

# EIR

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Paulson's Plan: Panic, Change Pants, Rinse and Repeat  
'Imperial Criminal Court' Opens Africa's Gates of Hell  
Record Wheat Harvest Way Below Need

**Will Europe Collapse  
Before the United States?**



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Webmaster: *John Sigerson*

Assistant Webmaster: *George Hollis*

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(703) 777-9451

**European Headquarters:** E.I.R. GmbH, Postfach 1611, D-65006 Wiesbaden, Germany;  
Bahnstrasse 9a, D-65205, Wiesbaden, Germany  
Tel: 49-611-73650  
Homepage: <http://www.eirna.com>  
e-mail: [eirna@eirna.com](mailto:eirna@eirna.com)  
Director: Georg Neudekker

**Montreal, Canada:** 514-855-1699

**Denmark:** EIR - Danmark, Sankt Knuds Vej 11, basement left, DK-1903 Frederiksberg, Denmark.  
Tel.: +45 35 43 60 40, Fax: +45 35 43 87 57. e-mail: [eirdk@hotmail.com](mailto:eirdk@hotmail.com).

**Mexico:** EIR, Manual Ma. Contreras #100, Despacho 8, Col. San Rafael, CP 06470, Mexico, DF.  
Tel.: 2453-2852, 2453-2853.

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# EIR

## From the Managing Editor

By the time you receive this magazine, Lyndon LaRouche will have delivered a webcast address from Washington on July 22, titled “One Year Later—But Still Not Too Late.” The reference is to the fact that on July 25, 2007, he warned a similar forum that “the world monetary system is actually now, currently, in the process of disintegrating. . . . There is no possibility of a non-collapse of the present financial system—none! It’s finished, *now!*”

About a week later, the collapse of the world banking system, disguised as a crisis in the subprime housing market, broke onto the scene. Despite a lot of hot air generated by politicians since then, despite a so-called stimulus package in the United States, the situation has sharply deteriorated, just as LaRouche said it would.

The timing of LaRouche’s new webcast couldn’t be more strategic. He will deliver marching orders to policymakers who are now, since the panic around Fannie Mae and Freddie Mac, utterly bewildered and incapable of any sort of effective action.

This week’s issue prepares the way for the webcast, with unique analysis of some extraordinary developments in mid-July:

- As bad as things are in the United States, Europe could collapse first; but not because the European economy is in worse shape than the U.S. economy, since both are bankrupt. The difference lies in the character of the two political systems.
- Although the wheat harvest is up this year, the food crisis is still very much with us. But, as the example of Canada shows, a change in economic axioms could unleash enormous productivity.
- Forty-three heads of state gathered in Paris July 12-13, for the founding of the Union for the Mediterranean, raising hopes for negotiated settlements of some of the most difficult conflicts in the region.

But will policymakers act on LaRouche’s advice on what needs to be done? There’s no guarantee, of course. But if they listen carefully, then when the time comes that they realize there is *absolutely no alternative*, they’ll know where to go. And that time will come very soon.



## Cover This Week

*The European Central Bank headquarters in Frankfurt, Germany.*



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While the U.S. administration has absolutely no idea of what to do about the financial crisis, the situation is equally disastrous or even more so in Europe, where the EU's Maastricht Treaty prevents nations from taking sovereign actions to defend themselves. The larger problem in Europe is the entrenched class structure, and the parliamentary system which gives the oligarchs free rein. In the United States, with all its problems, the Declaration of Independence and the Constitution provide the framework required to solve the crisis. John Hoefle reports.

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## Will Europe Collapse Before the United States?

by John Hoefle

As the very fabric of civilization breaks down under the weight of a global financial disintegration and the failure of the political leadership to address this crisis in anything approaching a competent manner, the question is put to the populations of the world: Will you intervene to put your governments back on track before the world collapses into a new Dark Age?

Political paralysis has set in across the leading strata of the Western world, as the financial elite attempts to bend reality to its will, only to find out that there are powers in the universe far more formidable than parasitic oligarchs and their lackeys. The oligarchs, having destroyed the global economy in their insane drive to control the world, are now confronted with the inability of that destroyed system to save them from the consequences of their actions.

Washington is virtually paralyzed, as the financiers demand bailouts, and the political eunuchs of both parties line up behind them, their hands out for the crumbs which fall off their masters' tables. They continue to push policies which at best solve nothing, and at worst accelerate the collapse, knowing all the while it isn't working, yet refusing to buck the puppeteers yanking their strings.

"This is a complete breakdown, no signs of confidence in the administration—none!" said economist Lyndon LaRouche. "They have no solutions, no idea of what the hell to do. They're not even hoping."

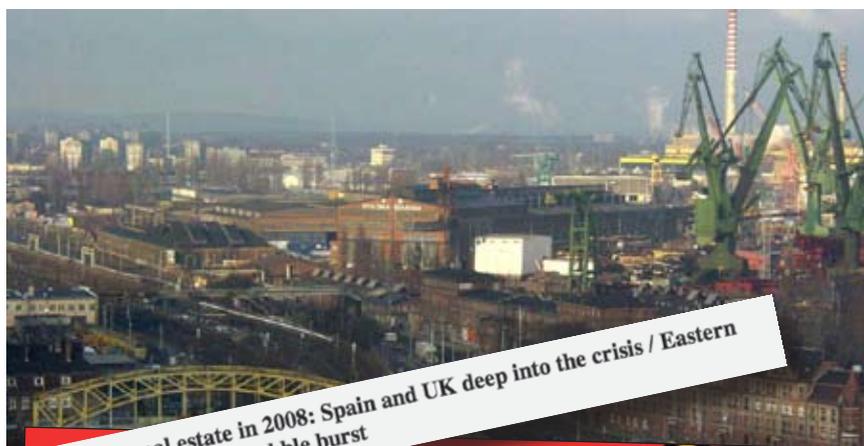
While LaRouche was speaking specifically of the Bush Administration, his comments also hold true for most of the political leadership in Europe, where the structures of the Maastricht Treaty act as straitjackets to prevent nations from taking sovereign actions to defend themselves. The larger problem in Europe is the entrenched class system, with crea-

tures like kings and queens, princes and dukes, still roaming the landscape, interwoven with an even more dominant layer of financier oligarchs in the Venetian manner. In the United States, for all our problems, we still have the great ideals codified in the Declaration of Independence and the Constitution, and the deep-seated belief that all men are created equal. These ideas came from Europe, but they could not be implemented there, where the power of the financier/aristocrat alliance was too strong, and too many among the ordinary people adopted the mental outlook of serfs, bound by ancient class doctrines.

### Euro-Penned

The U.S.A., because of its more advanced republican system of government, has the power to use its sovereign powers and sovereign credit to break out of this vicious global death spiral, and there still exists in the memory of our people and our institutions the memory of men like Abraham Lincoln and Franklin Roosevelt, who led the nation to victory in the dark hours. It is there, largely dormant and waiting to be unleashed. Such a legacy does not exist in Europe, with its monarchies, duchies, and parliamentary democracies and pseudo-democracies. Under the European Union and Maastricht, the nations of Europe have surrendered their sovereignty to an EU bureaucracy, and given up their own currencies for the euro. This system was set up by the financier oligarchy, acting through the Anglo-Dutch Liberal financial system, as a way of controlling nations, as a way of preventing them from politically and economically breaking with the austerity now being imposed.

The nastiness of this operation can be seen in the fascist Lisbon Treaty, and the drive to push it through. The Treaty



European real estate in 2008: Spain and UK deep into the crisis / Eastern Europe near housing bubble burst

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**Real Estate Collapses, and Spain Trembles**

Spanish real estate and construction firms are suffering a significant correction in their stock prices. This has sparked questions about the health of the sector, and alarmed investors and families that have mortgages to pay off. According to some organizations, people's homes could be overvalued by as much as 30%. The construction sector has been one of the country's motors of growth, so its cooling down could also affect the Gross Domestic Product (GDP).

The collapse of the stock market began with Astroc, the Valencia-based real estate firm, whose shares dropped by more than 64% in barely five sessions beginning in mid-April. Other companies followed, including Cleop, which has dropped by 20.5% since April 18. Fadesa has dropped 16.6%, and other companies such as Urbas, Colonia, Inmocaral, Montebalito, Sacyr Vallehermoso and FCC have all seen their share prices drop by more than 10% during this

*The explosion of the real estate bubble in Spain and Britain is making headlines in Europe, while the European Union demands more austerity. Shown here is the Gdansk shipyard in Poland; the EU is telling the Polish government to demand repayment of subsidies that were already given by it to the shipyards.*

requires the unanimous consent of all nations in order to pass, which means the June 12 vote by the Irish people to reject the Treaty should have killed it. However, immediately after the Irish “No” been registered, the backers of the Treaty began scheming to find a way to force it through anyway. In modern Europe, the public is encouraged to participate, as long as they understand that their votes don’t count for anything.

This loss of sovereignty has stripped the nations of Europe of their ability to effectively intervene in the greatest financial crash the continent has seen since the Black Death of the 14th Century.

The only solution to this death spiral is the plan laid out by LaRouche, which involves returning to the American System of Economics. The beginning point is the use of Constitutional powers to put the financial system through the equivalent of a bankruptcy proceeding, freezing the huge mountains of debt and protecting the nation and its people—by making sure that the essential goods and services continue to flow, that people remain in their jobs and homes, and that the rebuilding of the productive sector of the economy begins as an immediate priority. The Government, speaking for the People, must assert its dominion over the banks, the corporations, and the markets, and must work with other like-minded nations in international cooperation to reclaim the planet from the parasites. We may

have political obstacles to overcome to implement such measures, but the levers to do this are built into our form of government, whereas these levers do not exist in Europe.

## Resistance

That is not to say by any means that there is no resistance to these oligarchs and their policies in Europe, because there is. In Italy, Minister of Economy and Finance Giulio Tremonti is waging a valiant fight against the financial dictators and their speculative looting of the populations. Tremonti has proposed restrictions on derivatives trading, and speculation in food and oil. His willingness to fight has made him the most popular man in the Italian government, with polls showing that 75% of the people support his proposed “Robin Hood tax” on speculative transactions, and 56% support his plan for food stamps for the poor. These numbers also show that in Europe, as in the United States

and elsewhere, people are hungry for leaders who will address the real problems they face, and are fed up with the vapid platitudes that characterize most political campaigns.

Naturally, Tremonti has come under attack from the bankers’ boys, like Mario Draghi, the governor of the Bank of Italy and head of the Bank for International Settlements’ duplicitously named Financial Stability Forum. Draghi protested that Tremonti’s proposal for a windfall profits tax on speculation would hurt the financial markets, and increase costs which would ultimately be passed on to consumers. Tremonti retorted with the observation that Draghi and his ilk always prefer to tax the workers, who cannot pass the bucks. Tremonti has also come under attack by former Italian Prime Minister Giuliano Amato, one of the architects of the Lisbon Treaty, who was confronted by the LaRouche Youth Movement in Berlin, where he spoke at a conference on “Europe After the Irish ‘No.’” Amato showed his true colors by defending the Treaty, in particular the police(-state) and military aspects, and said it should be passed despite Ireland’s veto. Mankind doesn’t need nation-states, this eunuch declared.

There is also the growing realization in Europe that nuclear power, which had been demonized, and all but eliminated in most countries in the West, is an essential part of any national electric-power-generation strategy. A study by

the German RWI (Institute for Economic Research) showed that nuclear power is by far the cheapest form of generation, producing electricity for 2 cents per kilowatt hour, versus 40 cents for solar. The German population is now evenly split for and against nuclear power, as the greenie pseudo-environmentalism gives way to the stark reality of impending doom, and support for building new nuclear power plants is growing. The Italian government has plans to generate a quarter of its electricity from nuclear power, which industry sources say would take a dozen 1-gigawatt reactors. Italy had shut all its nuclear plants in the hysteria after Chernobyl. In France, which has steadfastly maintained its nuclear system, the oil major Total has partnered with Areva and Suez to build two nuclear power plants in the UAE, in exchange for oil. Similar deals are under discussion elsewhere in the region.

France has also been a bastion of resistance to the genocidal policies of the World Trade Organization. President Nicholas Sarkozy has said that France will refuse to sign the WTO agreement at Geneva July 21, and is supported in that stance by the leading French farmers' groups, who view the WTO as "dangerous for farmers."

Then, there are the developments in Russia, where Prime Minister Vladimir Putin and President Dmitri Medvedev have been discussing nuclear power, the need to stop the conversion of farmland into biofuel production, and organizing a new ruble-based financial system to generate financing for economic development projects, as opposed to speculation. While at the July G8 meeting in Japan, Medvedev met with the leaders of China, India, and Brazil, in the first summit of the BRIC nations (Brazil, Russia, India and China), where they discussed economic coordination, the financial crisis, and the food crisis.

## Time Running Out

These steps, as positive as they are, risk being overwhelmed by the speed of the economic collapse sweeping across the globe. In addition to their exposures to U.S. real estate and mortgage-related securities, the nations of Europe have their own real estate-based financial bubbles to deal with. In Britain, Spain, and Denmark, banks have already failed or required emergency rescues from their central banks, and the process is just beginning. The European Central Bank has kept some of the Spanish banks, like the Royal Bank of Scotland-linked Banco Santander, on monetary life support. British bankers are clamoring for similar support from the Bank of England. In supporting Santander, the ECB is also helping the Brits, as Banco Santander already owns the U.K.'s Abbey National, and is buying Alliance & Leicester.

Housing prices in Britain have fallen 9% since their August peak, and this year could see less than 100,000 homes built, down from 190,000 last year. The value of commercial property in Britain has dropped some 15-20%, triggering

losses across the spectrum, including at the Her Majesty's Crown Estate, which has substantial land-holdings in London and around the country. The situation is perhaps even worse in Spain, where the top housing developer Martinsa Fedesa has declared bankruptcy. It is but the first to go; across the country some 700,000 homes cannot be sold, and in the Castilla La Mancha region, nearly 70% of the houses built over the last three years remain unsold. In Denmark, Roskilde Bank, a medium-sized regional bank, announced that it faces bankruptcy over its bad mortgage loans, and was kept open by an emergency Eu1 million credit line from the Danish National Bank; 30 of Denmark's 47 banks are on a watch list of the Danish Financial Oversight Institution, because of their real estate and credit exposures.

These are indicative of the problems facing European financial institutions, and behind them lie the problems of the physical economy, where the cost of fuel has devastated truckers and fisherman. Rather than take on the speculators, the European Union Commission is advising fishermen to quit their jobs, and will actually pay some of them to do so. The Commission is also insisting that Polish shipyards, a keystone of the Polish economy, pay back subsidies they have received for the government. The Commission is using the matter to try to force Polish President Lech Kaczynski to sign the Lisbon Treaty.

## The Issue Is Sovereignty

We are not arguing that the European economy is in worse shape than that of the U.S., for both are caught in the grip of the failure of the global financial system, and both are bankrupt. What gives the United States an advantage over Europe is the superior features of the U.S. Constitutional system, which gives the U.S. Congress control over the emission of credit. In the parts of Europe dominated historically by the Venetians and the Anglo-Dutch Liberal system, private capital has always dominated governments. In the British Empire it is not the British government which rules, or even the Queen, but the City of London, and the financier slime mold which controls the City.

The U.S., on the other hand, has all the authority it needs under the Constitution to reign in these private flows of capital, giving it powerful tools with which to keep the imperial parasites at bay. Franklin Roosevelt, for example, used the power of government to break the back of the bankers during the Great Depression, paving the way for the New Deal. The hearings into the causes of the banking crisis and the legislation which followed, delivered a blow to the British-controlled House of Morgan from which it never fully recovered, sending a signal around the world that the U.S. was not only capable, but determined, to defend itself and its people.

It is that spirit which is required today if the world is to avoid heading into a new Dark Age. The U.S.A. must return to it, and Europe needs to find it.

# Paulson's Three-Point Plan: Panic, Change Pants, Rinse and Repeat

by John Hoefle

"Take a deep breath," President George Bush advised us this week, and for once, on that one point, he was right. Bush was trying to head off the latest episode of financial panic by rallying us to hang tough, to have confidence. "We're going through a tough time," he said, but "we can have confidence in the long-term foundation of our economy." One of the proofs he offered of this is that "consumers are spending." No kidding! With prices for gasoline and food and virtually everything else in the consumer market-basket soaring, consumers will keep spending. Apparently, in Bush's limited worldview, price-gouging and hyperinflation are indications of strength.

Still, everybody knows that Bush knows nothing about the economy, or virtually anything else, but what about his vaunted experts, like Treasury Secretary Henry Paulson and Federal Reserve chairman Ben Bernanke? Paulson, after all, is one of the Goldman Sachs "masters of the universe," while Bernanke is widely touted as an expert on the Great Depression.

This dynamic duo may know a lot about the financial markets, but when it comes to economics, they are just as stupid as their glorious leader. Lyndon LaRouche has more than once denounced Paulson as incompetent, and good ol' Hank has done everything he can to prove LaRouche right. This is the gang that couldn't shoot straight.

The latest bit of insanity from these boobs is the so-called "bailout" of Fannie Mae and Freddie Mac, done, we are told, to protect the "housing market" and help the American people. Once again, the big money is riding to the rescue of the little guy! If you believe that, I have a bridge for sale you might want to take a look at.

Paulson interrupted his ongoing panic on Sunday, July 13, to announce a three-part plan to rescue Fannie and Fred-



LYM/Will Mederski

*Treasury Secretary Henry Paulson on March 18, 2008. His credibility as the expert from Goldman Sachs has been considerably tarnished.*

die by throwing more taxpayer money at them. He was aided in this fool's mission by Bernanke, who announced that the Fed stood ready to lend the ailing companies whatever they needed, until Paulson's plan could kick in.

Faced with the worst economic disaster since the 14th Century, the one that spawned the Black Death, we have a dimwit President assuring us that all is well, while his experts pour our money down the bottomless rat-hole of a dead financial system. On top of that, we have legions of economists, analysts, pundits, and other prostitutes assuring us that all is well, if we just believe. The economy is fine, so grow a pair, and keep your chin up. When the going gets tough, ... *ad nauseam*. They talk a good game, but they've been wrong about virtually everything so far, and seem incapable of getting it right.

## Delusional

What Paulson, Bernanke, and the rest of the Ding-a-ling Brothers, Barney and Bailout Circus refuse to accept, is that the bubble has popped, and their speculative financial casino has failed, leaving the banks holding trillions of dollars of securities which are now virtually worthless, dependent upon a business model which no longer exists. The heady days of expansion are gone, replaced by a desperate fight for survival, in which once-powerful institutions have begun to disappear, with many more to follow. The game is over, but the players remain on the field, shell-shocked, refusing to admit they have lost.

For decades, the bankers have pushed deregulation and globalization, fighting to break free of the rules and regulations imposed upon them by nations. They have largely accomplished that goal, only to find that they have destroyed themselves in the process, and, much to their chagrin, must turn to governments to save themselves. Even so, they refuse

to admit the errors of their ways, blaming everyone but themselves for their failures.

Last December, as the year came to a close and books needed to be balanced, the major western central banks delivered a series of liquidity injections designed to save the banks. The European Central Bank announced \$500 billion in emergency loans, and followed that up in January with another \$250 billion; the total is now well beyond \$1 trillion. The Federal Reserve created a new lending window for depository institutions called the Term Auction Facility (TAF) in December, promising \$100 billion for the month; the TAF began holding twice-monthly auctions, offering \$20 billion at each, but the amount has increased steadily to the current \$75 billion per auction. To date, the TAF has loaned \$810 billion to the banks, out of \$1.3 trillion requested.

In March, as the first quarter was ending, the Fed created two more of these emergency lending windows, the Term Securities Lending Facility (TSLF) and the Primary Dealers Credit Facility (PDCF) to lend to investment banks. This represented both a significant expansion of the Fed lending operations, and a leap in the Fed's power, as heretofore, its lending operations had been restricted to depository institutions. To date, the Fed has lent over \$550 billion through the TSLF.

Now, just a few months later, Paulson is seeking yet another expansion of the bailout mechanism, this time, for Fannie Mae and Freddie Mac. The plan originally leaked to the press was to inject up to \$15 billion into the companies to bolster their balance sheets, but that quickly turned into a three-point plan involving an expanded line of credit from the Treasury, the authority for the Treasury to buy equity in the companies, and giving the Fed a role in the regulation of the companies. In addition, the Fed announced that it would allow Fannie and Freddie to borrow from the Federal Reserve Bank of New York. Paulson declined to state how much money would be required, effectively asking for a blank check, while vowing to "protect the taxpayer." He also claimed the emergency funds and powers would be temporary.

