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Energy-Flux Density Is the Measure of Economic Progress  
Argentina 'Default': The Pot Calls the Kettle Black  
Anti-Russia Sanctions Are Preparation for World War

**LaRouche: World Should Follow  
China's Lead on Fusion Power**





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# EIR

## From the Editors

August 5 was the second anniversary of the landing of NASA's Curiosity rover on Mars, a monumental accomplishment for mankind, in which thousands of scientists from all around the world participated, and which sparked optimism among millions. "A great victory was achieved for mankind," declared Lyndon LaRouche in the wake of the landing—a victory which, he elaborated, should lead to the removal of the anti-science Obama, and the adoption of a new program of space collaboration among nations.

Two years later, it is China which is setting the pace for such space breakthroughs, especially with its program for mining helium-3 on the Moon. The Aug. 1 LaRouchePAC webcast (*Feature*) took up this reality, from the standpoint of the urgent necessity for the United States, in particular, to follow its lead. The alternative, as that webcast, and our news coverage in this issue lay out, is genocide, either by vulture economics and/or thermonuclear war.

Argentina's battle against the economic vultures, a battle in the interest of all mankind, leads our *Economics* coverage. The combativeness of that South American nation, which enjoys the support of the rest of the continent, is mirrored in India, which has acted for all poor nations in refusing to accede to the World Trade Organizations' demand it give up its food security program.

The British financial empire's drive for war dominates our *International* section. First, Helga Zepp-LaRouche goes after the real content of the new EU-Obama sanctions against Russia, and the war danger that that represents. We then take up British puppet Benjamin Netanyahu's criminal war against Gaza, now increasingly characterized by observers as a crime against humanity. An in-depth look at the performance of the new Indian government, and an obituary for Schiller Institute collaborator and famous Verdi tenor Carlo Bergonzi complete this section.

To cripple the war danger, Obama must be constitutionally removed from office: EIR's Jeffrey Steinberg makes the case citing recent U.S. developments—including some resistance to Obama's insane provocations against Russia (*National*). That resistance was writ large in reactions to Obama's "climate change" diktats, as we saw in the recent hearings and mass rally in Pittsburgh.

We wrap up the issue, appropriately, with a primer by LaRouchePAC science team member Jason Ross, on energy-flux density, a necessary underpinning for LaRouche's polemic in the webcast. Expect more along these lines; Americans must relearn science, if we are to survive.

## Cover This Week

*Lasers make their way toward the target chamber at the National Ignition Facility at Lawrence Livermore National Laboratory.*



NIF

### **4 LaRouche Calls for World To Follow China Lead on Fusion**

LaRouchePAC's webcast of Aug. 1, 2014 was hosted by Matthew Ogden, and joined by Dennis Small of *EIR* and Dennis Mason of LaRouchePAC. A significant focus of the discussion was the commitment of China to develop, as rapidly as possible, thermonuclear fusion energy, both for its own uses, and in collaboration with its partners around the world. China's reinvigorated lunar program, which is geared toward ultimately mining helium-3, is setting an example for the United States and the rest of the so-called developed world. In addition to the Chinese approach, LaRouche stated, "what Putin in Russia is now doing is also shocking to many people, but he is doing successful things, despite what others in the trans-Atlantic region are up to, and despite the international media campaign to vilify him."

A number of additional subjects were discussed, among them: the looming bail-in of the entire trans-Atlantic sector, as the BRICS nations, joined by Ibero-America and much of Asia, move toward the creation of an entirely new international economic order.

## Economics

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Argentine cabinet Chief of Staff Jorge Capitanich slammed the U.S. government's biased court officers, accurately characterizing Judge Griesa and Special Master Pollack as "agents of the vulture funds," for their decision to declare Argentina in default. "Don't come to us with the excuse that the judiciary is independent," he said. What the United States is independent of "is rationality."

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It is now more urgent than ever that President Obama be removed from office. The alternative is a growing likelihood that the British, through their White House pawn, will unleash such a direct provocation against Russia, and that the outcome will be thermonuclear World War III and certain extinction.

### 41 **Resistance vs. Green Genocide: Pittsburgh Protest Against Obama/EPA**

A 7,000-person rally in Pittsburgh, called by the United Mineworkers union to protest Obama's war on coal, marked a dramatic line of resistance nationally against the destruction of the U.S. economy under the Obama Administration.

## Science

### 43 **Energy-Flux Density: Global Measure of Economic Progress**

From his first use of fire, mankind could no longer be characterized biologically, or as existing in biological evolution: The evolution of the creative powers of the human mind became the determining factor, and biology decreased in importance, relative to the power of thought. Since then, the kernel of economic growth has been expressed in the control over successively higher forms of "fire." Each such advance reflects a higher level of energy-flux density in the economy. Jason Ross of the LaRouchePAC science team reports.

## Editorial

### 49 **China's Moon Project—Your Future**

# LaRouche Calls for World To Follow China Lead on Fusion

*LaRouchePAC's Friday evening webcast of Aug. 1, 2014 was hosted by Matthew Ogden, and joined by Dennis Small of EIR and Dennis Mason of LaRouchePAC (<http://larouchepac.com/node/31462>). Ogden opened the program by noting that they had met with Lyndon and Helga LaRouche earlier in the day, and that the discussion would reflect their remarks.*

**Matthew Ogden:** I would like to begin with our institutional question, as is our custom here, and the question reads as follows:

“Yesterday, international forensic scientists reached the site of the Flight MH17 crash in east Ukraine, after the government halted military operations. The convoy of OSCE monitors included Australian and Dutch police experts. According to news reports, Russian representatives will also attempt to reach the crash site and work alongside the international specialists to examine and investigate the site.

“At the same time, the so-called separatist rebels are reportedly due to meet a Ukrainian governmental delegation in Minsk today, as Belarus hosts talks including Ukraine, Russia, and the OSCE. The Dutch Prime Minister has outlined their three shared priorities: to repatriate the rest of the passengers’ remains from Ukraine, to establish the cause of the crash, and to bring those responsible to justice.

“Our question for you, Mr. LaRouche, is as follows: What are your thoughts on the investigation of Flight MH17, and do you have any advice to the OSCE and governments of Russia and Ukraine in their possible collaborative process to reach the shared priorities outlined by the Dutch Prime Minister?”

**Dennis Small:** The discussion this afternoon with LaRouche raised this question directly to him, and his response was as follows: He said that the



BüSo

*A media campaign has swept both sides of the Atlantic, “to present Putin as some sort of a modern version of Darth Vader,” said Dennis Small.*

point is obvious, and the answer is already there, and the facts are there simply to be picked up and presented, in terms of the MH17 incident.

But that aside, he said, what this does, is it actually raises the *other* side of the question, which is much more fundamental to the strategic situation at hand: What was, and is, the fraudulent version of these events that is being pushed? *Why* was it being pushed? *Why* is it being pushed? Was it, perhaps, to hide the guilt of those actually responsible for the atrocity?

He said it was set up exactly that way, in order to blame Russian President Vladimir Putin, who had absolutely nothing to do with this whole case. So the case, and the lies against Putin, are now ricocheting against those who lied in the first place. And this can be seen—this battery of lies—in the international media campaign which has swept both sides of the Atlantic, to present Putin as some sort of a modern version of Darth Vader or something of the sort. Pretty much every published magazine of major circulation has had something or other to fill out the different forms of lies about what Putin was involved in.

## The West vs. the Rest

LaRouche went on to discuss the strategic situation in regard to this MH17 situation. Because, he said that the British and their Wall Street errand boys are apologetic over the fact that what’s coming at this point from the United States and Europe, including the United Kingdom, is currently not relevant for the future of hu-

manity. The leading edge of that, is what is happening in China, and especially China’s renewed, re-invigorated lunar project, which is geared towards a helium-3-based approach to thermonuclear fusion as the next principal technological advance in energy source for humanity.

LaRouche emphasized that *this*—what the Chinese are now doing—is *the* example, the stellar example, that the world must follow today—not the fakery coming from many parts of the United States and from Europe, such as—he under-

scored—the mouth of German Chancellor Angela Merkel. He said *her* idea is to give an “el cheapo” version of productivity in simple monetarist terms, which is a total fake. He says hers is a crazy idea, which is absolutely incompetent. It’s not what any sane American would want to do in our country or elsewhere, LaRouche emphasized, and *all* of what is now coming from her, and from the British Empire more generally, LaRouche characterized as being essentially bullshit—bullshit influenced by the British, of which nothing good will come.

LaRouche also said that in addition to China, what Putin in Russia is now doing, is also shocking to many people, but he is doing successful things, despite what others in the trans-Atlantic region are up to, and despite the international media campaign to vilify him.

Now, to take a step back and understand what is actually *behind* this attempt to use the MH17 incident for the purpose of pushing forward a confrontation, indeed likely a thermonuclear confrontation between the United States and Russia, it’s important to recognize that the British thumbprints are all over this operation. As they have been historically over similar operations—going back to the Tonkin Gulf situation around Vietnam; most recently around what Tony Blair did in the case of Iraq with his “sexed-up” dodgy dossier; what they tried to do, and fortunately did not succeed, around Syria, at least not so far; and then what they’ve geared up around the Ukrainian situation—the intention behind all of this, LaRouche has repeatedly empha-

sized, is not a regional war, not a regional confrontation, not a European crisis. It is an attempt to trigger a *global thermonuclear confrontation*, to force the Russians, the Chinese, the Indians, and others to back down and to submit. And it is the British Empire's response to the fact that their system, financially and economically, is totally imploding.

There *are* increasing voices being raised against this danger of war, and it is a *very serious* danger of war. One might look at the various proposals coming from Obama and other British agents, as something that's merely ludicrous and lunatic and ridiculous, but these ideas and these provocations, using Ukraine in particular, are as dangerous as they are lunatic.

In terms of the warnings that are coming out about this, they are coming more frequently, more loudly, and from fairly prominent Establishment circles as well.

For example, over the course of this last week, the European Leadership Network, which is made up of top European and Russian defense and foreign policy former officials, issued a statement. This includes such people—perhaps unlikely, one might think—as Malcolm Rifkin, formerly Defense and Foreign Minister in the British government; Volcker Rühle of Germany; Igor Ivanov, former Foreign Minister of Russia; and others. They warned of the danger of “potentially pitting nuclear-armed adversaries against each other in a highly volatile region,” referring to the Ukraine situation and how that has been escalating.

One of the more insightful warnings came from Willy Wimmer, the German former Deputy Defense Minister under the Kohl government of the CDU, the conservative government, where he asked the question “*Cui bono?*” Who benefits? And he points to the United States under Obama as one of the main beneficiaries of this confrontational approach with Russia, and even more so, he said, the United Kingdom.

Now, this is a very interesting emphasis, and absolutely appropriate, because it is the *British*—there are Americans involved, certainly, like Obama, the British tool—but it is the *British* who are the ones behind this whole approach. And what Wimmer emphasized is that, with regard to the United Kingdom, Germany and Germans should not forget the way in which the United Kingdom betrayed the German Resistance to Hitler—a



British Prime Minister David Cameron is leading the charge, along with President Obama, for a rush to judgment against President Putin for the downing of MH17—without evidence.

WEF/swiss-image.ch/Urs Jaudas

very strong statement under any circumstances, and certainly coming from Germany today.

Now, in addition to this, also pointing the finger at the British—and this is very necessary, since, as La-Rouche has emphasized repeatedly, it *is* the British Empire's strategy that is behind this—there was an open letter sent to British Prime Minister David Cameron, written by Sergei Stepashin, who was a cabinet minister in various Russian governments. The headline of his letter says it all. It says, and I quote, “You [David Cameron] are supporting Nazis in Ukraine and threatening Russia with world war.” This was published in RT, and it was an answer to an article published by David Cameron in the *Sunday Times*, which, according to the letter's author, “marks a major escalation in the Ukraine crisis, seeking to pull the European European Union into a war against Russia.”

So, the strategic situation of the British drive to war continues to be absolutely front-and-center, but now there is a growing wave of response to this. But in addition to the threats of military nuclear war against Russia, there's a new element that's been folded into the picture this week, which we'll discuss a bit further ahead, which is the idea, from the British again, of unleashing *financial* nuclear war against Russia. And this was stated in exactly those terms by Wolfgang Münchau, writing in *Financial Times Deutschland*, where he is a regular correspondent. And what he said is: Look, we

don't have to worry about this Ukraine situation and what Russia is doing. "We can crush the Russian economy in weeks," he bragged. He said all we have to do is to block their access to international payments systems. And he said, "Payment systems are the nuclear bombs of financial war."

So, as you can see, these ideas, and these proposals from the British *are* indeed as dangerous as they are crazy. LaRouche's response on the Münchau and related threats was: "Nobody has a monopoly on money."

## 'Two Systems Are Before the World'

**Ogden:** A major turning point has taken place with the declaration by the BRICS countries that they were creating a New Development Bank in collaboration with many presidents from the Central and South American nations, that this was going to be the inauguration of a new economic order for the planet.

In the [July 25] edition of *EIR*, Dennis Small wrote an article titled "The BRICS Summit: Half of Humanity Launches a New Economic Order," in which he makes the point that if you look at the portion of the world's population which is represented by the BRICS countries, combined with the nations of Ibero-America, you're literally talking about half, or 48% to be precise, of the human population on this planet, and one-third of the total land area.

With the creation of the BRICS' New Development Bank, the continuing, steadfast refusal by Argentina to pay the usurious debt payments being demanded by the vulture funds, *and* the heavy emphasis on *real* value, in the form of investments in nuclear fission power projects and related supporting great projects for rail and water development, what we're seeing is indeed the emergence of an entirely new economic order on this planet.

Meanwhile, the other half of humanity is in a process of self-imposed general breakdown crisis, with the systematic elimination of nuclear power from electricity production, as we showed on a graph on this broadcast last Friday; the blow-out of leading European banks such as Portugal's Banco Espirito Santo; the looming bail-in of the entire trans-Atlantic sector; and

the blow-back of the sanctions against Russia, costing Europe hundreds of thousands of highly skilled industrial jobs, especially in Germany and France, when the unemployment crisis in Europe is already catastrophic.

So, it's clear that the world has now been divided into two opposing systems: as LaRouche has identified them, the Promethean system versus the Zeusian system, or the system of creativity and growth on the one hand, versus the system of death and decay on the other. And these two systems cannot continue to coexist.

This is precisely the point that was made yesterday by Argentina's chief of staff, Jorge Capitanich, who said, regarding the financial warfare being waged by

the vulture funds against Argentina's national sovereignty: "It is not possible for the world to coexist with these types of minuscule agents [the vulture funds], who distort the functioning of the international financial system, relations among nations, the exercise of sovereignty, and, above all, the will of nations. The defense of the Argentine position is the defense of our sovereignty, the defense of our resources, the defense of our children's daily bread. International leaders haven't hesitated to provoke wars to intervene in nations for the sole purpose of appropriating resources. We are going to continue what we're doing, in a complex world."

Now, over 150 years ago, an American economist by the name of Henry Carey, who was the leading economic advisor to President Abraham Lincoln, in fact, made the very same observation of the impossibility of the coexistence of these two distinct and opposing systems. What he had to say was:

"Two systems are before the world. One looks to pauperism, ignorance, depopulation, and barbarism, the other to increasing wealth, comfort, intelligence, combination of action, and civilization. One looks towards universal war, the other to universal peace. One is the English System, the other we may be proud to call the American System, for it is the only one ever devised, the tendency of which was that of elevating while equalizing the condition of man throughout the world. Such is the true mission of the people of these United



Henry C. Carey  
(1793-1879)

States: to raise the value of labor throughout the world, to improve the political condition of man, to diffuse intelligence, and to promote the cause of morality, and to substitute true Christianity for the detestable system known as the Malthusian, proving to the world that it is population that makes the food come from the rich soils, and food tends to increase more rapidly than population, thus vindicating the policy of God to man.”

The battle between these two opposing systems is precisely what we are faced with today. And we’ve now reached clearly the point where these two systems can no longer coexist—or, to paraphrase Abraham Lincoln: A world divided against itself cannot endure half-slave and half-free.

So, the question is: How can we return the United States to what Carey defined as this true mission of the people of the United States, and how can we join that path of humanity in freeing the world from the Malthusian system of ignorance, poverty, depopulation, and war, and return to the American System as he defined it?

## From the Top: China’s Space Program

**Small:** There’s not a simple formula, and it involves what LaRouche has often referred to as “heavy ideas,” to be able to carry out that task which is the immediately urgent strategic task, as you’ve just presented, for the United States to rejoin humanity and in fact to lead humanity, as has been our stated national mission throughout its existence.

In discussing this with LaRouche today, he said: Look, you have to take this thing from the top. If you’re going to look at the planet, you have to start with the stellar example of unleashing the kinds of forces and productivity which can pull the planet back from the brink of extinction, both economically and militarily. And that example, he said, is China, with its lunar program, which involves mining helium-3 on the Moon, for the purposes of achieving a complete transforma-



*China’s space program has the potential “to totally transform our relationship to the solar system and beyond.” Here, a launch at the Jiuquan Satellite Launch Center.*

[ChineseMilitaryReview.blogspot](http://ChineseMilitaryReview.blogspot)

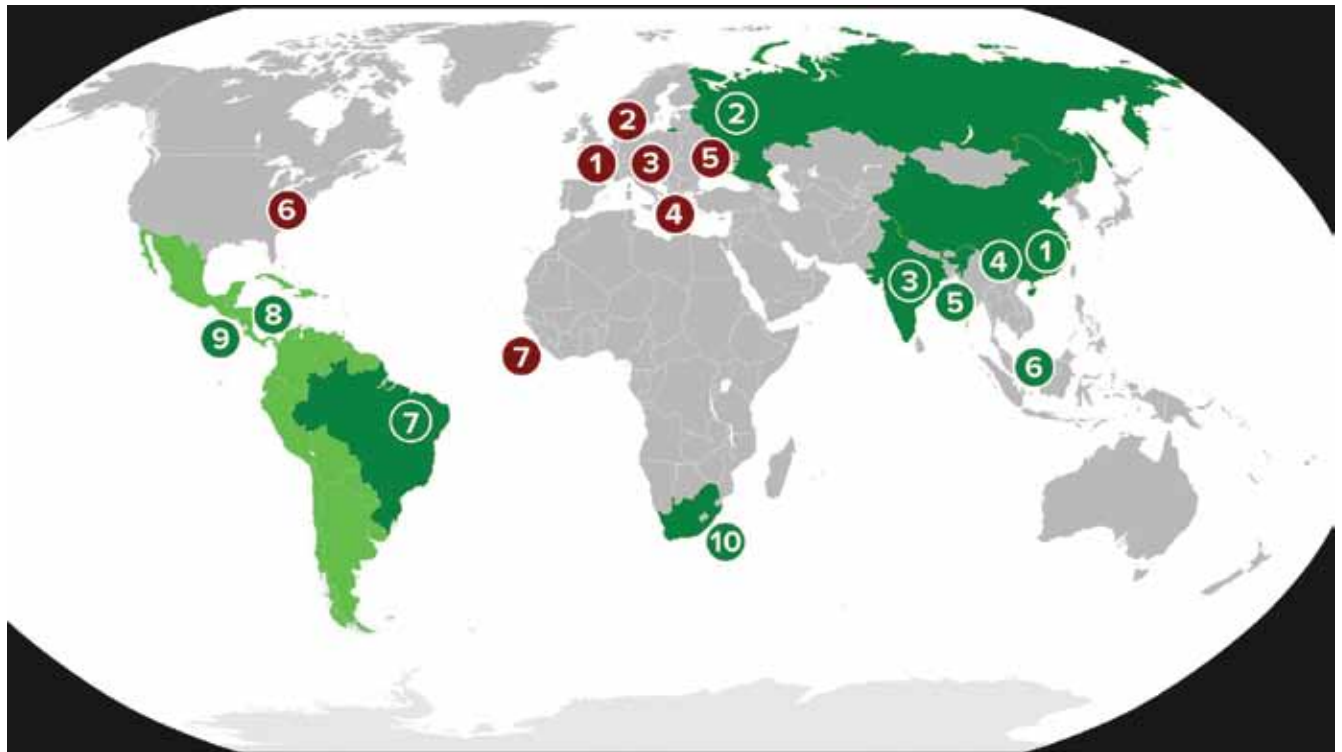
tion of the relationship of man, not only to our biosphere here on Earth, and the way we conduct our economic activities here, but to totally transform our relationship to the solar system and beyond.

