became more and more visible. With the advance of the NATO regime-change crusade from Libya to Syria in 2011, western Iraq became an important supply route for weapons, money, and terrorists from Saudi Arabia and the Gulf (in addition to the "ratline" from Libya to Syria via Turkey). Western Iraq and Syria became one operational theater for the Saudi-backed terrorist groups.

# British Monarchy's Green GLOBE Genocide Summit Busted Up in Mexico

by Gretchen Small

June 14—Unfortunately for the British Crown, the LaRouche Movement in Mexico decided last week that they, as Mexican patriots, could not stand quietly by and allow the Global Legislators Organization for a Balanced Environment to hold its Second World Legislators Summit in the Mexican Chamber of Deputies on June 6-8 unchallenged.

GLOBE, as the organization is known, has the self-proclaimed mission of lining up parliamentarians and congressmen from every nation in the world to march in lockstep behind the British monarchy's satanic doctrine that human activity destroys the planet, and so must be radically reduced.

GLOBE's Mexico City summit was planned as a critical step toward the British Crown's goal of establishing the green dictatorship, which eluded it at the 2009 Copenhagen UN Climate Change Conference, by the time of the next such conference to be held in Paris in 2015. The model which they are demanding all nations follow, is that of . . . Barack Obama.

## GLOBE's Assignment

GLOBE was founded in 1989 at the instigation of the Queen's favorite Tony Blair, the inconvenient Al Gore, and then-Sen. John Kerry. It is headquartered in London. Its president from 2010-14, now honorary president, the Rt. Dishonorable John Gummer, Lord Deben, had been Prime Minister Margaret Thatcher's Minister of Agriculture, and went on, under Prime Minister John Major, to become the UK's longest-ever serving Secretary of State for the Environment, winning the dubious title from the BBC of being "the parliamentarian who did most for the environment internationally."

GLOBE's role was upgraded after the Crown was defeated at Copenhagen. The problem faced by the Queen, is how to outflank the recognition by key governments that the actual agenda at Copenhagen, was

to get them to sign on to the genocide policy; that the proposed binding international agreement, to be supranationally enforced, would lead to the death of the billions of people left without food, power, water, or industry, if they agreed, as demanded, to tear down existing productive and potential new capability of their nations. China, India, Brazil, and South Africa led the developing-sector nations in refusing to sign on to what they rightly dubbed a "suicide pact" at Copenhagen.

GLOBE's post-Copenhagen mission is to recruit legislators to put through the desired suicidal climate legislation on a national level, without waiting for a global accord. By December 2010, GLOBE released its first annual "Climate Legislation Study," prepared for it out of hoaxster Sir Nicholas Stern's Grantham Research Institute on Climate Change and the Environment, at the London School of Economics. Lord Deben wrote that the idea behind the report on various climate change initiatives underway in different nations (restrictions on forestry and fishing, carbon emission reductions, etc.) was to "inject a real sense of momentum," and thus give "governments the confidence to go further and faster in the international negotiations."

The January 2013 summit in which GLOBE escalated this flank by launching its "Climate Legislation Initiative" was held at Her Majesty's Foreign Office itself.

## LaRouche Movement Blows It Open

Mexico became a "significant" GLOBE success story, after a cross-party group of legislators rammed through a drastic, Crown-pleasing "General Law on Climate Change" in 2012. Thus, GLOBE expected smooth sailing, when its Second World Legislators Summit opened in the Mexican Chamber of Deputies. Instead, as Lord Deben was delivering his closing pep-talk to the 400 or so lawmakers attending from 80-plus





EIRNS

*The LaRouche Movement of Mexico (Mocila) up-ended GLOBE'S Green-nazi event, by exposing its true purpose: to brainwash legislators to accept the British monarchy's doctrine that mankind is a pestilence. Here, Mocila's Carolina Domínguez challenges the speaker, Lord Deben.*

countries, his speech was interrupted with loud calls from the press balcony at the back of the hall: "This is the new British imperialism!"; "Mexico repudiates British imperialism!"; "Out with GLOBE!"

The LaRouche Citizens Movement of Mexico (Mocila) had struck. The conference froze as the organizers began singing Verdi's famous patriotic chorus, *Va, pensiero*, leafleted the press, and dropped several hundred copies of a Mocila leaflet to the delegates below, warning them, in Spanish and English, that GLOBE is "The New Face of Fascism."

"Members of Congress of any nation should be ashamed to belong to such an immoral organization, or any such organization opposed to progress and in favor of depopulating the planet," the Mocila leaflet admonished (see below for full text).

With Lord Deben yelling from the podium in a decidedly un-lordly manner, that the challengers were "representatives of the past," responsible for "the felling of many trees," private security agents hired by GLOBE to police the highly secured conference violently dragged the organizers out of the hall, manhandling and bruising the women organizers, in particular. The display of excessive force shocked the national and

foreign reporters present, and GLOBE's team began demanding their videocameras and cell-phones, and even verbally assaulted the director of information for the Chamber of Deputies' press office.

Mocila's charge of fascism resonated. The chorus of obsequious press praise that British "climate change" lords have come to expect from "the natives," was broken by a dozen or so stories in the Mexican media which reported on the arrogant, vicious response to the LaRouche movement's intervention, many identifying the actual issue raised by the organizers: that the green agenda is fascism. For example, *Noticias de Veracruz* and *Hoy Noticia* reported that "the demonstrators distributed propaganda titled 'The New Face of Fascism,' where they told the legislators ... that they should 'dis-

tance themselves from the neo-colonialist 'green' agenda of the supranational spokesmen and representatives of the British empire's foreign policy.'... What lies behind the policies disguised as 'mitigation and adapting to climate change' pushed by supranational environmental organizations, is what is known as 'Malthusianism,' their printed leaflet detailed."

Other press accounts focused on Mocila's charge that GLOBE "seeks to eliminate the concept and implementation of progress." As *Quadratin.com* reported, "the false guise of defense of the environment is used, while covering up their real purpose of eliminating sovereignty and the productive capacity of nations. 'For the oligarchy, the solution to the crisis is for most of the population to disappear,'"

## Obama, the Hero

GLOBE had set out two primary objectives for the summit. The first was to induce more governments to put through binding national legislation which imposes drastic limitations on all forms of productive economic activity, in the name of preventing "climate change."

Despite the hype, their effort is not advancing without resistance. A GLOBE regional chapter for the

Americas was announced at the summit, strengthening its already dangerous penetration of this region, but Lord Deben admitted in his closing remarks that the final resolution passed at the summit was “vague.”

The United States under Obama is their bright spot. President Obama’s actions to ram through the radical “decarbonization” of the U.S. economy by unconstitutional Executive dictate, with his EPA decrees against coal, was held up as the example which governments should emulate.

Notably, simultaneous with the summit, Obama, in a June 8 interview with the *New York Times*’ Thomas Friedman, touted the usefulness of “market pricing” for moving the climate change agenda forward.

## Radical Green Monetarism

Which takes us to GLOBE’s second principal goal for their summit: to induce nations to incorporate “natural capital” accounting in all their budgeting and fiscal decisions. That is, to assign arbitrary monetary values to “ecosystem systems,” water, forests, soil, mineral deposits, sunshine, etc., so as to use market pricing and GDP accounting to make the utilization of so-called “Nature” prohibitively expensive. They argue that if nations exploit their forests or mines, for example, they should be deducting X-amount of “value” from their GDP, as “loss” of “natural capital”!



*John Gummer, Lord Deben, president of GLOBE, who chaired the meeting, watched as security guards ejected and brutally manhandled the young women of Mocila. The organizers have filed charges.*

This shameless absurdity of assigning monetary values to the biosphere or lithosphere, distinct from their roles in human economic activity, is frankly an insult to any intelligent human being. GLOBE claims for example, in its natural capital promo video, that there are 63 million hectares of wetlands worldwide, and this is equivalent to \$3.4 billion per year. How? Why? Don’t ask; accept!

GLOBE’s updated “Natural Capital Legislation” study unveiled at the Mexico summit, baldly asserts the premise which underlies all their lies: that “human activity has substantially degraded the natural environment.”

GLOBE’s accounting goal comes top-down from the British monarchy, Prince Charles being the personal patron of the “natural capital” accounting scam. The Prince set up a “charity” called the Accounting for Sustainability Project in 2004, which states that it is putting together public-private-NGO initiatives to stop the human race—with billions still starving—from “over-fishing,” engaging in excessive agriculture, and generally over-exploiting everything “without accounting for the damage.”