Thus we have an ever-growing bailout operation, trying to cope with an accelerating banking collapse and failing miserably, all being managed by regulators who have yet to get anything right. Paulson's credibility as the expert from Goldman Sachs has been considerably tarnished. His M-LEC SuperSIV bailout plan announced last year never got off the ground; his plans to "modernize" the U.S. financial regulatory system would reduce oversight and give more power to the Federal Reserve—the same Fed which played a major role in getting us into this mess; and now he is moving to put the taxpayer on the hook for the losses in the mortgage bubble.

## **Thrown to the Wolves**

This insane plan is being sold as a way to stabilize Fannie Mae and Freddie Mac and thus the U.S. housing market, in

order to help homeowners, but what it really is, is a way to transfer losses from the bankers to the taxpayer by turning Fannie and Freddie into toxic waste dumps. Far from saving the already broke Fannie and Freddie, Paulson's plan will destroy them.

The banks are broke and cannot save themselves, so they turn to the only institution that can, the U.S. government. Paulson has already made clear, through his Hope Now Alliance and public statements, that Fannie and Freddie must play a crucial role in the refinancing of problem mortgages.

Protecting homeowners from foreclosures is an admirable goal, but the primary purpose of all of these bailout measures is to protect the banks, by protecting the valuations of the securities they hold by the trillions. What Paulson, Bernanke, and the Plunge Protection Team are trying to do is to put a floor under the real estate market, to slow or stop the decline in housing prices, as a way of slowing the vaporization of the trillions of dollars of mortgages, and the hundreds of trillions, perhaps quadrillions, of dollars of mortgage-related securities and speculation leveraged on top of those mortgages.

The loans to the banks and the investment banks from the Fed serve a similar purpose, since the Fed accepts a wide range of collateral, including mortgage securities, for loans, giving the banks the opportunity to dump their bad paper on the Fed in exchange for cash. The primary purpose of many of these loans appears to be taking the bad paper off the banks' books, addressing their insolvency crisis under the guise of dealing with a "credit crunch." It is the mountain of bad paper, not the lack of cash, which is killing the banks.

Overall, the various bailout schemes being pushed by Paulson and Bernanke amount to a giant debt-recycling scheme, in which losses are transferred from the banks to the taxpayers, giving the banks the profits and the public the losses. It is incredibly corrupt, and incredibly stupid.

This scheme cannot work. The bailouts may seem to be working, with obligations being transferred from the books of the banks to the books of government-backed institutions, but transferring bookkeeping entries is not the same as paying the debts, and this is where it all breaks down. The problem is that the U.S. economy no longer produces enough wealth to cover the debt. We have been operating below breakeven for some four decades, dismantling our manufacturing capability and cannibalizing our infrastructure to the point that we cannot support the existing debt load, much less the endless trillions of dollars of losses the bankers would dump on us. We are a net debtor nation; during the 2000s to date, we have incurred over \$5 in debt for every \$1 rise in GDP, and most of GDP is services and other overhead. We incur this debt because we no longer produce enough wealth to cover our expenses. The government can print money to try to cover these huge debts, but the resulting hyperinflation will destroy the dollar, and everything in its path. The only solution is LaRouche's: Write it off.

# We Need a New World Economic Order, Now!

by Helga Zepp-LaRouche

*The author is the founder of the Schiller Institute, which has branches in many countries, and its president in Germany. She issued this open call, titled “World Financial System Faces a Meltdown; Call for a New Bretton Woods System; We Need a New World Economic Order!” on July 17. It is being distributed as a leaflet in Germany, and has been translated from German for EIR.*

Inflation is gobbling up the income of the so-called “little people”: 56% of German citizens don’t make enough to be able to save anything. And now, as the result of speculation, prices for food, gasoline, heating oil, electricity, and raw materials are exploding. But the people do realize that a much bigger catastrophe is hitting us.

The fact is, the financial system has collapsed. The so-called subprime mortgage-market crisis in the U.S.A., which broke out a year ago, is now exploding with the insolvency of the mortgage-lenders Freddie Mac and Fannie Mae, which reportedly are holding or backing \$5.3 trillion in mortgages—that’s 5,300 billion dollars—which is 70% of the American real estate market! But both of these giants were at the core of the “creative financing instruments” that former Federal Reserve chairman Alan Greenspan bestowed upon the world, by means of which, debts were miraculously transformed into assets, and sold throughout the entire globe as so-called structured financial packages, without the slightest control by governments or central banks.

The Federal Reserve’s attempt to put practically unlimited financial infusions at the disposal of both giants will only accelerate the hyperinflationary explosion of the system. The patient—the world financial system—has already died; it’s only the burial that hasn’t yet occurred. The dance around the Golden Calf that made the speculators super-rich, but the majority of the world’s population poorer and poorer, has come to an end.

It is deplorable that the summit of the G8 countries—that is, the seven most powerful Western industrial nations plus Russia, which recently took place in Japan—unfortunately proved itself incapable, as was to be expected, of finding a solution for the systemic collapse that is playing out so dramatically before the very eyes of the world public. The heads of state of the G5—China, India, Brazil, Mexico, and South

Africa—who were also in attendance, were not seriously incorporated into the search for a solution. A number of governments will soon be voted out, since, during their term in office, they did not meet their obligation to take care of the common good of their populations.

The hyperinflationary disintegration of the world financial system has already led to hunger riots in 40 nations, as more and more people are threatened with the loss of their livelihoods. If even more, unforeseeable, harm to the world’s population is to be prevented, an emergency conference must be called, at the level of heads of state, to establish a new financial architecture, in the tradition of the Bretton Woods system initiated by Franklin D. Roosevelt.

Lyndon LaRouche has reiterated in recent months, that only the combination of the four most powerful nations—the U.S.A., where the election remains open, as well as Russia, China, and India—is strong enough to take a stand against the international financial oligarchy. Other nations should then join these four to bring about a solution.

This emergency conference for a New Bretton Woods system must resolve that:

1. The present world financial system must be declared hopelessly bankrupt, and replaced by a new one.
2. It must promptly set up a fixed-exchange-rate monetary system, so that long-term investments in international infrastructure projects are possible, under predictable conditions.
3. Derivatives speculation and speculation in food, energy, and raw materials must be banned by treaty among governments.
4. There must be an immediate reorganization, including, for example, cancellation of debts.
5. In a New Deal for the world economy, in the tradition of Alexander Hamilton, Friedrich List, Henry Carey, and FDR, new credit lines must be made available for investments in basic infrastructure and technological renovation.
6. Building the Eurasian Land-Bridge, as the core project for reconstruction of the world economy, is therefore the vision that can not only bring a new economic miracle, but also bring peace to the 21st Century.
7. Food production must be doubled worldwide in the coming years.
8. A new “Peace of Westphalia” must, within at least 50 years, secure the availability and development of raw materials for all nations on this planet.

We, the undersigned, maintain that the system of “globalization,” with its brutal, predatory capitalism, is economically, financially, and morally wrecked. Instead, man must be placed at the center again, and the economy must serve the common good. The new world economic order must guarantee the inalienable rights of all men on this planet.

# Record Wheat Harvest This Year? But Way Below Worldwide Need

by Marcia Merry Baker

In the Northern Hemisphere, the principal wheat harvest (Winter wheat, planted last Fall) is under way. The worldwide total wheat harvest for 2008-09 (the wheat “year” runs from July 1 to June 30), will likely be up 7% over 2007-08. For 2008, the harvest is now forecast as a record, in the range of 664 million metric tons, compared with 611 mmt in 2007 (U.S. Department of Agriculture statistics). The Hamburg-based commodities forecaster F.O. Licht released the estimate July 9 of 652.2 mmt, which is up over the 604.2 mmt of the 2007 calendar year.

But this is all way below need. “Because we started out the year with a very low world carryover of wheat—lowest in 30 years for the world, 60 years for the United States—we have to replenish those supplies, the pipeline supplies and the wheat reserves that many countries have,” was the comment from economist Mike Woolverton, July 9, who is at Kansas State University, in one of the world’s foremost wheat-producing regions. He stressed that no matter how good the harvest, there is underproduction relative to demand. There is simply not enough.

For hundreds of millions of people, whatever their preferred form of the staff of life—bread, ramen, couscous, pasta, tortillas—there are severe supply shortages and out-of-control prices.

What is truly shown by this Summer’s wheat crop is that a worldwide mobilization is urgent to maximize this Fall’s sowing of Northern Hemisphere wheat, and the same for the corresponding sowing and reaping cycle in the Southern Hemisphere—especially Argentina, Australia, and South Africa. Wheat constitutes about 30% of the annual world output of grains of all kinds (rice, corn, sorghum, barley, oats, and others).

At the same time, the use of grains and oilseeds for biofuels must be stopped—cold turkey. Even now, as the Spring (planted) wheat crop is progressing in Canada, wheat-ethanol plants are sucking in scarce stocks. (See accompanying article.) The Canadian government is backing this to the hilt.

Thirdly, speculation in food commodities, as well as fuel and other economic necessities, must be banned. The grain exchanges in Chicago, Minneapolis, and Kansas City have turned into wild casinos, not trading houses. This has thrown wheat-import-dependent nations into chaos. In South Korea, for example, wheat import prices have risen 127.5% year-on-year as of July, according to the Bank of Korea.

In May, Helga Zepp-LaRouche, founder of the Schiller In-

stitute, called for a worldwide mobilization to double food production in the shortest possible period, and terminate the World Trade Organization (WTO), whose globalization practices led most directly to today’s crisis. She issued this call in the countdown to the June 3-5 Rome summit of the UN Food and Agriculture Organization. However, the summit failed to act.

Worse, on July 21, nations will send their agriculture representatives to Geneva, for yet one more session on the WTO’s demand for agreement on still more globalization of agriculture and trade, under the Doha Round, now dragging on for seven years. Globalization is what caused the today’s pre-famine disaster to begin with.

At the July 3-5 Group of Eight meeting in Japan, Russian President Dmitri Medvedev called for a world grain summit to be held in Russia. In May, Russian Agriculture Minister Alexei Gordeyev laid out a food output expansion program aimed at ending the Russian Federation’s current reliance on imports for 40% of its food. He projected that Russia can increase grain production by 50% over the next five to seven years. This Spring, Russia planted 30% more grain than last year. Its wheat harvest could come in at 54 mmt, significantly over last year’s 49.4 mmt, and 44.9 mmt the year before.

But on July 11 in Moscow, a meeting of Minister Gordeyev, Russian Grain Council President Arkady Zlochevsky, and others set the tentative date as *June 2009, for the Moscow world grain summit*. Given the crisis and need for leadership, this time frame is much too far off.

## Ending Stocks Are in Danger Zone

Figure 1 shows the last 20 years of world wheat production, and the level of ending stocks—the estimated “carry-over” of grain from year to year. Relative to use, stocks are below the flashing-red-light danger level. The U.S. Agriculture Department’s June estimate that wheat ending stocks will “turn up” this year, is, at best, a wild guess.

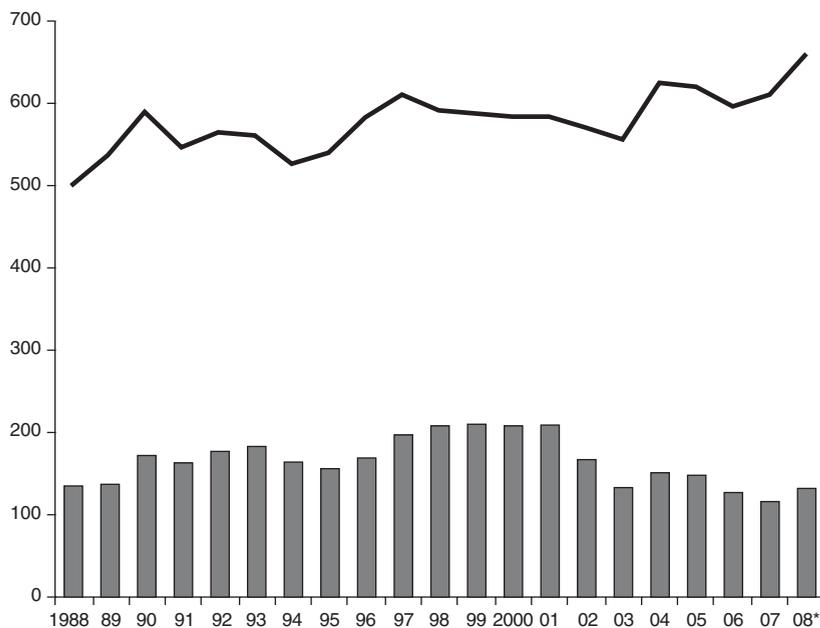
One effect of underproduction, is to give the powerful grain-processing and trade cartels yet more power over who eats and who doesn’t. Hedge funds and operatives such as George Soros are getting in on the act. In June, a Soros consortium announced the buyout of the agro-commodities marketing unit of food giant ConAgra, based in North America.

One happy event this month, was a July 10 raid in Italy on the offices of Cargill, Inc. and Bunge Ltd., two of the top

FIGURE 1

## World Wheat Production and Ending Stocks, 1988-2008

(Million Metric Tons)



\* USDA wild guess

Note: Most recent data are preliminary or projected.

Source: USDA, Economic Research Service, June 18, 2008.

global grain cartel members. European Union and Italian authorities were seeking evidence of price-fixing of cereals products, including durum and semolina wheat flour for pasta, and such other products as animal feed. Cargill has a large share in one of the top millers of pasta flour in Italy, Grandi Molini Italiani SpA.

In recent years, about 110-118 mmt of wheat has gone into world trade annually, out of the 620 mmt tons produced. Most of this trade in the GATT/WTO era has been dominated by the cartel companies (Cargill, ADM, Bunge, Louis Dreyfus, and others). The principal wheat source nations are (showing their volume of exports in 2007-08, in mmt, according to the USDA): United States (34.5), Canada (16.5), Russia (12), EU-27 (11), Argentina (10), Kazakstan (8.5), and Australia (7). The principal wheat-importing nations are in crisis. The largest importers are (showing their volume of imports, in mmt, USDA data): North Africa (20.6, to Egypt, Algeria, Morocco, Tunisia, and Libya); Middle East (9.4 to Lebanon, Israel, Jordan, Saudi Arabia, Yemen, Kuwait, Iraq, Iran, U.A.E., and Oman); Southeast Asia (10 to Thailand, Vietnam; Indonesia, Malaysia, and the Philippines), and Brazil (7).

### Desperate Measures

Many wheat-import-dependent nations are casting about for emergency responses to the crisis, given the lack so far of

both a concerted push to increase world supplies, and of multi-nation collaboration to make best use of scarce stocks, instead of allowing the global marketeers to control availabilities. Even while the world wheat harvests are being gathered, the following are just a few cases of the July ad hoc arrangements being made in wheat-importing nations, rich or poor. Measures include import substitution, reduction of import tariffs on wheat, subsidies for bread and flour, and dietary shifts.

In **Bangladesh**, which imports 2.5 to 3 million tons of food grains yearly—mostly wheat—a mid-July seminar was held in Dhaka, titled “Global Food Crisis: Causes, Consequences and Policy Choices.” The keynote presentation was by Dr. Hassan Zaman, economist of the World Bank (the bank’s cartel-serving free trade enforcement policies have undermined agriculture). But he summarized aspects of the world situation accurately: “Land use changes due to increased use of maize and oilseeds for biofuels led to reduced plantings of wheat, record subsequent depletion of world wheat stocks to record lows, and a surge in wheat prices...”

In **Jamaica**, the Minister of Agriculture has launched a program to push more cassava production, as an alternative to imported

grain.

In **Kenya**, the government reduced the wheat import duty from 35% to 10%; and eliminated the 35% corn import duty. Meantime, no floor has been put under Kenyan farmers’ grain prices. In late June, 2,000 farmers staged a protest rally near the town of Narok, where they blocked trucks carrying wheat from the fields to warehouses.

In **Japan**, the intention was announced to increase food self-sufficiency from the current 45% to over 50%, according to Agriculture Minister Masatoshi Wakabayashi, after his meeting July 2 with Prime Minister Yasuo Fukuda.

The measures being studied include subsidies to get farmers to convert from growing rice, where there is an excess, to growing wheat and soy, and serving more rice for school lunches, rather than noodles.

The lack of food self-sufficiency led the *Japan Times* to editorialize in July about the ramen noodle: “The rise in prices strongly reminds Japanese, right in their gut, that 90% of wheat is imported. Soaring grain prices mean that the wheat, flour, noodle and ramen chain of production is likely to come under pressure, and soon. As the largest importer of wheat in Asia, with some of the highest transportation costs, government ministries and food importers must start reconsidering the past system of imports. Most ramen makers are considering it every morning.”

# Canada's Wheat Can Grow World Food Production: End Bio-Foolery Now!

by Rob Ainsworth, Canadian LaRouche Youth Movement

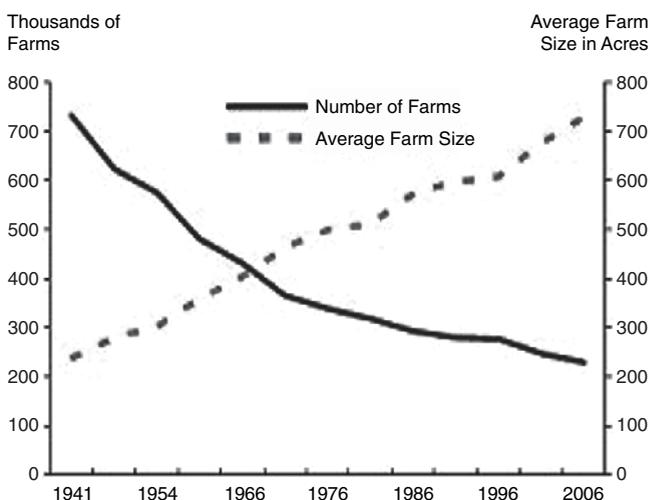
As the global food crisis continues to gather momentum, nations are being called upon for extraordinary action. Canada, one of the world's leading grain exporters, has an important role to play in any solution. With the ever-escalating economic breakdown crisis, and the rising clamor for the end of globalization, the opportunity to implement Lyndon LaRouche's visionary policies has never been greater. There are, however, significant challenges to successfully carrying out Canada's part in LaRouche's proposal to double world food production. Nevertheless, it is the case that these challenges represent unique opportunities for the nation. The following report details the crisis facing Canada's farmers, the latest in bio-foolery, and several of the great infrastructure projects which will be necessary in the coming years for the continued progress of the human race.

## The State of Farming in Canada

According to the Ministry of Agriculture, Canada currently has 167 million acres of farmland in use, with the Prairie Provinces (Alberta, Saskatchewan, and Manitoba) accounting for 135 million alone. The Canadian Wheat Board forecasts that 21.2 million tons of wheat will be harvested this year, up from last year's harvest of 18.4 million tons; yet under proper conditions, production could easily reach 30 million tons, as occurred in 1996. Total production of grain of all types fluctuates around 50 million tons per year, which equals approximately 1.5-1.6 tons of grain per capita, one of the highest per capita ratios in the world (compare this to 2007 global per capita production of .315 tons). Of total 2006-07 grain production 30 million tons were exported to dozens of nations around the world. The five largest importers of Canadian grains in 2006-07, in thousands of tons, were the United States (4,576), Japan (3,474), India (2,190), Mexico (2,184), and Indonesia (1,560). China also imported over 1.3 million tons of grain, mostly barley and canola.

Canada also is an important producer of beef, hogs, and poultry. A 2007 USDA report on Canadian meat production placed 2007 beef output at 1.345 million metric tons and pork at 1.850 million metric tons; poultry production was approximately 1.165 million metric tons; most Canadian meat production goes to the United States, which currently accounts for 58% of all food export revenues (2007 per capita meat production was 132 kilograms, compared to approximate global per capita production of only 43 kilograms).

FIGURE 1  
Number and Size of Farms in Canada,  
1941-2006



Sources: Statistics Canada, Census of Agriculture.

Ironically, despite the incredible productivity of Canadian farms, it is almost impossible for farmers to survive, as they face great challenges from the food cartels. For example, although there are over 200,000 farms across the nation, all must purchase their farm inputs (fuel, machinery, fertilizer, seeds, etc.) from a small handful of companies, usually three or four dominant companies in each sector; similarly, farmers will likely sell their produce to one of a few international grain cartels, and transport their produce on one of two primary railways. Canada's farmers are getting squeezed from both sides, a reality which is causing a mass exodus from the agricultural sector. A 2005 report issued by the National Farmers Union frames the farm crisis in the following way: "a customer puts \$1.35 on a grocery-store counter for a loaf of bread. Powerful food retailers, processors, railways, and grain companies take \$1.30, leaving the farmer just a nickel. Powerful energy, fertilizer, chemical, and machinery companies take 6 cents out of the farmers' pocket. Taxpayers make up the penny" ("The Farm Crisis and Corporate Profits"; [www.nfu.ca](http://www.nfu.ca)).