LaRouche said that actually is the standard of activity today. The Chinese are acting in the future, they are thinking that way, and he said that Russia will do the same thing in their own fashion. As opposed to the pathetic Angela Merkel of Germany, who has no idea whatsoever of productivity. Her ideas are intrinsically incompetent. What’s her standard of measure? It’s a strictly monetary one, one based on austerity, which will only destroy the economy, as is clearly being demonstrated in what Germany is doing today by their withdrawal from nuclear energy. So they’re going fast—not forward, but backward—in terms of energy-flux density. That is absolutely not what’s needed.

What do people really want? The problem is, he said, people are unemployed. They’re being starved to death. They have no future. The youth are being destroyed because they see no future for themselves. And all of this is being done to pay off a bunch of crazy financial vultures, like those who are trying to kill off Argentina, as a prelude to bigger prey, such as Europe as a whole, which is on their immediate agenda. And these are people who have absolutely no idea of productivity, or rather they’re implementing ideas which are absolutely “crackpot,” to

FIGURE 1

## Who's on the BRICS Bandwagon—and Who's Not



LPAC-TV

quote LaRouche. Their standard of value is fraudulent. What's the physical value of their product? How do you measure it? There is none.

Let's just take a look at recent developments over the last two weeks, since the July 15 BRICS Summit, and the followup summit the next day, July 16, between the BRICS countries—Brazil, Russian, India, China, and South Africa—and the heads of state of Unasur, which are the countries of South America, Central America, and Mexico.

Well, let's look at the map of the world that we have prepared for this discussion (**Figure 1**). The areas of the BRICS are marked in the darker green; the Ibero-American countries are in the lighter green, and the rest of the world is in gray, *very gray*.

Let's start with the green, which is the BRICS and the Ibero-American countries, where things are actually happening in the direction of taking mankind forward. **Number 1** is marked in China. Now what China has just announced, are the next steps, in their lunar project. People will undoubtedly recall the launching of the Chang'e 3, with the Yutu lunar rover, recently, which was highly successful, enormously successful,

but now they've announced the next stages in this. They're not talking specifically about what's going to happen with Chang'e 4, but the next one after that, Chang'e 5, which is scheduled for 2017; they're going to do the following. They plan to bring samples back to Earth from both the lunar surface, as well as, by excavating six feet under—where they may well find the corpse of Wall Street and the British Empire as well. But they intend to find some other interesting things there as well.

To do all of this, they have just announced, they need a new launch site, a new rocket, and a new spacecraft. Now, it's very interesting, because their current lander, which they used in the previous landing, of the Chang'e 3, was equipped to handle a 1.7 ton lander. But the rover actually weighs only 0.14 tons, that is to say, less than one-tenth of what the actual capability is. So clearly, they have ideas towards the future with this.

Now, what are they up to, what is going on on the surface of the Moon? Well, it's very well known, and it's not being particularly hidden. What is known about this project is that they are, among other things, looking to the lunar surface for helium-3, which is a helium iso-

tope which is *particularly appropriate for fusion, thermonuclear fusion power development*. And the lunar surface is known to be plentiful in helium-3.

I will quote recent remarks of Harrison Schmitt, the famous Apollo 17 astronaut and former U.S. Senator. He said, “China has made no secret of their interest in lunar helium-3 fusion resources.” And the chief of China’s lunar project, Ouyang Ziyuan, said, “When obtaining nuclear power from helium-3 becomes a reality, the lunar resources can be used to generate electricity for more than 10,000 years for the whole world.”

Now that’s an interesting statement. What it doesn’t mention, but is undoubtedly well-known to the Chinese, and it is a point that LaRouche has repeatedly emphasized, is that it is not only the quantity of energy that is made available by an advance such as fusion, but the energy-flux density. In other words, the actual power to achieve *work in the economy*, which extremely dense sources of power can provide, which is very different than the same quantity of energy coming from a less dense source. In the past, we have discussed the difficulty of cutting metal with 3 quadrillion candles, which would have the equivalent amount of energy of one laser, which you can use to cut metal. And there are many such examples.

So, the Chinese are talking about this openly, and they’re not only talking about it, this is what they’re *doing*. And it is the reason why LaRouche has said, if you’re going to take the world from the top, this is the future of humanity. And unfortunately, the United States, Europe, and the U.K. are completely irrelevant to the actual physical-economic future of humanity, at this point.

## The End of Globalization

**Number 2:** Russia. Well, right after the sanctions went into play earlier this week, coming from Europe and the United States, including financial sanctions against their banks, as well as cutting off European and U.S. exports to Russian industrial areas, and also limiting certain military applications, President Putin simply called a meeting of his military-industrial complex, and said gentlemen, this is a blessing in disguise. We can and we will produce all of this nationally. We will



Russian Presidential Press and Information Office

*President Vladimir Putin has tasked Russia’s military-industrial sector with producing domestically what is being blocked by Western sanctions. Here, he visits the Cherepovets Steel Mill, Feb. 17, 2014.*

achieve self-sufficiency. And what I want you to say, and I want to discuss with you right now, is how we’re going to do it, how long it’s going to take, and what the cost to the economy is going to be. But we’re going to do it.

Furthermore, they have proceeded with plans with China, to build floating nuclear plants, for use not only in those two countries, but for exports to other parts of the world. These are not fusion plants obviously, that remains to be developed, but nonetheless, fission plants are very useful in today’s economy.

Then, let’s go back to the map, and look at **Number 3**, the major economic and population superpower of the BRICS, which is India: They have also launched nuclear power projects with Russia; there’s a series of agreements which have just been reached, all of this is in the aftermath of the BRICS Summit, and they have also announced the formation of an expert group of Indians and Russians, to jointly study trade denominated in rubles and rupees—in other words, non-dollar-denominated trade.

And what perhaps has the British Empire most upset of all, is that the Indian government has just announced in no uncertain terms, with regard to the World Trade Organization’s proposal that India abandon food self-sufficiency and get rid of their food reserves because it’s a violation of globalization and free trade—and it violates the tenets of economics as announced by Adam Smith—the Indian government pro-

nounced in no uncertain terms, “Screw you.” And there is now much discussion in the rather hysterical international media that this fine formulation by the Indians, actually puts an end to the era of globalization, because they *will* not be able to proceed with the kind of global free-trade agreements which has been the hallmark of the British Empire, for the destruction of nations around the world.

So that’s China, Russia, and India.

Now, again, back to the map: **Number 4:** China and Thailand have just announced joint railroad construction through the area that also covers other countries in the area, Burma [Myanmar], Laos, and so on. **Number 5,** Bangladesh, said that the BRICS announcement of a New Development Bank to provide credit for actual infrastructure and development projects, sounds pretty good to them, and they will be honored to join the BRICS New Development Bank. Because the bank was set up both to accept new members, subscribing a certain amount of capital to the bank, as well as to issue loans to countries that are outside the BRICS. So this is a project which is open to the world, and it is the project, of course, which the United States *must* join and *will* join, once we have Obama safely out of the White House.

Then, look at **number 6**—all of this is in the last couple of weeks—Singapore has announced that they will join the Asian Infrastructure Investment Bank, which is a development bank, which China has announced to cover the entire Asian area, but also going beyond that, as well.

Then, going across to the South American area, we have **number 7**, coming off the BRICS Summit, the plan to build a transcontinental railroad crossing from Atlantic to Pacific, involving both Brazil and Peru.

**Number 8,** Nicaragua: Part of the package of agreements around BRICS was to build a new inter-oceanic canal, a new “Panama Canal,” in effect, but going through Nicaragua, which the Chinese are involved in, in a principal way.

In Guatemala, one of the more destroyed countries of Central America, **number 9** of the entire region, leading political forces, taking a look at the BRICS and the New Development Bank, have said, “We want in, too.”

The final one is **number 10**, and this is kind of my favorite. Because what happened in South Africa, in the course of this last week, is that Home Affairs Minister Malusi Gigaba said the following: Henceforth, granting

visas to incoming workers for the hospitality industry, including dancing girls, is out. We want advanced manufacturing, nuclear building, space satellites, lasers, mineral beneficiation, aquaculture, seismic surveys, ship repairs, etc.

So if you know anybody who’s a dancing girl, better tell her—or him, if it’s London we’re talking about—that they should get trained in seismic surveying, or something of the sort: That’s where the future is at.

## Europe Gets the Argentine Treatment

Now, let’s shift to the other part of the world, the gray area, the very gray area, because, sanctions were just announced. Right? We heard all about this, this is designed to destroy Russia, supposedly, because of all the bad things that they did in Ukraine, which of course they didn’t do—but leave that aside. So the sanctions were announced. What’s going to be the effect of the sanctions? Number 1, in France, it is estimated that as a result of the sanctions placed on Russia, 100,000 jobs will be lost. Number 2, Germany: It is estimated that as a result of the sanctions against Russia, 300,000 jobs will be lost, principally in the machine-tool sector, *especially* in the area that is so vital to the German economy, which is the *Mittelstand* [small and medium-sized industries].

Now, in our discussion this afternoon, Helga Zepp-LaRouche emphasized, that *this* is actually the real target of these sanctions! They are *designed, intentionally* to destroy the German economy, to do to Germany, what was attempted with Versailles and other arrangements. And this is the British who are behind this.

And indeed, that is the case. The effort here, what is going on is the plan to bankrupt what remains of European economies, especially the German economy, drive them into default, and then foreclose on them, using the exact same vulture funds that are targeting Argentina, for their predatory activities.

And when I say the exact same vulture funds, I mean, the *exact same* vulture funds! Like Elliott Management, which is the principal vulture fund of Paul Singer—who, incidentally, is one of the principal financiers of *many* Congressional Republican candidates and sitting Congressmen, including John Boehner! That’s what’s going on in this situation.

Now, the vulture funds that are involved in this, are *buying up bad debt* all over Europe, for example, in Spain. They’re buying it off the banks’ books that are

currently going through stress tests, with the idea of cleaning up the bad debt that they hold, which is, across Europe, something in the range of EU2 *trillion* worth of bad debt, and then they are taking this and selling it to the vulture funds, for how much? *Less than 4 cents on the dollar.* The vulture funds then turn around and find a convenient judge in their hip pocket, like the Supreme Court of the United States in the case of Argentina, and they, then, obtain the right to collect 100 cents on the dollar for what they paid 4 cents on the dollar.

*This is bail-in.* This is foreclosing on Europe, which is the next step, after Argentina; but of course, Argentina is resisting, with important international backing. So that is the immediate future, intended for Europe under the British plan: foreclosure, the Argentina treatment.

Back to our map. Take a look at the situation in Austria. They expect to lose 20% of all of their current business with Russia, that's number 3.

Number 4, Italy's Mezzogiorno—they're also suffering terribly. In the last five years, the average household consumption in Italy, under the policies of the British Empire, has dropped 13%.

Number 5, Ukraine: Well, this is kind of ironic, because the prime minister of Ukraine, "Yats," who was put in power by Victoria Nuland and remains in power, at her pleasure, has pointed the finger at Argentina—other Ukrainian authorities have done the same thing, to say: Oh, how terrible, they've defaulted. *We're* not going to default.

But the best estimates of authorities who have studied this, such as Russian economists and experts such as Sergei Glazyev, are that the Ukrainian economy, after [signing the Association Agreement with the European Union, which is intended to eventually result in] joining the EU and being subjected to the same policies that the rest of the European Union is being subjected to, is going to face a collapse of 60-70%, and certain bankruptcy as a result.

Back on the map, we see the United States, number



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Dennis Small: *The British Empire is out to put Europe into foreclosure, with the "bail-in" policy.*

6—that requires a whole discussion in itself—but what you have is a disastrous situation in terms of the collapse of the economy, the production capabilities, especially energy-flux density, across the country.

And finally, number 7, in Africa, the three nations of Liberia, Guinea, and Sierra Leone, which are the current victims of a terrible Ebola epidemic, which you've undoubtedly heard about in the press, with the threat and the danger of this spreading like wildfire across Africa, but not just to Africa, but to all parts of the world. For that you can also thank the vulture funds, which have been very active across Africa.

They have destroyed these economies, as have the IMF and the banks and so on, destroying their capabilities for development, and forcing them to pay debts, over, and over, and over, again.

It is most significant, that this coming week, in Washington, D.C., there will be a summit meeting of most of the heads of state of Africa, and they will be meeting, unfortunately for them, with President Obama. And in preparation for those meetings, President Obama had a kind of town hall meeting with a group of African youth who are studying in the United States, and to one question asked by a concerned young African about, can't we do something about the legacy of colonialism, and the fact that the debt that has been hung around our shoulders is destroying our ability to invest in infrastructure, President Obama's answer was, and this is a paraphrase, what he said was actually worse—was, "suck it up, pay the debt"! You can look it up. What he told them was, stop complaining about this colonialism and debt business. Yeah, sure, there were some problems. But that doesn't explain your problems now. You have absolutely enough resources, he said, to *both* pay the debt, and also see some progress.

And that *is* the way it's going to be, so long as Obama remains in the White House and so long as we leave those very gray countries in their current condition, instead of, as we must, getting them over to the other side into participating in what is, in fact, the

American System of economy, with the BRICS and other nations.

### A Sea-Change in Congress

**Dennis Mason:** I want to turn to the fight here in the United States. One week ago, the House of Representatives passed House Concurrent Resolution 105, by an overwhelming margin of 370-40, and shortly after the vote, LaRouche's assessment was, that opened up new possibilities which were not available beforehand.

What the passage of that means, technically, is that the President is not to go to war in Iraq without first going to Congress, for debate and approval. What it represents beyond the technicality, is that the House of Representatives has begun to take action to reclaim its sovereignty as an independent and equal branch of the Federal government. This aspect, the institutional role of the Congress, was raised by several members in the course of the floor debate, before the vote on that bill, and several of the members specifically cited the powers granted to the Congress under Article I, Section 8 of the Federal Constitution.

Now, as far as that goes, that's very good. However, there is more in Section 8 of the Constitution, than the powers of the declaration of war. I would draw your attention to the part of Section 8, on the powers invested in the Congress to coin money, regulate the value thereof, and of foreign coin.

So there's an important question on the table, which is, that if the Congress is going to reassert its power as an independent institution, will it reclaim *all* of its authority under the Constitution? Will they restore Glass-Steagall and begin the process of restoring the sovereignty of the United States? And I would say, here, that part of the answer to that question is in our viewers' hands. As Harry Hopkins said in a speech at Grinnell College in 1939, "This government is ours, whether it be local, county, state or Federal. It doesn't belong to anybody but the people of America. Don't treat it as an impersonal thing, don't treat it as something to sneer at, treat it as something that belongs to you."

Now, as it stands, the Congress is set to begin their



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*Dennis Mason: If the potential from Congress' passage of Resolution 105 "is going to bear fruit, we have to make it happen."*

August recess and they will be out in the districts, in your backyard, with many opportunities for those of you watching this broadcast, to go out there and demand that these Congress people take action. There are real possibilities which have opened up, in the wake of the vote on that bill, but if they're going to bear fruit, we have to make it happen. It's possible that the Congress will restore Glass-Steagall as the first step in implementing LaRouche's Four Laws. It's possible to restore the sovereignty of the United States. It's possible to end the system of dying empire, and join the system of development which Dennis just outlined, but we have

to fight for it.

So with that said, I'll turn it over to Matt, who has a picture of the fight in and around the Capitol, since last week's historic vote.

### Impeachment Is on the Table

**Ogden:** Thank you Dennis. Well, let me just start by saying that LaRouche today stated that Speaker of the House of John Boehner is to be considered the representative from the State of Idiocy. And anyone who is supporting his policies deserves the fine distinction of being recognized as a "Boehner-fide" idiot.

Let me just repeat what Dennis mentioned: The vote last Friday was a dramatic vote, 370-40. That's a truly historic event in Congress. And that vote, as LaRouche said, now opens up the very real possibility of more actions by Congress that others would consider "impossible," most especially, the immediate restoration of Glass-Steagall and the impeachment of Obama.

So this vote has opened the door, but our job now is to break it down.

I'd like to bring people's attention to an article that was published in *The Hill* this week, titled, "Jones, No to Obama Lawsuit." This article features Rep. Walter Jones [R-N.C.], who says that the Boehner lawsuit is nothing but "theater, nothing but a show." The article says, "Walter Jones, who will vote no on the legislation that is scheduled to hit the House floor on Tuesday, said he prefers impeaching Obama. 'Why not impeach, in-

stead of wasting \$1-2 million of the taxpayers' money? If you're serious about this, use what the Founders of the Constitution gave us,' Jones said. 'That's why the Republican Party is in trouble,' referring to the Republican leadership's opposition to impeachment." And Jones stresses that this should not be about politics and about elections, as both the Democratic and Republican Party leaderships are trying to spin it, but "that the integrity of our government is more important."

And I think that's what most of the American population are thinking right now. They're sick and tired of the political games that the party leadership on both sides are playing, and they're serious about defending themselves and defending the Constitution. Only five Republicans voted against the Boehner lawsuit, including Jones, but I think a lot more of these guys, once they get back to their districts, might be hearing from their constituents, exactly what Walter Jones said, that instead of wasting time and money, and threatening the existence of the country with a lawsuit that's intended to go nowhere, why not just do what the Founders intended in cases like this, and file articles of impeachment? Either you do that, or you *will* go down in history as a genuine, Boehner-fide idiot.

But it's very clear, as we saw this week, that the entire debate around this is just scripted by the leadership of both parties to try to quash the rising tide of impeachment. In fact, Nancy Pelosi came to the floor on Thursday, and declared that John Boehner has got to uphold his side of the bargain! She said, I took the impeachment of Bush and Cheney off the table, back when I was Speaker of the House; now you've got to do the same!