Charles promoted his accounting project, and the former Deutsche Bank derivatives banker Pavan Sukhdev credited with packaging the “natural capital accounting” scheme, as the central feature in his keynote address to the May 27 City of London “Inclu-



Foreign Affairs Ministry, Denmark

*Prince Charles’ “charity,” the Accounting for Sustainability Project, a “Let them eat cake!” program, demands that humans stop “engaging in excessive agriculture,” “over-fishing,” and exploiting “nature,” “without accounting for the damage.”*

sive Capitalism” hedge fund war council. He followed up a few days later, co-hosting the “Clean Energy Finance Summit” held June 3-4 at the UK Department of Energy (see “Prince Charles and the City Seek To Save Their System,” *EIR*, June 6, 2014).

Lunatic? Yes, but the perverse radical monetarism expressed in GLOBE’s “natural capital accounting” goal, is no different than the drive to include prostitution and illegal drugs in national accounts, as the Troika has ordered for the entire European Union by September. Underlying both of these measures, is the Satanic oligarchical view of humanity which Aeschylus portrayed in his immortal “Prometheus Bound.” Mankind is not the species uniquely capable of willful, creative development of the universe, thus responsible for ever-extending our dominion over that universe, but a plague to be killed.

The treatment of the African delegates to the Mexico City summit puts the point on the fact that, when the Crown’s minions assert human activity “degrades” the planet, they mean *all* human activity, whether powered by nuclear energy, fossil fuels, or even plain old wood: The African legislators reported that their nations are under attack for using *firewood*.

Inter Press Service reported in a June 9 wire that African legislators attending the summit came under attack for not being ambitious enough to meet the challenge of a changing climate. The case of the Democratic Republic of Congo (DRC) was cited. While the DRC is a gung-ho participant in the project to get nations to limit or prohibit use of national forests in exchange for cash (the “Reducing Emissions from Deforestation and Forest Degradation” [REDD+] scam), those limitations have not been institutionalized in “a legally binding framework.”

What does this mean in human terms? A legislator from the DRC attending the summit explained to IPS: “We need it [the forest] to feed our people, to get heat, to cook. You cannot tell your wife to stop using firewood and not provide an alternative source of energy.”

Nothing less than the *dehumanization* of the planet will satisfy this British monarchy, until it is banished from the Earth.

*Research for this article was provided by Blanca Estela Pérez García.*

## Mocila Charges GLOBE with Suppression of Free Speech

June 12—Three journalists who are members of the LaRouche Citizens Movement of Mexico (Mocila) yesterday filed a formal complaint before the Special Prosecutor for Addressing Crimes Against Free Speech, which is part of Mexico’s Federal Prosecutor General of the Republic’s office, charging individuals associated with the private security firm hired by GLOBE (Global Legislators for a Balanced Environment) with physical violence in removing them from a public meeting of GLOBE in the Mexican Congress on June 8, 2014.

When the Mocila organizers attempted to raise GLOBE’s role in the British monarchy’s drive to reduce the world population to 1 billion or less, at the

GLOBE conference’s closing session, they were violently expelled from the meeting by security personnel, with three of the Mocila women being particularly roughed up, punched, scratched, having their blouses torn, etc.

Blanca Estela Pérez García, Laura Flores, and Carolina Domínguez filed formal complaints against John Gummer (aka Lord Deben), in his capacity as President of GLOBE and the person in charge of the three-day event, including chairing the closing session when the violence occurred. They also cited the names of the Mexican Congressmen who are members of GLOBE Mexico.

Officials of the Special Prosecutors office received the complaint; had a forensic doctor document the multiple bruises and injuries sustained by the three women; and advised the complainants that specialists from the prosecutor’s office would go to the Congress and interview witnesses and participants, as well as obtain other documentary evidence, such as video footage.

# GLOBE: The New Face of Fascism

*This leaflet by the Citizens' LaRouche Movement of Mexico (MOCILA) was distributed in both Spanish and English at the Global Legislators Organization for a Balanced Environment (GLOBE) conference in Mexico City on June 6-8:*

The LaRouche Citizens Movement calls upon the legislators meeting in this hall to distance themselves on moral grounds from the neo-colonialist “green” agenda of the supranational organizations, spokesmen and representatives of the British Empire’s foreign policy, whose agenda is premised on an ideology created and promoted by imperial think-tanks going back to the infamous Thomas Malthus; organizations such as the World Wildlife Fund (WWF), founded by Prince Philip of Edinburgh<sup>1</sup> and Prince Bernhard of the Netherlands<sup>2</sup>, and the Global Legislators Organization for a Balanced Environment (GLOBE), an organization “founded on the initiative of former U.S. Vice President Al Gore<sup>3</sup> and Senator John Kerry, in 1989, to respond to the challenges of climate change.”

What drives this “urgent need” to combat “climate change,” are policies which, under the guise of environmentalist ideology, have been launched against nation-states, with the purpose of stripping them of their sovereignty by co-opting their institutional representatives, brainwashing them with talk of anthropogenic climate change, whose scientific validity is dubious, since there is still a debate on the real causes of those changes. There is simply no scientific evidence that CO<sub>2</sub> is responsible for climate change. There is only rhetoric reminiscent of Joseph Goebbels’ maxim: “Repeat a lie a thousand times and it will become the truth.”

On the pretext of “climate change” and “sustainability,” GLOBE, in its analysis of Mexico’s National

Energy Strategy, 2013-2027,<sup>4</sup> dares to question Mexico’s prioritization of economic growth and energy inclusion: “The National Energy Strategy sent to Congress establishes two Strategic Objectives: 1. Viable economic growth for Mexico; and 2. Access to high-quality energy services for the whole population. The pivotal point of environmental sustainability is left out, giving priority to cost and economic growth.”

It is astonishing that a body made up of elected public officials would lament that a country decided to give priority to economic growth and that all its population should have access to energy. Since when is the goal of social progress a problem? Members of Congress of any nation should be ashamed to belong to such an immoral organization, or any such organization opposed to progress and in favor of depopulating the planet. Congressmen and -women should remember that they represent an institution which has true moral weight, the nation-state, which is based on the principle of the welfare of its citizens, which they promised to defend, rather than some supranational “body” following the orders of British colonialism.

## Low Energy Density and Genocide

What lies behind the policies disguised as “mitigation and adapting to climate change” pushed by supranational environmental organizations, is what is known as “Malthusianism.” This has become state policy globally in two ways: 1. brutal campaigns against population growth; the premise was adopted that we ourselves are pollutants; and 2. policies that pressure nations to reduce their energy density by using “renewable energies,” making them incapable of meeting the basic necessities of energy, water, food, and jobs (inalienable human rights consecrated in many constitutions), and condemning us to a desolate future.

GLOBE is connected to “Natural Capital,” which in the document titled “Natural Capital of Mexico,” attacks Norman Borlaug’s Green Revolution which so benefitted Mexico, arguing that “the Green Revolution, whose effects permitted a notable increase in production; its environmental consequences, however, were very harmful because of the soil and water pollution generated by misuse of agrochemicals, and they are also inefficient energy systems.”

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1. Who fervently wishes to be reborn “as a deadly virus, in order to contribute something to solve overpopulation.”

2. Card-carrying member of Hitler’s Nazi Party.

3. Whose mining interests, lifestyle, and inordinate enrichment from his “green” businesses relegate him to a very unacceptable moral level.

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4. Notwithstanding the fact that the outlined energy policy is a smoke-screen, since the regressive energy reform hands over ownership of the assets upon which social development depends.



Facing the greatest food crisis that we have ever had, importing 50% of our food, these words sound like a death sentence for the millions of people who do not have food in our country. The only way to produce the food that we require is to build great infrastructure projects, such as the NAWAPA-PLHINO project, and reactivate the principles of the Green Revolution.

### The New British Imperialism

These NGOs seek to eliminate the concept and implementation of progress which the world so badly needs at this moment of both financial and physical crisis. Under the guise of defending the environment, they hide their true intention: the elimination of the sovereignty and the productive capacity of nations. For the oligarchy, the solution to the crisis is for the majority of the population to simply disappear, using a campaign of merciless plunder of their resources based on the argument of “sustainability” and “green policies.” They convince nations not to make use of their own resources so that they don’t achieve their true potential; that is, old-style British colonialism with a “friendly” face.

What we have to do is not only produce a great quantity of energy, but also achieve a general dynamic of technological advance, based on rising energy-flux density. We must return to the idea that human beings are creative and have the ability to discover new laws and resources that break with the idea of limited resources.

We nations of the Americas do not deserve to have imposed on us green policies which damage human beings, with laws that limit growth and development, including even food production, because those who promote them argue that agriculture and livestock breeding harm the planet. This situation is already reflected in the climate change laws that the states of this Republic have approved, in order to meet the objectives of documents such as Agenda 21 and the Convention on Biological Diversity, which promote zero technological development, population reduction and impoverishment, and ecological reordering.

Mexico does not deserve this. Mexico deserves to grow, develop a flourishing agriculture to feed everyone, increase the use of nuclear energy, but above all, to be the author and architect of its own destiny, not a puppet of imperial forces, of greenie tin-hat princes who, from their thrones, would stop the progress of the continent and suck its blood for their own benefit.