Three years later, grain prices may have increased sufficiently to promise grain farmers their first profits in many years; however, these same increases, while beneficial to

some farmers, are savaging livestock producers, and having devastating effects on the world's poor. In fact, the Federal Government, rather than purchasing surplus production for shipment to food-short nations, recently paid Canadian hog producers \$50 million to slaughter 150,000 sows in an attempt to diminish the "glutted" hog markets at a time of exploding input costs; a member of the Ontario Cattlemen's Association remarked that if there is no action from the Federal and Provincial governments, the beef industry in Eastern Canada could swiftly disappear. The distress felt by farmers was noted by Ginette Lafleur, of the University of Quebec in Montreal, whose recent study of Quebec agriculture found that 5.6% of participants have thought of committing suicide, while half of them admit being in an "advanced state of psychological distress" due to the Canadian farm crisis. In Quebec's hog industry, the level of advanced distress has reached 75%. Lafleur reports that the average level of indebtedness per Quebec farm has increased from \$135,000 in 1996, to the spectacular level of \$375,000, today.

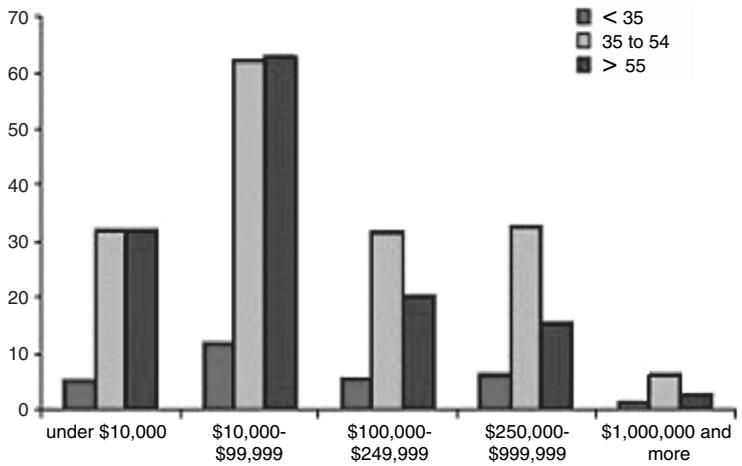
Such realities, at a time of widespread hunger, bespeak the tragic failure of the globalized economy to satisfy the rights of people everywhere to adequate food. The proponents of globalization might ask what good our farmers are, if they cannot profit under free trade; but we ought to ask what is the good of free trade, if farmers cannot afford to grow food!

Agriculture Canada's 2008 report notes that "over the past 50 years, average farm size has tripled while the number of farms in Canada has declined. In 2006, there were 229,373 farms, representing a 7% decline from 2001. This compares to a 11% decline between 1996 and 2001 (Figure 1). Some of this decline can be attributed to increasing productivity and efficiency, which allows farmers to husband larger tracts of land; nevertheless, it is a grim reality of modern farming that most farms fail because it is becoming impossible to make an honest living growing food! As in many nations, farming families maintain themselves only through supplementary, off-farm employment.

Another factor which ought to be of concern to policymakers as well as the citizenry as a whole, is the advancing age of farmers (Figure 2), with 40% of all operators now over the age of 54! As anyone involved in production well knows, the expertise and experience which makes for a successful operator cannot be gained in one or two seasons; in fact, insight of the type demanded is the product of generations, which, once lost, requires generations to regain. Furthermore, there is a devastating relationship between the profitability of farming and the willingness of young people to take on the responsibility of building a life on the land. The prospect of a life of virtual debt-slavery does not inspire young people to farm.

A further indication of the crisis facing Canadian farmers is the level of government payments to the farming sector (Figure 3), to compensate for billions of dollars of losses due, in great part, to the massive consolidation of the food supply

FIGURE 2  
Age Class Distribution by Revenue Class, 2006  
(Thousands of Operators)



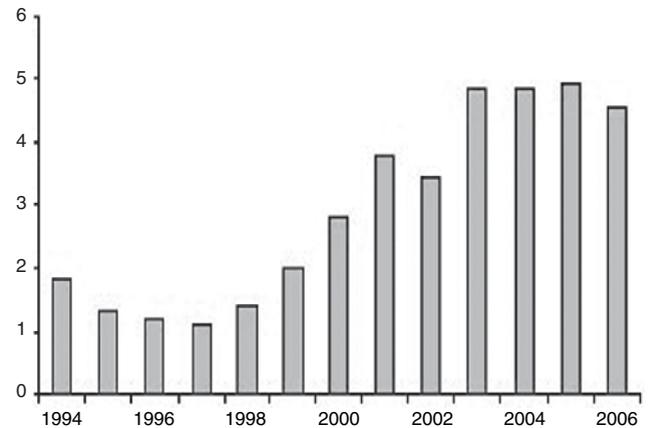
Sources: Statistics Canada, 2006 Census of Agriculture.

chain; all this while the grain cartels reap historic profits. In 2006, the government paid \$4.6 billion to keep Canada's farmers producing for another year.

### Assault on the Canadian Wheat Board

With the above considerations in mind, it would seem obvious that a government which had the interests of the population at heart, would be promoting those organizations which were assisting farmers to make a productive contribution to the Canadian and world economies. However, with Prime Minister Stephen Harper's attacks against the Canadian Wheat Board (CWB) (see, "Defend the Canadian Wheat Board," *EIR*, July 4, 2008), Canada's government is demonstrating that its

FIGURE 3  
Program Payments, 1994-2006  
(Billions \$)



Sources: Statistics Canada and AAFC.

## What Makes Canada Cool?

You can feed your car with fuel that is partially made from wheat



Lloydminster, Saskatchewan - Ethanol-blended gasoline is currently available in western Canada at Husky and Mohawk filling stations. Ethanol fuel is cool because it can be produced from renewable resources, such as wheat, corn, and other plants, and because, it emits less greenhouse gases than fossil fuels. And, there's even a co-product developed from the left-over grain - a high-quality animal feed. Husky Energy is spending about \$95 million dollars to build Western Canada's biggest ethanol plant in Lloydminster, on the Saskatchewan/Alberta border. It's scheduled to open early in 2006. The Lloydminster plant will produce 130 million litres of ethanol a year, using about 15 million bushels of wheat from local growers to do it, which will be great for the surrounding economy. The Canadian Government wants one third of Canadian gasoline to contain at least 10 percent ethanol by 2010.

A 2005 "Cool Canada" website on the nation's "fascinating achievements," praises its use of wheat for ethanol.

loyalties rest not with the people, but with the Anglo-Dutch imperial system. Since Harper became prime minister in 2006, his government has waged a war against the CWB, attempting to eliminate its "despotic" single-desk marketing authority in favor of the "free" market, that is, the agro-cartels. It is claimed that Western wheat and barley farmers, who are served by the CWB, would be free to find the best possible price on the open market, taking advantage of rising commodity prices. The CWB, in the eyes of the free marketeers, is a relic of those bygone days of stultifying government interference in the workings of international finance and trade. Claiming to have the interests of farmers in mind, Harper and his gang really intend to line the pockets of the agro-cartels, such as ADM and Cargill, which want to seize control of the 20-30 million tons of wheat and barley that are exported by the CWB each year.

Harper ordered the governor general to fire the CWB's government-appointed CEO, and place a gag order on the agency, which prevented it from promoting its single-desk marketing monopoly, although it was permitted to advocate the government's position, that is, a policy which would lead to its own demise! The government unsuccessfully meddled in the Board's farmer-run elections of 2006, which elected five out of the ten farmer-appointed directors of the CWB, attempting to install anti-Wheat Board candidates. Now, with the termination of the Australian Wheat Board, there will be additional pressure on the CWB and on the Harper government to finish off Canada's Wheat Board.

Fortunately, the CWB won a victory against the government, when a Federal court ruled against the government-imposed gag order, thus freeing up the CWB to counter the media and political campaigns of the Harper government. Yet, despite this victory, the future of the CWB and similar marketing boards is grim, unless the lunatic policies of the WTO, which has hypocritically condemned the Wheat Board for creating "market distortions," are put to rest.

### Canadian Bio-Foolery

On June 26, in a mad (and all-too-British) vote for genocide, the upper house of Canada's Federal parliament passed Bill C-33, which mandates 5% ethanol in gasoline by 2010, and 2% in diesel and heating oil by 2012. These developments are accompanied by approximately \$2.2 billion in subsidies for bio-fuels to be committed over nine years, subsidies which began in

2006, when the government first announced its biofuels policy. However, even as the government moves forward with its policy, objections are being raised against it, including from farmers themselves.

Douglas Auld, Adjunct Professor in the Department of Economics at the University of Guelph, has just completed a study for the C.D. Howe Institute ([www.cdhowe.org](http://www.cdhowe.org)), in which he claims that "ethanol pro-

grams were launched [by the Federal and provincial governments] without adequate research or a detailed examination of their consequences." Auld, who calls for rethinking Canada's ethanol policy, explains that "total ethanol production utilizes 500,000 tonnes [metric tons] of wheat and slightly more than 1 million tonnes of corn. Corn production in Canada is concentrated in three provinces. In 2006, Ontario accounted for 57.3 percent of Canada's corn crop, Quebec for 36.4 percent, and Manitoba for most of the rest. Most ethanol production in Quebec and Ontario is corn-based, while the majority of the production in the Prairies is wheat-based."

Meeting the Federal government's targets will require massively expanding Canada's annual ethanol and biodiesel production from its current level of about 1 billion liters to 2.6 billion liters. According to industry sources, to meet 2008 production needs, close to 792,000 tons of wheat (slightly under 4% of total wheat output) and 49.6 million bushels of corn (12% of Canada's output) will be needed. To meet the requirement of 5% ethanol in gasoline will demand 150% more grain, thus utilizing as much as 10% of Canada's wheat crop and 30% of the corn crop.

The impact that such levels of demand will have on the Canadian food supply and the prosperity of farmers can only be imagined; however, it is clear that such changes have genocidal implications for humanity. It is time that Canada's politicians stop pandering to the harebrained environmentalists, join the chorus of voices already denouncing biofuels, and shut down this epically foolish program.

### Great Projects

It is clear that even though Canada could do a great deal to solve the world's economic problems, there are serious obstacles to overcome. The government of this country is clearly opposed to any concerted effort to address the manifold crises facing the world; at the same time, the financial breakdown crisis, with the bankruptcies of Fannie Mae and Freddie Mac, has moved into a new phase of hyperinflationary collapse, which will inevitably impact world prices of food and agricultural inputs. Only a concerted effort by governments, such as the Four Powers (United States, Russia, China, and India) initiative proposed by Lyndon LaRouche, can prevent a complete failure of the world economy at this time (see Lyndon H. LaRouche, Jr., "Free Trade vs. National Interest: The Economics Debate About Russia," *EIR* July 4, 2008). Once such an initiative is launched, then nations like

Canada will be freed from their subservience to the Anglo-Dutch financial empire, and will be able to make their own unique contributions to the cause of human progress. Under such conditions, the following projects and their like can be built.

Central to any expansion of the productive powers of labor in Canada, and North America as a whole, is a complete rebuilding of the nation's embarrassingly decrepit rail and water infrastructure. It is shocking that a nation as vast as Canada, encompassing 9 million square kilometers, has no modern, high-speed railways! Similarly, the immense northern watersheds of the Mackenzie and Yukon rivers, which could irrigate a considerable portion of the territory west of the Mississippi and the Great Lakes, one of the world's most prolific breadbaskets, remain unutilized for any productive purpose. Fortunately, several exciting projects exist which could rapidly be implemented for the common benefit of all North America. One project is the North American Water and Power Alliance (NAWAPA), designed in the 1960s, under conditions of greater cultural optimism; another is the Bering Strait Tunnel connection to the Eurasian rail system, proposed to Canada and the United States in the Spring of 2007 by the administration of former Russian President Vladimir Putin.

### NAWAPA

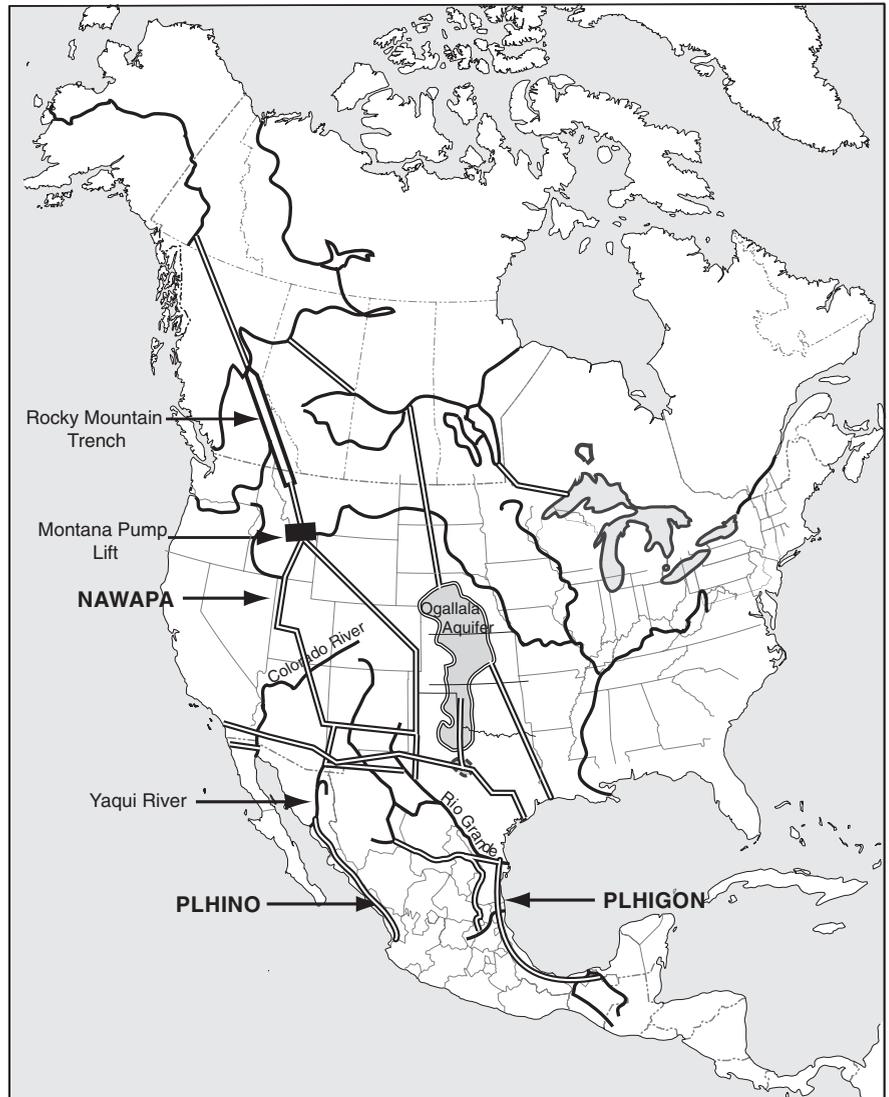
To summarize the NAWAPA project (Figure 4), I quote from a 1988 book published by the Schiller Institute, *Development Is the New Name for Peace*:

"The North American Water and Power Alliance—NAWAPA—is the most comprehensive of a series of plans developed during the 1950s and 1960s to capture and redistribute fresh water in Alaska and Canada. NAWAPA would deliver large quantities of water to water-poor areas of Canada, the lower forty-eight states of the United States of America, and Mexico....

"NAWAPA begins with construction of a series of dams in Alaska and the Canadian Yukon, trapping the water of the various rivers running through this largely undeveloped wilderness area. The drainage area to be tapped is approximately 1.3 million square miles, with a mean annual precipitation of 40 inches.

"A large portion of the water thus collected would then be channeled into a man-modified reservoir 500 miles long, 10

FIGURE 4  
North America: 'NAWAPA-Plus'



Sources: Parsons Company, *North American Water and Power Alliance Conceptual Study*, Dec. 7, 1964; Hal Cooper; Manuel Frias Alcaraz; *EIR*.

*The North American Water and Power Alliance (NAWAPA), developed during the 1950s and '60s by the U.S. firm Parsons Engineering, would capture fresh water in Alaska and Canada, and deliver large quantities to thirsty areas of North America. "The environmentalists and the accountants might bray in agony at hearing of such a massive project being even considered, but what of it?"*

miles wide, and 300 feet deep, constructed out of the southern end of the natural gorge known as the Rocky Mountain Trench in the Canadian province of British Columbia. This would be accomplished through a series of connecting tunnels, canals, lakes, dams, and, because the trench itself exists at an elevation of 3,000 feet, even lifts. The network of projects provides plentiful opportunities for hydroelectric power development.

"To the east, a thirty-foot deep canal would be cut from the Trench to Lake Superior, to maintain a constant water level and clean out pollution in the entire Great Lakes system from

Duluth to Buffalo. Not only would this provide more water for hydroelectric power and agricultural irrigation of the Great Plains region of Canada and the U.S.A., the canal could ultimately be made navigable for lake- and ocean-going vessels from the Great Lakes into the heart of Alberta, and eventually, extended westward into Howe Sound, British Columbia. The dream of a Northwest Passage would at last become a fact, from the Gulf of St. Lawrence to Vancouver. . . .

“For the United States, the benefits of the upgraded NAWAPA proposal are virtually unlimited. The full-scale project now promises 150 million acre-feet of water per year—a 50% increase in the present consumption of 300 million acre-feet yearly. Some 55,000 megawatts per year of surplus electric power would be provided, nearly doubling present U.S. hydroelectric capacity of 70,000 megawatts. Nearly 50 million more acres of irrigable land will become available, almost doubling irrigated acreage west of the Mississippi.

“It doesn’t end there. Stabilization and control of the Great Lakes is one dramatic example of the decrease in pollution levels attainable by such methods of water management. NAWAPA would also help to stabilize water levels throughout the West, providing, among its notable benefits, the opportunity to reverse the depletion of the Ogallala Aquifer, the principal water supply for 11 million acres of prime farmland in Texas, Oklahoma, Kansas, New Mexico, and other High Plains states. NAWAPA would provide the mechanism for reversing the current salinity problem of irrigated lands by flooding selected areas to wash out the accumulated salts, and by maintaining a regime of “wasteful” irrigation to prevent such build-ups in the future. Thus ground water supplies would be recharged. In addition, increased facilities for water transport would also prove cost-saving. . . .

“The benefits for Mexico and Canada would be of a similar spectacular order. Canada would enjoy 58 million acre-feet of water and 38,000 additional megawatts of hydroelectric power, and the same kind of irrigation, transport, and clean water benefits accruing to the United States. In particular, the Northwest Passage route would be a vital aid in realizing the vast, untapped development potential of that largely wilderness nation.

“As for Mexico, a nation whose rapid agricultural and industrial development is essential to advance the living standards of its 60 million citizens and for whom increased food production ranks as a critical national priority, NAWAPA would produce an additional 40 million acre-feet of water a year, at least tripling its irrigable land, and 4,000 additional megawatts of electric power.”

The environmentalists and the accountants might bray in agony at hearing of such a massive project being even considered, but what of it? The so-called “War on Terror” has cost the U.S. government hundreds of billions, while Canada has spent tens of billions in Afghanistan, all for nothing; or consider the trillions of unrecoverable dollars poured into the dying financial system! Even if the project cost several hun-

dred billions of dollars, such a powerful transformation in the biosphere would have far-reaching and revolutionary effects upon the world economy as a whole, which cannot competently be assessed in today’s usual accounting terms (the Parsons Company originally estimated a cost of \$80 billion; the upgraded plan was estimated at \$130 billion in 1979).

The full impact of NAWAPA is only understood in terms of the transformative powers of man over nature that such a project would unleash. Under a reorganized system of publicly generated credit, with competent management, the costs would not even seem a burden, especially when agricultural output and productive activity would so quickly explode! The reference point for such a phenomenon is the Franklin Roosevelt-led recovery of the U.S. economy of the 1930s. It is also important to ask ourselves what the cost to the world will be should we *not* build the project: This is a cost measured in lives lost to needless starvation and economic collapse.