However, despite the attempts by the party leaderships and these party hacks, events beyond their control are moving very quickly, and are forcing the issue of the criminality of the Obama Administration. Very significantly, yesterday, CIA Director John Brennan was



*LaRouchePAC organizer Tony Esposito talks to the press at a mass rally by coal miners in Pittsburgh, Pa., July 31, 2014.*

EIRNS/Robert Baker

forced to come out and apologize for lying about the fact that the CIA spied on the Senate Intelligence Committee which had been tasked with investigating the Bush/Cheney torture program.

So far, two Senators, both Democrats, have called for Brennan's resignation over this—Mark Udall from Colorado, and Martin Heinrich from New Mexico—both of whom are members of the Intelligence Committee. Kelly Ayotte, a Republican, also said that Brennan's job should be put in question, and she said, "This is an issue of Constitutional proportions." And "if the CIA is indeed spying on the U.S. Senate, where does that end?" And other Senators are now saying that they may unilaterally decide to declassify the Senate torture report, without waiting for the White House to give its approval, which has been stonewalling in an attempt to cover up for the crimes of Bush and Cheney.

## 9/11: 'We Know Exactly Who Did It'

Now, this gets directly at another fight which I just want to mention in brief, that has really heated up in the past two weeks. This is the fight over the declassification of the 28 pages of the 9/11 Joint Inquiry Report. This escalation started with an event that occurred a week ago Tuesday at the Bipartisan Policy Center, on the 10th anniversary of the release of the 9/11 Commission Report, at which several members of the 9/11 families stood up and confronted the panelists, the commissioners of the

9/11 Commission, and challenged them to support the declassification of the 28 pages in the Joint Inquiry Report, to which both [co-chairmen] Lee Hamilton and former New Jersey Gov. Tom Keane unequivocally answered in the affirmative [see *EIR*, Aug. 1, 2014]!...

Since then, there's been an explosion of news coverage on House Resolution 428, the bill by Walter Jones, Steven Lynch, and Thomas Massie, to declassify these 28 pages. There's a video excerpt of Massie at a recent press conference, which was just posted on his website a couple of weeks ago, that has received 82,000 views in just a few weeks! Based on this, Massie was interviewed on several talk radio networks, given multiple news media stories, including in the *Daily Mail* from London, which quoted him saying that reading these 28 pages "had forced him to rearrange his entire understanding of the last 13 years of history."

Perhaps the most significant of these articles that have come out, came out today, which highlights the role of the LaRouche movement specifically, in leading this fight, and quotes Lyndon LaRouche, saying that not only were the Saudis involved in the 9/11 attacks, but the British were, as well. And this goes back to what Dennis Small was saying earlier, about the finger being pointed now, increasingly, at the British. This article quotes LaRouche saying, "We know exactly who did it. It was done by the British Monarchy, the British Monarchy set up the whole thing. That's the guilty party and that's what the cover-up is all about."...

So this *is* the fight, and obviously, this is a very significant escalation in the coverage of this. LaRouche stated earlier this week that what will come out of this is very serious. He said, "Bush and Cheney can go to prison if the full truth comes out on their complicity with the British and the Saudis. The Bush/Cheney organization created a crime against the United States, and they need to be punished with the full weight of the law." And I would add, the Obama Administration's



*Matthew Ogden displays The Hill newspaper's coverage of "Jones, No to Obama Lawsuit."*

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continuing to cover up this crime, is just as much of a crime itself....

## Four New Laws

Let me remind our viewers that several weeks ago, LaRouche issued a document which continues to be the most important strategic directive to be followed, and this has got to guide everything that we do over the coming days and weeks. That document was titled, "The Four New Laws To Save the United States: Not an Option: An immediate Necessity." and it's available at <http://larouchepac.com/fourlaws>.

And he prescribes the only solution that exists to avert this general breakdown crisis, in the form of what he calls, "four specific, cardinal" laws which he emphasizes are fully consistent with the intent of the U.S. Constitution.

These four laws are, as follows, in summary: 1) The immediate re-enactment of Glass-Steagall, to eliminate the trillions of dollars in fictitious trash on Wall Street. 2) A return to the Hamiltonian system of National Banking, in which banks will only be allowed to operate under the national authority of the Treasury of the United States, as Lincoln did with the greenbacks and with his corresponding banking laws. 3) The use of this Federal Hamiltonian credit system to generate high-productivity employment, as was done under President Franklin Roosevelt, to rapidly increase the productive powers of the labor force through qualitative increases in the energy-flux density of technologies employed. And 4) the adoption of a fusion-driver crash program, as an affirmation of the true Promethean nature of man. Or, as LaRouche defines it, the Vernadsky principle of the noosphere.

Now, it's only by understanding these four points as a single, principled idea, that we're going to be able to generate the necessary mobilization to ram through the restoration of Glass-Steagall in the short term.

What I want to ask as a final question to Dennis really gets at what has just been brought up summarily concerning this four-point program.

Earlier this week, in the context of the seismic shift that's taking place in the aftermath of the BRICS Summit in Brazil, LaRouche issued a call for the convening of an international nations, to determine a universal standard of measurement for *real* economic value. LaRouchePAC issued a [release](#) which elaborated this proposal, which detailed that this international conference would be tasked with taking up the questions: "What is productivity?" "What is manufacturing?" "What is human creativity?" And: "What are the essential requirements for mankind's survival?" This must be a serious international dialogue to determine a set of universal standards for measuring real value, taking into account the urgent needs of every part of the world. The key principle, LaRouche emphasized, is energy-flux density. Based on that principle, participants in this conference must come up with the answers, on how to provide for mankind's needs in energy, in water management, in food production, by unleashing the productive powers of labor. LaRouche said, the question is, what does mankind need, to sustain man's progress in the Solar System?

He emphasized that you have to take the current, outstanding initiatives and accomplishments of leading nations as your standard. For example, what is China doing in the field of lunar colonization? What are India and China together, doing with respect to achieving a breakthrough on thermonuclear fusion? And LaRouche emphasized that we do not yet have the answers to these vital questions. And this is why it's essential to convene a working gathering of leading representatives, of leading nations, to forge a new system based on different principles of productivity.

Now, as I mentioned, LaRouche emphasized in his Four Laws document, that the standard of true value must be premised on what Russian Academician Vladimir Vernadsky identified as the human principle, as he called it, the *noösphere*. And I should take this occasion to let our viewers know that [21st Century Science & Technology](#) has just published two volumes of a single anthology of original translations of Vladimir Vernadsky's works. These were published on the occasion of the 150th anniversary of the celebration of the birth of Vernadsky.

Now, I think we can consider these documents as part of the corpus of the founding documents for this international conference, and in the context of this, I'd like to ask Dennis, to speak on the question of where can we begin to start answering the questions that La-

Rouche posed, and who should be involved in a conference of this type?

## Read Economic Value

**Small:** Well, besides LaRouche, obviously, I would say we can be assured of the success of this conference, if among its leading participants, are Vladimir Vernadsky and Gottfried Leibniz. And I say this seriously, not in jest, because historical figures, even though they may have passed away, have and can assert a continuing force, in the progress of man's ideas and mastery over the universe. And Vernadsky on the Russian side, and Leibniz as perhaps the Founding Grandfather of the United States, represent exactly those kinds of ideas. As we saw here, today, with the ideas of Henry Carey, in terms of the two systems that are at war, in previous discussions that we've had of John Quincy Adams' ideas, I think that the role of these ideas in actually shaping history is pretty well established.

Now, on this question of what is value, what is real economic value? Perhaps a good starting point is to tell you a little bit about a very prominent, mid-20th-Century, Russian scientist/economist and friend of LaRouche, a gentleman by the name of Pobisk Kuznetsov. Because what he decided, and presented formally to public gatherings, based on his discussions in-depth with LaRouche, is that a new unit of measurement of the physical economy should be established. And it should be, he said, something called "the larouche," or the "La" for short.

Now, I'm going to read to you what Kuznetsov had to say about the LaRouche unit in a moment, but it's important to know that he was actually himself very close, intellectually, to Vernadsky. His economic systems in part were based on, and inspired by, Vernadsky. In 1987, Kuznetsov wrote an article whose title was, "The Irreversibility of the Historical Process of Nature and Society in the Works of V.I. Vernadsky and in Contemporary Science."

In the period of 1943 to 1954, Kuznetsov was a prisoner in one of the Soviet Union's Gulags, along with another very prominent Russian scientist by the name of Academician Nikolai Fyodorovsky, who was the founder of the Institute of Applied Mineralogy and a close friend and collaborator of Vernadsky.

So it's of some interest that one of the intellectual heirs, in one sense, of Vernadsky, had the following to say about what he considered the most fundamental

measure of value in economics. He said in an article written in December 1994 in *Rossiia 2010*:

“Let us introduce the physical magnitude of ‘a larouche,’ designated by ‘La,’ which gives the number of persons who can be fed from 1 sq km or 100 hectares, during one year. The figures ... correspond to ‘potential relative population density,’ introduced by LaRouche. We have introduced the new unit of measurement, the larouche, which is the quantity of persons able to be fed from a certain magnitude of area, taken as the unit of value in this system.” And he goes on, “We share LaRouche’s view that the magnitude of potential relative population density can serve as an indicator of ‘intellectual culture,’ but taking into account the quite diverse values for farv” which he says is “photochemically active radiation per vegetative period” and “we shall compare not simply 100 hectares, but 100 hectares for a given local farv value...”

And he concludes, “In 1980, I was able to estimate the possibility of creating a system of for feeding 300 million people, by means of hydroponics.... Since this anticipated a complete system for feeding 300 million, it corresponds to 20,000 larouches, or 40 times greater than the known productivity of Belgium.”

What he’s getting at here, and reflecting off LaRouche’s ideas of potential relative population density, is exactly a measure of the *effect*, that the rising productive power of labor has in terms of making it possible to sustain an ever larger population, at ever higher living standards, with ever less human labor directly involved, that, through an increase in technology which is reflected in rising energy-flux density. So potential relative population density is a reflection of man’s power within nature to improve his dominion over the entire physical universe.

Now, although he doesn’t mention it here, Kuznetsov clearly had an understanding of a second, and perhaps more fundamental aspect of LaRouche’s idea of potential relative population density, or the “larouche” in this case, and that is, that it’s not a fixed unit of measurement. It’s not like a ruler, where you can apply it to a fixed object and say, OK, this is our unit of measure-



Lyndon LaRouche (right) and Pobisk Kuznetsov (center) in Moscow, April 1994. Kuznetsov designated “the larouche” as a new measure of physical economy.

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ment and it doesn’t change.

The sign of a successful economy is precisely the fact that there is an *increasing* potential relative population density. Your real metric of value in an economy, is measured by that power which creates changes, to the good, in the potential relative population density; that is to say, man’s creative scientific capabilities. So the metric of value in an economy is man’s ability to *change* the nature of the physical universe around him, including his own mind.

So, having quoted Pobisk Kuznetsov on the subject of the “larouche,” I’d like to quote Lyndon LaRouche on the subject of the “larouche.” And this is in a document which may be less known to some of you because it was written in 1994. It’s called “On LaRouche’s Discovery,” and the very first paragraph is LaRouche writing about his own central discovery:

“The central feature of my original contribution to the Leibniz science of physical economy, is the provision of a method for addressing the causal relationship between, on the one side, individuals’ contributions to axiomatically revolutionary advances in scientific and analogous forms of knowledge, and, on the other side, consequent increases in the potential relative population density of corresponding societies.”

And he continues: “In its application to political economy, my method focuses analysis upon the central role of the following, three-step sequence: first, axiom-

atically revolutionary forms of scientific and analogous discovery; second, consequent advances in machine-tool and analogous principles; finally, consequent advances in the productive powers of labor.”

### **Vernadsky’s Three Domains**

Now, in that context, let’s look at our two proposed principal participants in the upcoming international conference, along with LaRouche’s ideas, Vernadsky and Leibniz, by way of preparing ourselves for this upcoming conference. In this case, our preparatory documents are not all of these long, “whereas, whereas, whereas, therefore...” pieces, in the usual format of United Nations resolutions; but rather, the kinds of publications that Matthew was just showing you of the writings of Vernadsky.

So Vernadsky discusses the three domains that co-exist with different laws within the physical universe. The one being the nonliving, the next being the living, or the biosphere, and the third being the noëtic or the noösphere, that dominated by man’s creativity. So what does Vernadsky have to say about that which creates value in human society? He says [in 1926]:

“Mankind’s power is connected not with its matter, but with its brain, its thoughts and its work guided by its mind. In the geological history of the biosphere, a great future is opened to Man if he realizes it and does not direct his mind and work to self-destruction.”

Vernadsky continues, in a different writing but with the same idea: “Human thought ... modifies that which we call the laws of nature.... With Man, the form of biogeochemical energy associated with reason grows and expands with time ... and is especially due to the growth of reason itself ... [which is to say] the creation and expansion of the scientific understanding of our surrounding universe.”

And then in 1938, Vernadsky writes: “Thanks to human creativity, the biosphere is rapidly shifting into a new state—the noösphere.... A single individual unit of living matter, out of the totality of humanity—a great personality, whether a scientist, an inventor, or a statesman—can be of fundamental, decisive, directing importance, and can manifest himself as a geological force.”

Now, let’s hear comments from the anointed representative of the United States of America, our Founding Grandfather, Gottfried Leibniz, who in 1671, in a discussion of the founding of an Academy for Culture and Science, has the following to say. Now, mind you, this

is almost 300 years before Vernadsky. In 1671, Leibniz says:

“An increased agreement and close correspondence of skilled people will be aroused, creating opportunity and arrangements for many excellent and useful thoughts, inventions, and experiments.... Establish a school of inventors and, as it were, an official laboratory, in which each could readily work out his tests and concepts.”

He then goes on: “To facilitate the crafts through improvements and tools, through always inexpensive fire and motion” (parenthetically, there you have energy-flux density) “to test and be able to work out everything in chemistry and mechanics, to work with glass, to create telescopes, machines, water devices, clocks, lathes, painting studios, presses, paint companies, weaving factories, steel and iron works.”

And finally, from Leibniz: “Means will be supplied to maintain the nourishment of the people, to establish manufacturing and consequently drawing commerce, and in time, to establish workhouses and houses of discipline for the idle and criminal”—perhaps Obama—“in which to improve. The schools furnishing the youth with exercises, languages, and the reality of the sciences to work. And to supply and make useful resources and funds and other things lacking, on a large scale.” I.e., you’ve got to be able to finance this in a certain kind of way.

So, in conclusion, let me simply report to you what LaRouche had to say this afternoon, as part of this discussion which we just shared with you. He said: “The question on the table is, what is value? Increases in the productive powers of labor, in and of themselves, define everything. Where do they come from? Man’s creativity. Vernadsky presented the idea of evolutionary progress as a universal principle. That is the metric of life. You have to apply this to the Moon and our Solar System. That’s what China’s Moon project is all about, it defines the principles of the development of man, throughout the Solar System.

“We know this principle in one form, as developed by Johannes Kepler, but that is only one principle. Others may be involved in the Solar System as a whole. But this defines the characteristic which typifies the process as a whole. That’s where the Moon project comes in. It is convenient to understand the problem before us, which is what we must do to properly define economic value, which in turn is necessary to solve the current strategic crisis.”

# Argentina's 'Default': The Pot Calls the Kettle Black

by Dennis Small and Cynthia Rush

The International Swaps and Derivatives Association (ISDA), which has approved and presided over the growth of a completely unpayable international speculative bubble of some \$1.7 quadrillion in financial derivatives, on Aug. 1 had the audacity to declare that Argentina's supposed failure to make a \$539 million payment to bondholders was a "technical default," and therefore a "credit event." This ruling means that sellers of credit default swaps (CDSs) must pay buyers, triggering an estimated \$1 billion in credit default swaps. The 15-member board of the ISDA voted unanimously to declare such a "credit event"—and among those 15 are CDS giant JPMorgan Chase and Elliott Management, the latter being the very vulture fund that took Argentina to court to force a default in the first place!

Argentina, as is well known, *did* make its \$539 million payment on sovereign debt that was restructured in 2005 and 2010 with 93% of its bondholders, transferring the funds in a timely fashion to the accounts of the fiduciary, Bank of New York-Mellon (BoNY), as is normal in such cases. Some of the 7% of holdouts, however, led by vulture fund NML Capital (Elliott Management) of Paul Singer, have been authorized by U.S. Federal Judge Thomas Griesa and his Special Master Daniel Pollack—and upheld by the Supreme Court of the United States—to get full payment on distressed bonds they purchased at mere pennies on the dollar, prohibiting BoNY from paying the restructured bond-

holders, unless and until the vultures are paid simultaneously. This, Argentina has emphatically refused to do, noting the 1,608% profit the vultures would make, and the fact that the RUFO (Rights Upon Future Offers) clause would require them to make equivalent payments to all bondholders, thus bankrupting the Argentine nation.

But that is precisely what the bankrupt and desperate British Empire and its vulture fund hit-men like Singer intend: to create defaults where none in fact exist; to make a speculative killing on the side with CDS bets against the targeted country, as appears to be the case with Argentina; and then to foreclose on entire nations and populations in order to keep their derivatives scam in motion. The very same vulture funds that are attacking Argentina, have positioned themselves to carry out similar operations against the nations of Europe [see *International* article by Helga Zepp-LaRouche]. This is what Lyndon LaRouche has characterized as the British Empire's "bail-in" policy, whose technical definition is identical to its stated intention to reduce the planet's population from 7 billion to 1 billion people.

## **Argentina Slams the Obama Administration**

In a press conference on July 31, Argentine cabinet Chief of Staff Jorge Capitanich slammed the U.S. government for its lack of "rationality" and biased court officers, accurately characterizing Judge Griesa and



UN Photo/Evan Schneider

*President Cristina Fernández de Kirchner: “I believe that Argentina today is a global test case.” If the financial vultures win, “it’s going to be very difficult for debts to be restructured, or to convince people to invest to reactivate the global economy which urgently requires jobs, research and development in science and technology.”*

Special Master Pollack as “agents of the vulture funds.”

“The United States is responsible for not acting appropriately,” Capitanich said. “Don’t come to us with the excuse that the judiciary is independent.” What the United States is independent of “is rationality. It is independent of decisions that are compatible with the functioning of the international financial system, *but it is not independent of the vulture funds.*”

“Let there be no doubt that . . . Judge Griesa is not an independent judge; he is an agent of the vulture funds. Pollack is an agent of the vulture funds. So, what justice system are you talking about? What independent judiciary are you talking about? We are talking about the responsibility of a State, that is, the United States, to create the conditions of respect for the unrestricted sovereignty of nations. This is Argentina’s position—a *rational* position. . . . Argentina will stand up for its rights before the international community,” especially because it has overwhelming international support, as was seen most recently at the mid-July BRICS and Unasur summits in Brazil.