Is de-carbonization good for the population? Should we return to rural primitivism, as some British foundations propose? Or do you actually agree with Jonathan

Porrit, the scientific advisor of former British Prime Minister Gordon Brown, that it is necessary to reduce the population of England from 60 to 30 million people, because humans contaminate the environment by exhaling CO<sub>2</sub>? There are scientists, such as Dr. Eric Pianka, who in the name of “saving the planet,” propose to unleash a virus that will contribute to the elimination of 90% of the population. What groups will survive if these ideas are implemented? Let us remind you that the *Nazis* promoted a whole “scientific” theory about the supposed supremacy of the Aryan race.

Why should we listen to countries like Great Britain, which wish to de-carbonize the Americas? Should countries be the puppets of oligarchs such as John Selwyn Gummer, Lord Deben, the honorary president of GLOBE, who is also the director of the “sustainable” business enterprise Veolia UK, a clear conflict of interest?

We should tell the eugenicist oligarchs who promote their new empire in the Americas to get out, to stop promoting policies that corrupt the spirit of progress. Contrary to false scientific dogmas, we have the technology needed to transform this country, to build ecosystems and manage the planet’s environment for the good of mankind. History has shown us as much. Monarchs wish to have subjects; we democrats want citizens.

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—Lyndon LaRouche,  
Feb. 11, 2013

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# Resistance Grows in Europe to U.S.-NATO Anti-Russia Policy

by Rainer Apel

WIESBADEN, Germany, June 14—Although the member governments of the European Union supported U.S.-demanded sanctions against Russian and Ukrainian officials in April, the NATO policy of expansion to the East and isolation of Russia over the Ukraine issue, a policy which could spark general war, is widely opposed. Here are some notable examples:

## Germany

*The vast majority of Germans (89%) favor dialogue with Russia*, according to the Deutschlandtrend opinion poll released on June 6; it is published by Germany's state-run ARD TV at the beginning of every month. The number of Germans opposed to sanctions is increasing, as compared with one or two months ago.

Willy Wimmer, a longtime member of the Christian Democrats' group in the Bundestag and deputy defense minister in the 1980s, *charged the United States with pushing for war in Europe*. He spoke in an [interview](#) with independent journalist Ken Jepsen on June 9.

Wimmer said that as he watches the recent developments in Ukraine, he can only assume that what is happening was NATO's intention, although, luckily, not all these intentions bore fruit—for example, the nuclear weapons arsenal of the Russian Black Sea Fleet on Crimea was never threatened by the Maidan-inspired insurrectionists. The Feb. 21 agreement between Ukrainian President Viktor Yanukovich and opposition leaders, witnessed by EU foreign ministers who had brokered the deal, including Germany's Frank-Walter Steinmeier, was deliberately sabotaged, Wimmer said. The Maidan leaders wanted to carry the flames from the Maidan to the rest of Ukraine, notably, Crimea. "This incendiary approach has been taken along the southern underbelly of the Russian Federation for decades, to hit Russia, and the same was planned in Ukraine," he said, adding that the strategy is being pursued by the Anglo-

Saxons against the genuine interests of continental Europeans.

Wimmer pointed out that "in the center of British capitalism, of British imperialism, when [British Prime Minister David] Cameron wanted to strike against Syria, the House of Commons and the population refused to go along; the same could be said about the U.S. Congress."

While mistakenly seeing the United States, not the British, as the driving factor for war, Wimmer did underline the historical role of the British Empire. He likened the propaganda against Russian President Vladimir Putin to the British propaganda against Germany's Kaiser Wilhelm on the eve of World War I, and compared the sabotage of the Organization for Security and Cooperation in Europe (OSCE), and other such forms of dialogue between East and West, to the British sabotage of the post-Napoleonic concept of peace in Europe, by keeping all of continental Europe ready for war instead.

Wimmer harshly criticized the May 29 ceremonies surrounding the International Charlemagne Prize of Aachen, to which the leaders of Ukraine, Georgia, and Moldova were invited—noting in particular the case of "Georgia, which launched a war against Russia and now shall become a member of the European Union for that." The expansion of the EU is being pursued by the Anglo-Saxons to paralyze Europe, Wimmer charged. "The British interest is to let the European Union degenerate into an oversized free-trade zone; this is also the American interest, because the British have acted as poodles of the Americans for the past decades." They want continental Europe to become a colony, including through the Transatlantic Trade and Investment Partnership (TTIP), which would give U.S. law firms the final say over decisions by the governments of Europe.

Wimmer described his own experience as deputy defense minister under Chancellor Helmut Kohl, both before and after German reunification. It was Wimmer who drafted the proposal to have the reunited Germany as a member of NATO, which President George H.W. Bush and President Mikhail Gorbachov signed. "We were all agreed then, not to capitalize on the end of the Cold War, not to exploit the domestic central problems of the Russian Federation," he said. Expansion of NATO "was out of question, Russia today still suffers from the trauma of Napoleon and Hitler." But this policy was reversed in the mid-1990s, "when the

Americans forced the expansion of NATO to the east.”

Then, at the Bratislava conference of 2000, organized by the U.S. State Department and attended by the prime ministers, and the foreign and defense ministers of the eastern European countries, it was proclaimed that the new situation should be used, in Wimmer’s characterization, “to expand NATO up to the borders of Russia; that the entire area between the Atlantic and the Russian border is an American sphere.” The available formats for dialogue, such as the OSCE, were “willfully destroyed by the Americans,” because a decision was made not to have discussions with Russia any longer, but confrontation.

But if you cut off all dialogue formats, only confrontation is left, and that leads to war—from low-intensity warfare to all-out warfare. There are even U.S. Presidential directives, he said, that state that it is intolerable for another power center to emerge that would challenge the Americans; and that is why the U.S.A. is meddling around everywhere where they sense a threat: in Libya, in Syria, in the islands dispute between Japan and China, in Ukraine.

“The Americans apparently have the concept since the end of the Cold War: Make Europe fit for war, make Asia fit for war, and we will wage it.”

*Gen. Harald Kujat*, former Chief of Staff of the Bundeswehr and former Chairman of the NATO Military Committee, said in an interview on May 30 with Germany’s state-run radio DLF, that the chaotic and highly dangerous situation in Ukraine, which neither the West nor Russia can alone bring under control, *requires a joint NATO-Russia peacekeeping mission*, modeled on the UN-mandated international KFOR mission in Kosovo in 1999.

“Now, we must grasp methods that in the past have proven their worth,” he said. “And we must, yes, we want to avoid also, that a situation develops in which Russia can do nothing but intervene militarily, in order to stabilize the situation. Thus, we must ourselves undertake something, in order to create stability. And that must be together with Russia; there is no way around this. And in my view, the model we used in Kosovo, KFOR, is what is available, where an international military stabilization force of Western states and Russia, where also German, American, and Russian armed forces together guaranteed stability.”

Kujat added that the anti-Maidan fighters in Ukraine are not under the control of Russia, and never have been, a fact that should have been recognized by the West long ago.

## Austria

*President Heinz Fischer’s office announced on June 6 that President Putin will visit Vienna on June 24.* The Vienna news daily *Die Presse* mentions that Russian Railroads president Vladimir Yakunin has visited Austria often, for example, to lobby for his proposal to extend the broad-gauge Russian railroad track to Vienna. Austrian banks are very active in Russia, and Austria’s oil and gas firm OMV recently signed an agreement with Gazprom on the extension of the Russian gas pipeline South Stream to Weingarten, near Vienna.

## Czech Republic

*President Milos Zeman called for decentralization of Ukraine*, as was done with Czechoslovakia in 1993, in a meeting with university students on June 11. “The only way to calm the situation in Ukraine is decentralization of Ukraine, i.e., pushing through the system of self-rule in the regions,” he said. “I believe that it is feasible.”

Up to now, Ukraine has been controlled by groups of gangsters who enriched themselves through dubious operations, including illegal siphoning of gas from pipelines, and contract killings, Zeman said. “For example, Yulia Tymoshenko ... was publicly accused of having hired killers for 20 contractual murders. This is a usual way of communication between local politicians.”

On April 7, RT.com quoted Zeman saying that the EU should accept the fact that Crimea is now part of Russia, stressing that the former autonomous region won’t return to Ukraine in the foreseeable future. In an interview on Czech public radio, he described former Soviet leader Nikita Khrushchov’s decision to give Crimea to the Ukraine in 1954 as “stupid.”

But, he added, “The moment Russia decides to widen its territorial expansion to the eastern part of Ukraine, that is where the fun ends. There I would plead not only for the strictest EU sanctions, but even for military readiness of the North Atlantic Alliance, like, for example, NATO forces entering Ukrainian territory.”