### **The Bering Strait Tunnel**

A Bering Strait rail connection (**Figure 5**), about which *EIR* has often reported (see *EIR*, July 27, 2007, and the proceedings of the Sept. 15-16, 2007 Schiller Institute conference in Kiedrich, Germany, *EIR*, Sept. 21, and 28, Oct. 5, and 12, 2007), has long been the dream of patriots in the Americas and Eurasia. First discussed in the late 1860s by the circles of American System economist Henry C. Carey, today the project has been given a new birth in Russia by those who have been reaching out to like-minded individuals in the United States and Canada. The project itself would comprise an approximately 100 kilometer tunnel beneath the Bering Strait, as well as several thousand kilometers of connector lines to the Trans-Siberian railway on the Russian side, and to the North American rail system on the other. The construction of the Bering Strait Tunnel would complete a vital link in the Eurasian Land-Bridge—the overland transportation corridors envisioned by Lyndon LaRouche and Helga Zepp-LaRouche for opening up a new age in the development of man and the biosphere. Such corridors of development across Asia, Africa, and the Americas offer prospects never before conceivable—the creation of many new cities, the greening of deserts, and the elevation of mankind to our true and lawful dignity.

For Canada a railway renaissance would mean taking up the legacy of Canada’s last great nation-building prime minister, Wilfrid Laurier (1896-1911), who built the nation’s second continental railway and led in the settling of western Canada. Since that time, little visionary development of western Canada has occurred. The prairie provinces are like tiny pockets of civilization, still separated from the East by a vast and sparsely settled region north of Lake Superior, over 1,000 kilometers in length. Canada is held together geographically by two railroads and one highway, none of which are adequate to the task.

It is often lamented that Canada’s dominant trade and relations have never been East-West, but always North-South; one of the obvious reasons for this is the failure of the nation to build the necessary infrastructure to realize a successful do-

mestic commerce. This failure is a longstanding relic of the British Empire's control over Canada's development. As early as the 1840s, the colonies now comprising the eastern portion of the nation were prevented by the British from trading freely amongst themselves. The British knew, of course, that allowing the colonies to integrate and develop alongside the burgeoning United States, represented a mortal threat to British interests in North America; the Empire preferred to force the colonies to trade only with Britain, despite the poverty this created for Canadians.

Should the Bering Strait connection be built, and if Canada chooses to build a modern, continental high-speed rail system, combined with NAWAPA, the economic ramifications would be enormous. It is a basic principle of physical economy that the greatest multiplier effect in an economy is effected by an improvement in basic economic infrastructure. At the same time, apart from the United States, the most important purchasers of Canadian grains are Asian countries, which could be serviced by the Eurasian Land-Bridge rail connection. Similarly, the Northwest of North America is home to vast natural resources, which could be exploited but for a lack of transportation, energy, and industrial infrastructure. Therefore, these two great projects will form the basis for entirely new northwest Canadian and Alaskan economies.

For those doubters and cynics who would argue that it is senseless to build a railway from one underpopulated, underdeveloped region to another underpopulated, underdeveloped region, one only need recall the 19th-Century economic revolution brought about by railroads. Neither the American West, nor the Canadian West could be efficiently settled until the railroads were built. Canada would not exist today if not for the visionary actions of Canada's 19th-Century patriots, men who recognized the long-term benefits of continental railroad development, despite the initial cost. "Cost" is inevitably the excuse of small-minded, change-fearing fools.

Russian Prime Minister Vladimir Putin recently announced an incredibly ambitious transportation infrastructure program, valued at \$565 billion for 2010-15, which will include funds for the Russian portion of the connection. Meanwhile, much is yet to be decided in the United States, and LaRouche's Four Powers agreement must be adopted before these projects can advance. Until then, whether Canada rises to the greatness of the moment, or whether it chooses to remain a little people in a great country, remains to be seen.

FIGURE 5  
**Proposed Bering Strait/Alaska-Canada Rail Connector to Lower 48 States, Plus Existing Lines**



*A Bering Strait rail connection would spark a railway renaissance in Canada. "For those doubters and cynics who would argue that it is senseless to build a railway from one underpopulated, underdeveloped region to another underpopulated, underdeveloped region, one only need recall the 19th-Century economic revolution," in the American and Canadian West.*

## ‘Imperial Criminal Court’ Opens Gates of Hell in Africa

by Lawrence K. Freeman

British imperialists escalated their ongoing destabilization of Africa on July 14, with the decision by Luis Moreno-Ocampo, prosecutor for the International Criminal Court (ICC), to file charges of “genocide and crimes against humanity” against Sudanese President Gen. Omar al-Bashir. The British and their collaborators want to eliminate the sovereignty of African nations, so that Africa’s population can be greatly reduced, thus ensuring that Africa does not “use up” its vast resource wealth for its own development, and for trade with Asia, China in particular. There is no mistake of the timing, the intent, and the forces behind this unprecedented action, which is premised on completely false charges. It is intended to blow apart Sudan’s North-South peace settlement, plunging the country even deeper into civil war. The consequences of the ICC’s decision, if not reversed, not only would be devastating to Sudan, and the stability of the Horn of Africa, but because of Sudan’s strategic importance, the *entire continent would bleed*.

The hand of the British and the hypocrisy of the ICC’s claims are revealed by the fact that one of the major funders and creators of the ICC is British agent, billionaire speculator, and former Nazi collaborator George Soros. Upon hearing of Soros’s role in the formation of the ICC, through his Open Society Initiative and Justice Initiative networks, Lyndon LaRouche said: “If the International Criminal Court is to have any claim on credibility, let them take up the case of a real Nazi collaborator.” If anyone should be put on trial before the ICC, on charges of genocide and crimes against humanity, it is George Soros (see *Documentation*, below).

The immediate danger to Sudan and Africa is that if the ICC is successful in de-legitimizing Bashir’s Presidency, then negotiations between the government and opposition groups

become impossible. As one African from the Washington diplomatic corps told me following the release of the ICC charges: “We have two options for Sudan. One is to maintain a positive peace process. The other is for chaos and the collapse into a failed state.”

International opposition to the ICC move came swiftly. On July 14, in talks with UN Secretary-General Ban Ki-moon in Paris, according to the Egyptian daily *Al-Ahram*, Egyptian President Hosni Mubarak warned that the ICC escalation threatens to foil negotiation efforts between the Sudan government and rebels in Darfur. Egypt has promised to do all it can to avert any measure against the Sudanese leader that could further destabilize the country.

The Africa Union (AU) also denounced the ICC move. “We would like ICC to suspend its decision to seek al-Bashir’s arrest for a moment until we sort out the primary problems in Darfur and southern Sudan,” Tanzanian Foreign Affairs Minister Bernard Membe said, speaking on behalf of Tanzanian President Jakaya Kikwete, who chairs the African Union. “If you arrest al-Bashir,” he continued, “you will create a leadership vacuum in Sudan. The outcome could be equal to that of Iraq. There would be an increase in anarchy, there would be an increase in civil war. Fighting between Chad and Sudan would increase.”

The 22-member Arab League called for a July 19 emergency meeting of its foreign ministers, at the request of the Sudan government, to discuss how to diplomatically foil the ICC provocation. Arab League chief Amr Moussa was to travel to Sudan July 20, to report to President al-Bashir.

According to the *Middle East Times* on July 15, China, which is one of Sudan’s major investors and buyers of its oil,

expressed deep “concern and worry.” The ICC “should be conducive to maintaining the stability of the Sudanese situation, and to the proper resolution of the problems of Darfur, not the contrary,” a Chinese government statement said.

Russia’s Ambassador to the United Nations, Vitaly Churkin, called on the UN to “exercise restraint and find solutions that will help the people of Sudan and resolve the crisis in Darfur.”

The *Times* added that Sudan’s main opposition parties and critics of the Bashir regime have united with the government in rejecting the ICC decision, and vowed to prevent the President from being prosecuted in the international court, calling this a violation of the country’s sovereignty and independence.

### Blowing Up the Peace Process

Andrew Natsios, former U.S. Special Envoy to Sudan (2005-07), responded immediately to the indictment by the ICC with a statement entitled “A Disaster in the Making.” After cautioning human rights groups focussed on Darfur against applauding the ICC’s decision, he warned them “to think again about their enthusiasm.” Natsios went on to say: “The question all of us must ask who care about what happens to the long-suffering Sudanese people is this: what are the peaceful options for a way out of the crisis facing the country and what measures are likely to move the country closer to that way out rather than further away? Without a political settlement Sudan may go the way of Somalia, pre-genocide Rwanda, or the Democratic Republic of the Congo.” He concludes: “This indictment may well shut off the last remaining hope for a political settlement for the country.”

Over recent months, saner forces in the United States, including Natsios, have been working with leaders in Sudan to prevent the Comprehensive Peace Agreement (CPA) from failing. The CPA ended 20 years of bloodshed between the North and the South, and led to the formation of a Unity Government composed of the Sudan People’s Liberation Movement representing the South, and the National Congress Party for the North. Despite difficult moments, the CPA has prevented the country from returning to North-South war, and it is hoped that it will serve as a model to solve other conflicts in Sudan, including that in Darfur.

After fighting broke out between soldiers from both sides in Abyei (an oil-producing region whose boundaries are in dispute) earlier this year, concerned people recognized that if the CPA were allowed to go down, all of Sudan would go down with it. After the signing of the CPA in January 2005, international attention and money were diverted from the full implementation of the agreement, into the Darfur crisis, which has only become more intractable. Allegations of genocide against the Bashir government, promoted by the media, Hollywood celebrities, and former and current British, U.S., and European government officials, has been part of the dangerous and failed policy of “regime change.” The claim that the



Bashir government is pursuing a so-called Arab cleansing of the so-called Africans in the Darfur region is simplistically untrue, meant for simpletons who are willing victims of “group think” propaganda. In Darfur, almost all the people doing the killing and being killed are Muslims, in a complex, multi-nation war that involves Chad, Libya, the Central African Republic, and other countries not in the immediate conflict zone.

### Sudan’s Strategic Value

To understand the strategic importance of Sudan, start with the mighty Nile River, which flows north from Sudan through Egypt before emptying into the Mediterranean Sea. Think about what would happen to the 80 million Egyptians, 25% of whom inhabit Cairo, and who depend on the Nile for their very existence, if Sudan implodes through internecine warfare. Who will honor the 1959 water agreement between Egypt and Sudan? What will the Egyptian government do if the flow of water from the Nile is interrupted? Will they not be forced to act, militarily if necessary? Now, think about the countries that border Sudan, all of which are suffering from severe political and economic troubles: Chad, Kenya, the Democratic Republic of the Congo, Ethiopia, and Eritrea. Who benefits, and who will suffer from the decision made by Soros’s ICC, acting as a “world court” over and above the in-

terest of the nation-state?

Now think about what Sudan could be for Africa. It is the largest nation on the continent, with the proven potential to feed all of Africa, if it were assisted in managing its water systems, mechanizing its agriculture, and providing irrigation. Instead of sliding into chaos, Sudan could become the “breadbasket” of Africa. The completion of the Merowe Dam, in collaboration with China, provides a glimpse of the potential for food production that is possible with basic infrastructure. (See “Defying Britain’s Genocide System: Sudan’s Great Project in Agriculture,” *EIR*, July 18, 2008). What is the true potential of Sudan and Africa, if credits for long-term investments in water systems, high-speed rail transportation, and nuclear power were extended by the West, instead of fomenting wars and destabilizing poor nations? Sudan with its size, location, and agricultural potential can play a central role in the development of Africa, if we are wise enough to assist it for that purpose.

### Why Africa Is Targeted

Look at a map of Africa. Start in Nigeria and let your eyes move east across Sudan to Ethiopia and Somalia. Then look south from Sudan through Kenya, to Tanzania, across Zambia, to Zimbabwe, and finally to South Africa, which represents a portion of Britain’s old colonial empire. Now look at the destabilization of these former colonies, including the recent elections: Nigeria’s flawed Presidential election in April 2007, the organized mayhem that followed Kenya’s December 2007 Presidential election, and the crisis organized from outside following Zimbabwe’s March 2008 Presidential election. And what do you think is being planned for South Africa’s Presidential election in 2009? Will there even be a Sudan in which to have national elections that are presently scheduled for the Spring of 2009?

The British imperialists have never given up their desire to eliminate even the semblance of an independent nation in Africa, that could offer resistance to their policy of controlling the abundant, rich land, and vast resource wealth. To this very day, British Labour Party leader and Prime Minister Gordon Brown, like his predecessor, Tony Blair, cannot accept the fact that Zimbabwe’s President Robert Mugabe and millions of courageous Zimbabweans will not submit to British control of their nation, and will not return the land that rightfully belongs to them. The people of Zimbabwe have fought longer and harder than any other African nation against the heirs of Cecil Rhodes, the founder of British imperialism in Africa; and Zimbabwe still today represents a bulwark against British re-colonialization. Many otherwise thoughtful people refuse to understand that the British oligarchy still functions as an empire, but an empire whose power comes from an international financial syndicate, known as the Anglo-Dutch oligarchy.

This British policy of treating Africans as chattel, wiping out their people, and looting their resources became the official, although not public policy of the United States, under

President Richard Nixon, with Henry Kissinger’s 1974 National Security Study Memorandum 200 (NSSM 200). This report targeted the fastest-growing populations in the “Third World” for population reduction—i.e., genocide. It also sought to prevent those nations from expending their natural resources for their own benefit, when these resources were deemed vital to the Western financial cartels. NSSM 200 was a Malthusian tirade against population growth, especially that of non-Caucasian people, but also included the importance of the “advanced sector” having a continuous flow of “mineral supplies” from developing countries which had high rates of population growth.

In its Executive Summary, under the subhead, “Minerals and Fuels,” Kissinger’s report states: “Rapid population growth is not in itself a major factor in pressure in depletable resources (fossil fuels and other minerals), since demand for them depends more on levels of industrial output than on numbers of people. On the other hand, *the world is increasingly dependent on mineral supplies from developing countries*, and if rapid population growth frustrates their prospects for economic development and social progress, the resulting instability may undermine conditions for *expanded output and sustained flows of such resources*” (emphasis added).

If one truly desires to understand why people are suffering in such horrible conditions today, and why countries like Nigeria, Kenya, Sudan, Zimbabwe, and South Africa are under attack, one need only refer to NSSM 200.

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## Documentation

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### George Soros Owns the Court Indicting Bashir

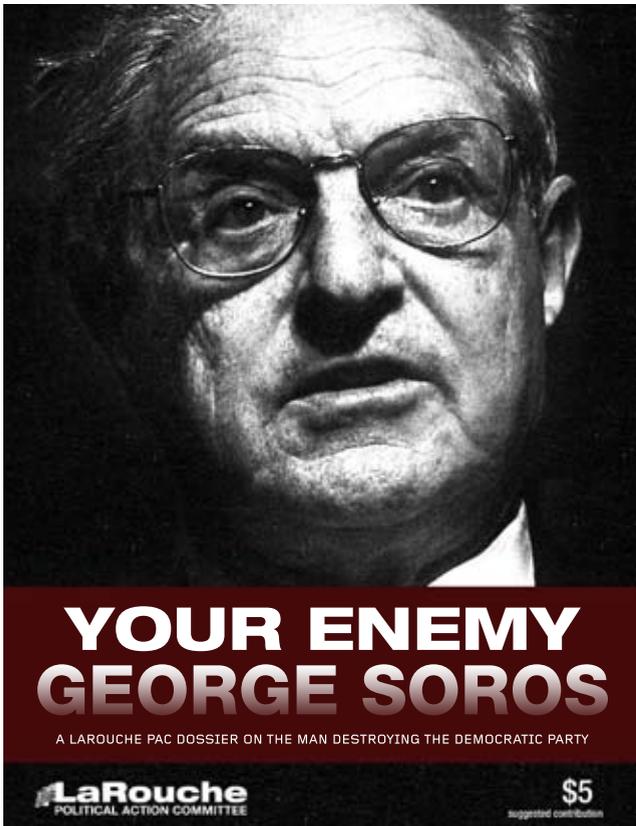
by Anton Chaitkin

Billionaire speculator George Soros funds the International Criminal Court (ICC) at The Hague, which is seeking to arrest Sudan’s President Omar al-Bashir. Though the Court is affiliated with the United Nations, Soros largely directed the lobbying campaign that led to the Court’s creation in 2002-03. The Court’s charge of “genocide” against President Bashir carries the special irony that its sponsor, Soros, once worked for the apparatus of Adolf Eichmann, who was carrying out the extermination of the Jews of Hungary in 1944.<sup>1</sup>

Apart from Soros, the funders of the International Criminal Court are the British empire, through the United King-

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1. See “George Soros: Hit-Man for the British Oligarchy,” *EIR*, July 4, 2008. The full dossier is at [www.larouchepac.com](http://www.larouchepac.com).



The LaRouche PAC's pamphlet "on the man destroying the Democratic Party."

dom's Foreign and Commonwealth Office; and the European Union's "European Instrument for Democracy and Human Rights," whose initiatives are enmeshed with and co-managed by the Soros apparatus.

The Soros organization also directly funded another agency at The Hague, the International Criminal Tribunal for the former Yugoslavia, which prosecuted Yugoslav President Slobodan Milosevic. He died during his trial, under suspicious circumstances, in 1997.

Soros's **Open Society Institute**, on March 19, 2008, published brief accounts of the recipients of its Justice Initiative grant, including the following:

"International Criminal Court: The Justice Initiative works closely with the International Criminal Court (ICC), helping it function as efficiently and effectively as possible. Among other activities, the Justice Initiative assists local human rights advocates in gathering and presenting information of use to the ICC, pursues advocacy and public education with governments to secure support for the ICC, and contributes to building the capacity of ICC staff on a range of issues."

The ICC's offices are in the capital of the Kingdom of the Netherlands, by arrangement with the Dutch government and in close cooperation with the Dutch royal family. **Princess**

**Mabel of Orange Nassau**, daughter-in-law of Queen Beatrix, is a Soros employee, who runs his relations with the European Union.

On Jan. 22, 2007, Princess Mabel told The Hague International Model United Nations assembly, on behalf of the Soros Open Society Institute: "We pushed for the creation of the International Criminal Court, which is now based in The Hague and turning this city into the international capital for justice. These courts send a clear message to presidents ... like those in Rwanda and Cambodia and right now in Darfur..."

Soros finances and largely controls the **Coalition for the International Criminal Court**, which lobbied for the ICC's creation and now helps direct ICC activities.

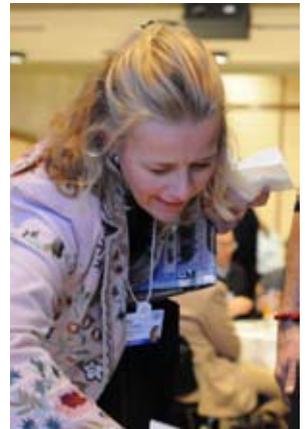
**Richard Dicker** of Soros's **Human Rights Watch** group is a founder and permanent steering committee member of the Coalition. (The Coalition is headed by William Pace, executive director of the Soros-funded World Federalism Movement.)

The London *Guardian* wrote (Feb. 12, 2004) sardonically about the Milosevic trial, "Richard Dicker, the trial's observer for Human Rights Watch, announced himself 'impressed' by the prosecution's case. Cynics might say that as George Soros, Human Rights Watch's benefactor, finances the tribunal, Dicker might not be expected to say anything else."

On Dec. 14, 2005, the Open Society Institute (OSI) brought its ICC prosecutor, **Luis Moreno-Ocampo**, to New York for a public forum on the Court. Their press release explained:

"Luis Moreno-Ocampo, the International Criminal Court's Chief Prosecutor, described the role of the Court in preventing atrocities.... Moreno-Ocampo's visit to OSI was part of the Restoring American Leadership roundtable series, a project of OSI and the Security and Peace Initiative, which is a joint initiative of the Center for American Progress and The Century Foundation...."

"Moreno-Ocampo was in New York City to address the



Robert Scoble  
Princess Mabel of  
Orange Nassau



UN/Paulo Filgueiras  
Richard Dicker

United Nations Security Council, where he presented a progress report detailing the latest developments in the Court's investigations into war crimes in Uganda, the Democratic Republic of the Congo, and Sudan."

### Anglo-Dutch Spooks

The European Union's **Democracy and Human Rights Instrument**, which funds the administration of the ICC, was begun in 1993 as an imperial covert arm under the title **European Democracy Initiative**.

The group was founded by British spook **Edward McMillan-Scott**, who is currently a vice president of the European Parliament, in charge of relations to the EuroMed parliamentary assembly, comprising MPs from the EU, North Africa, and the Middle East.

In his intrigues with respect to Arab countries, McMillan-Scott fancies himself a reincarnation of his relative Lawrence of Arabia, whose photograph graces the McMillan-Scott website.



European Parliament  
*Edward McMillan-Scott*

Following the collapse of the Soviet bloc, McMillan-Scott worked in tandem with George Soros in Eastern Europe and Russia, setting up networks in aid of oligarchs, looters, and regime-changers.