Capitanich also addressed the insanity of the global

situation, both in strategic and financial terms. “The international community cannot endorse the actions of minuscule groups that aim to undermine the process of a sovereign country’s voluntary restructuring,” he said. “But, what can we expect from a world leadership which is not even capable of intervening in wars, where people are killed? They don’t even care—it doesn’t matter to them that the sovereignty of nations is undermined. They don’t care that people get killed, and they won’t do what they’re supposed to do in dealing with these tiny groups” of vultures.

“This situation can’t go on indefinitely,” he warned. “It is not possible for the world to coexist with these types of minuscule agents who distort the functioning of the international financial system, relations among nations, the exercise of sovereignty, and, above all, the will of nations.”

### **Fernández: Glass-Steagall Would Have Stopped This**

In a July 25 video address to an audience in the northern province of Chaco, to celebrate the opening of an iron smelting plant, Argentine President Cristina Fernández de Kirchner made an unmistakable reference to the Glass-Steagall law—without naming it—noting that “there was once a law in the United States that prohibited the type of speculation” which the predatory vulture funds have engaged in, in their war against Argentina.

President Fernández alluded to Glass-Steagall in discussing the vulture fund rampage against her country, by which “they bought paper they knew was worthless, bought it for nothing.” She clearly implied that a law such as “once existed in the United States” is necessary now, because “whoever buys defaulted paper, obviously has no good intention in mind . . . they want to speculate and see how they can make more money. . . .”

“We have a very strong sense of our historic responsibility at this moment,” she said, “to defend our model, and especially to defend all Argentines. . . . I believe that Argentina today is a global test case. . . . If these [speculative] practices triumph in the world,” who will want to engage in productive investment,

such as that made to build Chaco's iron-smelting plant, "if in six years, someone can reap a return in dollars of 1,608% without having [invested] anything, or risked anything?"

If the vultures win out, she warned, "it's going to be very difficult in the world for debts to be restructured, or to convince people to invest to reactivate the global economy which urgently requires jobs, research and development in science and technology, etc."

Fernández de Kirchner also exposed the murderous practice of "bankers' arithmetic," as Lyndon LaRouche has denounced it over decades. This is the looting mechanism by which nations pay and pay, yet end up with more debt than they began with, through usurious interest rates, forced devaluations, and bankers' commissions, combined with austerity conditionalities. In Argentina, Fernández explained, this "financial bicycle" began in 1976 after the military coup and continued for 25 years. How did it work? "Well, a loan came due, and [they] took out another loan, and added more interest and more capital to refinance it. Do you know what foreign debt is? A snowball, which grew as it moved forward, because as usual, we couldn't pay, so we were always refinancing, and that was how, finally in 2001, the thing exploded," and Argentina went through the largest debt default in history.

Since President Fernández alluded to Glass-Steagall, others have raised this issue more explicitly. "The vultures *are* the transnational financial system," wrote Federico Martelli, director of the Argentine magazine *Revista 2016* in its June edition. Debunking any notion that the vultures are just "residual" elements within the global financial system, he asserted that they are in reality "the most advanced organic part" of that system, which gained prominence after the 1999 repeal of Glass-Steagall in the United States, "which regulated and limited the comingling of service banks with investment banks."

The financial consolidation which followed the law's repeal, he said, wiped out more traditional forms of banking and production, created huge financial conglomerates such as Citigroup, and eliminated any distinctions among investment banks, hedge funds, and the "subset" of vulture funds. While the vultures may specialize in buying up nations' defaulted debt for nothing, he warned, they in fact reflect the character of the financial system itself, "which just rearranges roles according to the needs of the moment."

## Ibero-Americans Reach Back into History To Combat the Empire

by Cynthia R. Rush

Aug. 4—In battling the British Empire's attempt to wipe her nation off the face of the map, Argentine President Cristina Fernández de Kirchner has brought Ibero-America's history into the fight, as have other leaders who recognize that what is at stake in the current offensive against Argentina is the right to sovereign economic development and defense of their population's welfare—free from the demands of usurious creditors and the austerity conditionalities of multilateral lending agencies.

One case in point was the speech by Venezuelan Foreign Minister Elías Jaua at the emergency July 3 foreign ministers' meeting at the Organization of American States (OAS) in Washington, in which he referenced Argentine Foreign Minister Luis Marí Drago's 1903 challenge to then-U.S. President Teddy Roosevelt, for violating the Monroe Doctrine when he allowed German, British, and Italian gunboats into the Americas to collect Venezuela's debt.

In 1903, it was European gunboats off Venezuela's shores, Jaua said; in 2014, it's the vultures assaulting Argentina. There is no difference between them.

Fernández, in her July 29 remarks in Caracas, at the plenary session of the Common Market of the South (Mercosur), quoted below, pointedly referenced the 1865-70 Triple Alliance War against the industrialized nation of Paraguay—better called the Triple Infamy War, she said—orchestrated by the British Empire to annihilate a unique American System project in the heart of South America.

Begun under the government of Dr. Gaspar Rodríguez de Francia (1813-40), followed by Carlos Antonio López (1840-59) and his son, Francisco Solano López (1859-70), Paraguay achieved unparalleled levels of economic independence and technological advance on the South American continent. With iron foundries,

railroads, an aggressive program of infrastructure building, an advanced educational system, and a refusal to indebted itself to foreign usurers, Paraguay sowed panic in London, which justified its genocidal war as necessary to remove a “tyrant,” and “open up” the nation to the world through free trade.

### ‘What We Can Be’

Marshall Solano López, to whom Fernández paid homage, waged heroic resistance against daunting odds. When Paraguay was finally defeated in 1870, out of a total population of 450,000, the imperialist alliance of Brazil, Argentina, and Uruguay succeeded in killing 100,000 men in combat, three-quarters of the male population, and another 120,000 who died from wounds, starvation, or cholera. Despite the lack of resources, the population resisted until the last man, and in many cases, the last child. The nation’s devastation was total.

Speaking at the José Antonio Sucre room in the Presidential Palace, which contains portraits of South America’s founders and heroes, President Fernández welcomed Paraguay’s return to Mercosur, after a year’s suspension, and offered the following tribute to Paraguay’s present, and to its past as a symbol of industrial development and heroic resistance:

“As an Argentine, I wish to begin with the portrait of Marshall Francisco Solano López ... because he symbolizes the possibilities of what we can be and what we were able to be.

“Paraguay was the first nation in all of Latin America to have trains and iron foundries; it was the first in the 19th Cen-



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*In the 19th Century, Paraguay achieved economic independence and development, which was smashed by the Triple Alliance War of 1865-70. President Francisco Solano López, who led the Paraguayan resistance to the imperial attack, was praised by President Fernández as a symbol of “what we can be and what we were able to be.”*

countries formed the Triple Alliance should carry out. I always do it, which is why my country’s media so often criticizes me.”



Navy of Brazil

*The siege of Solano López’s headquarters in Humaitá by the Brazilian Navy.*

tury to become an industrial nation. We all know the history—the Triple Infamy War, as we say today, the Triple Shame War, which annihilated that project of independence and national sovereignty; it represented a real example of our history, and it ended with human life being wiped out, because after all the men were massacred, the women and children were left fighting. That’s why the things that happen in the world today are not new—they are repeated with different protagonists and in different ways.

“But I do want to pay special homage to Paraguay’s return, to the presence of its President here in this place and I wish to do so not only from the standpoint of his Paraguay today, but also from the standpoint of Marshall Francisco Solano López’s historical Paraguay, and the self-criticism that those of us whose

# India Defends Its Food Security, Derails WTO Plans

by Ramtanu Maitra

Aug. 2—Withstanding the intense pressure exerted by the developed nations, India's newly elected Modi government stuck to its guns and did not withdraw its demand for food security as the precondition for signing the Trade Facilitation Agreement (TFA) on July 31, set by WTO (World Trade Organization) members.

Commerce Secretary Rajeev Kher made clear the following day that India remains committed to the pact, and at the same time, will continue to pursue its proposal to find a permanent solution to its food security issues. Subsequently, the Indian news daily *Hindustan Times* quoted an unnamed top government official: "India has no problem implementing the TFA. However, given the resistance to taking forward other decisions, the concern is that once the TFA is implemented, none of the developed countries is likely to come back to the negotiating table to discuss the food subsidy issue or any of the other non-binding outcomes of the Bali ministerial conference."

Moreover, on Aug. 2, officials in New Delhi told Reuters that the deal could be signed as early as September. "It is ridiculous to say the Bali deal is dead," said a senior official at the Trade Ministry, referring to the TFA pact that was agreed in Bali last year. "We are totally committed to the TFA, and only asking for an agreement on food security," said the official, who cannot be identified under briefing rules, Reuters noted.

## No Change in India's Stance

That India would not budge from its stated position was made clear on July 19 by Commerce Minister Nirjala Sitharaman at the meeting the G20 trade ministers in Sydney. Led by the Australian Trade and Investment Minister Andrew Robb, the developed nations chose to ignore India's objections, and called for a date-certain implementation of the TFA. Their experts also pro-

claimed New Delhi's growing isolation on the global stage on the issue of food security and public stockholding.

"We undertook to show leadership in our support for the full implementation of all elements of the Bali outcome agreed at the 9th WTO Ministerial Conference in December 2013, including the Agreement on Trade Facilitation, consistent with the agreed timelines," Robb said in his chairman's summary put out on the G20 website on July 20 after the trade ministers' meet.

When it became evident in the following days that New Delhi had no intention of catering to Robb and others, unless its demand were met, President Obama sent Secretary of Commerce Penny Pritzker and Secretary of State John Kerry, who was in New Delhi July 30-Aug. 1 to participate in the India-U.S. annual strategic talks, with the brief to twist a few Indian arms to force New Delhi to withdraw its demand for a permanent solution to food security and to rubber-stamp the TFA.

Prior to his departure for India, Kerry and Pritzker, writing in *The Economic Times*, made clear their intent to pressure India: "As we work with our trading partners around the world to advance trade and investment liberalization, India *must* decide where it fits in the global trading system. Its commitment to a rules-based trading order and its willingness to fulfill its obligation will be a key indication" (emphasis added).

Kerry's statement did not go over well in New Delhi, where it was perceived as yet another attempt by the Obama Administration to undermine India's sovereign interest. During his meeting with Finance Minister Arun Jaitley, Kerry brought up the issue, pointing out how India will get in the way of a "trade boom" if it blocks the TFA and how every participating nation could benefit from the TFA. Subsequently, the Indian Finance Minister, at a party meeting in New



Prime Minister of India

*Secretary of State Kerry's attempt to armtwist Prime Minister Modi into accepting the WTO's demand that it give up its food security failed to convince the Indian leader. Instead, it was perceived as yet another attempt by the Obama Administration to undermine India's sovereignty. Shown here with Kerry and Modi are U.S. Secretary of Commerce Penny Pritzker (left), and Indian Minister of External Affairs Sushma Swaraj (right).*

Delhi, on Aug. 2 stated: “We have to take a firm position in negotiations with powerful countries of the world. Had we followed the policies of the previous government, the interest of our small farmers would have been jeopardized. For us, the interest of farmers is paramount. There was a lot of pressure, but the government took a firm decision that it will participate in all negotiations but will not compromise the interest of poor farmers.”

While Jaitley made clear to Kerry that India's position was firm, External Affairs Minister Sushma Swaraj raised the issue with him (and repeated to the media, at the joint press conference that followed), of America's cyber-snooping, and termed it “unacceptable” between friends. She said the people of India were very agitated over the U.S. surveillance activities. Kerry, in his reply, said the U.S. “fully respects and understands the feelings expressed” by the minister and that the U.S. would continue to work with India wherever they saw a threat to their shared interests.

Nonetheless, disregarding India's concern about food security, Kerry told Prime Minister Narendra Modi, in the first meeting between a senior U.S. official and the new Indian head of government, that India's refusal to sign a global trade deal sent the wrong signal, and he urged New Delhi to work to resolve the row as soon as possible. “Failure to sign the Trade Facilitation

Agreement sent a confusing signal and undermined the very image Prime Minister Modi is trying to send about India,” a U.S. State Department official told reporters after Kerry's meeting with Modi.

## The Angry Mob

It was evident from the outset that India's demand for food security would evoke anger among the world's globalizers and liberalizers. Following India's blocking of implementation of the TFA, there were others, besides Kerry, who expressed deep concern about New Delhi. Roberto Azevêdo, the WTO director

general, was candid about the challenges facing the trade organization. Despite intense negotiations, disagreement among members had not been resolved, he said. “We have not been able to find a solution that would allow us to bridge that gap. We tried everything we could. But it has not proved possible,” he said at a press conference.

What Azevêdo said was a blatant lie. It was known since December 2013 that the TFA would go through if the WTO would break with the big multinationals, which have emerged as the “deciders” on how international food trade must be conducted.

In addition, Australia's Robb vented his anger, saying: “Australia is deeply disappointed that it has not been possible to meet the deadline. This failure is a great blow to the confidence revived in Bali that the WTO can deliver negotiated outcomes. There are no winners from this outcome, least of all those in developing countries which would see the biggest gains.”

The only voice of sanity of the developed sector emanated from New Zealand, whose Minister of Overseas Trade, Tim Groser told Reuters that there had been “too much drama” surrounding the negotiations and that talk of excluding India was naive and counterproductive. “India is the second-biggest country by population, a vital part of the world economy and will become even

more important. The idea of excluding India is ridiculous.”

### **What Are the Issues?**

In December 2013, in Bali, WTO members had assembled to revive the Doha Round of trade talks which had been sputtering since 1995, when the WTO was formed. WTO members decided that the most significant aspect of global commerce was the TFA part of the package, which is about cutting red tape and speeding up port clearances. What was agreed upon in Bali was a package that focused on various issues related to development, including food security in developing countries, cotton, and a number of provisions for least-developed countries. The package also included a political commitment to reduce export subsidies in agriculture and reduce obstacles to trade when agricultural products are imported through quotas.

The trade facilitation decision was a multilateral deal, whose objectives were: to speed up customs procedures; make trade easier, faster and cheaper; provide clarity, efficiency, and transparency; reduce bureaucracy and corruption; and use technological advances. It also has provisions on goods in transit, an issue particularly of interest to landlocked countries seeking to trade through ports in neighboring countries.

As the WTO's bigwigs were putting this package together to keep the developed nations in control of world trade, India put up a red flag pointing out that agreeing to the TFA could compromise its food security. New Delhi demurred on the TFA at the time, saying that India's Food Security Act, which is binding on the government by law now, stipulates that the government will provide cheap food to the most vulnerable section of the population at extremely low prices.

Apart from providing subsidies to consumers through the public distribution system, it also provides subsidies to the producers of food grains. So it buys food grains from farmers at a minimum support price, and subsidizes inputs like electricity and fertilizer. The first problem India saw in the TFA, is the 10% cap on subsidies, which will not be possible for India to achieve in the near future. In addition, the 10% cap is calculated based on 1986-88 prices, when the prices of food grains were much lower. So the cap has to be updated, taking into account the present prices of food grains.

The second problem New Delhi saw is that in agree-

ing to the WTO protocol, India would have to open up its own stockpiling to international monitoring. Third, while the WTO is binding the developing countries to protocols, the issue of subsidies by developed giants, like the U.S., seems to be off the table.

### **Food Security for the Poor**

Opting to kick the can down the road, and hoping that the developed nations would be able to wrestle India down on the food security issue in the future, it was agreed at the Bali conference that the TFA would be signed into a protocol by July 31, 2014, and fully implemented by July 2015. It was also agreed that a permanent solution on food security would be achieved by 2017. Meanwhile, developing countries like India would be allowed to run their public food-stockholding programs. Such an interim measure, termed the “peace clause,” would safeguard them from being legally challenged for this at the multilateral forum by other member-countries.

At the time, it became evident to India that the WTO holds the control over the “peace clause” as well. “What member-countries have said is that if one issue is discarded, this will be the case for the whole package, including the Peace Clause. This is serious,” a senior Indian trade negotiator present at the WTO's General Council meeting in Geneva, asking not to be named, told the Indian daily *Business Standard*.

As a result of this two-faced proposal by the WTO, India hardened its position and made clear that before the TFA is implemented, New Delhi wants a permanent solution for food security. If the WTO does not accept that proposal, India made clear that it will withdraw its support from the TFA.

What India really wanted, and it was made plenty clear at the time, is a permanent solution to the issue of public stockholding of food grains. G-33 members, including China, have supported India's stand on subsidizing agricultural production and distributing food to the poor at low cost.

### **Globalization vs. National Sovereignty**

Rajni Bakshi, a Senior Gandhi Peace Fellow at Gateway House, Indian Council on Global Relations, wrote on Aug. 2: “An old tussle between economic globalization and political sovereignty has once again come to the fore with India's decision not to ratify the WTO's Trade Facilitation Agreement (TFA). This may seem odd because the TFA is essentially meant to

smooth the procedures for goods to cross national borders. Sovereignty has come into the picture because the Indian government has made its ratification of TFA contingent on a simultaneous change in WTO rules that would enable it to continue its food security program. Much more is at stake here than just the efficiency of customs regimes or subsidized food for the poor. Having taken a tough stand, India can now take a lead in reframing the power equations of globalization. But this is a task for Indian business and civic bodies as much as for our government.”

The fact is that India’s resistance, in addition to being the absolutely the right stance, matches the UN Special Rapporteur’s report of last year, which lauded the fact that many developing countries have created statutory provisions to ensure the right to food. In addition, as Bakshi noted, the G-33 coalition of developing countries, which includes India and China, has been demanding since 2006 that the WTO reopen and reconfigure its Agreement on Agriculture to serve the interests of the billions of people whose food security is on the edge. While India is the only nation that vetoed the TFA, many developing nations do want the issue of

food security and trade facilitation to be resolved as part of the same agreement.

Also, at the April conference of the African Union trade ministers, the participants asked for the implementation of the TFA to be done on a provisional basis, pending the conclusion of the overall Doha Round, which is meant to address equity concerns of developing nations. But then, most African nations backed off. A Nigerian official told the Inter Press Service that this withdrawal was the result of “undue pressure from some developed countries.”

Bakshi in his article says that the confrontation that emerged over India’s position on food security is not just a tussle between the developed and developing nations. “It is, instead, a tussle between what has been called the ‘global North,’ that is globalised big business and industry, versus the ‘global South’—the billions of people on this earth who are dependent on the land and on small scale livelihoods.” He pointed out that the fight over the TFA and food security is a skirmish in the process of re-framing globalization—making it more equitable in order to make it sustainable.

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## ENDGAME OF PREDATORY CAPITALISM

# Sanctions Against Russia: Preparation for World War

by Helga Zepp-LaRouche

Aug. 1—The sanctions against Russia’s financial sector and energy companies adopted by the EU—with the agreement of the German government—hit Germany’s machine-building and medium-sized productive sector, the *Mittelstand*, particularly hard. They are part of a strategy of confrontation, which, as former German Secretary of State in the Defense Ministry Willy Wimmer correctly emphasizes, is preparing for nuclear war with Russia.

We have a problem: Our government in Berlin is not looking out for the general welfare and protecting us from dangers.