ECB MOVES FOR BAIL-IN

## ‘Hjalmario’ Draghi: In The Footsteps of Schacht

by Claudio Celani

June 14—European Central Bank (ECB) chairman Mario Draghi on June 5 cut interest rates down to the lowest level in history: 0.15%; introduced punitive rates for bank deposits at the ECB; and announced long-term loans to banks, as well as purchases of bonds and junk paper. Furthermore, he said that the ECB will not “sterilize” those purchases anymore, i.e., those purchases will increase the monetary mass.

Draghi himself said that the ECB has reached the limit as concerns cheap money. However, he added: “This is not the end.” The next thing the Bank can do is actually throw money from helicopters.

The ECB official motivation is that the Eurozone economies need a “stimulus” in order to stop the ongoing process towards deflation. The long-term loans will be given only on the condition that banks use them for financing firms. In reality, it will be difficult, if not impossible, for the ECB to control that. Furthermore, it is not that there is not liquidity enough for banks to loan to the economy, but rather, the recession caused by the ECB policies offers no opportunities for loans. As a matter of fact, banks are filled with non-performing loans, and any cheap money injection is used in high-yield, high-risk financial investments. The ECB solution to the non-performing loans is to allow banks to package them into ABS (asset-backed securities) products and sell them to the ECB. However, this too will not work.

### Plan B: ‘Bail-In’

Stubbornly refusing to implement the only solution that would work, a Glass-Steagall-type of banking separation, the ECB is presumably well aware that the system is bankrupt and that its measures won’t work. In its May Financial Stability Report, the ECB itself warned of a banking crash around the corner, potentially triggered by a reversal of carry-trade flows of capital from the emerging markets in the Eurozone in the last months.

Thus, the ECB must have a Plan B, different from the official stimulus narrative.

The plan is: gaining time for the big expropriation of depositors’ savings, or “bail-in.”

The expropriation has de facto started with the negative rates, as the head of the German Saving Banks Association, Georg Fahrenschon, has exposed. In numerous media interviews he has warned that German depositors will lose EU15 billion as result of the latest rate cut, and the ECB is pushing them to go to the stock market, where they will lose more once the market crashes.

Asked by financial journalist Dirk Müller, whether the ECB policy is expropriation of savings, Fahrenschon answered, “Yes, very clearly! Through this policy of low interest rates of the European Central Bank, private households in Germany will lose about EU15 billion yearly in interest payments. This is per capita ... about EU200 yearly.





EC/Charlemagne

*ECB chief Mario Draghi (above) the “savior of the euro” has taken up the mantle of Nazi Economics Minister Hjalmar Schacht (left, with Hitler), the “savior” of the Reichsmark.*

“Draghi knows very well that when he cuts the rate, which is already close to zero, to almost zero, this will produce no positive effect in the real economy. We do not have a problem of credit supply; we have a problem of confidence.”

Fahrenschon also said that the ECB is exceeding its mandate. “The European Central Bank is not the surrogate government of Germany. The framework conditions for economic actors to achieve confidence and invest—this is the task of nation-states, of politics.”

German families, faced with the prospect of losing money from their savings deposits (with rates currently at 0.2%) and life-insurance policies, will turn to the stock market. Many suspect that this is Draghi’s intention. As a matter of fact, the German Dax index surpassed the historical threshold of 10,000 after the ECB decision.

Answering a question on this, Fahrenschon said:

“Since the ECB is offering so much central bank money, we have an excess of offer on the secondary money circuit. Liquidity is spilling over from all corners at the moment. We talk about concrete gold [a reference to the speculative real-estate bubble]; we have one all-time high on the stock market, followed by yet another one.”

Draghi already has a record in expropriating family savings: in the 1990s, when he was director general of the Italian Treasury, he forced millions of families out of state bonds into the stock market, where they collectively lost EU216 billion.

### **‘What Damages the Depositor, Helps Balance the Budget’**

However, the ominous plan, concocted among the ECB, the EU, the Bank of England (BoE), and the Federal Reserve, is more far-reaching: Once depositors are in the stock market, they become part of the global bail-in chest, i.e., their money will be used to “bail in” bankrupt banks.

The bail-in regime has been established as part of the so-called European Banking Union, which will be fully effective on Jan. 1, 2015. This legislation foresees

that in the case of insolvency of a so-called “systemically important financial institution,” the bank creditors are refunded first with stocks, then with bonds, and finally, with depositors’ money. Then the government steps in as the debtor of last resort.

This plan might even have been the subject of talks between Draghi and German Chancellor Angela Merkel on June 11. Shortly preceding that meeting, the head of Merkel’s CDU Economic Council, Kurt Lauk, justified “the expropriation of savings” as necessary, and for the first time, said it would damage depositors. Lauk said that the ECB “rate cut also helps the government budget. What damages the depositor, helps balance the budget.”

While Lauk was saying this, Jeroen Dijsselbloem, the president of the Eurogroup, comprised mainly of the finance ministers of the Eurozone countries, was in Vienna for talks on the banking situation there, and at a press conference, he told journalists that “bail-ins make a lot of sense, from both a budgetary, as well as an economic point of view,” not only in Austria, which is implementing a EU900 million bail-in for the ailing Hypo Alpe Adria bank, but everywhere else in Europe.

Dijsselbloem issued a statement the same day, announcing that Eurozone member-states had just “reached a political understanding on the operational framework” for the European Stability Mechanism, mandating bail-in as part of any bank rescue operations.

Dijsselbloem had been the first EU official, in the Spring of 2013, to state that the Cyprus bail-in was a blueprint for the rest of Europe.

Even in Hungary, a country which has opposed many dictatorial EU regulations, the bail-in regime was introduced as law. On June 12, the Economics Ministry submitted a bill to Parliament establishing regulations for bail-in, according to EU guidelines. Economic Minister Mihaly Varga defended the bill before Parliament, saying the regulations will prevent the protracted liquidation of a troubled bank from triggering a crisis.

The combination of the hyperinflationary bail-out and the bail-in regime is, however, bringing the system faster to its end.

As Dijsselbloem was in Vienna hyping bail-in, Standard & Poor’s announced that it had downgraded ratings for Hypo Alpe Adria and six other Austrian banks (Erste Group, Raiffeisen Zentralbank, Raiffeisen Bank International, KA Finanz, Hypo Niederöster-

reich, UniCredit Bank Austria), precisely because Austria is readying imposition of a EU900-million bail-in for Hypo Alpe Adria bank.

## Capital Flight Out of the Euro

Draghi’s negative rates policy is inflating the stock market, but is at the same time provoking a capital flight out of the euro: exactly what the ECB had warned might provoke a banking crash.

One week after the introduction of negative rates on banks’ deposits at the ECB, such deposits have shrunk by two-thirds. This money is partly transferred abroad, into U.S. bonds, for instance, which have a 40-point spread with German bonds, and in general, to any country with higher interest rates. The euro has lost 2 cents against the dollar since June 5, and is now at 1.35, a one-year low. Against the British pound the euro has lost 1.2%; against the ruble 2.5%. According to “experts,” the euro could go down to 1.20 against the dollar, says *Die Welt*.

And this, when Mario Draghi has not yet implemented the “unorthodox” measures.

Draghi’s former colleague at Goldman Sachs and now close ally at the Bank of England, Mark Carney, made it worse by announcing that the BoE might increase its rates earlier than expected.

On June 13, he stated: “There is already great speculation about the exact timing of the first rate hike and this decision is becoming more balanced.” This has been interpreted as setting an earlier date, probably Spring 2015 instead of 2016, for a rate increase. The hike is officially motivated by concerns about the real estate bubble.

Carney himself said that the move is dangerous: “The effects of an excessive, or an excessively rapid, tightening of monetary policy could prove damaging and difficult to undo.” The City of London raising rates when the Eurozone reduces them, is going to amplify the carry trade (capital flight) phenomenon, with uncontrollable consequences. Popping one bubble means to pop the entire bubble, as the Fed action in 2006 shows. So, why is the BOE deciding to provoke a crash by raising rates, at the same time that Carney’s twin at the ECB, Mario Draghi, is apparently doing the opposite?

One thing is sure: Mario Draghi, the “savior of the euro,” is following in the footsteps of Hjalmar Schacht, the “savior” of the Reichsmark. Who will be Hjalmar-  
io’s Hitler?

# China Expands Its Economic Silk Road Diplomacy

June 14—China is continuing its international mobilization around the New Silk Road perspective. This was the major topic at the Sixth Ministerial Conference of the China-Arab States Cooperation Forum held June 5 in Beijing. More than 200 guests from China and the Arab states participated in the forum, which is now celebrating its 10th anniversary.

Although it was organized only at the ministerial level, President Xi Jinping made a point of addressing the gathering personally; he reiterated his project for developing the Silk Road Economic Belt, combining it with the Maritime Silk Road into a single project which he designated “One Road and One Belt.” “The next decade poses a critical development period for both China and the Arab states, which calls us to carry forward the Silk Road spirit and rejuvenate our countries,” Xi said, and quoted an old Chinese saying: “Five colors, when shining upon each other, will add beauty to each other; eight musical instruments, when played together, will make a harmonious melody.”