On May 14, 1993, two days after Britain's Queen Elizabeth II addressed the European Parliament in Strasbourg, that body established a "European Democracy Initiative." It was to "provide financial aid ... through parliamentary institutions and to non-governmental organizations ... for general civic education and to stabilize and reinforce democratic principles in non-EC countries; also, to ... develop the concept of civil society in countries where human rights, multi-party systems, the rule of law and economic freedom have been lacking...." The Initiative was officially modelled on the U.S. **National Endowment for Democracy (NED)**, then notorious for its central role in the 1980s Iran-Contra adventures.

In an interview with *EIR* reporter Mark Burdman on May 27, 1993, McMillan-Scott said his brainchild, the Democracy Initiative, would be working with the NED, with Britain's foreign office-sponsored Westminster Fund for Democracy, and with the U.S.-based **George Soros Foundation**.

McMillan-Scott now heads the Democracy Caucus within the European Parliament. On his website, he says bluntly that the Caucus "believes Europe needs a 'European Endowment for Democracy' ... to operate as a deniable, expert and flexible agency at arms-length from the EU, although possibly funded by it."

### Death by Diamonds: Africa's Apocalypse

Anglo-Dutch cartels in oil, strategic minerals, and diamonds, have looted and despoiled Africa for decades, since that continent's nominal independence from the European empires. They have employed regime-changes and manipulated wars involving the cartels' private armies, British special forces and other criminal "irregulars."

In recent years, the destruction has intensified under the cover of a reform movement guided by this same imperial force, aiming to end national sovereignty and erase all resisting African governments. Headed by George Soros, in open collaboration with the cartels themselves, this movement is leading the continent into chaos, perpetual war, enforced backwardness, unchecked pandemics, and starvation.

One side of this nightmare is the **Extractive Industries Transparency Initiative (EITI)**. It began when the Soros's **Publish What You Pay** group, aided by propaganda from the Soros-funded **Global Witness** group, demanded that nations with valuable natural resources be compelled to turn over to multinational cartels and to the British government, all records of their transactions on these resources—so as "to stop bribes"!

In 2002, then-British Prime Minister Tony Blair announced, in Johannesburg, that he had accepted this Soros proposal. In 2003, Blair formed the EITI as a London-based global agency, which would seek to pull in the United States and attempt to enforce open domination over world resources. Led originally by Anglo-Dutch Shell Oil, DeBeers, and Anglo American, EITI's participating corporations now include include such mining companies as AngloGold Ashanti, Barrick Gold, BHP Billiton, DeBeers, Freeport-McMoRan Copper & Gold, Gold Fields, Katanga Mining Limited, Newmont, Rio Tinto; and oil companies such as Chevron, ConocoPhillips, Eni, ExxonMobil, Hess, Pemex, and Petrobras.

In 2006, EITI's governing secretariat was set up in Norway and placed under Soros management, with money from the Open Society Institute, and with EITI board members from Soros agencies such as Publish What You Pay, Revenue Watch Institute, and Global Witness.

"Conflict diamonds" have provided the propaganda power behind the Soros Initiative. As world opinion was revulsed by accounts of genocidal wars over African diamonds, gems used as currency by mafias, mercenaries, and militias, the Soros group Global Witness, in tandem with the top diamond companies, shaped the issue of "blood diamonds" toward London's objectives.

In 2000, the **World Diamond Council** was set up in Brussels, led by DeBeers of London and South Africa; by DeBeers agent **Maurice Tempelman**, head of the New York-based Lazare Kaplan diamond company; and by Israeli diamond billionaire **Dan Gertler** and his family. The World Diamond Council's "reforms" of the industry's looting are approved by Global Witness and are an integral part of the EITI's agenda.

Belgian-born Maurice Tempelman started out in the

former Belgian Congo. He participated in the work-up to the British coup against Ghana's nationalist President Kwami Nkruma, and later became the number-one U.S.-based affiliate of DeBeers and London's world diamond cartel. A power in the post-JFK Democratic Party alongside Felix Rohatyn and George Soros, Tempelman is a director of the National Democratic Institute component of the NED.

Dan Gertler is the grandson of Moshe Schnitzer, founder of Israel's diamond industry, and the nephew of Schmuel Schnitzer, vice chairman of the World Diamond Council. In the Bush-Cheney era, Gertler has taken over from Tempelman the role of unofficial representative of the U.S. government in the Democratic Republic of Congo. In partnership with other Israeli billionaires and with rightist politicians such as Avigdor Lieberman, Gertler arranged with former Congo President Laurent Kabila to set up a diamond monopoly, in exchange for Israeli arms and military training.

In 2006, Gertler gave arms trafficker John Bredenkamp \$60 million for mineral property in Congo, shortly before police raided Bredenkamp's home and office in England in the (soon aborted) probe of BAE Systems arms-deals corruption in South Africa. The Bredenkamp deal allowed Gertler to become top shareholder in London's Camec, the copper and cobalt mining giant in Congo.

With this apparatus behind him, George Soros is doing to Africa what he did in his native Hungary in 1944, when he helped the Nazi occupiers in the extermination of the Jews.

## ICC's Moreno Ocampo: A British Pedigree

by Cynthia Rush

Argentine national Luis Moreno Ocampo, chief prosecutor of the International Criminal Court that is seeking to prosecute Sudanese President Omar al-Bashir, has a long history of service to the British Empire, and to its agenda of smashing the institution of the sovereign nation-state, both inside Argentina and internationally.

Moreno Ocampo's vehicle for serving the British has been Prince Philip's **Transparency International (TI)**, whose Office for Latin America and the Caribbean Moreno ran, beginning in 1995. In that capacity, he traveled around the region peddling TI's "anti-corruption" agenda, to "reform" such institutions as the armed forces, the judiciary, and other police/security forces which were deemed too "authoritarian." In arguing that these institutions had to be made more "independent" or "transparent," Moreno Ocampo really meant that they should be forced to submit to supranational oversight or



UN/Evan Schneider

Luis Moreno Ocampo

be reformed to suit globalization's purposes.

In a November 1996 memo, Moreno Ocampo reported that "Argentine society had modified the system to replace the military class with a new political class, but the same thing hadn't been done with corruption. . . . I've learned that corruption isn't just a national problem. . . . That is why coalitions at a world level are required. . . . The only possible solution is to create a *world citizenry*."

In 1991, Moreno set up his own nongovernmental organization in Argentina, **Citizen**

**Power**, modelled on TI. With generous funding from the U.S. National Endowment for Democracy (NED) and Agency for International Development (AID), Citizen Power organized seminars domestically and throughout Ibero-America to promote a globalist view of justice and "citizen participation." One such seminar in November 1996, was organized with the British Embassy around the idea of creating a "citizen's charter," based on the model used in Britain, by which the quality of public services is supposedly monitored.

In an April 1995 seminar in Buenos Aires, Moreno brought several of Italy's "Clean Hands" judges in, to discuss how their methods could be applied domestically. Operation Clean Hands had used charges of corruption to politically eliminate virtually all of Italy's traditional, post-war political parties and their leaders. Moreno Ocampo was also an enthusiastic backer of the "reinventing government" agenda, which another Prince Philip ally, **Al Gore**, promoted for Ibero-America during a 1994 tour of the continent. He met with Gore when the latter visited Buenos Aires to discuss anti-corruption initiatives and strengthening of "civil society."

Having built his reputation as a defender of human rights—he prosecuted the Argentine junta in 1985 for human rights abuses—Moreno Ocampo used this to go after the *institution* of the armed forces. In 1987, he prosecuted the same junta members for the "crime" of attempting to retake the Malvinas Islands from the British in 1982.

Most revealing was Moreno Ocampo's 2002 defense of former Finance Minister **Domingo Cavallo**, the intimate of George Soros who destroyed the Argentine economy with the free-market economic policy he picked up at Harvard University. Cavallo was jailed on charges that he had authorized illegal weapons sales to Croatia in the early 1990s, while serving as finance minister. But Moreno Ocampo argued before the Inter-American Human Rights Commission that Argentine courts weren't qualified to prosecute Cavallo, because they were not sufficiently "independent" and "depoliticized."

# An Imperial Criminal Court

by Lyndon H. LaRouche, Jr.

*Lyndon LaRouche issued this memorandum on July 9, 2002. It is reprinted from the July 19, 2002 issue of EIR.*

In refusing to confirm the establishment of an imperial form of International Criminal Court (ICC), the U.S. government recently made the right choice, even though it had acted out of the wrong motive. It was an error by former President William Clinton, not to have blocked the ICC before his leaving office. Unfortunately, many other nations supported that Court, on obviously different, but dangerously mistaken premises.

The thing to be feared more than either war or crimes against humanity, is the establishment of an imperial form of “world rule of law,” a form of law which, in practice, would condemn all mankind to the kind of horrors suffered under the Roman Empire and the ensuing Dark Age which that Empire brought down upon Europe and neighboring regions. The antics of “Transparency International,” are only typical of the imperial impulse permeating the current use of all such proposals for a “world rule of law.”

It is to be emphasized, that without the existence of the proposed International Criminal Court, there already exists the recognized right and obligation of nations to establish courts, under the same authority of natural law as the law of justified warfare—courts which do not breach the principle of national sovereignty. The Nuremberg court was convened to address Nazi war crimes and other capital crimes against humanity. Such courts are convened ad hoc under the same type of authority as a justified declaration of an act of war. Thus, a court such as the ICC is arguably unnecessary, in addition to being judged even an odious venture on other premises.

There are two principal grounds for refusing the establishment of a court such as the ICC, at this time. The first, overriding consideration, is a matter of several interconnected issues of principles of practice of natural law. The creation of such an international court returns civilization to the ancient and feudal state of affairs, in which a head of state of a participating nation, or several such nations, is subject to the overreaching control of an ultramontane, hence imperial authority.

That state of affairs would, in and of itself, constitute a monstrous crime against humanity, since it would deprive humanity of that institution of the sovereign nation-state, on which the liberation of subjects from the de facto status of human cattle was accomplished by Europe’s Fifteenth-Century Renaissance and subsequent development of the promotion of the general welfare through the institution of the sovereign nation-state.

The second, practical consideration, is the fact that no court such as the ICC, were likely to carry out its implied obligation, were one or more leading powers, such as today’s English-speaking powers, determined to obstruct honest application of the ICC statute for that case. This would degrade the court axiomatically to the role of a mere agent of an overreaching particular, imperial power.

I address the latter objections first.

Notably, at this time, major crimes against humanity are being perpetrated, in fact, against the Palestinian population of a territory being occupied by the Ariel Sharon government of Israel. Were the proposed new ICC in operation currently, that ICC would be implicitly obliged to act promptly, now, against that Israeli government’s relevant officials. Would such an ICC be likely to act promptly in this case? If not, then the proposal for establishing an ICC were a piece of hypocrisy which would define such a court as a corrupt one from its outset.

Typical is a relevant case of a travesty of law currently in progress in Arusha, Tanzania. The hoax currently being perpetrated by an international ad hoc tribunal, in that proceeding so far, is typical of the kind of monstrous abuses likely to be expected from the actual constitution of an International Criminal Court established under the proposed provisions of the Nov. 10, 1998 and July 12, 1999 re-draftings of the relevant Rome Statute for such a court. In this case, the court has arbitrarily adopted a ruling, contrary to the essential facts of the case, exempting the culpable *external* powers from their responsibility for the state of civil warfare forcefully introduced, from outside, to the nation whose affairs are being scrutinized. We can not assume that an ICC would be better than that self-tainted ad hoc court in Arusha.

Those two cases are merely typical of the systemic hypocrisy, which is to be seen in both experienced precedents, and in types likely to occur under an international tribunal such as the ICC, on similar or analogous accounts. It were better that there be no judge, and no court, except ad hoc courts created by sovereign states for cases of war or kindred overriding issues, rather than one which supplies the imperial cloak of legality to a continuing practice of the type shown in such exemplary cases.

There is an escalating pattern of actions, involving relevant non-governmental organizations (NGOs) as cats-paws, to destroy the remaining vestiges of the existence of the sovereign nation-state, by creating and expanding upon novel, and dubious precedents to outlaw all forms of credible resistance to an imperial “world rule of law” controlled by utopian influential circles of the English-speaking powers. Typical of the included intent behind these so-called “environmentalist” and kindred initiatives by NGOs and others are the pro-genocidal provisions of U.S. National Security Advisor Henry A. Kissinger’s 1974 *National Security Study Memorandum 200*, and the pro-genocidal *Global Futures* and *Global 2000* introduced under U.S. National Security Advisor Zbigniew Brzezinski. The presently overreaching practice of power of such policies, already consti-

tutes, in and of itself, a class of crime against humanity.

Whatever the naive enthusiasts for the proposed ICC imagine, that imperial “world rule of law” is the actual intention behind the push for the ICC at this time. Those who care for the general welfare of humanity, must move now, to prevent that evil intent from being realized. Any contrary estimate is no better than an abominable sophistry in law.

Now, turn to the matter of principle of natural law.

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## 1. The Matter of Natural Law

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The natural-law principle of national sovereignty was introduced to modern Europe in the course of the Fifteenth Century, in such expressions as Nicholas of Cusa’s *Concordantia Catholica*, as a reformulation of the issues previously considered in such locations as Dante Alighieri’s *De Monarchia*. From these precedents, Europe derived the concept of the sovereign nation-state republic as a postulate of *natural law*, as opposed to the quasi-Locke-Bentham kind of *merely positive law* on which the present Rome Statute chiefly relies. From that time, to the present, the progress of modern civilization has been intertwined with the objective of uprooting all relics of Roman and like imperial authority, in the process of establishing a community of natural-law principle among a growing assembly of perfectly sovereign nation-states, nations subject to no higher authority than the natural law as such.

The kernel of the relevant, ecumenical notion of natural law, is that which is commonly specific to Christianity, Judaism, and Islam, in particular: the Mosaic teaching, that man and woman are set apart from, and above all beasts, created equally in likeness to the Creator of the universe, and thus accorded the ability and authority to manage all living and non-living things in the universe. On this account, the quality of personality is attributed only to the Creator and to human individuals. All such personalities are to be regarded as naturally endowed with that sublime quality, under any reasonable law.

However, until the establishment of modern forms of sovereign nation-states, beginning with France under Louis XI and England under Henry VII, political society had, as in ancient Rome and feudal Europe, predominantly reduced large masses of humanity to the status of variously hunted or herded human cattle, treated as property, or subject to the caprices of what the cruelly errant U.S. Justice Antonin Scalia and his like have defined as “shareholder value.” The greatest danger to human rights, world-wide today, is a product of the effort to impose a radically positivist form of rule of law, like that of Scalia, a form derived from the same doctrine of John Locke on which the Constitution of the anti-U.S.A. slaveholder tyranny, known as the Confederate States of America, was premised.

The establishment of the modern sovereign form of nation-state republic, as typified by the U.S. Declaration of Independence and the Preamble of its Federal Constitution,

depends upon an anti-Locke principle of natural law, called *agapē* by Plato and Christian Apostles such as John and Paul. This principle, as argued in *I Corinthians* 13, is expressed in modern usage by the principle of the *general welfare*—as in the Preamble of the U.S. Constitution—or as, the same thing in effect, the *common good*.

On those accounts, like competent physical science, all proper, durable law is governed by a principle of truthfulness, rather than mere opinion. The definition of principles of law must be governed by the same notion and standard of truthfulness properly required for defining an experimentally proven, universal physical principle.

For example, as the example of scientist Vladimir I. Vernadsky’s experimental proof of the existence of a Noosphere, illustrates that point, the fact that the individual human person represents a living species like no other, is not only a principle of the referenced monotheistic religious professions, but a provable universal physical principle. It is proven thus, that this principle of human cognition, dominates increasingly both the abiotic and biotic domain which it efficiently inhabits, and over which it must reign.

This distinction between man and beast is thus an ecumenical, universal physical principle, which rightly forbids us from treating any persons as we treat wild or cultivated species of beasts. Moreover, this also obliges us to promote those qualities of human cognitive behavior which express the universal difference between man and beast. The function of society, therefore, is to protect and promote those qualities of all persons which express that universal distinction of man and woman from all other creatures.

Since such government of society must be provided by mankind, and for mankind, the agency by which society is governed must be the perfectly sovereign agency of that society itself. To that purpose, prudent societies establish republics which are each a creation of the governed, to serve as the principal agent by which all of that society governs itself. To that end, prudent societies adopt principles of legislation and political-economy which have the intent and method of implementation of principles which have the same specific characteristics of scientific certainty, by means of which a people controls both its government and itself.

Such is the intent of a constitution of a true republic, such as the circles of Benjamin Franklin intended the U.S.A. to become. It was intended to become, as the Marquis de Lafayette perceived it, a temple of liberty and beacon of hope for all mankind.

The most suitable form of such a republic is the institution of the sovereign nation-state. Since self-government is possible only through a common intention and the common use of related language and political culture, that combination of intention and culture, is the mechanism by means of which the people of a republic may govern itself. Hence, an efficient form of republican self-government were not possible, unless the nation were independent and perfectly sovereign, within

the bounds of those common universal principles of humanity which qualify in practice as truly universal principles.

### **The Case of the U.S.A.**

The American Revolution has been often described, either rightly or wrongly, as “an historical exception.” Rightly seen, it was such an exception.

It was that period of religious warfare which Britain’s Trevor-Roper and other historians have described as a “Little New Dark Age,” between 1511 and the 1648 Treaty of Westphalia, which created the circumstances in which the resumption of the political intent of the Fifteenth-Century Renaissance had to be relaunched from English-speaking North America, rather than Europe itself. As a result, post-1648 Europe’s escape from the relics of feudalism, came chiefly as reforms of feudal forms of parliamentary government, rather than actual republican forms of constitutional government. These, reforms used so-called “basic law” as a utopian substitute for a republican constitution based on principle, and often used what was known as “customary” or “common” law as a substitute for the exercise of reason, in the ordinary practice of law.

The U.S. Constitution, as understood by the followers of Benjamin Franklin, and, typically, by Presidents John Quincy Adams, Abraham Lincoln, and Franklin Roosevelt, is, philosophically, a thoroughly European Classical-philosophical creation, introduced into North America at a time such principles of law could not be established in any other place. Indeed, the greatest principled improvements in government and law since 1776, have been inspired by the influence of the founding of the U.S.A., its Constitution, and the achievements of what U.S. Treasury Secretary Alexander Hamilton defined as the American System of political-economy.

Admittedly, there has been a perpetual conflict within the U.S.A. between what President Franklin Roosevelt, among others, described as, respectively, American Patriots and American Tories. This conflict in mutually exclusive philosophies, profoundly moral in character, has been the principled cultural-political division within North America since 1763. However, despite that, the U.S. Constitution, as read by anti-Tory U.S. patriots such as Presidents Abraham Lincoln and Franklin Roosevelt, is a unique constitution. Excepting those few, tainting compromises made for the sake of strategically needed unity with the Tory faction, it is the truest reflection of republican constitutional law known in history thus far.

From this standpoint, a government of the U.S.A. is absolutely obliged, morally and otherwise, to reject absolutely and defy any attempt to create a world-order cohering with the proposed ICC presented to us at this time. The grounds for U.S. rejection of the proposed court, illustrate the kindred reasons prudence should impel every reasonable sovereign nation to join with the U.S.A. in rejecting the proposed, extra-constitutional court; an ICC premised upon no clear and defensible principle of law; an ICC whose plausibly useful func-

tions, respecting war-crimes and crimes against humanity, were all properly conducted by ad hoc courts created under the principle of the law of justified warfare.

### **The Faults of the U.S.A.**

We must recognize two general types of motives behind the effort to establish the ICC. One is a widespread, irrational form of expression of an otherwise justified resentment against the present English-speaking powers of the U.S.A. and the British monarchy (the United Kingdom, Canada, Australia, New Zealand, most notably); a resentment comparable to a conspiracy by mice to bell the cat. The second, is the product of the intention of certain powerful, imperialistic factions among those English-speaking powers, to impose a new, globalized form of Roman Empire upon the entirety of a post-Soviet world. In the politically and historically purblind eyes of most of today’s poorly educated world, the lurking intention is to destroy that United States which they have come increasingly to choose as the principal focus of their hatred.

The likely result of such anti-U.S. impulses, were they temporarily successful, would be something like a Jacobin Terror, or worse, followed by something worse than the first fascist tyranny in modern history, the imperial reign of Napoleon Bonaparte.

The sane approach to those real problems which evoke mounting rage around much of today’s world, is to recognize the implications of the distinction between the founding, Constitutional party of the U.S.A., and what President Franklin Roosevelt denounced as the American Tory party.