The sanctions against Russia must be condemned in the strongest possible terms and lifted immediately. There is not even a shred of evidence that President Putin was responsible for shooting down Malaysia Airlines MH17, and furthermore, it is the governments of Great Britain, the United States, and Ukraine which are so far refusing to publish the existing satellite photos, AWACS data recordings, and the findings of the air traffic controllers, not to mention the so-called “black boxes,” which were taken into custody by the British government.

An unprecedented phalanx of pro-NATO news magazines is issuing war-mongering propaganda that is a painful reminder of the Nazi paper *Der Stürmer*, whose propaganda led to 80 million deaths. The propaganda also recalls the media campaigns against Saddam Hussein for alleged weapons of mass destruction, which led to the deaths of more than a million Iraqis,

and the alleged use of chemical weapons by the Assad government in Syria, which also turned out to be lies. Or in times past, the Gulf of Tonkin incident, which provided the pretext for the Vietnam War, with its more than 3 million victims. Everything today suggests that the downing or crash of MH17 was either a “false flag” operation or possibly a quite different element of war preparations against Russia.

The sanctions adopted on the basis of rash prejudgment of Putin will, according to Philippe Pegorier, head of the French company Alstom and president of the Association of European Business (AEB), cost Germany about 300,000 industrial jobs, especially in the machine-building sector, whose Russian customers will face financing difficulties as a result of the sanctions and will have to cancel their orders.

The campaign against Russia is actually about regime change, as Wolfgang Münchau recently brutally announced in an article on Spiegel Online. “We can crush the Russian economy in weeks,” he bragged, by blocking their access to international payment systems. Münchau added: “Payment systems are the nuclear bombs of the financial war,” and the EU has not only a common interest in stopping Putin, but also the means to do it.

### Where the War Danger Comes From

Recently, quite a few people—although still too few—have warned that this all could lead to a third world war, a thermonuclear war. A group of former de-



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*German industries oriented toward export are expected to lose 300,000 jobs as a result of the sanctions against Russia. Shown here is Hamburg harbor, with cargo headed for foreign markets.*

fense and foreign ministers and security experts from the European Leadership Network warned that the conflict in the eastern Ukraine threatens the security of Europe as a whole. They said that it was particularly disturbing that such crises could spiral out of control without warning, triggered by third parties, as recently in the case of the downing of flight MH17. National leaders need more time to make decisions, especially since both sides still have thousands of nuclear weapons on alert. A nuclear war as the result of a quasi-mistake is absolutely possible, they said.

That is certainly true, but the truth is much worse, because there are also those who are doing this intentionally.

The real reason for war lies in the complete bankruptcy of the trans-Atlantic casino economy. In the face of the heroic struggle of Argentina to defend its sovereignty and the common good of its 41 million citizens, against the attempted raids of the NML hedge fund, the chorus of those who are now bloviating self-righteously—"But the debt must still be paid"—is shocking beyond belief. These advocates of the "free" market economy apparently thought nothing of this hedge fund, NML Capital, backed by the American justice system, demanding a profit of 1,608% in six years.

But in the meantime, the same vulture fund, with the backing of the Obama Administration, has quietly positioned itself in Europe over the past year and a half, and

has bought up dozens and dozens, if not hundreds of billions of euros of the bad debts of the European banks, on the same principle as it did in Argentina. They bought this worthless paper, which the banks were glad to unload so as to pass the "stress tests," for 3-4 euro cents per 1 euro, so as to turn around later and demand payment of the entire original, nominal value—just as in the case of Argentina.

According to Spanish media reports, such as CincoDias.com, the same vulture fund, Paul Singer's NML Capital, and its parent company Elliott Management, bought up at least EU1.3 billion in distressed loans (what an expression!) in 2013 from Banco Santander, the largest bank in Europe, and other Spanish financial

institutions, such as Bankia. The total cost to Elliott Management was a measly EU50 million—less than 4% of the nominal value. In March 2013, Elliott bought EU300 million of bad loans from Santander for a paltry EU12 million; in August, Elliott and the hedge funds Lindorff and Cerberus Capital Management bought EU1.354 billion in distressed loans from Bankia, for EU38 million—3.8% of their nominal value.

The vulture funds are making such deals not only in Spain, but are "helping" stressed banks throughout Europe to dump their bad paper to the tune of about EU800 billion, so that they can pass the European Central Bank's stress tests. Shortly afterwards, the hedge funds will demand payment of the original, nominal price of the real estate, bonds, or whatever—just as they did in the case of Argentina. Then it will be the European nations that are the suckers, or the citizens of these nations, whose bank accounts are expropriated by a gigantic "bail-in": the Cyprus model for all of Europe.

At least then the chorus of the self-righteous bloviators should feel a lump in their throats (and maybe even enjoy it, as the condemned man enjoys his last meal).

## Why the British Empire Hates Germany

Why is the German government backing sanctions against Russia, acting as willing assistants to a system that has Germany itself as a primary target on its hit list?

Anyone who wants to answer this question needs to

understand the role of the British Empire, the City of London as well as Wall Street, which historically was always a branch of this empire.

Thus former Russian Prime Minister Sergei Ste-pashin recently accused British Prime Minister David Cameron, in an open letter, not only of supporting Nazis in Ukraine, but also of operating in the tradition of Nev-ille Chamberlain, who, in 1938, wanted to direct the Nazis into a war against the Soviet Union, as today the EU is being drawn into a war against Russia.

Willy Wimmer, in his recent article, also refers to the role of the British, and warns: Anyone in Russia in this situation who counts on the United States “or, what is almost worse, on the British, should keep in mind the fate of the German resistance against the Führer.” (Former American Secretary of State Madeleine Al-bright and former German Foreign Minister Joschka Fischer said openly that Russia should never be allowed control over its rich raw materials.) Wimmer is obvi-ously alluding to the role of British intelligence (and another Western intelligence services), which betrayed to the Gestapo the desperate opponents of Hitler who had made contact with them.

The British Empire has hated Germany at least as long as, and for the same geopolitical reasons, that it hates Russia. Sir John Wheeler-Bennett, in a memoran-dum written five days after the failed assassination at-tempt against Hitler of July 20, 1944, when bloody purges of the Nazi apparatus were underway, said: “It may now be said with some definiteness that we are better off with things as they are today than if the plot of July 20th had succeeded and Hitler had been assassinated. . . . By the failure of the plot we have been spared the embarrassments, both at home and in the United States, which might have resulted from such a move, and, moreover, the present purge [by the Gestapo] is presumably removing from the scene numerous individ-uals which might have caused us difficulty, not only had the plot succeeded, but also after the defeat of Nazi Ger-many. . . . The Gestapo and the SS have done us an ap-preciable service in removing a selection of those who would undoubtedly have posed as ‘good’ Germans after the war. . . . The killing of Germans by Germans will save us from future embarrassments of many kinds.”

The “good” Germans today are the *Mittelstand* companies and machine builders, who want to export to Russia, China, India, etc., and are therefore supposed to be ruined, so that what remains of German industry could be all the more easily smashed by the obscene



*Adolf Hitler and Benito Mussolini survey the damage after the July 20, 1944 bombing by German resistance fighters that was intended to kill Hitler. Britain's Sir John Wheeler-Bennett was glad that they failed and were executed by the Nazis.*

demands of the banks and hedge funds in the coming “bail-ins.”

A continuous line of geopolitics against Germany has extended from Lord Milner and Halford Mac-kinder, which led to the First World War and the condi-tions of the Versailles Treaty, which was supposed to neutralize Germany forever; then the murders of the signatories of the Rapallo Treaty; the financing of Hitler by the head of the Bank of England Montagu Norman, Prescott Bush, and Averell Harriman; and the transport of industrial plants by the British occupation forces after the Second World War; right up to the coup de grâce of getting the Germans to commit suicide today, by means of sanctions against Russia.

It is high time to change course and end the policy of the British Empire. Cooperation with the BRICS coun-tries and Latin America, which are in the process of building a new, more just world economic order through the New Silk Road, is the path we must take. And de Gaulle was right: Perfidious Albion!

*Translated from German by Susan Welsh*

# Under Netanyahu, Israel Will Not Know Peace

by Carl Osgood

Aug. 4—Israel, under the leadership of Prime Minister Benjamin Netanyahu, has walked itself into an existential trap with its Operation Protective Edge campaign against Gaza. As in previous such operations, the Israeli Defense Forces (IDF) win every tactical engagement, but in doing so, they sink deeper into a quagmire from which there's no escape, under the current set of axioms that guide Israeli actions. Netanyahu says the goal of the operation is “quiet,” that is, Hamas and other militant groups should not be able to fire rockets indiscriminately into Israel. Hamas replies that it will not stop fighting until Israel lifts the seven-year siege it imposed on Gaza in 2007, when Hamas won an election.

As many observers have noted, Netanyahu's real target has been the unity government formed last April between Fatah and Hamas, and therefore, that the kidnapping and murder of three Israeli teenagers in the West Bank in June—an act that Netanyahu immediately blamed on Hamas, even though there has been no evidence, then or since, that Hamas had any involvement—was nothing but a pretext for a war on Gaza.

As of this writing, the IDF is winding down its ground operation in Gaza and reportedly has begun withdrawing its troops back to the Israeli side of the border. An IDF spokesman proclaimed to the international news media that the campaign against the tunnels that cross under the border fence was largely completed, but that the IDF would still take action to prevent Palestinian militants from launching rockets towards Israel. A decision made by the Israeli cabinet on the evening of Aug. 1 not to pursue further negotiations with Hamas, however, preceded the withdrawal of troops from inside Gaza. There can be no peace without discussions that take into account the needs of both sides; therefore, it would seem all that Netanyahu has done is lay the basis for another conflict in the near future.

Intelligence and security experts doubt that crushing Hamas, as Netanyahu and other right-wing politicians in Israel might like to do, would have the desired impact of “bringing quiet” to southern Israel. Former Mossad chief Ephraim Halevy told CNN on July 15 that Israel should be prepared to talk to Hamas. “Hamas is a very bad option, undoubtedly. But there are worse options than Hamas,” he said. “And we already know what some of them might be, especially one of them: The ISIS—which is operating now in northern Iraq and central Iraq—has its tentacles in the Gaza Strip too.”

Halevy backed away from that position in an Aug. 1 interview with the Australian Broadcasting Corporation. He questioned whether “the other side” genuinely wanted a ceasefire, but acknowledged that in any discussions to end the conflict, Hamas will be on the other side of the table somehow, because it is part of the Palestinian unity government.

In the United States, where President Obama has taken to parroting Netanyahu's talking points, outgoing Defense Intelligence Agency chief Lt. Gen. Michael Flynn issued a similar warning to Halevy's. Speaking at the annual Aspen Institute security conference on July 27, Flynn warned, “If Hamas were fully destroyed, and you know, gone, we would probably end up with something much worse, or the region would end up with something much worse. There would be a worse threat that could come into sort of the ecosystem there ... something like an ISIS or an ISIL.”

Israel is thus facing a parallel situation as the United States, in that it cannot survive under its current leadership, as it otherwise faces a future that promises nothing but warfare, warfare which it ultimately cannot survive. Just as President Obama must be removed from office by constitutional means in order to prevent World War III and open the way for U.S. survival, Netanyahu must be removed by whatever appropriate political

methods exist to defend the future of Israel.

## Civilian Casualties and War Crimes

As of Aug. 3, the death toll in Gaza had reached 1,836, with nearly 10,000 wounded, according to reports issued by the Palestinian Health Ministry. Three-quarters of the victims have been identified as civilians. On Aug. 4, the ministry counted 398 children among the dead, and another 2,744 among the wounded. Entire families have been reportedly wiped out by the Israeli bombardment, almost on a daily basis. Thousands of homes have been destroyed, the electricity and water infrastructure has collapsed, and the medical system is overwhelmed.

According to the UN Relief and Works Agency, six of Gaza's nine hospitals have been damaged, with three of them closed, and ambulances and paramedics report that they are targeted regularly by the IDF, on the assumption that the ambulances must be transporting Hamas fighters. Over 400,000 people, nearly 25% of Gaza's population of 1.8 million, have been displaced, with over 240,000 of them seeking shelter in the 86 UN schools. Those UN shelters have been bombed by the Israelis at least seven times, each time killing dozens and wounded dozens more, sparking severe denunciations from the UN and internationally.

UN High Commissioner for Human Rights Navi Pillay issued such a denunciation on July 31 from Geneva, following the July 30 targeting of a UN shelter in Gaza. Pillay underlined the need for "real accountability considering the increasing evidence of war crimes and an ever-growing number of civilian casualties, including some 250 children."

"Six UN schools have now been hit, including another deadly strike on 24 July that also killed civilians," Pillay said. "The shelling and bombing of UN schools which have resulted in the killing and maiming of frightened women and children and civilian men, in-



*The UN High Commissioner for Human Rights Navi Pillay pointed to "increasing evidence of war crimes and an ever-growing number of civilian casualties, including some 250 children," in the brutal crushing of the Palestinian resistance in Gaza by Israeli Prime Minister Netanyahu, shown here with top IDF officials.*

cluding UN staff, seeking shelter from the conflict, are horrific acts and may possibly amount to war crimes. If civilians cannot take refuge in UN schools, where can they be safe? They leave their homes to seek safety, and are then subjected to attack in the places they flee to. This is a grotesque situation.

"Under international law, humanitarian relief personnel and objects used for relief operations—this would include UNRWA schools in Gaza being used as shelters—must be respected and protected. An attack against humanitarian relief personnel and objects used exclusively for relief operations, is a violation of international humanitarian law and may amount to a war crime."

Pillay said she was particularly disturbed by the killing of children, including during the Eid holiday that brings the end of Ramadan, normally a time of celebration. In one case, a dozen children and one man were killed in Beach Camp in Gaza, a place where they should have been safe. "According to initial reports there were no military activities in the area, which begs the question: What possible justification could there be for such an attack?"

Pillay emphasized that the attacks on civilians, whether in shelters, in hospitals, or otherwise, is a war crime under international law, whether committed by

Israel or by Hamas, and accountability for these war crimes is essential for ending the cycle of violence. The UN Human Rights Council voted, on July 23, to establish a Commission of Inquiry, which, Pillay said, will play a key role in addressing accountability in the Gaza conflict. "However, true justice will only be achieved by bringing cases in front of a fair and competent court," Pillay said. "The international community has a collective responsibility to end this climate of impunity."

### **International Jurists Speak**

A letter so far signed by 141 international law experts, and posted on July 28 by Richard Falk, a former UN Special Rapporteur on the human rights situation in the Occupied Palestinian Territory, points out that while both sides have committed crimes, the principle of proportionality applies in this case, as in any other. That is, while both sides are failing to protect civilians, Israel's crimes are much more serious, in that they are being committed on a vastly greater magnitude. Only 3 Israeli civilians have died as a result of rocket or mortar attacks from Gaza, whereas over 1,800 Palestinians have died as a result of IDF attacks. The Israelis have bombed homes with up to 20 residents, including many children, on the specious claim that 1 member of the household was a member of Hamas. Nor does Israel's issuing of warnings to the household just prior to an attack mitigate the crime. "[I]t remains illegal to wilfully attack a civilian home without a demonstration of military necessity as it amounts to a violation of the principle of proportionality," the letter says. "Moreover, not only are these warnings generally ineffective, and can even result in further fatalities, they appear to be a pre-fabricated excuse by Israel to portray people who remain in their homes as human shields.

"The civilian population in the Gaza Strip is under direct attack and many are forced to leave their homes. What was already a refugee and humanitarian crisis has worsened with a new wave of mass displacement of civilians: the number of IDPs has reached nearly 150,000 [at the time the letter was composed], many of whom have obtained shelter in overcrowded UNRWA schools, which unfortunately are no safe areas as demonstrated by the repeated attacks on the UNRWA school in Beit Hanoun. Everyone in Gaza is traumatized and living in a state of constant terror. This result is intentional, as Israel is again relying on the Dahiya doctrine, which deliberately has recourse to disproportionate force to

inflict suffering on the civilian population in order to achieve political (to exert pressure on the Hamas Government) rather than military goals.

"In so doing, Israel is repeatedly and flagrantly violating the law of armed conflict, which establishes that combatants and military objectives may be targeted, i.e., those objects which by their nature, location, purpose or use make an effective contribution to military action and whose total or partial destruction, capture or neutralization, in the circumstances ruling at the time, offers a definite military advantage. Most of the recent heavy bombings in Gaza lack an acceptable military justification and, instead, appear to be designed to terrorize the civilian population. As the ICRC clarifies, deliberately causing terror is unequivocally illegal under customary international law."

The letter concludes by noting the conditions imposed by Israel on Gaza that have led to the present circumstances. "The indiscriminate and disproportionate attacks, the targeting of objectives providing no effective military advantage, and the intentional targeting of civilians and civilian houses have been persistent features of Israel's longstanding policy of punishing the entire population of the Gaza Strip, which, for over seven years, has been virtually imprisoned by Israeli-imposed closure. Such a regime amounts to a form of collective punishment, which violates the unconditional prohibition set forth in Article 33 of the Fourth Geneva Convention, and has been internationally condemned for its illegality. However, far from being effectively opposed by international actors, Israel's illegal policy of absolute closure imposed on the Gaza Strip has relentlessly continued, under the complicit gaze of the international community of States."

Under such conditions, though the letter doesn't explicitly say so, it should be no surprise that people denied any semblance of a normal life, dig tunnels under the border fence and shoot rockets over it.

The letter concludes by calling on the international community, and in particular the United States, to put an end to the escalation of violence in Gaza; support the immediate conclusion of a durable, comprehensive, and mutually agreed ceasefire agreement, which must secure the rapid facilitation and access of humanitarian aid and the opening of borders to and from Gaza; all parties to the Geneva Conventions to comply with their fundamental obligations; and refer war crimes committed in Gaza to the International Criminal Court for investigation and prosecution.

# Will India's New Government Strive To Quickly Meet Expectations?

by Ramtanu Maitra

July 29—At the time of this writing, India's new government, under the National Democratic Alliance (NDA), led by Prime Minister Narendra Modi (Bharatiya Janata Party/BJP) has completed its first 65 days in office. While the NDA's scorecard over this period has not been spectacular, it is nonetheless, impressive. Considering the task that lies ahead, the Modi government will have to address, quickly and decisively, many complex issues that have remained unresolved until now. The indecisive and corrupt prior ten years under the United Progressive Alliance (UPA) government had kept India constrained, and a rather weak participant in important global, and even regional, affairs. That was the prime reason why the Indian people, with its vast multitude of young voters (nearly two-thirds of Indians are under 35; half are under 25), threw out the old, and gave this new administration the mandate to exercise power. They want results.

The most promising opening that Prime Minister Modi has created during this period was exhibited at Fortaleza, Brazil, in mid-July, where he, along with fellow BRICS (Brazil, Russia, India, China, and South Africa) heads of state, made the historic decision to create the \$100 billion New Development Bank (the idea of setting up such a bank was mooted in 2012 at the BRICS Summit in New Delhi), and a \$100 billion foreign currency reserves pool. The authorized, dedicated, and paid-in capital will amount to \$100 billion, \$50 billion, and \$10 billion, respectively. The Bank will be involved in infrastructure projects in the BRICS nations.