“No one civilization can claim to be superior to another,” he underlined. He called on the organization to begin discussions on establishing a China-Arab technology-transfer center for training Arab experts in the use of nuclear energy and for opening the Chinese Beidou Navigation Satellite System to Arab states. Three major sets of agreements were signed at the ministerial conference, focussing on nuclear technology, aerospace technology, and “alternative” energy resources.

At the same time, there was a seminar in Beijing together with the Iranian Embassy entitled “21st-Century China-Iran Silk Road.” The seminar was organized by the Cultural Section of the Iranian Embassy with the Minzu University of China, Beijing Ethnic Education Association, and Beijing Huimin School. It was oriented to the Hui minority in China, which had its origin along the ancient Silk Road.

During the May 20-12 Conference on Interaction and Confidence-Building Measures in Asia (CICA) in Shanghai, President Xi also met with Iranian President Rouhani. The two pledged to jointly work to build the New Silk Road.

## And Now, with the Subcontinent

Several days later, on June 10, President Xi hosted Bangladeshi Prime Minister Sheikh Hasina in Beijing, where the New Silk Road approach was again on the agenda. Both pledged joint efforts to build an economic corridor linking Bangladesh, China, India, and Myanmar.

“Bangladesh is an important country along the Maritime Silk Road,” Xi said during the meeting, noting that China welcomes the Bangladeshi side’s participation in the construction of the Silk Road Economic Belt and the 21st-Century Maritime Silk Road, while pushing ahead with the economic corridor.

Echoing Xi’s proposal on the belt and maritime route, Hasina said the four-nation economic corridor is of great significance for the development of South Asia, and that her country will play an active role in its construction.

A day earlier, Prime Minister Hasina had commented on how deeply impressed she was by China’s development and changes. “From my first visit to China in 1993 till the present, I have witnessed the great development of China. I think Bangladesh can learn a lot from China—the way China develops. I believe, in the near future, China will be the world’s biggest economy. As an Asian country, Bangladesh takes pride in that,” she said.

China is also reaching out to India. Foreign Minister Wang Yi visited India June 8 and 9, held meetings with Prime Minister Narendra Modi, External Affairs Minister Sushma Swaraj, President Pranab Mukherjee, and National Security Advisor Ajit Doval, among others, praising the new era in India and pledging full Chinese support for India’s development and expanded relations.

Wang focused on Chinese investment in the infrastructure sector. “As special envoy to the President, I have brought the most important message, that on your road to national rejuvenation, China stands by your side,” he said. He told journalists after meeting Prime Minister Modi that China wanted to upgrade railways and build expressways in India. “We are competitive and cost-effective.” Swaraj spoke about the possibility of China setting up industrial parks in India.

## Geopolitical Priority: Eurasian Development

by Rachael Douglas

June 13—The inaugural conference of a new Central Asia Expert Club on Eurasian Development was held yesterday in Dushanbe, Tajikistan. It was chaired by Sayfullo Safarov, deputy director of the official Tajikistan Center for Strategic Studies, and addressed by Yuri Krupnov, chairman of the Supervisory Board of Russia's Institute for Demography, Migration and Regional Development (IDMRD).

The IDMRD program for Central Asian development, "A New Generation of Alternative Development Programs for the Elimination of Drug Production in Afghanistan," had been unveiled by Krupnov March 25 at a Moscow meeting on "Alternative Development for Drug-Producing Regions," hosted by Russian Federal Drug Control Service (FDCS) Director Victor Ivanov (see *EIR*, April 4, 2014).

### Regionwide Collaboration

Since the March conference, the IDMRD team has been building support for the program. On May 28-29, Krupnov addressed a conference on "Pakistan's Strategic Environment: Post-2014," held by the Islamabad Policy Research Institute. His report there, "A Russian and Central Asian View of the Prospects for Pakistan and Afghanistan," put forward the "project approach" to economic development of the region.

Calling for "new, secondary industrialization in Central Asia as the basis for Eurasian integration," Krupnov wrote on his website about yesterday's Dushanbe conference: "With the global economic crisis and the tense geopolitical situation, cooperation may unite not only countries of the former Soviet Union, but also greater Central Asia, including Pakistan, Afghanistan and Iran." Representatives of the Embassies of Russia, Belarus, and Kazakhstan, the charter members of the new Eurasian Economic Union, also addressed the meeting.

"Central Asia is a key staging ground for Eurasian integration," said Krupnov, noting that Tajikistan itself borders on almost all the other countries of the region. He urged Tajikistan to cooperate with Russia on the future of Afghanistan: "One should not nurture illusions that Tajikistan could launch industrialization on its own. Only close industrial cooperation with central Russia, specifically southern Siberia, can uplift its national economy. Tajikistan can be a leader in secondary industrialization, becoming a staging ground for crash industrialization in Afghanistan," replacing the drug economy there. Four key areas would be agricultural implements and food-processing machinery production; transportation infrastructure; rapid construction of a string of hydroelectric power plants on the Panj River; science and technical education programs.

To finance such development, Krupnov played up the potential role of the Corporation for Central Asian Development Cooperation, proposed by Ivanov two years ago, and now being promoted by the FDCS, as a "system integrator" for the various investment projects that are under discussion. Coverage of the Dushanbe event by the official Russian news agency Itar-Tass highlighted this aspect, noting, "The creation of the corporation on the basis of Vnesheconombank has been proposed by ... Victor Ivanov ... [and] approved by the State Duma Committee for CIS Affairs and Ties with Compatriots."

The state-owned Vnesheconombank, or VEB Bank, is Russia's second-largest bank, and has been authorized at President Putin's initiative to handle the investment of resources from the National Welfare Fund into some infrastructure projects.

### Preventive Measures

Itar-Tass also characterized the meeting as a discussion of "preventive measures to ward off the Ukrainian scenario in the region." Speakers said that it is urgent to "intensify Eurasian cooperation and build a strong geopolitical system in order to avoid Ukrainian events and work out preventive measures for that purpose," according to the news agency.

On June 17 and 19, Dushanbe will also be the site of two meetings of officials from anti-drug agencies of the Shanghai Cooperation Organization countries, the first at the senior expert level and the second bringing together the heads of the agencies.



## LAROCHE'S FOUR NEW LAWS

# The Greenback Precedent of President Abraham Lincoln

June 14—Lyndon LaRouche issued an emergency call on June 9 for implementation of “Four New Laws to Save the U.S.A.”<sup>1</sup> After a short description of the global financial and economic breakdown crisis, he outlined the necessary laws as follows:

“The only location for the immediately necessary action which could prevent such an immediate genocide throughout the trans-Atlantic sector of the planet, requires the U.S. Government’s now immediate decision *to institute four specific, cardinal measures: measures which must be fully consistent with the specific intent of the original U.S. Federal Constitution*, as had been specified by U.S. Treasury Secretary Alexander Hamilton while he remained in office: (1) immediate re-enactment of the Glass-Steagall law instituted by U.S. President Franklin D. Roosevelt, without modification, as to principle of action. (2) A return to a system of top-down, and thoroughly defined as National Banking.

“The actually tested, successful model to be authorized is that which had been instituted, under the direction of the policies of national banking which had been actually, successfully installed under President Abraham Lincoln’s superseding authority of a currency created by the Presidency of the United States (e.g. ‘Greenbacks’), as conducted as *a national banking-and-credit-system placed under the supervision of the Office of the Treasury Secretary of the United States*....

“(3) The purpose of the use of a Federal Credit-system, is to generate high-productivity trends in improvements of employment, with the accompanying intention, to increase the physical-economic productivity, and the standard of living of the persons and households of the United States. The creation of credit for the now urgently needed increase of the relative quality and quantity of productive employment, must be assured, this time, once more, as was done successfully under President Franklin D. Roosevelt, or by like standards of Federal practice used to create a general economic recovery of the nation, per capita, and for rate of net effects in productivity, and by reliance on the essential human principle, which distinguishes the human personality from the systemic characteristics of the lower forms of life: the net rate of increase of the energy-flux density of effective practice....

“(4) Adopt a Fusion-Driver ‘Crash Program.’...”

### The Greenback Precedent

In the pages below, we elaborate on point 2 of this unified program by reprinting one of *EIR*’s previous historical reviews of Lincoln’s greenback policy. That policy, little known and understood today, used the precise principles defined by America’s first Treasury Secretary, Alexander Hamilton, to restore the nation’s sovereignty, and literally save the new republic, by providing credit for an industrial revolution that became the model for nations around the world. That policy, enacted today, must do so again.

1. *EIR*, June 13, 2014.