It must also be recognized, that the rise of the U.S.A. to a status of being, for a time, the only power in the world at large, in 1945, was chiefly a result of those continuing failures of the combined imperial British monarchy and continental Europe which are associated with the two so-called “world wars” of the 1894-1945 period. The combination of the Prince of Wales and later King, Edward VII; the follies of the cabal assembled around Clemenceau; and each emperor—of Germany, Austria, Russia—a bigger, worse fool than the other; and the role of British-allied Japan in launching war against China, Korea, and Russia; reflected an organic rottenness at the top-most level of European political society which set into motion the succession of wars of the 1894-1945 interval, from which Europe has not recovered to the present day. It is precisely the type of intellectual bankruptcy which brought about Europe’s and Japan’s self-destruction during that interval, which has come again to the surface in such instances as the attempted ICC coup against the principle of the sovereign nation-state.

To focus upon Europe itself, for the moment, the rottenness which misled Europe into the wars of the 1894-1945 interval, was chiefly the failure of Europe to free itself of the legacy of ancient imperial Rome and its feudal aftermath. Inside Europe, the relevant conflict has been expressed chiefly as recurring struggle for supremacy between a Romantic and a Classical tradition. The United States’ Constitution, for example, is chiefly

the product of the European Classical tradition, as marked by the Fifteenth-Century Renaissance, the Treaty of Westphalia, the leading influence of Gottfried Leibniz during his adult lifetime and later, and the great Classical movement of J.S. Bach, Lessing, Mendelssohn, Gauss, Mozart, Beethoven, Schiller, Lazare Carnot, Scharnhorst, Gauss, the Humboldts, et al.

The relics of the Caesar tradition such as the Habsburg reign, the British monarchy, the German Kaiser, and Russian Czar, and the tradition of Louis XIV, Napoleon Bonaparte, Napoleon III in France, are typical of the top-down and other influences of the Romantic tradition which led Japan and Europe into the series of devastating wars of the 1894-1945 interval.

Within the mainstream of European Romanticism, a special variety, called empiricism, was introduced to the Netherlands, England, and elsewhere by the sometime de facto lord of Venice, Paolo Sarpi. This influence was expressed, most notably, in the political form of the Anglo-Dutch philosophical liberalism. The most typical of these liberals are John Locke and the radical utopian key figure of the British Foreign Office, Jeremy Bentham. The imprint of Locke and Bentham is the most characteristic expression of what might pass for a philosophy of law within the overriding Romantic characteristics of the Rome Statute as presented.

Meanwhile, inside the U.S.A. itself, the most extremely objectionable developments within the practice of domestic and foreign policies of practice, are typified by the ugly spectacle of U.S. Federal Associate Justice Antonin Scalia, who typifies a current in U.S. law into a radically positivist, even dictionary-nominalist version of Locke. The combined effect, radiating from Scalia and his like, is a fascist degeneration in law worse than that associated with the legacies of Hegel, Savigny, and Carl Schmitt in the emergence of the Hitler dictatorship in Germany.

Today, the root cause of the objectionable roles by the U.S.A., is the spread of the types of corrupting liberal and other Romantic influences which I have referenced here, from the British monarchy and continental Europe, into the Americas. Since the 1689 suppression of the constitution of the Massachusetts Bay Colony by the liberal tyranny of the India Company's William of Orange, and, most notably, since the 1763 division of the North American population between patriots and American Tories, all those impulses contrary to the intent of the leading founders of the republic, including slavery, were imported afflictions imposed by the British monarchy and such as drug-trafficking Britain's slave-trading lackey, the Spanish monarchy.

It is from those same European Romantic and liberal influences, that every justly objectionable practice of the U.S.A. has obtained its motivation. The kind of argument in law, prevalent in the frankly utopian Rome Statute, is itself an expression of the same philosophy of law which Europeans and others have sought to introduce, contrary to the intent of the Constitution of the U.S.A.

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## 2. The Fate of the Rome Statute

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A world which might seek to implement the Rome Statute, is a world whose governments have lost the moral fitness to survive the perilous state of global affairs into which civilization as a whole is being plunged today.

The "crash" of the present world-monetary-financial system is imminent. Conditions, inside the U.S.A. itself and around the world, have entered a state of accelerating turbulence which must be brought to an end, very soon, one way or another. Among literate circles, only a few idiots, here and there, actually believe in a prospective recovery of this world system in its present form.

There will never be a recovery of the present world monetary-financial system in its present form. Any attempt to enforce collection of present accumulations of nominal debts, would ensure a relatively immediate collapse of the entire planet into a chain-reaction-like plunge into a New Dark Age far worse than the Lombard-banking-driven New Dark Age of Europe's 14th Century, and comparable to, or far worse than the Dark Age of Europe created by the inevitable downfall of the rotten Roman Empire.

Already, the amount of debt-service required, to roll over the existing mass of world debt, exceeds the allowable margin of deductions from total output of the world's economy as a whole. Most of the financial debt of nations and their essential banking and other institutions must be summarily cancelled, or frozen, if a plunge into a Dark Age is to be avoided. If that decision is not implemented, civilization will have failed to muster the moral fitness to survive.

In the event that nations are sane, that debt-cancellation, that reorganization will occur, both within nations, and among nations. The organization of a recovery will depend upon reversing promptly recent decades' trends toward deregulation and globalization. Only an earlier and most emphatic return to the standards of sovereign nation-state regulation of economy, could rescue mankind from an otherwise inevitable debacle.

As I have had occasion to explain, repeatedly, on sundry recent occasions, the relevant English-speaking powers behind the present intent to launch a war of virtual extermination against Islam, reflects the intent of certifiable creatures such as Bernard Lewis, Zbigniew Brzezinski, Samuel P. Huntington, and others, to exploit the aftermath of the collapse of the Soviet system, to establish an English-speaking new Roman Empire world-wide. There is a notable element of farce in those intentions. The Romans launched their empire at the height of their power; today's utopian fools are committed fatally to launch a new Roman Empire at the fag-end of its existence.

Therefore, the danger in each of sundry attempts at imperial globalization, such as the ICC project, is doomed to be buried soon in its own ashes, one way or another. Were the attempt successful, only temporarily, it would carry all civilization into those ashes with it.

The Rome Statute will therefore either die quietly amid the growing contempt it deserves, or it will end soon like Belshazzar's Feast.

# Mediterranean Union: Oasis or Mirage?

by Christine Bierre

Two words come to mind when trying to evaluate the founding in Paris, over the July 12-13 weekend, of Nicolas Sarkozy's Union for the Mediterranean. The first is an oasis, an area of vegetation in the midst of a desert, around which man builds the possibility for life to exist. A water source where travellers can drink and refresh themselves, oases have been, historically, commercial crossroads for travellers and trade. The other is *Fata Morgana*, which, contrary to a source of life, designates a purely optical illusion. That type of mirage was first identified by the Crusaders who, when sailing in the mist by the Messina Strait in the Mediterranean, believed they were seeing fantastic castles reflected on the waves.

Such are the two possible directions for the Union for the Mediterranean (UfM) launched by French President Nicolas Sarkozy, whose founding sometimes took on a grandiose character typical of events which could have long-lasting effects on the world. No fewer than 43 heads of state gathered around the table to discuss peace and development projects, among them, the leaders of countries involved in what have been among the longest and most difficult conflicts in contemporary history: Israel, the Palestinian Authority, Hamas, Lebanon, and Syria.

In the beginning, the UfM's stated scope was limited to economics, bringing peace and stability to the nations of the Mediterranean, through cooperation on great projects of mutual interest. However, as Syrian President Bashar al-Assad declared in an interview on Radio France International, "This approach revealed itself to be unrealistic, which is why we Arab partners asked that the political panel be considered as central."

And indeed, in the end it is perhaps the political issues dealt within the context of the summit, which will have a bigger impact than the economic aspects. The fact of assembling in Paris, at the same table, the main actors from countries in conflict in Southwest Asia, was a strong signal for peace, at the very moment when the British Empire is on rampage worldwide, trying to take advantage of the political void created by the lame-duck period of the Bush Administration, to provoke a war against Iran. Whether or not the British and the Bush Administration will move for war against Iran was, of course, one of the main topics of speculation at the summit. In the same interview mentioned above, Syrian President Assad said that there was no objective reason for war, but warned that, "the American administration is one whose policy is founded on war and seeks for pretexts to justify mil-

itary operations only later."

Beyond the usual jargon of summitry, intense political activity occurred in bilateral talks on the side of the summit. The presence of Turkish Prime Minister Tayyip Erdogan was the occasion for more progress on the indirect talks between Assad and Israeli Prime Minister Ehud Olmert; there were meetings between Egyptian President Hosni Mubarak and Assad; and those between Assad and Mahmoud Abbas, President of the Palestinian Authority, will also contribute to re-establishing unity among Palestinians, given the influence that Syria can exert on Hamas, whose top leader is based in Damascus. The announcement by the Syrian President that he is willing to exchange ambassadors with Lebanon, a first since the independence process began 60 years ago, will eliminate, once and for all, ambiguities concerning Syria's acceptance of Lebanese independence. The bilateral meetings between Assad and the new Lebanese President Michel Sleiman will further contribute to normalization of the relations between both countries.

Finally, outside the scope of the UfM meeting, and confirming a general tendency towards conflict reduction, Israel and Lebanon exchanged prisoners and the remains of soldiers who fell in the successive wars between both countries, including the remains of the two Israeli soldiers whose capture by Hezbollah had provided Israel with a pretext for the war against Lebanon in 2006.

## A Strong Franco-Syrian Relationship

Above all, the two main elements emerging from the summit are the new central role of Syria, at the crossroads of all these conflicts, and the strategic partnership between France and Syria, which goes well beyond a simple reestablishment of the relations broken in 2001 by former French President Jacques Chirac, following the murder of his personal friend, former Lebanese Prime Minister Rafik Hariri, in February 2005. Sarkozy announced that he will be travelling to Damascus before mid-September, a trip that will be prepared by the visit of Syrian Vice Prime Minister Abdullah Dardari, and of French Foreign Minister Bernard Kouchner to Syria in the coming days.

During the joint press conference of Sarkozy and Sleiman, Assad also proposed that France co-sponsor the Israeli-Syrian peace process, with the United States. Insisting that this process will not get off the ground without the United States, and without a new U.S. administration, Assad underlined the complementary role that France could play: "Through its knowledge and its historic relations with our region, ... France can help the Americans elaborate a vision. The United States is far from this region, and it is difficult for them to understand the details of many of the events which occur there. There, the role of France can intervene, not as a simple mediator but rather as a partner of the United States, in the sponsoring of the peace process when direct negotiations take place." In other interviews, Assad indicated that the aim of the pres-

ent, indirect negotiations with Israelis is to reestablish trust after many years in which there were no discussions of the recent Israeli war against Lebanon, and other such incidents.

Another of Syria's preoccupations which will lead to further negotiations with France, is the disastrous economic situation of the country, in particular concerning food supplies and agricultural production, due to the huge rises in oil prices. Syria is on the lookout for preferential oil contracts with different suppliers, and is especially considering the need to build its own refinery at home. Christian de Marjorie, president of the French oil company Total, which already has a strong presence in Syria, will arrive soon in Damascus to discuss such matters. Assad mentioned also the possibility of transporting "oil between Syria and Iraq, in a North-South axis between Turkey and the Gulf, and East-West, up to the Mediterranean."

Although Syria has gone a long way from its classification by the U.S. as a "terrorist country," through its official leadership of the Arab League, and its participation in this summit, to reintegrating itself with the international community, Assad didn't push his luck by calling for French cooperation to develop civilian nuclear power. He stated ironically that Syria would only be allowed to have nuclear technologies, "when all the other countries in the world have them."

### **Calm in the Midst of the Storm**

While the French contribution to peace at the summit was a strong one, demonstrating once again what France can do when it acts on its sense of mission towards the world, the fact is that the French initiatives are taking place in the midst of one of the worst economic storms since the end of World War II. Can this lead to permanent peace? Is this initiative aimed only at securing the dangerous period before a new U.S. administration takes power in January? The factors of instability which could cause this initiative to fail are enormous, starting with the possible fall of Ehud Olmert; nobody knows if he will be able to carry out his engagement for peace until that is determined. And even if the Israeli chiefs of staff and the Mossad seem to be against a war against Iran, Likud party leader Benjamin Netanyahu is still on a war footing, as are his sponsors in Britain and in the United States. While Lebanon has been greatly stabilized by the new national unity government—the opposition is confident with its 11 ministers, and with the important, even though symbolic presence of a close collaborator of Lebanese Gen. Michel Aoun (ret.), Vice President Issam Abou Jamra—Saudi Arabia is still financing Salafist terror in several areas of the country.

But it is undoubtedly the economic side of this policy which is likely to sink deeply in the Mediterranean, like the fantastic castles imagined by the Crusaders. While it is not impossible that such an organization could play a useful role in strengthening the collaboration between the two sides of the Mediterranean, in order to do so, it would have had to be based on principles totally counter to those that have led the world economic system to the present financial chaos. The

stated objectives of the UfM are to promote joint economic great projects in order to better deal, through growth, with the problems of poverty, immigration, and security. An added objective is to give Europe and the Mediterranean region further leverage to face up to the "ferocious" competition of Asia on the one hand, and the United States on the other.

In view of these objectives, it was a grave mistake for France to back down to German Chancellor Angela Merkel's pressure to place the Mediterranean Union partially under the control of the European Union, and to adopt once again the agenda of the Barcelona Process launched ten years ago by the EU, which has been a total failure. A Union for the Mediterranean created outside the EU, assembling only the Mediterranean countries around economic projects of common interest, as the original project called for, could have opened the way for decisions among sovereign nations, to proceed with some useful projects. Originally, water management, rapid transit systems, and even nuclear energy projects were discussed. But no sooner had these proposals been made public, than advisors to the German Chancellor were already panicking that France would use this occasion to promote its nuclear power stations and TGV trains everywhere!

Instead of taking up those projects, the EU's list of projects of low-intensity technologies was adopted, among them, the de-pollution of the Mediterranean, the establishing of sea highways (ferrying of trucks from one side of the Mediterranean to the other), the creation of 44 solar energy plants, and the founding of an association to support small and medium-sized companies. Moroccan, Tunisian, and Algerian officials and experts interviewed during the summit expressed distress over the fact that the Union was not dealing with the grave problems of the moment: the food crisis, the lack of sufficient water, the need to develop nuclear power as an alternative to the present hyperinflation of oil prices, rapid transportation corridors along the coasts, and bridges.

Even Jean Louis Guigou, whose IPeMed (Institute of Economic Forecasting for the Greater Mediterranean) played a role in the founding of the UfM, timidly proposed some high-technology projects, and expressed his bitterness in an interview to France Info radio on July 14, calling the de-pollution of the Mediterranean a "project for the rich." Guigou complained that nothing was said about such key projects as electrification or water generation.

Other elements of the Barcelona Process run counter to the stated aims of the UfM, such as the projected free-trade zone to emerge by 2010, which, with its opening of all borders, will only generate legions of unemployed and lower the living standards of the people, increasing out-of-control immigration and security problems.

In the midst of possibly the worst financial crash in all history, the project of the Union for the Mediterranean, as it stands now, will most likely be swept away by the wind, like the sands of the legacy of King Ozymandias of Shelley's celebrated poem.

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# International Intelligence

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## ***Afghan Drugs: \$150 Billion To International Bankers***

Zaid Hamid, security expert and head of the Pakistani think-tank BrassTacks, told the Turkish news agency Adnkronos International July 12, "The total drug economy of Afghanistan is estimated to be \$150 billion, out of which only \$1 billion returns to Afghanistan. The rest is laundered through the international banking system, which indicates that several other players are involved in the game of drug trafficking, and the receipts to the Afghan insurgency are very small." Among those other players, he mentioned, are Afghan officials.

Hamid said that Russian and Chinese anti-narcotics forces had recently told their colleagues in Pakistan that the flow of drugs from Afghanistan into their respective countries had reached a crisis. "The figures provided to Pakistan suggested the majority of the drug smuggling is taking place through northern corridors," a non-Taliban area, he said.

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## ***Colombia, Venezuela Foil British Plans for Chaos***

Much to the dismay of the British Empire's game-masters, who have been trying to unleash regional war in South America, the Presidents of Colombia and Venezuela met on July 11, in the Venezuelan state of Falcon, and agreed to a broad-ranging and optimistic agenda of joint infrastructure projects, involving railroads, food production, energy, and water. Prominent among the projects discussed was the proposed Colombia-Venezuela railroad.

A summit of this nature between Venezuela's Hugo Chávez and Colombia's Álvaro Uribe would have been impossible a month ago, due to political tensions between the two. But the Colombian Army's stunning July 2 rescue of 15 hostages held by the narco-terrorist FARC, followed by Uribe's acceptance of Chávez's proposal to build a Colombian-Venezuelan railroad, has altered

the regional dynamic, and laid the basis for "kicking the British out of the Americas," as Lyndon LaRouche has proposed.

In the press conference following their long private meeting, both Chávez and Uribe emphasized that "a new phase" has begun in their relations: They frankly discussed the causes for past tensions, and committed themselves to working together to bring about improved living standards and economic development of their combined population of 71 million people, through joint "productive projects." Colombians and Venezuelans "are the same," Uribe said. "We are brothers; brothers in history, in the present, and in the future, and knowledge of that reality facilitates everything."

Uribe noted that the combined Colombian and Venezuelan plains regions are one of the few areas in the world where land under cultivation for food production could easily be increased. But, he added, big agriculture projects "need railroads and water transportation. We have the possibility of building the water transport, and with great effort, we can build the railroad too."

Within eight weeks, the foreign ministers and other officials from both countries will be meeting to follow up on the summit, and plan concretely how to proceed on individual projects.

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## ***WWF Lackey Threatens Mexican Water Planners***

The deputy director for Hydroagricultural Infrastructure Development of Mexico's National Water Commission (Conagua), Sergio Soto Priante, threatened to harass leaders of the citizens' committee that is advocating construction of the great tristate North West Hydraulic Plan (the Pro-PLHINO Committee), if they do not stop "raising false expectations" among the Mexican people that the government could take measures to ensure there will be enough food to eat in the country.

The PLHINO would transfer water now being lost to the sea in Nayarit and southern Sinoloa, moving it north through a series of dams, tunnels, and canals, to open up exten-

sive new agricultural lands in Sinoloa and its northern neighbor, Sonora. The Committee has gained tremendous support in the three states for its demand that the government immediately get the project under way, to secure Mexico's food supply and provide jobs as the global financial system collapses.

Meeting with three leaders of the Pro-PLHINO Committee on July 4 in Mexico City, and in the presence of other Conagua officials and a representative of the Congressional Rural Development Committee, Soto Priante put up lying arguments about the PLHINO costing too much, being too far off, etc., but then got nasty. "We know who is doing this press campaign. . . . It were better if you didn't go around creating false expectations in the people," Soto Priante reportedly threatened. "But if you continue this press campaign, we are going to respond, too. We can tape, photograph, and monitor you."

Such thuggish threats coming from Conagua reflect the character of its current leadership. Soto Priante's boss, Conagua Director José Luis Luege Tamargo, works for the World Wide Fund for Nature (WWF), founded by Britain's Prince Philip and the late, erstwhile card-carrying Nazi Party member Prince Bernhard of the Netherlands. In 2007, Luege Tamargo's protégé and former Conagua official, Rene Bolio, led the organizing for a new political party of the National Synarchist Union, a union which was founded in the 1930s by agents of Hitler's Nazi Party.

"Is this the way the Bush Administration influence in Mexico is being expressed?" Lyndon LaRouche asked. LaRouche has campaigned for U.S. support for the PLHINO water project for decades.

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## ***Turkey and Iraq Sign Cooperation Agreement***

Turkish Prime Minister Recep Tayyip Erdogan and his Iraqi counterpart, Nouri al-Maliki, signed an agreement on July 12 that is being called a strategic "Turkish-Iraqi axis," comparable to the Franco-German peace treaty of 1962 signed between President Charles de Gaulle and Chancellor Konrad

# Briefly

**RUSSIAN UN** Ambassador Vitaly Churkin on July 11 renewed the Russian call for setting up a “security belt” around Afghanistan to block the international opium trade. This proposal, to stop the drugs themselves and the money used to finance both the drug trade and terror operations, had already been put forward by Russia at the summit of the Shanghai Cooperation Organization (SCO) in Bishkek, Kyrgyzstan, in August 2007.

**GIULIO TREMONTI**, Italian Finance Minister, interviewed by the Milan daily *Corriere della Sera* July 13, declared that, “2009 will be the year of the Italian G8 [presidency] and this can be the basis for developing an initiative aimed at re-making Bretton Woods.”