Shanghai won the bid to host the Bank, while India will hold the presidency for the first six years; its regional office will be in Johannesburg, South Africa. The five countries will have equal shareholding in the Bank; their finance ministers will constitute the NDB's board, which will be chaired by Brazil.

## More Capital for the New Development Bank

Although the NDB is highly under-capitalized, in light of the fact that the world now needs at least \$1.5

trillion to develop the infrastructure that would provide food security, increase productivity, and usher in a better future for the generations to come, it is no doubt an opening to push aside the corrupt Bretton Woods financial system, which has turned into a looting machine of the colonial powers and their cohorts. It is likely that the BRICS heads of state will quickly realize this shortcoming, and build up the NDB to play a substantial role as the alternative to the dying transatlantic system.

In this context, Modi, as the president of the Bank, must move quickly to convince particularly his Chinese and Russian counterparts, to ensure that the Bank will succeed. Its huge tasks will include providing electrical power, water distribution systems, modern transport infrastructure, decent education and health care, etc., rather than allowing under-developed nations to continue to sink under under heavy debts imposed by the sharks of the London- and Wall Street-led financial institutions.

## More Nuclear Power Needed

The expansion of electrical power should be subsumed under a fresh scientific and technological surge. The Prime Minister has indicated that this could be an important item in his developmental agenda. On July 21, Modi visited India's premier atomic energy research facility, Bhabha Atomic Research Center (BARC), and said India's self-reliance in the nuclear fuel cycle, and the commercial success of indigenous reactors, demonstrate that with vision, resolve, and hard work, India could be a front-ranking country in the most challenging fields. He reiterated his belief that energy security, based on clean and reliable sources of energy, must be the driver of India's rapid and sustained long-term development.

On the sidelines of the BRICS Summit, Modi met with Russian President Vladimir Putin; he reportedly said that he looked forward to working with Putin to further deepen and broaden the two nations' strategic partnership, including in the areas of defense, nuclear energy, space, trade and investment, people-to-people

contacts, and addressing regional and global challenges. Putin, in return, said Russia places its relations with India high in the strategic framework.

In addition to India's significant dependence on Russia-supplied military hardware, nuclear power projects have emerged as a focus of India-Russia relations. Russia has built two 1,000 MW nuclear power plants in Koodankulam, Tamil Nadu (one has been commissioned and is producing at 100% efficiency, while the other is expected to be commissioned sometime later this year), and has committed to build two more 1,000 MW plants there, providing a boost to India's much-needed power generation.

Another reflection of Modi's commitment to pushing India's high-quality infrastructure development to meet the demands of the younger generation, is his close contacts with Japan, where he is scheduled to visit at the end of August. Modi has developed close relations with Prime Minister Shinjo Abe, who is very keen to establish a strong developmental relationship with India in the coming years.

The New Delhi-based news daily *The Economic Times* (July 23), citing a Japanese official, explained why an earlier trip by Modi to Japan had been postponed: The Japanese side had presented a list of pending projects to the Indian Prime Minister's Office a few weeks before. But Modi realized that the Indian side was not prepared, and did not want to visit Tokyo merely for photo-ops. "The idea was to utilize the two-month period to prepare for a concrete outcome from the trip, where a civilian nuclear deal and high-speed railway could be announced," according to the unnamed Japanese official.

Since then, senior Japanese officials have visited to India to work on the nuclear deal. On May 29, 2013, Prime Minister Abe and his then-Indian counterpart Manmohan Singh had signed a deal that would allow Japan to export nuclear plants and strengthen civilian nuclear energy and defense cooperation significantly.



Bhabha Atomic Research Center

*On his July 21 visit to the Bhabha Atomic Research Center (BARC), Modi said that India was poised to become a leader in the most challenging scientific fields.*

## Space Collaboration with Neighbors

In addition to Prime Minister Modi's expressed inclination to expand nuclear energy production, he is a strong proponent of space research. Claiming that he never missed an Indian satellite launch using India's PSLV rockets, at the June 30 satellite launch site, he asked the Indian space agency ISRO to develop a SAARC satellite (South Asian Association of Regional Cooperation, consisting of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka, and Afghanistan) that would provide a full range of applications and services as a "gift" to its neighbors. "Such a satellite will be helpful in the SAARC nations' fight against poverty and illiteracy, the challenge to progress in the scientific field, and will open avenues to provide opportunities to the youth of the SAARC countries," he said at ISRO's Mission Control Room on June 30.

## 'Vasudhaiva Kutumbakam'

Elaborating on his keenness to develop closer scientific and economic relations with the SAARC members, he said: "For us, [the space program] is an important instrument of human progress. We must, therefore, share the fruits of technological advancement with those who do not enjoy it. We already share disaster management data with over 30 countries. We provide benefits of telemedicine to Afghanistan and African countries. But we must do more. '*Yeh dil maange more*' (the heart de-

sires for more),” Modi said, repeating a well-known advertising slogan. He has also often referenced his mooring in the Sanskrit saying “Vasudhaiva kutumbakam” (The entire world’s citizens are my family).

Another encouraging factor is Modi’s stated initiative for developing closer ties with India’s neighbors—particularly in the East, to open broad economic and trade relations with Southeast Asia and China by land. The Prime Minister made the little mountain-state of Bhutan, situated north of India, his first foreign destination, after taking office on May 26. Subsequently, his External Affairs Minister Sushma Swaraj undertook a successful June 26-27 visit to Bangladesh to initiate closer cooperation with Dhaka.

External Affairs Minister Sushma Swaraj also made a three-day (July 25-27) visit to Nepal, ahead of the visit of the Prime Minister on Aug. 3. The joint communiqué issued at the end of the visit specified prioritization of the Pancheshwar Multipurpose Hydro Project on the Mahakali River that borders India and Nepal. The timing of Modi’s visit demands a recalibration, including the exploration of an imaginative India-Nepal-China trilateral partnership, in areas such as hydro-power, with India as a possible end-user. In the long run, Nepal could also become a candidate to benefit from the recently formed BRICS bank, opening the prospects of convergence between SAARC and BRICS.

New Delhi has announced that as part of the Modi government’s emphasis on neighborhood outreach, Minister Swaraj will now head for Myanmar this month. She will also set the stage for Modi’s visit to Myanmar in November to attend East Asia Summit/ASEAN-India Summit, reports indicate.

It is evident that Modi has realized what the late Prime Minister P.V. Narasimha Rao had crafted in the early 1990s—that India must open up its eastern horizon to have a direct land-link with China, Southeast Asia, and East Asia. Such a land-link will provide a huge boost to economic activity in India’s northeast, and bring the smaller nations of the region to develop closer economic ties, thus creating a framework for a regional security system.

In addition, during its short time in power, the new government has revived the moribund interlinking of river basins and sub-basins to provide water to the water-short economies of many states within the Republic of India. A token allocation in this year’s annual budget suggests that the government’s approach on this important issue, which has remained unattended for decades,

is cautious. The small budgetary allocation indicates that the Modi government is looking to achieve in the near term only the linking of rivers of sub-basins within a basin, or nearby basins, instead of going for distant inter-basin river linkages.

### **Skill, Scale, and Speed**

But these are just the early days of the Modi Administration. A few corrective measures in the coming months and years could meet the thirst for development that the millions of India’s young people unequivocally expressed in the 2014 general elections. What are those corrective measures?

To begin with, the Prime Minister must realize that the importing of nuclear power plants should only supplement India’s indigenous decades-long nuclear power generation capability. India has developed very strong nuclear research and design capabilities. In order to translate those capabilities to generate commercial electrical power and bring hope and joy to all Indians, Modi must roll up his kurta sleeves to push rapid growth of the heavy engineering sector and other logistical capabilities essential for building a large number of nuclear power plant sets annually.

In a speech on June 8, Modi said, “The need of the hour is to think big. The more we focus on skill, scale, and speed, the more it will increase India’s growth trajectory.” In the power sector, in the water distribution sector, and in the transportation sector, all Indians, including myself, will be looking for the implementation of those three stated objectives at the earliest possible time.

Secondly, the development of the northeast, and collaboration with the independent nations located along India’s eastern flank are not only a must-do, but also a challenging task. The earlier this challenge is taken up, the better it will be for India and the region. To begin with, the Modi Administration must get together with the smaller bordering nations to develop transport-energy and economic corridors that would open up massive productive potential and manpower development for all those countries that have been pauperized by IMF-World Bank-led financial looting during the last 40 years.

China has used high-speed railroads to bring countries closer and provide opportunities for those countries to grow. India must develop economic corridors to bring its small and neglected neighbors closer together and open up a new potential for the generations to come.

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## In Memoriam

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# Carlo Bergonzi, Verdi Tenor

by Liliana Gorini

July 31—On July 25, Carlo Bergonzi, one of the greatest Verdi tenors, died. He had just passed his 90th birthday, on July 12, which was celebrated with a concert in Busseto, the birthplace of Giuseppe Verdi, where Maestro Bergonzi held his master class for “Verdi voices.” I had the pleasure of meeting him there often, and to follow

his lessons there, since Bergonzi was one of the most outspoken supporters of the Schiller Institute’s [campaign](#) to return to the Verdi tuning (A=432 Hz).

Born in Vidalenzo di Polesine Parmense, near Parma, Bergonzi is considered the most important Verdi tenor of the past century, also because he is the only one who recorded all 31 Verdi arias for tenor. As he told me in the first interview he granted me in Busseto, for the German magazine *Ibykus*, he started singing at the Parma Conservatory as a baritone, but in 1950, during the performance of “Madame Butterfly”

*Carlo Bergonzi, standing in front of the Teatro Verdi, and a statue of the great composer, Piazza Giuseppe Verdi, Busseto, Italy (left). The Maestro conducting a demonstration of singing A=432 vs. A=442, Carnegie Hall, sponsored by the Schiller Institute and the Italian Cultural Institute, April 8, 1993 (below).*



EIRNS/Jessica Tremblay



*Bergonzi as Nemorino and Andrea Rost as Adina, Baltimore Opera production of Donizetti's "L'Elisir d'Amore," 1993. It was his farewell performance on the opera stage in the U.S. (above).*

*Baritone Piero Cappuccilli, Tenor Carlo Bergonzi, Liliana Gorini (Schiller Institute), Lyndon LaRouche, at the 1997 Schiller Institute conference at the famous Barezzi House, Busseto, Italy (right).*



EIRNS

in Livorno, he tried in his dressing room to shoot the super high “C” which ends the first act, and realized that his difficulty in singing the high notes was due to a lack of technique.

Since then, he sang as a tenor, and was a master of tenor technique, particularly its register shifts, not only as a singer but also as a singing teacher, in his Accademia di Voci Verdiane (Verdi Voices Academy) in Busseto. He invited me to attend his lessons there, and I was able to experience his mastery of register shifts and interpretation, for example, when he invited a student to sing the “F” in “Celeste Aida” from “Aida,” keeping it in the second register, instead of shifting to the third register, thereby changing the interpretation of the aria. He often asked his students to speak the line they were singing, in order to give a better interpretation when their singing was boring. “You would never say ‘*dell’universo immemore io vivo quasi in ciel*’ (forgetful of the universe, I live almost in Heaven) that way, would you?” he asked a tenor who was singing “De miei bollenti spiriti” from “La Traviata.”

I visited the Maestro often in Busseto, in the Hotel Due Foscari (named for the Verdi opera) managed by his son Marco, and discussed with him the Schiller Institute campaign to return to Verdi’s pitch, and asked him to support it. He often told me, “You are pushy, as are all of you of the Schiller Institute, but that’s the only way to obtain something, so I admire that.”

In 1997, he participated, together with Lyndon LaRouche and myself, in a conference on Verdi’s tuning held in the famous Barezzi House in Busseto, and attended also by another great Verdi voice, baritone Piero Cappuccilli. Between 1988, when the Schiller Institute held its first conference on scientific pitch and Verdi tuning at the Casa Verdi in Milan, and 1998, he granted interviews<sup>1</sup> to our cultural magazines explaining how important Verdi’s tuning is to remaining true to the Maestro’s original color and voice registers, and that today’s high pitch (up to A=448 Hz in Berlin, Salzburg, and Florence) is the reason why there are so few Verdi voices.

Bergonzi once interrupted a rehearsal of Donizetti’s “L’Elisir d’Amore” in Florence, calling the first oboist, who gives the “A” to the orchestra, to his dressing room and demanding that he tune down, since they

were performing one full tone higher than the original key!

In 1994, he collaborated with the Schiller Institute, holding a demonstration concert at Carnegie Hall, with New York’s top voice teachers in attendance, where he demanded that voice teachers abandon the “practicality” of preparing their students at the artificially high tuning, and instead train a generation of singers who can once again develop truly “Verdi voices.” His very long career as a Verdi tenor brought him to the Metropolitan Opera, Carnegie Hall—all the most important opera theaters in the world.

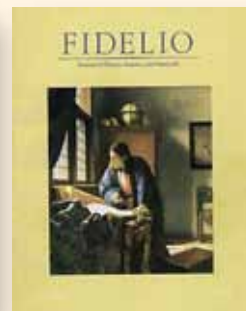
We of the Schiller Institute extend our deepest condolences to his widow Adele, who conveyed Bergonzi’s greetings to the Schiller Institute concert on the Verdi tuning, on the occasion of the 200th anniversary of Verdi’s birth, held in Germany, in April 2013.

The world has lost a great tenor and a beautiful soul, in Schiller’s sense, but Carlo Bergonzi will live forever in his recordings and in the memory of his listeners.

*The author is the chairwoman of the Movisol, the LaRouche Movement in Italy.*

## FIDELIO

Journal of Poetry, Science, and Statecraft



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

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

**Back issues are now available for purchase through the Schiller Institute website:**

[http://www.schillerinstitute.org/about/order\\_form.html](http://www.schillerinstitute.org/about/order_form.html)

1. See “Maestro Carlo Bergonzi: Return to the Verdi tuning, ‘or opera could be finished!’” *Fidelio*, Fall 1993.

THE CASE FOR IMPEACHMENT BUILDS

# Cameron Spurs Obama's Drive for War Against Russia

by Jeffrey Steinberg

Aug. 4—It is now more urgent than ever that President Barack Obama be removed from office. The alternative is a growing likelihood that the British, through their White House pawn, will unleash such a direct provocation against Russia that the outcome will be thermonuclear World War III and certain extinction.

British Prime Minister David Cameron sent a letter on Aug. 2 to all NATO heads of state and to outgoing Secretary General Anders Fogh Rasmussen, demanding a reconfiguration of NATO to directly challenge Russia as an adversary. Meanwhile, the British Deputy Chief of Staff of the Armed Forces called for the creation of a Rapid Reaction Force targeted against Russia. Cameron has called for the forward basing of NATO forces in Eastern Europe, and expansion of the military budgets of all NATO countries, and plans to push this idea at the September NATO summit meeting in Wales that he will be hosting.

Cameron was in Brussels on Aug. 4, meeting with Rasmussen and Gen. Philip Breedlove, Commander of the U.S. European Command, to prepare for the meeting in Wales. "Since Russia destabilized Ukraine and illegally annexed Crimea, NATO's response has focused on reassuring our eastern allies and deterring Russian aggression elsewhere. Every ally has contributed to this response, whether with ships, aircraft or troops," the British Prime Minister said after the meeting. "At the NATO summit we must agree how we can

sustain such a robust presence in eastern Europe in the months ahead."

Cameron endorsed Breedlove's plans for reinforcing NATO's presence in Eastern Europe and declared that "We must also use the summit to ensure NATO is prepared to respond swiftly to any threat against any ally, including with little warning." He called for "a multi-national, high readiness force that can deploy quickly on exercises in the territory of an ally that feels threatened," that would also "provide clear reassurance for any vulnerable ally and make clear to any aggressor that an attack on one would be an attack on all."

Rasmussen used the occasion to up the ante against Russia by charging flatly that it was pro-Russian separatists who shot down Malaysia Airlines Flight 17. No need for evidence, no need for an impartial investigation. Rasmussen is pushing every button for provocation, and the Russians are well aware that this is not about starting a new Cold War, but rather preparations for World War III, unless both Russia and China cave in to Western domination.

The British push for war with Russia has also taken on a financial warfare dimension. On July 29, MI6 favorite Ambrose Evans-Pritchard wrote in the *Daily Telegraph* that the court ruling that the Russian oil company Yukos was illegally bankrupted by the Russian government in 2006, can be used to drive Russia into a sovereign default, on the model of Argentina. The



NATO

*NATO Secretary General Anders Fogh Rasmussen and British Prime Minister David Cameron at the headquarters of NATO's Allied Command Operations, Aug. 4. The two are doing their utmost to provoke Russia, insanity that could lead to World War III.*

ruling means that Russian external debt, Pritchard ranted, “rises to \$770 billion at a stroke. Refusal to pay will at some point become a sovereign default.”

Evans-Pritchard was referring to the July 28 ruling by the Permanent Court of Arbitration in The Hague, which decreed that Russia must pay damages of \$51.5 billion to former shareholders of Yukos, a fine 20 times larger than any previous verdict. As many Western media have chortled, such a fine, if collectible, would dwarf the impact of the recent European Union/U.S. sanctions. Russia has declared that it will appeal, but there are clear indications that the Russian oligarchs who lost out—aided by their European confederates—intend to try to seize assets of companies that now control former Yukos assets.

## Obama Mocks Putin

President Obama, true to profile, is totally in sync with the British provocations for war. In an interview with the *Economist*, Obama seconded Cameron’s blasts at Russia, delivering irrational and insulting comments directed personally against President Vladimir Putin, and mocking the Russian economy as one that “produces nothing.” The U.S. President, goaded on by the editor-in-chief and foreign editor of the London propaganda organ, declared that Russia has a “Janus-like quality, both looking east and west,” and that Putin “represents a deep strain in Russia that is probably

harmful to Russia over the long term, but in the short term can be politically popular at home and very troublesome abroad.”

It’s hardly surprising that the *Economist*, as a long-standing mouthpiece for the British Empire, would be the venue for Obama’s war-mongering. In its March 17, 2007 edition, devoted to the 50th anniversary of the EU, which was written as a piece of futurology titled “The European Union at 100,” the magazine depicted the EU vanquishing both the United States and Russia, after a U.S. financial collapse and an EU-instigated Russian-American nuclear showdown over Ukraine.

With a tone of unrealistic braggadocio, continuing its futurology, the *Economist* even claimed: “The other

cause for quiet satisfaction has been the EU’s foreign policy. In the dangerous second decade of the century, when Vladimir Putin returned for a third term as Russian president and stood poised to invade Ukraine, it was the EU that pushed the Obama administration to threaten massive nuclear retaliation. The Ukraine crisis became a triumph for the EU.”

What Obama is doing today is virtually an *Economist* script.