# Lincoln Financed the War by Taking On The British-Backed New York Banks

by Rochelle Ascher

*The following article first appeared in the national newspaper The New Federalist in 1992.*

When Lincoln entered office in March of 1861, civil war was only weeks away. Five southern states had seceded after the announcement of his victory, the rest followed in rapid succession.

Seven states had announced the formation of the “United States of the Confederacy” on Feb. 1, 1861. Confederate Vice President Alexander Stephens stated: “Our confederacy is founded upon the great truth that the Negro is not equal to the white man, that slavery is his natural and normal condition. This, our new government, is the first in the history of the world based on this great physical and moral truth.”

The United States was bankrupt. President Jackson’s dismantling of the Bank of the United States (National Bank), followed by President Polk’s Independent Treasury Act of 1846, and the free trade treason of Presidents Pierce and Buchanan, had destroyed the U.S. economy. Lincoln had to wage war on two fronts—one against the free traders of New York and New England, and the other against their surrogates: the Confederate Army. And both “fronts” were run out of London!

Congress was out of session following Lincoln’s inauguration, so Secretary of the Treasury Salmon P. Chase turned to the Associated Banks of New York, headed by James Gallatin for an immediate loan to the Treasury of \$150 million in specie (gold coin). Chase arranged to have the banks buy government bonds in three sets of \$50 million each at intervals of six days. The specie would return to the banks after it was paid out by the Treasury Department as salaries, materials purchases, etc. The Associated Banks would also have the right to market several million dollars worth of government refinancing bonds known as “7:30 bonds.”

*The bottom line:* the Associated Banks intended to sell the U.S. debt overseas to the Rothschild and Baring banking houses.

U.S. historians say the reason for the Associated Banks’ abrogation of their agreement with Chase and suspension of specie payments to the government on Dec. 28, 1861 was the Trent Affair. As Allen Salisbury outlines<sup>1</sup>, the real reason was that Henry Carey and his Vespers Circle were engaged in furious letter-writing, negotiating, and lobbying efforts with the Congress and President Lincoln to have the policies of Alexander Hamilton adopted instead. The New York bankers were determined to stop this Lincoln plan.

## The Heart of the Matter

The fundamental turning point in U.S. history concerning restoration of the American System and defeating the British plan to balkanize and forever destroy the United States through its support of the Confederacy, centered on the issues of how to finance the government, and the civil war that was facing Lincoln in December 1861. Lincoln’s policy was outlined in his Dec. 3 “Annual Address to Congress.”

The significance of Lincoln’s Dec. 3, 1861 speech to Congress cannot be overestimated—as the British were well aware. Lincoln had the opportunity as President to sign into law the economic policy he had worked for through the better part of his political life.

Lincoln’s plan was presented by his Secretary of the Treasury, Chase—a free-trade liberal sweating and agonizing all the way through—and by Lincoln himself.

The measures included:

- a nationally regulated private banking system, which would issue cheap credit to build industry;
- the issuance of government legal tender paper currency (the greenbacks);
- the sale of long-term, low-interest bonds (“5:20s”) to the general public and to the nationally chartered banks;

1. Allen Salisbury, *The Civil War and the American System* (Washington, D.C.: Executive Intelligence Review, 1992).

- the increase of tariffs until industry was running at full tilt (the Morrill Tariff);
- government construction of railroads into the middle South, promoting industrialism over the southern plantation system—what Carey called a “peace-winning program” to industrialize the South.

The nation’s banks were intended to serve as both investors in the future wealth of the U.S. through the purchase of the 5:20 bonds (5% interest for 20 years); through the issuance of long-term, low-interest loans to manufacturers, and by acting as a medium for the circulation of currency.

Henry Carey had proposed such a banking system to Henry Clay years earlier (this would have been under the jurisdiction of the Bank of the United States).

Carey also sent letters to Lincoln in the fall of 1861 preceding Lincoln’s historic December address with a copy of Carey’s pamphlet urging the construction of a North-South railroad to facilitate future attempts to industrialize the South. Carey wrote to Lincoln:

“If Henry Clay’s tariff views would have been carried out sooner there would have been no secession because the southern mineral region would long since have obtained control of the planting area. Some means must be found to enable these people of the hill country to profit of our present tariff. . . .”

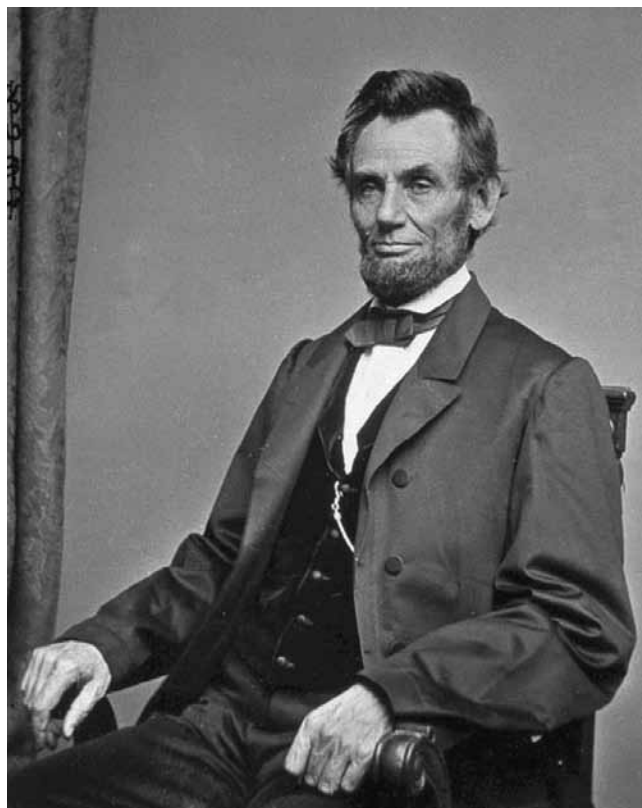
And later:

“How much more firm and stable might the union have been, had there developed then a policy which would have filled the hill country of the South with free white men engaged in mining coal and ore, making iron and cloth, and building school houses and churches. . . .”<sup>2</sup>

## Reasserting the American System

The Dec. 3 speech by Lincoln was the emphatic declaration that the American System would be the guiding principle of his Administration. He urged Congress to consider the proposal by Carey to begin construction of a railroad system into North Carolina, Kentucky, and Tennessee, to enable development of mining and other industrial interests in these southern states.

Regarding financial policy, Lincoln stated: “The operations of the Treasury during the period which has elapsed since your adjournment have been conducted with signal success. The patriotism of the people has placed at the disposal of the government the large means demanded by the public exigencies. Much of the



National Archives

*In December 1861, the first year he was in office, Lincoln presented his economic plan, which included setting up a nationally regulated private banking system to issue cheap credit to build industry, and the increase of tariffs, until industry was running full tilt. He had to overcome the resistance of British-backed private financial interests.*

national loan has been taken by citizens of the industrial classes, whose confidence in their country’s faith, and zeal for their country’s deliverance from present peril have induced them to contribute to the support of the government the whole of their limited acquisitions. This fact imposes peculiar obligations to economy in disbursement and energy in action.”<sup>3</sup>

Lincoln spelled out his underlying republican philosophy and attacked the aristocratic British-allied bankers (this is the most famous section of his Dec. 3, 1861 Annual Address to Congress):

“Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is, and

2. Ibid.

3. Abraham Lincoln, *Collected Works*,

probably always will be, a relationship between capital and labor, producing mutual benefits. The error is in assuming that the whole labor of community exists within that relation. . . . In most of the southern States, a majority of the whole people of all colors are neither slaves nor masters; while in the northern a large majority are neither hirers nor hired. . . .

“Many independent men everywhere in these States, a few years back in their lives, were hired laborers. The prudent, penniless beginner in the world, labors for wages awhile, saves a surplus in which to buy tools or land for himself; then labors on his own account another while, and at length hires another new beginner to help him. This is the just, and generous, and prosperous system, which opens the way to all—gives hope to all and consequent energy, and progress, and improvement of condition to all. No men living are more worthy to be trusted than those who toil up from poverty—none less inclined to take, or touch, aught that they have not honestly earned. Let them beware of surrendering a political power which they already possess, and which, if surrendered, will surely be used to close the door of advancement against such as they, and to fix new disabilities and burdens upon them till all of liberty shall be lost.”<sup>4</sup>

When Gallatin and the Associated Banks got wind of the new policy (even before Lincoln and Chase addressed Congress), they went berserk. They wrote to Chase, demanding the adoption of a stringent taxation policy.

On Dec. 28, 1861, the New York Associated Banks suspended specie payments to the government. They suspended payment of gold owed to their depositors, and stopped transferring to the government the gold which they had pledged for the purchase of government bonds. The banks of other cities immediately followed suit.