**COLOMBIA'S** Jaime Bermudez Merizalde, immediately after being sworn in as foreign minister on July 17, announced that one of his most important tasks would be to get the world, and most particularly Europe, to understand Colombia's battle against terrorism and drugs. The FARC narco-terrorists have counted on European support, even the public blessing of the British Foreign Office, for years.

**BRITISH MEDIA** and assets in Argentina spent July 17 gloating over the electoral defeat which President Cristina Fernández de Kirchner suffered at 4:00 a.m., when the Senate voted down—by a single, tie-breaking vote—the export tax bill submitted to the Congress some weeks ago. Had it not been for brutal pressures and threats made against pro-government legislators, the bill probably would have passed. Its purpose was to keep more of the country's agricultural production at home, to serve domestic needs.

**SPAIN'S** secretary general of the ruling ruling Socialist Party (PSOE), charged on July 18 that the country's leading bank, Santander, sank Spanish real estate company Martinsa-Fadesa in order to raise liquidity “to save Great Britain's economy.”

Adenauer. Such an agreement could potentially overturn a very important part of the British strategic gameplan for destabilizing Southwest Asia.

Erdogan made his first official visit to Iraq July 10, and was said to have been given a red-carpet treatment.

“This is a first for Turkey. We have signed no such agreement with any other country to date,” Erdogan is quoted in the Turkish daily *Zaman*. The accord calls for the creation of a high-level council for “strategic cooperation.” Ministers for security, energy, trade, investment, and water resources will sit on the council, and meet at least once a year to review progress.

Barham Saleh, the Iraqi deputy prime minister, said the agreement is “significant enough to change the entire Middle East” and would create a “Turkish-Iraqi axis.”

One of the key projects is a proposed gas pipeline to be built alongside the existing oil pipeline from Kirkuk, in northern Iraq, to the Turkish Mediterranean port of Yumurtalik. The gas could then be pumped into the proposed Nabucco pipeline and transported to Europe. Commenting on the project, Erdogan said, “We are not talking about economic relations here. We are actually going into economic integration with Iraq.”

## *Sarkozy Lecture on Lisbon Enrages the Irish*

Suggestions that French President Nicolas Sarkozy would use his visit to Dublin July 21, to pressure Ireland to hold a second vote on the Lisbon Treaty as soon as possible, have infuriated the Irish—including those who voted “Yes” to the EU's Treaty, but who, like those who voted against it, feel mistreated by arrogant continental European leaders, in the wake of the June 12 referendum. The Irish “No” vote stymied supranational leaders of the European Union who want the Treaty passed without discussion, since it quietly strips nations of their sovereignty.

Through the Irish media, Irish Foreign Minister Michael Martin on July 16 told

Sarkozy, who is also this semester's European Union president, that the people of Ireland have voted, and that vote has to be respected, instead of giving Ireland lectures from abroad. Martin said that his government clearly told the other EU leaders at the recent Brussels summit that Ireland needs some time to work out a strategy for what to do after the referendum, and that his country does not want to be put under pressure to vote again “on a treaty that is already dead, actually.”

## *Ivashov Calls for Tough Response to U.S. Missiles*

Russia must use economic and political means, and military ties with Asia, to punish European states that agree to host U.S. missile defense elements, Col. Gen. Leonid Ivashov (ret.), the head of the Moscow-based Academy of Geopolitical Sciences, said July 9, in response to the Czech-U.S. deal to install a missile-tracking radar system, signed in Prague the day before. “Russia should not limit itself to statements,” he said. “We must have a plan, adopted by the Russian Security Council, setting out measures on the economic, political, and military cooperation levels.”

Ivashov, who headed the main directorate for military cooperation at the Russian Defense Ministry in 1996-2001, told RIA Novosti: “On the political level, we must suspend our cooperation with NATO, because it brings us nothing but harm.” As an alternative, he suggested that Russia start negotiations with China, India, and other countries to form a global alliance against the U.S. missile shield in Europe.

“A relevant decision must be made, at least in the framework of the Collective Security Treaty Organization,” Ivashov said. The CSTO is a regional security alliance comprising Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. On the economic level, he said, Russia must restrict imports and exports from and to countries which allow the placement of U.S. missile defense systems on their territory.

# When VA Fails, States Have To Fill the Gap

by Carl Osgood

If the Veterans Affairs system were well led and fully resourced, the services that states provide to veterans would be complements to those provided at the Federal level. Instead, the states, at a time when their own budgets are being clobbered by the economic collapse, are finding that they have to deal with what has become a public health crisis, due to the Bush Administration's refusal to take responsibility for all the consequences of its wars in Iraq and Afghanistan. Suicide and domestic violence are two of the most visible results, but unemployment, and loss of families and homes are also common problems that result when veterans are not able to adjust back to civilian life after serving combat tours in Iraq or Afghanistan.

The following are a few examples of what can go wrong, when a veteran is unable to cope after returning from war.

- In January 2007, Jonathon Schulze, a former marine who had served in Iraq, went to the Veterans Affairs hospital in St. Cloud, Minn., told a staff member he was thinking of killing himself, and asked to be admitted to the mental health unit. He was told he couldn't be admitted that day, and the next day he was put on a waiting list. Four days later, he hung himself from an electrical cord in his home.

- On March 4, 2007, Montana National Guardsman Chris Dana shot himself in the head with a .22-caliber rifle, two years after returning from a tour in Iraq. According to news accounts, he had slipped into a mental abyss so quietly that, at first, no one noticed.

- On May 29, 2007, Minnesota National Guardsman Brian Skold, a veteran of a one-year tour in Iraq, was killed by state police during a confrontation on Interstate 94. Initial reports indicated that he had been suicidal in the past.

These are only three of perhaps thousands of examples of the possible impact of leaving veterans untreated for behavioral health issues arising from their service. Montana Gov. Brian Schweitzer told McClatchy Newspapers, after the Dana suicide, "The federal government does a remarkable job of converting a citizen to a warrior. I think they have an equal responsibility converting a warrior back to a citizen." This, however, is exactly where the Bush Administration, through the Department of Defense and the Department of Veterans Affairs, has largely failed. And, when the Federal government

fails to provide the benefits and care that veterans need and are entitled to, the fallout comes on the states, local governments, and the communities where the veterans live.

## Evidence of Failure

A number of states have had to pick up the slack, because they, like the Federal government, have a mandate to provide for the safety and health of their citizens. For example, the Minnesota National Guard has a program called "Beyond the Yellow Ribbon," a series of day-long training events after Guardsmen return from active duty, which helps them re-learn how to be civilians. In Massachusetts, medical responders are receiving training to help them recognize and assist troubled veterans who may be engaged in risk-taking behaviors, so that they can be directly referred to the VA.

However, such state efforts are often to fill gaps left by the negligence of the VA, as a recent lawsuit in San Francisco has documented. The suit, filed last Summer, by Veterans for Common Sense (VCS) and Veterans United for Truth (VUFT), charged have "been exposed to a system-wide pattern of abusive and illegal administrative practices," including denial of medical care and disability claims. These practices, the suit said, have been enabled by "[v]arious impingements on the Constitutional rights of veterans," without remedy under existing law. The government responded by arguing that Congress has left the provision of medical care and benefits for veterans to the discretion of the Secretary of Veterans Affairs, and that the court did not have the authority to order the remedies that the veterans groups were seeking. (See "Austerity Threatens Veterans, Too," *EIR*, Feb. 29, 2008.)

After a two-week trial in April, Judge Samuel Conti ruled on June 25, in favor of the government, on legal grounds having to do with sovereign immunity and whether or not he had the jurisdiction to order the relief that the plaintiffs were seeking. Ironically, most of his factual findings were in favor of the plaintiffs. Conti noted, for example, that the defendants conceded that, indeed, veterans have complained of long wait times for treatment of post traumatic stress disorder (PTSD), and difficulties in obtaining mental health care in rural areas. He also noted that approximately one out of every three soldiers returning from Iraq was seen in the VA for a mental health issue within a year of their return. One internal VA report entered into evidence, reporting on recent trends in VA treatment of PTSD, found that while the number of veterans with PTSD doubled between 1997 and 2005, "the number of clinic contacts per veteran per year declined steadily and relatively uniformly across the years."

Early in the trial, the plaintiffs entered into evidence two internal VA e-mails that tended to reinforce the belief among veterans groups that the VA has been trying to cover up the magnitude of the problem of suicide among veterans. In one, dated Dec. 15, 2007, Dr. Ira Katz, the VA's top mental health official, wrote that "there are about 18 suicides per day among America's 25 million veterans" and that the "VA's own data



*A medic cares for a soldier injured during a rocket attack in Baghdad. The wars in Iraq and Afghanistan have created what one expert calls a “behavioral health epidemic,” as soldiers and their families have to cope with both the horrors of war and the difficulties of reintegrating into civilian society.*

USAF/Ssgt. Myles D. Cullen

demonstrate 4-5 suicides per day among those who receive care from us.” Katz wrote this e-mail approximately one month after a CBS News investigation, based on suicide data from 45 of the 50 states, discovered that 6,256 veterans had committed suicide in 2005, an average of 120 per week. At that time, Katz disputed the CBS findings, arguing that the figures were wrong, and declaring that, “there is no epidemic of suicide in [the] VA.”

Three months later, on Feb. 13, 2008, Katz wrote in another e-mail: “*Shh! Our suicide prevention coordinators are identifying about 1,000 suicide attempts per month among veterans we see in our medical facilities. Is this something we should (carefully) address ourselves in some sort of release before someone stumbles on it?*” (emphasis added).

### **Roundtable Discussion in Washington**

Regardless of whether the delays that veterans experience in getting care and benefits is systemic, an assertion that was disputed by Judge Conti, the fact is, that when a veteran falls through the cracks, he or she has to be picked up by the state. And while many states have special programs for veterans, for the most part, existing state agencies and services have to provide for them. This was the subject of a June 30 roundtable discussion organized in Washington, D.C. by Dr. Tom Frazier, a Virginia-based psychologist and long-time activist in promoting increased awareness of issues relating to food security, biological warfare dangers, among others, who has sponsored a series of public seminars drawing together government and private-sector experts.

The roundtable was attended by state officials from Vir-

ginia, officials from the Department of Defense (DoD), and other experts who testified to the magnitude of the problem faced by Virginia. Vincent Burgess, the state Commissioner of Veterans Services, reported that Virginia is one of the top three states in the number of troops it deploys, behind only California and North Carolina. He described the the Virginia Wounded Warrior Program, created by the state legislature earlier this year, which will have \$4.5 million to spend over the next two years to coordinate existing services so that every veteran has access to all of the services he needs.

David McGinnis, of the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services, declared that the wars in Iraq and Afghanistan have created a “behavioral health epidemic.” He reported that the state estimates it will get 60,000 veterans with behavioral health issues over the next 20 years, and when affected family members are included, the behavioral health problems in the state will have been doubled. “We [the state] are responsible for the quality of life of all the citizens of the Commonwealth of Virginia,” he said. Therefore, “We have a responsibility to protect Virginians from burdens created by outside agencies,” emphatically including the DoD and the VA. “Virginia has full status in this regard,” he added.

McGinnis later explained to *EIR* that both the VA system and the Virginia mental health system are meant to deal with the acute-care patient, that is, someone who’s already fallen out of society’s mainstream. When so many new veterans started falling out, this raised the question: “How many times are we going to let these guys down, as a nation, before they hit bottom?” This, he said, is what drove Virginia’s Wounded

Warrior Program. As for Virginia's responsibility, he said that, by law, "my department is the final safety net for everyone, including veterans. If they fall through the social system, it's our job to catch them." Just how many veterans are falling through the social services system, however, is not known, as Virginia, and probably most other states, have no way of tracking how many vets are in the mental health system, the justice system, or any other part of the social system. This makes it difficult to quantify the cost to the state for providing for this particular population.

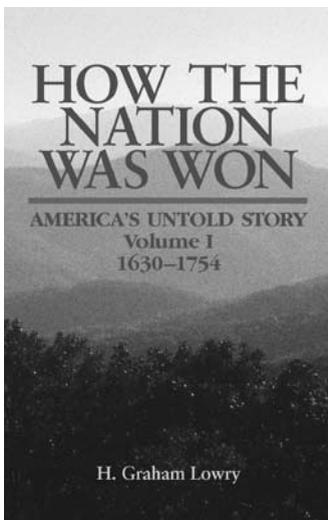
McGinnis commented that the VCS/VUFT lawsuit parallels many of the issues that the state deals with, in terms of providing access to care at the right time, to be meaningful to recovery. It's no secret that the earlier a veteran gets a diagnosis of PTSD or other mental illness, the easier it is to treat him. "If we don't get these things early, it's more difficult and more costly to deal with," he said, and more veterans will have more significant problems as a result.

Ultimately, however, it's a political question. Congress is going to have to thoroughly investigate and act on the malfeasance of the Bush/Cheney regime, and new leadership will have to take over the White House that not only makes care of veterans a top priority, but also pursues a strategic policy that would not create yet another generation of damaged veterans, resulting from the failure to consider the consequences of another Vietnam- or Iraq-style war.

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## LaRouche Interview

# Halt, Bankers! We Are The U.S. Government

*Lyndon LaRouche was interviewed for one hour July 6 on host Khari Enaharo's "Straight Talk Live" Sunday morning broadcast in Columbus, Ohio. The program was also streamed live on the website of the radio station Magic 98.9 website, [www.magic989.com](http://www.magic989.com). Here is an abridged transcript; sub-heads have been added.*

**Khari Enaharo:** In a recent online article entitled, "For the Moment, There Are Only Two Candidates," posted on June 6, on your website [www.larouchepac.com](http://www.larouchepac.com), you wrote the following statement: "The two current Presidential pre-candidates are Senators John McCain, a Republican, and Barack Obama, a Democrat. Both candidates have shown the temperament of a hand-grenade with a loose pin. With McCain, the problem is well known; with Obama, the problem of a flaky temperament is no longer hidden." You say, "It is doubtful that either will actually be nominated. Some people in the back room of politics have a different idea, people operating from behind the scenes at a very high level in the circles of world power. McCain and Obama are political chesspieces on the board; the fellows in the back room are chess players who know how a pawn becomes a queen."

Mr. LaRouche, this is quite a fascinating scenario and statement! Many would suggest, "Wait a minute, this is little bit over the top," especially when Mr. Obama and Mr. McCain are the presumptive Democratic and Republican nominees.... Do you stand by this statement, that was posted 30 days ago?

**Lyndon LaRouche:** Absolutely. That's the way things are going right now.

**Enaharo:** Okay. Give me some evidence to support that.

**LaRouche:** Well, first of all Obama is losing support rapidly, and that's not accidental. The people who backed him temporarily were only using him. And now that Hillary is technically aside from the race—she's still a candidate, of course, but, aside from the race—and now the advantage of using him is less. And he's made, of course, a lot of Democrats very angry, as well. And then, he's been changing his line. But all of this is orchestrated, I don't think he really knows what's happening to him.

McCain is known to be of a certain flakiness, that is, tending to go off wild.

We're now in a period in which ordinary politics doesn't



Lyndon LaRouche, as he appears in the 2008 LaRouche PAC DVD, "Firewall in Defense of the Nation-State."

work, anyway. We're now in the biggest financial crisis since the 1930s, since the early 1930s: This one is worldwide, and it's more serious now than anything then. And there is no attention, by either of the two putatively leading candidates now, to any of these issues! That is, what they're saying has no relevance to the cure of the problem which is crushing us, now. And that's where the problem lies.

And you can see it. I know from behind the scenes, as from London, certain forces that are operating in this case. I know about the consideration of the fight between chairman of the Democratic National Committee and the biggest funder—who is based in the Caribbean, actually, a Brit based in the Caribbean. I also know that most of the funding of most leading candidates in this campaign so far, has come from London, not from the United States. I also know, that the campaign organizations of the candidates, now, come chiefly from London, not from inside the United States.

### Obama, the 'Throwaway'

**Enaharo:** Now, you said something in your other writings, that he [Obama] is a "throwaway." What do you mean by the term "throwaway"? Now, many black people would be insulted by that. . . .

**LaRouche:** That he was brought in and boosted by some people from the Chicago Board of Trade and from Harvard University—that was his sponsorship. He came in with very little support, as a Senator of course, but very little support, very little recognition. And the people who funded him, were largely offshore: George Soros, for example, a multi-billionaire, who operates in the Caribbean, who's a British subject,

and who's typical of the people behind the funding of both the Democratic National Committee—as Howard "Scream"—and the Obama campaign. The Chicago Board of Trade, which is a financial institution of some notability, and this crowd at Harvard, managed to get support from the establishment, that is, from the financial establishment. And thus, a candidate, who was considered an "also-ran" for the Presidency, for the nomination, suddenly became the leading candidate based on this kind of support, through the mass press and so forth.

So he was getting in a sense, a free ride, in terms of this kind of support, and a *massive* funding. . . . This guy is not coming from poor people.

**Enaharo:** He says he has more individual contributors than ever; he says that more people are giving him money!

**LaRouche:** You have to look at the money. Where's the money coming from, where's the quarter of a billion dollars coming from?

**Enaharo:** Let's follow the money: Where is it coming from?

**LaRouche:** Largely from the Caribbean, from the British Empire bases in the Caribbean, typified by George Soros. And George Soros operates out of the Cayman Islands, and he's a British agent. The money he has and gives is not really his own: He's an agent of a British financial interest. And he's deployed into the United States, to shape the policies of the United States. He coordinates with a guy who's the same guy that put this fascist Pinochet into power in Chile, some years ago, Felix Rohatyn. And they control part of the Congress, for example, Nancy Pelosi is controlled by these people. Howard Dean, the chairman of the Democratic National Committee, has been controlled by these people. Now there's a break between Howard Dean and Soros. And it's Soros, the former owner of MoveOn, who has been the key factor in this operation.

**Enaharo:** Now, what will this breakdown crisis look like? Give me some specific information to let me know when we've reached a breakdown crisis point?

**LaRouche:** We're already in it. All you have to do is look around you. Accept the reality, and just grasp the reality: Any citizen who just sits down and does that, knows it. Most people are complaining about it, most people are terrified by it. The price of food: Do you realize that over 40 to 50% of the world's population is on the verge of starvation? And do you realize that when inflation occurs, as it is occurring—it's hyperinflation, actually—that you have politicians from leading countries, saying that the problem is caused by poor people in China, India, and so forth—*are eating too much!* And they're down to one meal a day, if that! Most, about 40% of the world, is in danger of a food shortage on their tables. And this is a killer: It's becoming worse. That's typical.

The loss of jobs. We've lost the auto industry, since 2004-2005. We lost it! We don't have our own auto industry any more. We have some Japanese auto industry; we have some other foreign-owned auto industry. We don't have our own money any more, it comes from the international financial community.

And everything is becoming worse.... It's becoming worse, it's becoming *terribly* worse. This is worse, already, than the 1929 crash....

## The Anglo-Dutch Oil War

**Enaharo:** Let me go to the gas prices for a second. Most people believe gas prices are high because of people in the Middle East, like Arabs, who control it. But you have said gas and oil is not controlled by Arabs, it's controlled by the British! What do you mean?

**LaRouche:** Well, the British have a pact with Saudi Arabia. This pact involves one of the wealthiest intelligence operations in the world, called BAE. BAE was set up by a British agent who's a Saudi national, and was, for a long time, an ambassador to the United States from Saudi Arabia. What happened was, back in the 1970s, we had an oil-price crisis. Now, there was no oil shortage at that time. We were told that there was an oil shortage, we were told that the Saudis set it up. Well, that was essentially bunk.

We had ships full of oil, sitting off the coast of the United States, waiting to unload; we had all the petroleum we needed. There never was an oil shortage, an objective oil shortage. There was a synthetic oil shortage arranged by certain people centered in London. Now, at that time, when the oil crisis occurred, the world was operating on the basis of generally fixed arrangements, on long-term contracts for oil prices. And they had a spot market operating out of Rotterdam and Amsterdam, which was dealing with a very small amount of the oil traded. Suddenly, through the oil crisis, the *artificial* oil crisis, orchestrated by London, you got this crisis, oil shortage: then you had a zooming of the spot market, which was jointly controlled between the Saudi Kingdom and London! And since that time, the petroleum policy, the power policy of the world, has been controlled by forces associated with this spot market.

Today, the price of petroleum is not determined by costs, not real costs. It's determined by a speculative agency, the spot market, which is Anglo-American and also Saudi. The Saudis are also part of British intelligence, one of the most important branches of British intelligence called BAE, and the Saudis are a big stockholder in BAE. So you have British-Saudi alliance of this type, centered on the spot market, which is controlling the price of petroleum inside the United States.