In what can only be characterized as a reaction against Lyndon LaRouche’s recent emphasis on China’s great advances in science-driver programs like the plans for Moon industrialization and mining for helium-3, Obama, in his interview, described China today as the “low cost manufacturer of the world.” Asked about the recent BRICS Summit and the creation of the BRICS New Development Bank, Obama condescendingly said that these countries are ruled by leaders from an older generation that will soon be swept aside by a newer generation committed to getting in on the existing global system, which he typified by touting the doomed Trans-Pacific Partnership.

## Voices of Opposition

Not everyone finds the Cameron-Obama war provocations amusing. Stephen F. Cohen and Katrina vanden Heuvel wrote in *The Nation* on July 30 that Obama is pushing for war with Russia. The authors warned that

the United States is backing the Ukrainian government in escalating the confrontation with Russia, and that the downing of MH17 should have promoted an immediate ceasefire and humanitarian intervention. Instead, with U.S. prodding, Kiev is escalating its attacks on civilian populations in eastern Ukraine, driving the region and the world towards a hot war involving nuclear-armed powers.

On July 30, the Veteran Intelligence Professionals for Sanity (VIPS) (retired U.S. intelligence officers from the CIA, NSA, FBI, and military intelligence branches, issued an open letter to President Obama, demanding that the Administration halt the inflammatory propaganda accusing Russia of responsibility for MH17, and actually present whatever actual evidence has been gathered by U.S. intelligence agencies on the crash.

The Pentagon also continues to push back against the war provocations coming from London and the White House. On July 30, the Defense Intelligence Agency issued findings that the Ukraine Army was using short-range ballistic missiles against civilian population centers in eastern Ukraine. CNN's Pentagon correspondent reported that three Pentagon officials had briefed her on the use of Tochka-U artillery missiles carrying 1,000-pound warheads.

On July 31, a task force of prominent foreign policy and defense experts from Europe and Russia warned of the danger of nuclear war coming out of the Ukraine crisis. The document by the European Leadership Network, a London-based group of former ministers, began: "The current crisis is putting the security of everyone in Europe at risk and is potentially pitting nuclear armed adversaries against each other in a highly volatile region." The 11-page paper called for immediate de-escalation of the conflict, negotiated agreements, greater military-to-military channels of communication, and other measures between NATO and Russia. "There have already been several near misses," the paper warned, "and action is needed both to reduce their likelihood and increase leadership decision time in a context where thousands of nuclear weapons remain on high alert on both sides."

The document was signed by two former British Ministers of Defence—Malcolm Rifkind and Des Browne; former Russian Foreign Minister Igor Ivanov; former German Defense Minister Volcker Rühe; and former French Defense Minister Paul Quilès.

## The Crash and the War Drive

As *EIR* has reported since 2011, when the assaults on Russia and China escalated, the real driver for war by the British Empire against Russia, China, India, and all of humanity is the fact that the British imperial system is crashing. The Portuguese government, over the weekend, had to step in to take over Banco Espírito Santo, with the full costs and consequences of that collapse still unfolding. The fall of the Espírito Santo family empire is reverberating in France and Brazil, where investors have taken gigantic hits, and where holders of shares in the other Espírito Santo family companies are the latest victims of bail-in madness and looting.

While the BRICS nations have moved to create the beginnings of a new system to replace the current self-cannibalizing disaster, there is no way chaos can be prevented without the reinstitution of the FDR-era Glass-Steagall law. Despite in-depth support for that, even in Congress, Obama follows the British imperial line on that policy as well: He has systematically acted to prevent the bills to reinstate Glass-Steagall from even getting a hearing in the House or the Senate.

Under these extraordinary circumstances, the U.S. Congress must return to Washington from its recess immediately, to take up the one action that can end the headlong plunge to world war: Impeach Obama for his high crimes and misdemeanors, and reinstate Glass-Steagall to bankrupt the doomed Wall Street-London system. Any other behavior is tantamount to gambling with the survival of the human race.

At least one member of Congress is pushing for impeachment. Rep. Walter Jones (R-N.C.) told *The Hill* on July 30 that he had voted "no" to Speaker of the House John Boehner's bill authorizing a lawsuit against the President for his violations of the constitutional separation of powers. "Why not impeach instead of wasting \$1 million to \$2 million of the taxpayers' money? If you're serious about this, use what the founders of the Constitution gave us." Jones warned that the failure of the Republican Party to back impeachment was "why the Republican Party is in trouble."

The Boehner lawsuit was approved by the House of Representatives last week after a team of constitutional lawyers had reportedly assembled a list of 11 impeachable offenses already committed by President Obama. Boehner suppressed most of those crimes in the planned lawsuit filing, further proving Representative Jones' point.

# Pittsburgh Protest Against Obama/EPA

by Marcia Merry Baker

Aug. 3—On July 31 in Pittsburgh, some 7,000 demonstrators turned out for a mass rally and march, called by the United Mineworkers of America (UMWA), to protest Obama's Environmental Protection Agency (EPA), over its newly announced anti-coal rule ordering reduction of so-called greenhouse gas emissions. Pittsburgh was one of four cities (along with Denver, Atlanta, and Washington, D.C.) where the EPA staged two-day hearings last week, granting 1,600 people five minutes each, as a pretense of taking "public comment" on its new "Clean Power Plan" to ruin what remains of the U.S. power supply. The Pittsburgh hearings started July 31.

The day's mass protest marked a dramatic line of resistance nationally against the destruction of the U.S. economy under the Obama Administration. The impact of the Obama June 2 "Clean Power Plan," which mandates reducing emissions of carbon dioxide and other offending substances by 30% (from 2005) by year 2030, is to devastate the coal-fired power sector. The blatant intent of de-carbonization, is to de-power the United States. The pedigree of the plan, is "made in London," per the international green hoax that the Earth is overheating from an excess of mankind's activity.

Coal accounts for over half of the electricity base of U.S. 17 states. In Kentucky and West Virginia, coal accounts for over 90% of electricity generation. Already, even in anticipation of the new Obama EPA rule going into effect, coal-powered plants are shutting down.

A bipartisan alignment of state leaders and Congress is speaking out against the Obama onslaught,

though stopping short of demanding his ouster. However, the Pittsburgh demonstrators were all thumbs-up to impeaching Obama, which was featured on big placards at the organizing site of LaRouchePAC at the march.

At a July 30 pre-rally, 2,000 people in downtown Pittsburgh were addressed by Gov. Earl Ray Tomblin (D) of West Virginia, Gov. Tom Corbett (R) of Pennsylvania, Ohio's Lieutenant Governor Mary Taylor (R), and tri-state leaders of both parties. West Virginia's Attorney General Patrick Morrisey (R) told the July 30 rally: "I stand here together with you united in our outrage over the Obama Administration's plans to use the Environmental Protection Agency to put you and our nation at risk. . . ."

Many Congressmen testified at the EPA hearings against the anti-coal moves. Rep. Shelley Moore Capito (R-W.Va.) told the Washington hearing, July 29, "My state of West Virginia has already lost 5,000 coal-mining jobs between 2012 and 2014. Many more jobs are at risk because of this agency, this president, and regulatory efforts that go far beyond what Congress intended when it passed the Clean Air Act."

In 2010, a Congressional Coal Caucus was formed to defend against attacks, and now numbers 65 lawmakers. Besides those from coal-mining states, dozens of Congressmen are part of the coalition because of their states' dependence on coal for electricity, given the 50-year obstruction of nuclear power. For example, Minnesota is 48% reliant on coal for electric power; Rep. Collin Peterson (D) is a Coal Caucus member.



EIRNS/Robert Baker

*Seven thousand people attended a mass rally in Pittsburgh July 31, called by the United Mineworkers union, to protest the Obama/EPA scheme to shut down coal production in the U.S.*

## Clash of Worldviews: Production vs. Doom

On July 2, UMW issued a call for a national protest rally July 31 against the EPA's rule. Miners and supporters came in to Pittsburgh on 70 buses from coal states—Alabama, Kentucky, Illinois, West Virginia, Ohio, Pennsylvania, Virginia, and elsewhere—and were joined by members of the electrical workers (IBEW), boilermakers, and other trades, as well as residents from all over coal country.

LaRouchePAC organizers on the scene said that at one point, it was like “the Civil War without the shooting,” when thousands in the labor march came upon a counter-demonstration of 300 “Climate Action Now” Obama-supporters. The face-off lasted an hour. “It was a clash of outlooks, like a clash of galaxies,” said one participant.

The Climate Action Group is a gaggle of green groupies deployed to support Obama's 2013 “Climate Change Plan,” for which the anti-coal “Clean Power Plan” is a recent step. Obama's green initiatives are simply the implementation of the London global warming blueprint for depopulation—by economic death, if not war.

LaRouchePAC activist Robert Baker gave testimony exposing this, in his remarks to the Pittsburgh EPA hearing July 31. He said:

“We can stop this catastrophe. We must dump the Wall Street green crap. ‘Alternative’ energy is a fraud. ‘Overheating the Earth’ is a fraud. We must cancel the EPA rule, and the EPA itself. Move forward with nuclear power, to an advanced economic base with a crash program for fusion energy. That's what coal is for! Use it! A new alliance of nations—called the BRICS group—is doing just that. . . .

“The immediate emergency measures required are to launch impeachment against President Barack Obama, re-institute the Glass-Steagall Act—for which bills stand ready in Congress—and then proceed to set up a traditional American System of credit, through which we can initiate great projects and science.

“People are suffering and dying for lack of this. Even worse, we face mass annihilation from thermo-nuclear war if Obama is allowed to continue his war-provoking policies in Eurasia, as George W. Bush did before him. . . .”

Baker reminded people, “We have the right and responsibility, as nations, to develop. That is what our nation stood for from the very beginning. We settled new lands; we constantly raised our ability to pro-

duce—from our farms, factories, and mines. We grew in population, skills and science. We led the world, going from wood, to charcoal, to anthracite, to bituminous, to coke, to oil and gas, then nuclear.

“We had the Tennessee Valley Authority in our coal states, where the Oak Ridge center harnessed atomic power. We had Atoms for Peace, and planned for mass nuclear-powered seawater desalination for the dry West (which we need desperately now). We had the first commercial nuclear power plant in the nation, here in Western Pennsylvania at Shippingport in 1957. We went to the Moon. But what happened?

“We were hit by a subversion operation. About 50 years ago, the foreign network of financial and oligarchical circles of the neo-British Empire, succeeded in imposing floating world currency rates, and implementing a battery of anti-nation-state measures: the WTO and globalized trade; deregulation of energy, transportation and health care; elimination of farm parity prices; elimination of the Glass-Steagall law, which protected banking from speculation, and much more. Bubble economics ensued to the point of the 2007 blowout, and a monster one is pending today.

“In parallel, the green movement was cooked up in a British imperial mind-control test tube by the same enemy. It is a lie that man's activities are over-heating the Earth; that CO<sub>2</sub> is a pollutant; and ‘alternatives’ are wind, solar, and biofuels.

“The truth is that climate results from large patterns of solar and galactic processes.

“The intent behind all these green lies—calling for shutting down coal plants and modern technology, and the Wall Street/City of London killer economics is the same: depopulation. Obama is serving the London crowd, who says: cut world population down from 7 billion to 1 billion people.

“That's what we see right here in coal counties in West Virginia. Life expectancy is now falling. . . .”

Baker explained the LaRouche Four Laws, ending with the necessity for “adopting a crash program for the development of fusion power.” He and the other LaRouchePAC organizers had intense discussions with the labor marchers on this.

Baker concluded his testimony, “Re-open the mines and the nation. Take emergency relief measures for people. We did it under President Franklin Delano Roosevelt. We can do it now. Impeach Obama and get to work.”

# Energy-Flux Density: Global Measure of Economic Progress

by Jason Ross

Over the period 1948-1952, Lyndon LaRouche solidified a fundamental advancement in economic science, a breakthrough which allowed him to become the most accurate economic forecaster of our day.<sup>1</sup> This breakthrough in understanding what Treasury Secretary Alexander Hamilton called “the productive powers of labor” allows him to offer uniquely competent guidance on global economic matters. Here we elucidate several key concepts of LaRouche’s economic method, including, most centrally, that of energy-flux density as a measure of economic value.

## Starting from Fundamentals: Physical Chemistry as the Origin of Economy

Unlike all other life known to us, human beings are able to discover and apply knowledge of the universe and social functions, to fundamentally transform our relationship to nature and to our fellow man. This occurs uniquely through the process of scientific and artistic creative discovery, and through forms of social organization capable of fostering and implementing those discoveries.

A comprehensive standpoint from which to view such progress is that of physical chemistry, from its most humble origins in the use of fire, to the dawn of extractive metallurgy, to the breakthroughs of chemis-

try proper, to the more modern developments of electromagnetism and nuclear science. Specific periods of development are sometimes known by characteristic chemical knowledge: for example, the Stone Age, Bronze Age (beginning 3200 BCE), and the Iron Age (which began in 1200 BCE in Europe).

Only human beings have economies, because only human beings change their mode of existence from one generation to the next. The source of these changes, creative discoveries of new scientific and cultural principles, is the heart of economic value, and the proper origin of a science of economics.

Against this naturally human development, stands oligarchism.

## Against Mankind: Zeus vs. Prometheus

Neither history, science, culture, nor economics can be understood as disciplines, without an understanding of the most pertinent conflict between outlooks for human culture: the conflict between Zeus and Prometheus. This story, often wrongly considered only a myth, as presented by such as the Greek playwright Aeschylus, tells of the origins of human science and economy, and the opposition, by oligarchy, to such development.

In order to keep ordinary mortals weak and under his control, the Olympian god Zeus forbade man the use of fire (and, in doing so, forbade humanity itself, and all the possible advancements of civilization), re-

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1. LaRouche has written extensively on his discovery, including in his 1984 economics textbook, *So, You Wish To Learn All About Economics?*

serving it for his use, alone. The god Prometheus, acting as a friend to humanity, took fire from Zeus's heaven and brought it to mankind. For this act, Prometheus was violently punished by Zeus, in a torment designed to last eternally; yet Prometheus did not regret his actions.

The willful use of fire, the first technology, is what sets mankind apart from all animals. Prometheus describes the state of man before giving him fire and knowledge (from "Prometheus Bound," by Aeschylus, ca. 415 B.C.):

First of all, though they had eyes to see, they saw to no avail; they had ears, but they did not understand; but, just like shapes in dreams, throughout their length of days, without purpose they wrought all things in confusion. They had neither knowledge of houses built of bricks and turned to face the sun, nor yet of work in wood; but dwelt beneath the ground like swarming ants, in sunless caves. They had no sign either of winter or of flowery spring or of fruitful summer, on which they could depend, but managed everything without judgment, until I taught them to discern the risings of the stars and their settings, which are difficult to distinguish.

Yes, and numbers, too, chiefest of sciences, I invented for them, and the combining of letters, creative mother of the Muses' arts, with which to hold all things in memory. I, too, first brought brute beasts beneath the yoke to be subject to the collar and the pack-saddle, so that they might bear in men's stead their heaviest burdens; and to the chariot I harnessed horses and made them obedient to the rein.

Rather than being slaves to ignorance, superstition, and the arbitrary whims of Zeus, human beings could use these gifts of knowledge from Prometheus to guide their own future, increasing their further power over nature through the powers of discovery.

The greatest of the sciences, economics, treats as its subject matter, that unique capability of our species to increase its standard of living and transform its relationship to nature and itself. How can economic progress be measured?

### **Energy-Flux Density: Applying Mankind's Fire**

Begin with the first of the gifts of Prometheus, fire, from which he says man "shall learn many arts." The

archaeological distinction between humans and apes comes with the first appearance of ancient fire pits, used to control the power of fire for the betterment of the lives of those wielding that then-new power.

From that point on, mankind could no longer be characterized biologically, or as existing in biological evolution—the evolution of the creative powers of the mind became the determining factor, and biology decreased in importance, relative to the power of thought.

Since then, the kernel of economic growth has been expressed in the control over successively higher forms of "fire." First came increasingly powerful forms of chemical fire: from wood to charcoal, from coal to coke, and on to petroleum and natural gas. The higher types of power not only allowed greater densities of fire-power; they opened up new domains of control and utilization of matter. Metallurgy, materials development, and physical chemistry all developed in dynamic interaction with the development of new forms of fire.

The revolutionary discoveries of the early 20th Century revealed an immense potential, altogether beyond chemical reactions: the fundamental equivalence of matter and energy, as expressed in the domains of fission, fusion, and matter-antimatter reactions. Each in this series of relativistic reactions (reflecting the Einsteinian equivalence between mass and energy) operates at successively higher energy densities, and the entire set is orders of magnitude beyond the entire successive set of chemical reactions. While this distinction is usefully expressed in the immense difference between the quantity of energy released in nuclear as compared to chemical reactions (expressing weapons in terms of kilotons or megatons of TNT), the measured quantitative difference is an effect of a qualitatively distinct, higher domain of action.

Control over higher energy densities enables the increase in what LaRouche has termed the energy-flux density of the economy, as measured by the density-rate of energy use characteristic of applied technologies, such as the energy concentrated in the beam of a laser used for metal-cutting, compared to a water-mill of the 18th Century. A general value for energy-flux density can be measured as the energy use per person and per unit area of the economy as a whole. This increasing power is associated with qualitative changes throughout the entire society—new technologies, new resources, higher levels of living standard, and, essentially new economies. (See **Table 1.**)

To start with, consider the biological energy usage,

Table I

**The Energy Density of Fuels**

| FUEL SOURCE                      | ENERGY DENSITY<br>(J/g)                        |
|----------------------------------|--|
| Combustion of Wood               | $1.8 \times 10^4$                              |
| Combustion of Coal (Bituminous)  | $2.7 \times 10^4$                              |
| Combustion of Petroleum (Diesel) | $4.6 \times 10^4$                              |
| Combustion of $H_2/O_2$          | $1.3 \times 10^4$ (full mass considered)       |
| Combustion of $H_2/O_2$          | $1.2 \times 10^5$ (only $H_2$ mass considered) |
| Typical Nuclear Fuel             | $3.7 \times 10^9$                              |
| Direct Fission Energy of U-235   | $8.2 \times 10^{10}$                           |
| Deuterium-Tritium Fusion         | $3.2 \times 10^{11}$                           |
| Annihilation of Antimatter       | $9.0 \times 10^{13}$                           |

*Fuel energy densities. The change from wood to matter-antimatter reactions is so great that progress must be counted in orders of magnitude, and the greatest single leap is seen in the transition from chemical to nuclear processes.*

the power rate of a human body, roughly 100 watts (corresponding to a 2,000-calorie diet). Before the use of fire, all work performed (by human muscle), would be applied at a rate of 100 watts per capita. Compare this rate with those seen in the historical development of nations.