On Jan. 9, 1862, Gallatin headed a delegation of bankers who came to Washington to meet with Chase and those Congressmen responsible for steering the Hamiltonian legislation through Congress. Gallatin presented the bankers’ “alternative”:

- the Treasury must deposit its gold in private

4. Ibid., Vol. V, pp. 52-53. Dec. 3, 1861 Annual Message to Congress.



*Locomotives such as this represent the kind of infrastructure projects that Lincoln wanted built, since they were investments in the future wealth of the United States, through the issuance of long-term, low-interest loans by the nation’s banks.*

banks, and let those banks pay the government’s suppliers with checks, keeping the gold on deposit for the investment use of the bankers;

- the government should sell high-interest bonds to these same banks, for them to resell to the European banking syndicate—that is, allowing them to sell an unlimited number of 7:30 bonds below par on the London market;
- the government should suspend the “Subtreasury” law by which the government gained control over the banks;
- the government should immediately cease the issuance of government legal tender; and of course,
- a great deal of the war should be financed by a tax on basic industry.

Gallatin was shown the door. One Congressman, Samuel Hooper (R-Mass.), commented that he would adopt no plan which called for “government shinning before Wall Street.”

## Economic Warfare

The British, when informed that Congress had dismissed the Gallatin plan, were furious. William Cullen Bryant, editor of the *New York Post* and head of the free-trade wing of the Republican Party, began a series of editorials attacking Lincoln’s financial policy, and *calling for direct taxation of industry to pay off the war debts*. After Congress passed the legislation, Bryant met with Lincoln, imploring him to veto the measure. Lincoln refused. From Britain, August Belmont, official U.S. agent of the British Rothschild bankers, and American Consul of the Hapsburgs’ Austrian Empire, then meeting with the Rothschilds and New York Re-



publican boss Thurlow Weed, dispatched a plethora of protesting messages to Lincoln.

At a meeting arranged by the Rothschilds with British Prime Minister Henry Palmerston and Chancellor of the Exchequer William Gladstone, Belmont was questioned as to the state of the American nation's defenses and the popular attitude toward Great Britain. Palmerston had the gall to say, "We do not like slavery, but we want cotton and we dislike your Morrill Tariff." Belmont wrote to Lincoln's Secretary of State William Seward:

"The English government and people could not accept the North's justification for fighting the Confederacy as long as this war is not carried on for the abolition of slavery in the southern states. Perhaps English sentiment could use the tonic of a reduction in the objectionable Morrill tariff? *Nothing else could contribute so effectively toward disproving widespread Southern assertions that the war was merely a contest between free trade and protection.*"<sup>5</sup>

While Lincoln fought the Eastern bankers over the national banking system, the Treasury issued several hundreds of millions of new greenbacks. Philadelphia banker Jay Cooke was employed by Treasury Secretary Chase to become the sole agent for the 5:20 bonds. Several of Carey's associates, including Stephen Colwell, William Elder, and Samuel Wilkerson, prepared the propaganda Cooke utilized to sell the bonds. (Elder and Colwell were later appointed by Lincoln to posts in the Treasury Department; Elder as the official Treasury statistician and Colwell as an economist).

Banker Cooke sold small government bonds to the average citizen: with 2,500 subagents, Cooke sold over *\$1.3 billion worth of bonds to citizens between 1862 and 1865*. As Lincoln had argued in his Annual Address of 1861, the U.S. citizenry would finance the war.

The original bill authorizing the sale of the 5:20 bonds contained no provision for paying the interest on the bonds in gold. Thus, if the bill as it was prepared by Thaddeus Stevens' House Ways and Means Committee had passed the House, it *would have had the effect of severing the domestic economy of the United States from the British early in Lincoln's Administration*. The British pound sterling at the time was the gold-backed world reserve currency. By controlling the world's gold supply, the British ruled the world. But before the bill was passed, August Belmont and James Gallatin worked out a compromise with Republican Congressman Elbridge Spauld-

ing which *allowed the bonds to be purchased with greenbacks, but their interest was to be paid in specie*.

This compromise was the first step in pegging the value of the U.S. greenback to gold, and allowed Belmont and other New York merchants engaged in the export-import trade to speculate in gold through the Associated Banks, and thus create fluctuations in the value of greenbacks as measured by the British gold standard.

President Lincoln pushed for his measures of control over the banking system, using more of his influence over Congress than on any other issue. The New England and New York bankers instructed their Congressmen to defeat the bill. But Lincoln's prestige and authority won out—and he signed the National Currency Act on Feb. 25, 1863 and the National Banking Act on June 3, 1864.

To understand the significance of what Lincoln did, we first have to look at the state of banking in the United States on the eve of the Civil War.

The national banking system was in a state of anarchy. *There was no national currency*. Each bank issued its own notes. On Jan. 1, 1862, there were 1,496 banks in the United States, some 7,000 legitimate notes, and some 5,500 counterfeit notes! Only 253 banks had notes that had escaped alteration or limitation.

There was specie payment, i.e., payment of gold coin by a bank in exchange for a bank note, but as I mentioned, this was suspended by the Associated Banks at the outbreak of the war.

Banks had no one in the national government to answer to, only state banking inspectors, who were frequently bribed. Banks often had little capitalization or reserves, operating often solely on the "connections" of the bank's chairman. Banks promoting the most outrageous schemes and responsible to no one, were the order of the day. The large private banking houses, like the House of Morgan, used large credit lines from Europe to add to the chaos.

## Lincoln's Regulated Banking System

Richard Freeman, in his article "The Economic Mobilization that Saved the Union, 1861-65," described the measures Lincoln took, in the footsteps of Alexander Hamilton, to create a sound national banking system out of this anarchy.<sup>6</sup> His steps were embodied in the Banking and Currency Acts of 1862, 1863, and 1864. We quote

5. Salisbury, op. cit.

6. Richard Freeman, "The Economic Mobilization that Saved the Union, 1861-1865," *New Solidarity*, March 16, 1984.

from Freeman's article below:

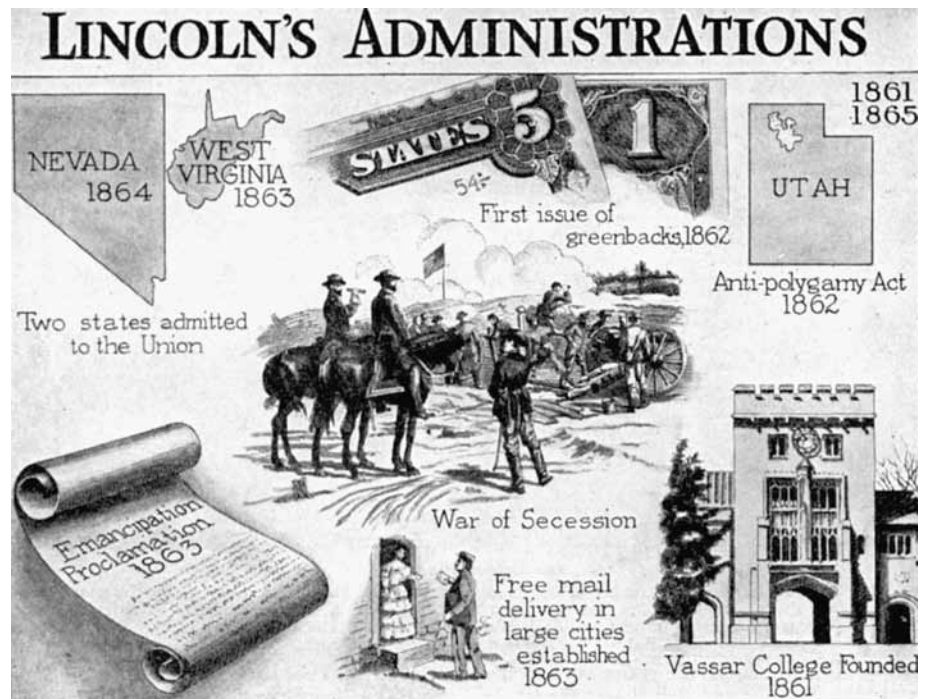
*"Step 1: Federal Supervision:*

"As a provision of the Banking Act of 1863, commercial banks could be incorporated under federal charter, instead of the prevailing system of banks being incorporated under state charter. This meant the commercial banks would have to accept federal supervision exclusively. When many state banks refused to incorporate under federal charter, the Treasury Department under Lincoln's orders, announced a 10% tax on all bank notes issued by state banks. This forced the Associated Banks to join the national banking system, or pay a 10% tax on every transaction conducted outside the system. This made the issue of state bank notes so prohibitive in cost, and put these banks at such a disadvantage relative to federally chartered banks, that the number of state banks fell from 1,466 to 297, and the number of national banks rose to 1,634. Furthermore, the Office of the Comptroller of the Currency was established so that no national banking association could start business without his certification of authorization.

*"Step 2: Reserve Requirements and Capitalization:*

"Regulations were imposed covering minimum capitalization, reserve requirements, the definition of bad debts, reports on financial condition, and identity of ownership and other elements of safety to depositors. Under the Banking Act of 1863, a minimum capitalization of \$5,000 was fixed for institutions in communities with less than 6,000 population; and of \$100,000 for larger cities. Half the authorized capital had to be paid in before the bank could open its doors. Every bank director had to be an American citizen, and three-quarters of a bank's directors had to be residents of the state in which the bank did business.

"Each bank was limited in the interest rate it could charge by the strictures of its state's usury laws; or if none were in effect, then to 7%. If it were caught exceeding this limitation, it would forfeit the loan in question and would have to refund to the victimized bor-



*Lincoln's plan included a call for the issuance of government legal tender paper currency (the greenbacks), which were first issued in 1862. This infusion of credit kept the Union Army going, and helped build the industrial infrastructure that led the Union to victory. By 1863, he had signed the National Currency Act, and the National Banking Act in 1864.*

rower twice what he had paid in interest. Banks could not hold real estate for more than 5 years aside from bank buildings.

*"Step 3: Currency and the Greenback:*

"There were to be two kinds of legal money: greenbacks and bank-issued notes.

*"A. Bank-issued notes:*

"Banks could only issue notes against U.S. government bonds, and notes could be issued up to only 90% of the value of the bonds. This meant that notes of banks, although individual in their issue, were secured uniformly against a measure of value: U.S. government bonds. A national bank had to deposit with the Treasury, bonds amounting to at least one-third of its capital. It would receive in return government-printed notes, which it could circulate as money. Thus, the banks *would have to lend the government* substantial sums for the war effort to qualify for federal charters, and a sound currency would be circulated to the public for an expanding economy.

"In addition to the bond requirements, specie (gold) and lawful money reserves had to equal at least 15% of deposits and note issues for banks in most cities, and at

least 25% of deposits and note issues for banks in the largest cities, which were called reserve cities. This meant that banks could not just issue bonds or take deposits freely, but had to secure them with reserves of 15-25%, guaranteeing the safety of the banking system.

*“B. Greenbacks:*

“Under the Banking and Currency Acts of 1862 and 1863, a national currency, supplemental to the private bank note issues, was created by Lincoln, called the ‘greenback.’ During the war, \$450 million in greenbacks were issued. These were Treasury obligations and notes that circulated as common currency. As claims against the U.S. government, they could be used in all transactions. At the time of issue, greenbacks constituted almost one-half of the amount of currency in circulation. By creating \$450 million worth, Lincoln increased government spending by 300%!

“This massive infusion of credit was needed to feed, house, and arm the Union Army and build the industrial infrastructure that would lead the Union to victory. The greenbacks became doubly necessary when speculators such as J.P. Morgan acted to undercut the value of U.S. currency and refused to help market government debt. (During the war, Morgan sold such huge quantities of

U.S. gold abroad, in an attempt to wreck the value of the U.S. currency, that several newspapers openly attacked him as a British-affiliated traitor!)

“The greenbacks were attacked as needless instruments of inflation by the domestic and foreign enemies of the U.S. during the Civil War. This was ludicrous, especially since those who attacked the greenback, such as the House of Morgan, were the very people actively debauching the U.S. currency (since interest payments on the greenbacks were still pegged to gold), and manipulating prices by 50-70% in an attempt to defeat the republic. The opponents of the greenback were really the opponents of the national banking system that Lincoln was in the process of building.

“Lincoln went further. He set up a “reserve requirement tree,” in which smaller banks had to hold reserves in larger banks, and these larger banks had to hold reserves in still larger banks. By having the U.S. government regulate the nine or so top banks that, through this process, held two-thirds of the national bank deposits, Lincoln hoped to regulate the national banking system. Had Lincoln lived, it is likely that he would have superseded this arrangement with the creation of a Third National Bank of the United States.”

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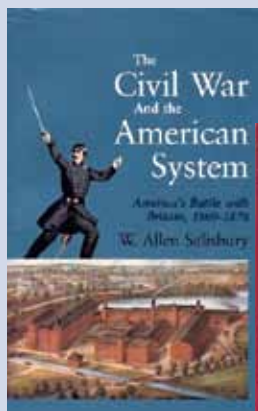
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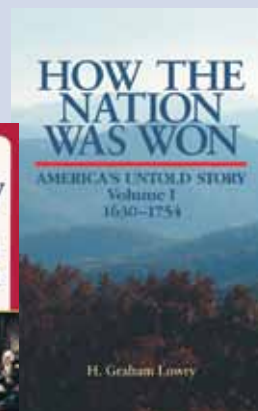
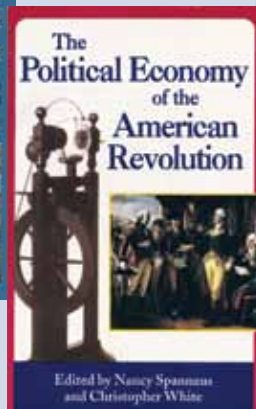
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## Editorial

### *Break the Obama/Saudi Alliance!*

The current deadly upsurge of barbaric violence in Iraq demands immediate action from the United States—to break the Obama Administration alliance with the Anglo-Saudi Kingdom!

It is no secret as to where the so-called Islamic State in Iraq and Syria (ISIS) has gotten its support and power. Over the course of this entire year, the pace and cruelty of the violence has been escalating from these sources, and the Iraqi Prime Minister Nouri al-Maliki has been outspoken. As early as February of this year, Maliki pointed the finger at Saudi Arabia and Qatar for funding the terrorists. He repeated the charge that they were “inciting and encouraging the terrorist movements,” in a French television interview March 8, and repeated the same charges on June 17. “We hold Saudi Arabia responsible for what these groups are receiving in terms of financial and moral support,” al-Maliki said.

Congress should immediately demand from President Barack Obama all evidence of Saudi/Qatari funding of ISIS. Also to be investigated is the backing which has been given to the Saudis and Qataris from the Obama Administration itself, not only in the case of Syria and Iraq, but also in Libya.

If honest hearings are held, among the crucial items of evidence should be the 28-page chapter from the Joint Congressional Inquiry into 9/11, which deals with the funding and sponsorship of 9/11. Indications are that these pages, which both the George W. Bush Administration and Obama have suppressed from public view, provide crucial information about the role of the Saudi Kingdom, especially its former ambassador to the U.S. Prince Bandar bin Sultan, in funding and providing logistics for the 9/11 atrocity against the United States

at the World Trade Center and Pentagon on Sept. 11, 2001.

Terrorism experts and governments worldwide *know* that Saudi Arabia and Qatar are state sponsors of terrorism. Many of them also know, as *EIR* has documented, that “moral” and financial support for this terrorism is provided by top-level circles in Great Britain around the monarchy itself. Congressional hearings, appropriately organized, would provide devastating evidence to this effect.

If the U.S. or others want to “take out” the terrorism in Iraq, Syria, and elsewhere in the region, they should focus their fire on the source of the problem—the Saudi monarchy and its British imperial sponsors. Any other approach will only stoke the sectarian warfare process that the British imperialist grouping has itself been stoking for more than a decade.

And what does this mean for President Obama? What will become clear is that he has *already* allied himself with deadly enemies of the United States, by supporting the sponsors of al-Qaeda in Libya, Syria, and now, Iraq. That, in addition to covering up for those who waged war against the United States in the 9/11 horror. It will thus be patently obvious that President Barack Obama has committed *treason* against these United States, and deserves to be impeached immediately.

A collateral benefit of such action would be to open the way for effective action against the spread of terrorism, by re-establishing cooperative relations between the U.S., and Russia and China, relations which the Obama Administration has systematically destroyed in his British-conceived drive for war.

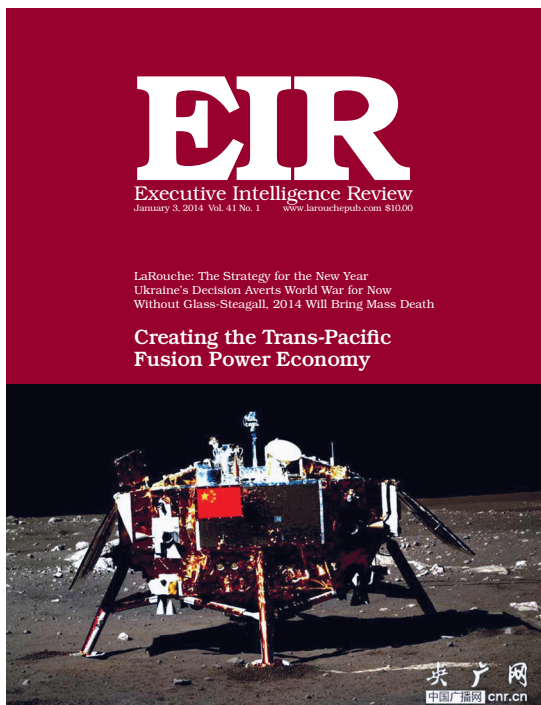
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