For example, at the founding of the United States, the wood-fire-based economy of the time provided an estimated 2,400-3,000 watts per capita. Thus, each member of that economy represented a potential application of energy up to 30 times greater than a fireless society. Clearly, this was not only more energy, but represented a quality of energy that enabled people to create new states of matter and chemistry, states which could never be created by muscle power alone.<sup>2</sup>

By the 1920s, the increasingly coal-powered United States had a per-capita power use of 5,000 watts, mean-

ing every individual expressed nearly twice the power as members of the wood-based economy. This supported the powered machinery, transportation, and early electricity generation that transformed life, alongside the development of modern chemistry.

By 1970, the per-capita power rate in the United States, which now made extensive use of petroleum and natural gas, and limited applications of nuclear power, had reached 10,000 watts per capita, another doubling over the level 50 years prior.

In each of these transitions, the previous fuel declined in use as a power source, allowing non-combustive uses, such as the use of wood for construction and petroleum for plastics and other petro-chemicals, while the array of resources expanded. In today's electromagnetic, and partially nuclear economies, rare earth minerals have become resources, the excellent fusion fuel of helium-3 on the Moon is being eyed by such far-sighted institutions as the Chinese space program, and the future fusion-based economy will be able to process mineral deposits far below the quality of ores exploited successfully today.

With these power transitions in mind, it is no surprise that per-capita electricity consumption and per-capita wealth (as measured by the admittedly quite flawed GDP) are so closely correlated, as seen in **Figure 1**.

Had the advance of nuclear power not been halted, and had fusion power been realized as intended, it would be no stretch to estimate that U.S. power rates would approach 40,000 watts per capita in the first generation of this new century. Such potential boggles the mind, and drives home how unacceptable the current world average of only 2,400 watts per capita (comparable to the United States over 200 years ago) truly is.

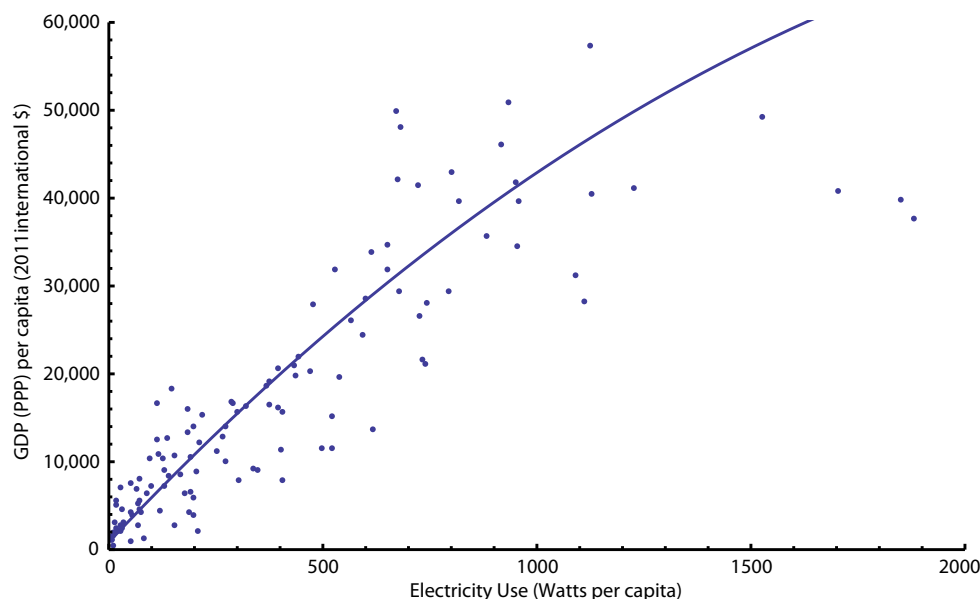
Alongside energy-flux density, a second key economic metric developed by LaRouche concerns the demographics of economies powered by increasing levels of energy-flux density. This brilliant metric side-steps the principal errors encountered in macroeconomic measurements.

### **A Global Measure of Economy: Potential Relative Population Density**

Most economists seek to determine the overall productivity of a national economy through metrics which add together the monetary value of various components of the economy, resulting in such measures as gross do-

2. Could you cook your meat by beating it with a club, or bake bread by banging it with a rock? Can you produce copper from malachite by using your muscles, without a charcoal fire?

FIGURE 1

**Electricity Consumption vs. GDP, Per Capita**

EIRNS/Jason Ross, using 2010 data from World DataBank.

*The correlation between per-capita electricity consumption and GDP is remarkably clear. Insisting that developing nations use “appropriate technologies” is insisting that they remain eternally poor.*

*All nations with both indicators were included (N=129). Plot range has been cropped to exclude outliers. Trend line is a best-fit cubic.*

mestic product. The problems with such an approach are two-fold:

1. Economic activity counting towards GDP may or may not be conducive or necessary to reaching more developed states of the economy, and may indeed be positively harmful even if not currently illegal (such as drugs, solar panels, prostitution, degrading forms of entertainment, gambling, biofuels, and financial speculation).

2. Rather than looking at economic activity per se (which, at its best, GDP might represent), it is necessary to look at economic activity in the context of development overall. Does our measure include within it the economic powers which we are capable of reaching? Does it measure progress itself?

Instead of a bottom-up approach, LaRouche has developed a strikingly simple concept to understand an economy as a whole—*potential relative population density*. The population density aspect is the familiar measure of the number of people per square kilometer of land. This must be considered relative to the quality of the land, and of human improvements to it. With this

in mind, we consider the potential level of the relative population density: How many people could a society or economy possibly support in a given area of land? What determines this value?

The potential relative population density (PRPD) is bounded by the scientific principles known to a given culture, and by the capability of that culture to implement such discoveries. The breakthroughs in physical chemistry each transformed the PRPD, by their improvements of the potential productive powers of labor, as have: agriculture (including irrigation); windmills (centuries ago); the forging of modern science by the work of Filippo Brunelleschi, Nicolaus of Cusa, and Johannes Kepler;

the germ theory of disease; vaccines; steam-powered and internal combustion engines; the Bessemer and later oxygen steel production processes; and such production techniques as standardization and automation—just to name a few.

The combined set of discoveries and cultural framework for their implementation determines the PRPD. Rather than adding up currently occurring economic activity (including undesired activity) the PRPD measure indicates the potential economic activity and human life an economy is capable of supporting. The rate of growth of PRPD is the best measure of increasing economic value.

### **Must We Progress? There Are No Limits to Growth**

While no intelligent person would deny the necessity of technologies to make the best aspects of modern life possible, some might argue that technological progress need not continue, that we have reached a sufficient level for our needs, and that perhaps increased economic activity even poses a danger, by more rapidly

drawing down limited supplies of raw materials. Such were the ostensible concerns behind the publication of *The Limits to Growth* in 1972.

This silly book, which assumed no fundamental advances in technology (such as nuclear fusion), modeled the world economy, and concluded that in a matter of decades, such factors as pollution, resource scarcity, and food shortages would lead to a maximal human population, and then a rapid decline. The authors, who wanted to prevent economic development for reasons outside those discussed in their book, proved, in effect, that without technological advances, mankind was doomed, and then used this to argue for preventing technological advance! Instead, they had demonstrated the necessity of such advance—a process which must continue indefinitely.

Opposed to this necessary progression is the current, foolish practice of hydraulic fracturing (“fracking”) to recover hydrocarbons. Since more easily accessible supplies of hydrocarbons already have been or are currently being exploited, it becomes necessary to expend more and more (physical) effort to obtain the same resources. While an individual fracking well may offer a monetary return on investment, fracking as a policy has negative economic value. Consider the opportunity cost, in the broadest sense: It was possible to have built more fission power plants, and invested the necessary resources into making nuclear fusion a reality, giving a whole new spectrum of potential processes and resources. Instead, we are expending more effort to obtain the same resource.

From both the moral imperative to improve the living conditions of the unacceptably large portion of humanity currently in poverty, unable to participate mentally in celebrating and advancing the discoveries that are the common patrimony of all mankind, and from a strict physical standpoint, progress is essential.

An increasing (and increasingly well-educated) population is necessary to tackle the large challenges facing mankind, such as defense against errant asteroids and comets, and long-term management of changing weather conditions. Humans must pick up where the biosphere has left off.

## A Lesson from the Biosphere: Development as Fundamental

The “green” ideology holds that most specifically human behaviors are “unnatural,” as though the

human species is not part of the natural world. Furthermore, many of the supposedly “natural” virtues extolled by green ideologues—tradition, constancy, eternity, stasis, balance—do not describe the biosphere, at least not over evolutionary timeframes. Quite the contrary: The history of our planet, and of its biosphere, is one of evolutionary development that mirrors that of human economic development in surprising respects.

For example, let us apply the concept of energy-flux density to the biosphere. We will measure the specific metabolic rates of both animals and plants, in units of energy flow per body mass (W/kg). For example, a typical reptile uses 0.3W/kg, while a typical mammal uses 4W/kg, an order-of-magnitude difference. As seen in **Figure 2**, the development of new biological “technologies” over time—such as seeds, rather than spores, for plants, and endothermy (warm-bloodedness) for animals—corresponds to higher rates of energy flow per body mass. That is, over evolutionary time, newly developed forms of life require increasingly great rates of energy flow.

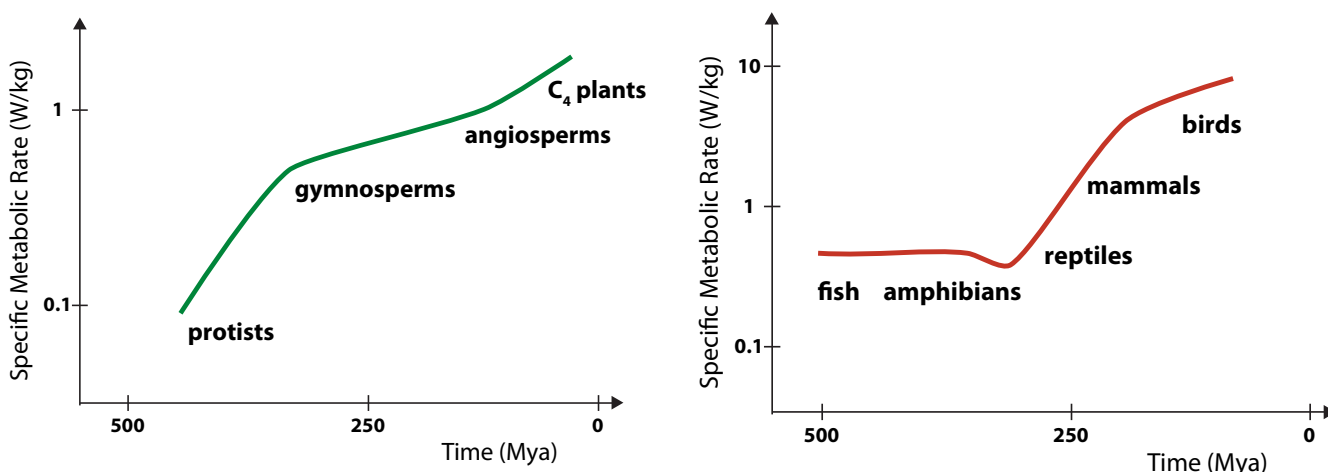
This development process did not occur smoothly. As seen in **Figure 3**, the relative predominance of amphibians, reptiles, birds, and mammals over evolutionary time (as measured in the diversity of life-forms)<sup>3</sup>, shows a marked shift from the relative dominance of amphibians, then reptiles, and finally birds and mammals. Not only do the developing forms of life themselves have more internal diversity (mammals have more biodiversity than the previously developed class of reptiles), but these changes do not occur gradually, but instead as shifting eras of life, similar to the Stone, Bronze, and Iron Ages of man.

These very cursory<sup>4</sup> examples of changes over evolutionary time reflect human economy in two essential respects: 1) they show increases of energy-flux density (and diversity) over time, and 2) these increases are not smooth, typically occurring as almost discontinuous jumps with the introduction of new biological “technologies.” This is a remarkable parallel to human economic development, which shows a secular increase in

3. This method avoids the difficulty of trying to estimate the total body masses of the different classes, based on relatively scarce fossil remains.

4. For a fuller treatment of the concepts developed in this section, see Benjamin Deniston, “Biospheric Energy-Flux Density” in [21st Century Science & Technology](#), Spring 2013.

FIGURE 2



E.J. Chaisson (adapted)

Over time, the rate of energy flow, per g of body mass, for both photosynthesizers and animals, has increased. When this increase is considered in light of specific biological transitions, such as the development of plant seeds, and independence from water and ambient temperature for animals, the transition is understood not as a general increase, but rather one driven by specific improvements in the evolution of life.

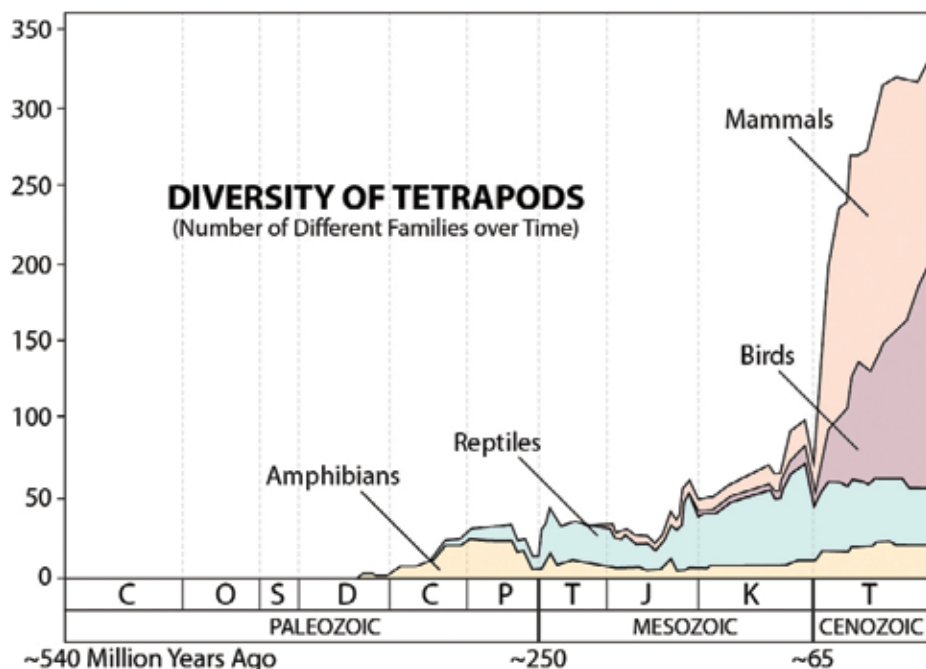
energy use per capita, driven by new technologies which transform that rate quite rapidly.

There can be nothing more “natural” than revo-

lutionary changes in applied technologies, as mankind acts as one species, in a way that encompasses the biosphere as a whole. All of nature changes: all

landscapes, all climates, all forests, and all life. The world is our garden, ours to develop as is best for our human future.

FIGURE 3



Michael Benton (adapted)

Generalized succession of dominant forms of vertebrates illustrated by the comparative number of known families over geological time.

## Conclusion

LaRouche’s economic breakthroughs allow him (and those who study his work) a greater insight into economic processes and into history. Those who do not wish to consider themselves as historical actors, with a responsibility to cause the continued development of the human species, may not wish to adopt this method, but those who are serious about improving mankind will find much benefit in approaching economics from the standpoint and lessons of this wise man.

### *China's Moon Project—Your Future*

The world economy must be reoriented to a newly defined concept of productivity, whose standard is currently set by the Chinese Moon program, in the view of U.S. economist Lyndon LaRouche. In a discussion with collaborators on Aug. 3, LaRouche stressed that all practices of cheap labor must be eliminated, to favor “productive labor of a high energy-flux density.” The standard for that is the Chinese Moon program, aimed at developing Moon-based helium-3 resources to feed a fusion energy-based economy. Once the U.S. begins to cooperate with China on this project, LaRouche stressed, “the China Moon project is the future of mankind.”

While the trans-Atlantic region has committed itself to an insane, anti-scientific, Earth-based, Lilliputian green policy, characterized by reduced energy-flux densities, the Chinese have defined the mission of their entire scientific program from the standpoint of space science. Since helium-3 is abundantly available on the Moon, but not on the Earth, and is much more powerful than other sources of fuel for fusion power found on our planet, the Chinese science program is actually at the frontier of the Solar System.

LaRouche's recently issued “Four New Laws To Save the U.S.A. Now” is grounded in the requirement for such a science-driver program, as elaborated by the great Ukrainian-Russian scientist Vladimir Vernadsky. “Our job,” LaRouche explained, “is to take the biggest driver we have, and that is the biggest and best source of thermonuclear fusion, and that is the driver on which the existence of the human species is going to depend for the time to come; and we're already in the middle of it. The only source of effective thermonuclear fusion in large mass is found on the Moon, and that's

where China is going, and going again, in order to build up the super-basis of power and energy on which the human species is henceforth going to depend. This is reality.”

“All we need is to unite a group of nations on Earth together, today, with China and others, who are cooperators on this thing, to make things happen that increase the energy-flux density of man's productive powers of labor.”

As *EIR* will be elaborating in future issues, the Chinese space program, currently focused on the Moon, represents the paradigm for what must be done to save the dying Western economies. Just look around Western Europe and the United States. Death rates are increasing; employment, where it is available, is largely meaningless in terms of productive output for society; “profit” is defined in terms of how much you can steal—as in the case of the vulture funds now going after Argentina.

The trans-Atlantic region is being dominated by a British monetarist ideology which kills. Nuclear plants are being shut down, the space programs cut back, and generations left without a purpose for living. Yet, right before our eyes, the Asian nations, such as Russia, India, and China, are striking out on a path of scientific progress which holds the only hope for resolving the real problems of drought, disease, poverty, and war.

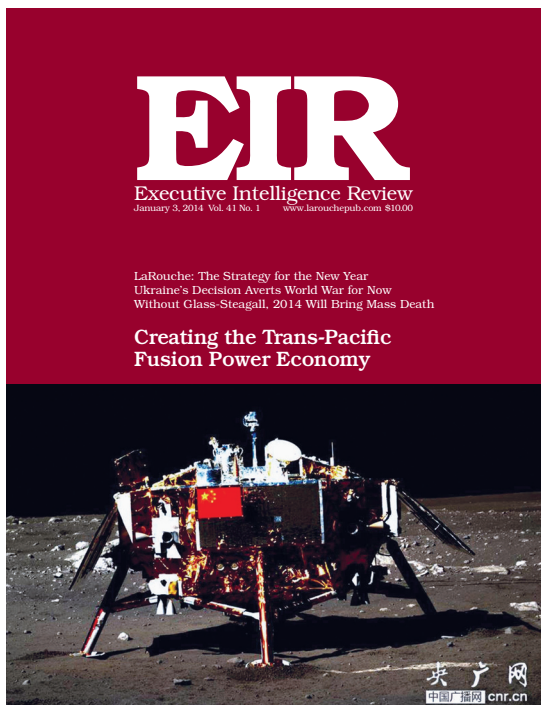
Mankind, especially the United States, faces an existential choice. To continue in the current paradigm, promises further degeneration and most likely, a global war. To join hands with China and its partners in its space program, heralds a bright future for all.

It's thermonuclear fusion, or thermonuclear war. It's your choice.

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