**Enaharo:** Mr. LaRouche, in a book published by *Executive Intelligence Review*, entitled *Dope, Inc.*, your organization says the British are controlling the world's drug trade. Now this is something *completely* different than we have

heard all over the media; because we always hear that it originates in the African-American community, the mafia, the Colombians, in Mexico. We *never* heard that it was the British!

**LaRouche:** Why don't you look back to the 18th Century, when we were still struggling for independence. And we were struggling against the British interests which already were engaged in two kinds of trade which are very nasty, but they were major traders: Slavery, the trade in African slaves, which was British controlled, Anglo-Dutch controlled, but largely British controlled. The British gave up the slave trade *for themselves*, in the 1790s, but what they did is, they transferred it to others, because it was not profitable for them. But they wanted the development of slavery inside the United States, as a weapon for splitting the United States, which is what became the Civil War. And they continued the control of this market.

In the 1790s, the British East India Company, which was running the slave trade, and was running the opium trade, used the opium which was being developed in Turkey and in India, to open up a market in China for opium! This led to the Opium Wars, up to the 1850s, where the British invaded, conducted a war against China, in order to enforce the traffic of opium.

The entire drug traffic, the international drug traffic today, is controlled out of London—still! But you don't read it in the press; you say, well, who's financing our major press? Who owns the *New York Times*? Who owns the *Washington Post*? Who owns the large major media? Who took over control of the broadcast media? With money—it gets very interesting. So, naturally we don't hear the truth about this stuff.

Right now, we had an interesting thing in Colombia, where the Colombians got some of the captives of this terrorist mob down there, and got them out to freedom. That was run by these guys: I've been dealing with that. What we wrote in *Dope, Inc.* was simply documentation of the truth. I've got a hands-on knowledge of this stuff. I was in a hands-on fight against the drug traffickers. This is not a domestic problem: It became a domestic problem, because somebody dumped it on us, from the outside.

**Enaharo:** Mr. LaRouche, what is the Anglo-Dutch oligarchy? I've heard you use that term, over and over again. What does it mean, who's involved, how is it constituted, and how does it operate?

**LaRouche:** Well, it's really an empire, but it has a special form. We're familiar with empires from Asia, and then we have the empires developed in Europe, the Roman Empire, its successor the Byzantine Empire; then you had the Crusader empire, which was run actually by the Venetian financial interests. You had the British Empire as such, which emerged in the process. We made a revolution against the British Empire, actually: It's when the British Empire was formed in 1763 that we began to revolt against the British, here in this country.

So, this is an old story. Admittedly, with our schools being what they are these days, and with what our newspapers are, the obvious, evident, massive truth, the most easily accessed truth from the standpoint of fact, is simply ignored! And you know, we are lied to—I think you probably have seen that, when you look at the mass media, and look at what you know yourself on the street, we're lied to, massively.

### **Bloomberg: Rockefeller Foundation Fascist**

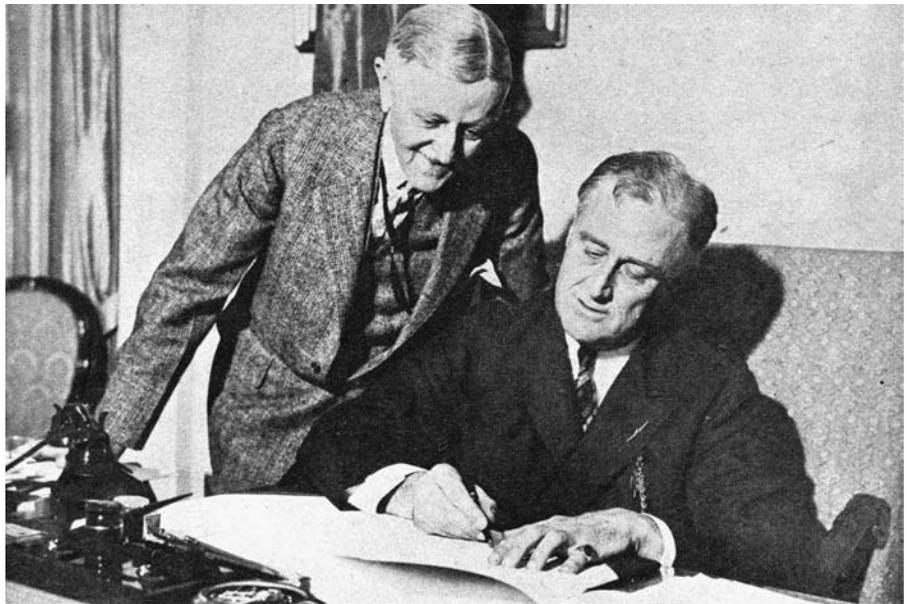
**Enaharo:** Mr. LaRouche, I want to circle back: You have stated that Mr. Obama and Mr. McCain will not be left standing for their respective nominations. You've also said that Mr. Al Gore lurks somewhere in the background. If not Mr. Obama and Mr. McCain, then who?

**LaRouche:** Well, you've got all kinds of problems here. You've got in the background, coming up fast, the Mayor of New York, Bloomberg; the man's a fascist. He's controlled, used, by the Rockefeller Foundation which has a policy essentially of shutting down the U.S. government, and having public infrastructure taken over by private finance. This is the same program which was used by Mussolini in taking power in Italy, back in the 1920s. You have Al Gore: Al Gore is a British agent, even though he was formally a Vice President of the United States, and I would prefer a possum to him, in the Presidency—

**Enaharo:** Let's go back to Michael Bloomberg. You said, "he's coming up fast"—as a Republican? As a Democrat? Which way is he going?

**LaRouche:** He's interchangeable. We're headed toward a nonpartisan dictatorship in the United States, unless we change things. That is, the scrambling of politics, so no longer do you have politics determined by people lining up on political issues and economic issues. You now have like a fascist system: Where it's agreed-upon that so-and-so is going to be the President, until we make a coup against him; that we're going to have a certain national policy, which is in the interests of the financiers of the United States, the same ones that are going bankrupt now, the banks and the financial institutions that are collapsing. They're going to take over and loot us!

It's already happening! We lost our auto industry. We're losing everything: We have no control over the price of petroleum, on which our life depends, our food is being taken away from us for biofuels, through government subsidies. People



Library of Congress

*Using the powers of the U.S. Constitution, Franklin Roosevelt signed the bill in March 1933 allowing him to reform the nation's troubled banking system—his first important act as President. Here, Secretary William H. Woodin witnesses the signing.*

are starving, not really in the United States; they're really starving in 40% of the world! And Bloomberg represents an expression of a shift in politics, away from partisan politics, issue-based partisan politics. Look at the composition of the hard-core support for both the Obama campaign and the Hillary Clinton campaign: What was the support? *The lower 80% of family-income brackets.* People clamoring for *something* to end this nightmare, which is crawling up their back! And what happened to it? That issue is gone!

And what you have is a new kind of politics, the politics of, from the top down. Where big international financial interests, centered on London, control politics in the United States, and they're manipulating this like mad. There's no candidate who's "winning." There is a power, which is behind the scenes, which is playing chess, playing checkers with the candidates.

**Enaharo:** Now, for those people who heard the word "fascist," can you break that down, so people can get a better understanding of what it is, when you use this term?

**LaRouche:** Well, the term actually comes from France, from the middle of the 19th Century. Technically, it was called synarchism. It came up again, in the beginning of the 20th Century, for example, certain British interests were avowedly fascist, so fascist became a new word for "synarchism." The first fascist program was that of Italy. This was put in by the British—Mussolini was completely a British project. Churchill was one of his biggest supporters, up until the time that Italy invaded France during World War II.

So this crowd, which is centered in Europe, is the financial

oligarchy of Europe, which centers on the British monarchy and the British Empire as its institution of reference. It actually controls the British system. It's represented by bankers, all kinds of bankers, who function like a mob, and their politics of the mob, this financial institution, becomes the politics reflected in government and so forth.

So you're dealing with an international financier gang, which is trying to orchestrate the world, according to its impulses. And that's why the thing sometimes seems so irrational, because there are impulses that make no sense to the average citizen on the street.

### Will I Be Able To Cash My Paycheck?!

**Enaharo:** Mr. LaRouche, in your transcript reported on your website, from your webcast on July 25, 2007, you stated the following: "The present financial system can not continue to exist *under any circumstances, under any Presidency, under any leadership, or any leadership of nations.* Only a fundamental and *sudden change* in the world monetary-financial system will prevent a general, immediate chain-reaction type of collapse. At what speed we don't know, but it will go on, and it will be *unstoppable!* And the longer it goes on before coming to an end, the worse things will get."

Now, Mr. LaRouche, this is a very dynamic, and some say, controversial statement. Does this mean that I should take my money out of the bank? Does it mean that my pension may not be there? Does it mean that by the Fall of the year, I may not be able to cash my *paycheck?! Is this what you're telling me?*

**LaRouche:** Well, the latter two are true. That the control lies in the hands of people who may collapse the banks—the banks are collapsing: Practically every leading bank in the United States is already bankrupt, technically. The whole financial system is already bankrupt.

What I said back then, on July 25 of last year, I said, we've now made a change, we've now gone to "end-game"—what they call in chess, end-game.

We're now in an end-game, and like watching a chess player in a tournament, you don't know exactly what move is going to happen that's going to cause the game to be settled. But we're getting closer and closer to where the options are running out.

Now, the solution is, to go back to the concept of money which we last saw with Franklin Roosevelt: If the United States—even given the fact that the present President of the United States is crazy—but if we go back to Franklin Roosevelt's time, Roosevelt set up a fixed-exchange-rate system called the Bretton Woods system, and the United States was the only country really standing, at that time, financially. The whole world depended upon the U.S. and the U.S. dollar. We were the great powerhouse of production; we were the great powerhouse of economic and financial strength. Everybody depended upon us.

The system worked. But the system was subverted, first by Harry Truman, who went with the British against Roosevelt after Roosevelt died, and it decayed. We saw the assassination of Kennedy—things became worse; we saw the experience of the Vietnam War—things became worse; Nixon was elected—things became terrible. We saw the 1970s—we began to lose our farming industry, our power industry, manufacturing—we've been losing it all along. We have become consistently poorer, every year, over the years, since about the time of the Kennedy assassination; especially since 1968, we have become consistently poorer.

We've never had an improvement. Look at Cleveland, for example, which I know you're acquainted with. Remember Cleveland 30 years ago? What's it like today? Look around at Ohio: Look at industry, look at agriculture, look at Detroit, look at Indiana, look at western Pennsylvania, look at western and northern New York State. Compare the conditions as they existed in 1966-68, with what they are today. Look at the standard of living, look at the question of Social Security; look at everything. And we're losing it all! And we have been losing it.

But we sit wishfully, the ordinary people, saying, "What can we do about it? Let's hope it works it out. Let's hope it works out. Maybe some little thing will help us. Maybe something will rescue us." They have no sense—the lower 80% of family-income brackets in the United States, today, have no sense of the power of the people to determine the policy of the United States. And therefore, our people are weak. They accept things, and hope for things, they protest for things: *But they don't take charge of our government.*

**Enaharo:** Now, how would this Homeowners and Bank Protection Act turn this situation around?

**LaRouche:** All right, first of all, if you want to save the nation, you've got to make sure you don't have mass evictions of people from communities. You don't turn people from homeowners, or home occupiers, into destitute wanderers through the slums and gutters of the nation.

Now, to maintain that, first of all, you have to say the system is bankrupt. *The entire financial banking system is bankrupt.* Now, we can't have the bankruptcy proceed, because that means people will be evicted, industries will close, all kinds of social security will disappear, you will have a vast army of homelessness, worse conditions than you had in the 1929 Depression period. What're you going to do about it?

Well, first, I say: Government has the power, the United States government has power over money. That's one of the specific parts of our Constitution. If the United States government says that the real estate industry is bankrupt, the mortgage industry is bankrupt, and we're not going to have people evicted from their homes, we want them to stay there, we're going to put the thing into bankruptcy, and they will still be living in their homes under bankruptcy protection.

It'll be sorted out later on.

Now, at the same time, you can not maintain a community, even if you protect people in their homes, in which there are no jobs. Now, the jobs generally involve things that involve local, regular banking systems—forget the high-flying banking type things—just the ordinary banking: deposits, loans, so forth. Local communities depend entirely on a stable supply of credit, and means of circulation in those communities. Without that, the businesses close, the community goes down—the nation goes down. So therefore, the first thing you have to do, in a situation like that, is what I proposed back in July of last year: The first thing you have to do, is have Federal bankruptcy protection over the regular banks, that is, the Federal and state-chartered banks, where people deposit money, get their loans, and so forth. And you must have stable communities, in which people *live* in their homes, and have a normal family life.

Therefore, the government must step in, to protect, the United States *internally*, by ensuring that the communities stay in business. Then we will work our way out of the problem, what you want to do in any bankruptcy proceeding.

**Enaharo:** But, Mr. LaRouche, you say we're broke! If we're broke, where's the money going to come from? You say the government is broke: How can we do this if we have

no money?!

**LaRouche:** Because we have a Constitution. Under our Constitution, the power to create and circulate money lies with the Federal government. The Federal government has the power, but the power operates with the consent of the people, chiefly through the House of Representatives. When the House of Representatives utters a bill which authorizes the Federal government to issue credit which can be monetized, for purposes of national interest—including national security—that becomes *money*.

Now, we went away from that, in 1968 to 1973: We went to a floating-exchange-rate system, an anti-Roosevelt system, during the 1970s, under the succession of Nixon, Ford, and Carter—especially the Trilateral Commission, which turned Carter into somebody people didn't like any more. We destroyed the U.S. economy and its system. What we have to do, is, go back to the time of 1962-63, when President Kennedy was killed; since that time, we've been going, generally, with the aid of the Vietnam War, in the wrong direction. What we have to do, is say, "Halt! *We are the U.S. government. We are a sovereign people.*" We are going to say: "Halt! You bankers, you screwed it up, you made a mess of it. We are going to fix it." And then we'll do some other things, such as large projects, infrastructure projects, and things which get the economy going again."

# Bridge Across Jordan

by Amelia Platts Boynton Robinson

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# National News

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## Who's To Blame for Louisville Foreclosures?

The LaRouche Political Action Committee (LPAC) on July 14 issued a press release, titled "Who Should Be Blamed for the Next Foreclosures in Louisville? Two 'Democratic' City Councilmen!"

"In a shameful act of sabotage," the release charged, "which will bring them permanent shame, the Democratic leadership of the Louisville, Kentucky City Council on July 10, acted to kill passage of the LaRouche-initiated Homeowners and Bank Protection Act (HBPA). The resolution, introduced initially in May by Councilman Dan Johnson, had been endorsed by numerous Louisville trade union organizations, as well as the Kentucky state Senate, and the County Democratic Party. After having been challenged during Council hearings, the resolution—which called on Congress to pass a firewall of protection for the chartered banks, and put a moratorium on home foreclosures—was finally scheduled for a vote at the July 10 meeting."

In a Democratic Caucus meeting prior to the Council event, HBPA advocates John Jeffries, former president of the International Association of Machinists Local Lodge 740, and Carol Smith, an LPAC representative and United Autoworkers activist, were invited to speak for the resolution, which they did.

But then, Democratic Caucus leader Rick Blackwell, also a former City Council president, and current City Council president James King, moved to sabotage the vote. King, who is himself a banker, argued that "there is no banking crisis outside some mortgage banks!"—and that the resolution was wrong," LPAC reported.

By the time the Caucus members reached the City Council meeting, sponsor Johnson had been convinced to withdraw his sponsorship, and the HBPA never came up for a vote.

"The next time there is a foreclosure in Louisville, or a local bank shuts down, along with your bank account, Louisville citizens have to be aware whom to blame,"

said the release. "The finger of blame needs to be pointed directly at those responsible for sabotaging the HBPA—Rick Blackwell and James King!"

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## GM Cuts Off Arm and Leg To 'Stay Alive'

Trying to keep its de facto bankruptcy from becoming de jure in the worsening economic collapse, General Motors Corp. on July 15 announced large new capacity and workforce cuts, and other self-cannibalization moves it calls "cost-saving." They will mean another reduction of perhaps 20,000 employees in the near future.

The company said that it now expects only a 14 million total of all car and light truck sales in the United States this year (a 13% drop from 2007, and nearly 20% down from 2005), and will accelerate the already announced closing of four pickup truck assembly plants, laying off their 10,000 workers by the Fall. GM's blue-collar production workforce will fall to about 60,000, half of what it was just two years ago. It will offer buyouts to 33,000 white-collar workers in the United States, and by that means or layoffs, plans to get rid of 10,000 of them. And it announced that the United Auto Workers has been forced to agree to "defer" the \$1.7 billion GM payment which is due to the company retirees' health-care trust, which in last year's contract was dumped on the union to administer.

GM said it will also eliminate its stock dividends, and try to raise \$2-3 billion in cash by selling brand names, overseas subsidiaries, and its remaining stake in GMAC, its former financial arm, which has been losing large amounts on mortgages and mortgage securities.

All of this is supposed to "generate" \$15 billion in cash which would get the automaker through 2009, at its present rate of losses.

Lyndon LaRouche declared in February 2005 that GM was on the verge of bankruptcy, and then proposed Emergency Recovery Act legislation which could have saved the U.S. auto/machine-tool sector, had Congress acted on it.

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## Pro-Clinton Group Challenges Pelosi, Dean

The second in a series of ads being run by The Denver Group—which is part of a pro-Hillary Clinton coalition fighting for an open Democratic Party nominating convention—appears in the July 17 edition of *Congressional Quarterly Daily*, which circulates widely on Capitol Hill and beyond. The ad features a large photo picture of Franklin Roosevelt, with the headline: "Would Howard Dean and Nancy Pelosi have kept his name off the ballot?" The text reports that FDR went to the 1932 Convention 90 votes short of the nomination and went on to win on the fourth ballot.

Pointing out that neither Barack Obama nor Hillary Clinton have secured a majority of the delegates, the group demands an open convention, with Clinton's name placed in nomination, a roll call vote, and an opportunity for super-delegates to vote their conscience. The ad concludes: "If some in the DNC are afraid that a democratic process could produce a result different from a preconceived set of expectations, as someone once said, 'the only thing we have to fear is fear itself.'"

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## Medical Journal Backs 'Medicare for All'

The July issue of the *American Journal of Medicine* has a commentary co-authored by its editor-in-chief, calling for a single-payer, non-profit "Medicare for All" health insurance system for the country. The commentary in the 120,000-circulation journal of the Association of Professors of Medicine says: "The U.S. health-care system, which depends on private, for-profit health insurance, is not working. It is time for national health insurance!"

The article notes that the World Health Organization, as of 2000, ranked the U.S. health care system 37th among 191 countries, and last among 17 industrialized nations. The United States is the *only* industrialized nation that does not ensure access of health care for all its citizens.

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## The Alarmist ‘Science’ Behind Global Warming

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*Lord Nigel Lawson, Britain’s Chancellor of the Exchequer during the Thatcher years and author of Appeal to Reason: A Cool Look at Global Warming, was interviewed by Gregory Murphy on July 10.*

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**EIR:** I’d like to start with you describing how hard it was to get your book published.

**Lawson:** Well, I decided to write this book, and I gave the outline to my agent. And he thought it would be fine. But there was extraordinary resistance to it, so he said, you’d better write it first. This is very odd, because I’ve published books before, and each time, I have just given an outline of the book, and had absolutely no difficulty finding a publisher before the book was written. But, it wasn’t like that this time.

So I wrote it. Even then, he sent it to any number of London publishers, and couldn’t get anybody to take it. It was quite clear that it was so politically incorrect that they wouldn’t take it. Eventually, he found an American publisher—Peter Mayer—who has a small London subsidiary, and that’s how it came to be published. But it was very striking. That is to say, it’s not something that I’ve ever come across before, and I’ve written a number of books.

**EIR:** Would the subject matter of the book have been part of the problem in finding a publisher?



Courtesy of Nigel Lawson

Lord Nigel Lawson

**Lawson:** Yes, it was indeed. It was not so much the subject-matter, because there’s a lot of interest in the subject. But it was the fact that I took a view that was not politically correct: There’s a kind of informal censorship—in England, anyway—that it is not considered acceptable to hold a view which is contrary to the new religion of global warming.

**EIR:** Your hearings in the House of Lords, in the Committee on Economic Affairs, produced a report, which I found quite helpful in sorting out some of the details on this highly uncertain science of climate. I found it quite balanced in how it was being presented, because you had both Sir John Houghton, first chairman of the United Nations’ Intergovernmental Panel on Climate Change (IPCC), and noted MIT climate researcher Richard Lindzen speak on it. So you could see both sides. Did you gain in your understanding on the climate from that kind of discussion, as a policy-maker?

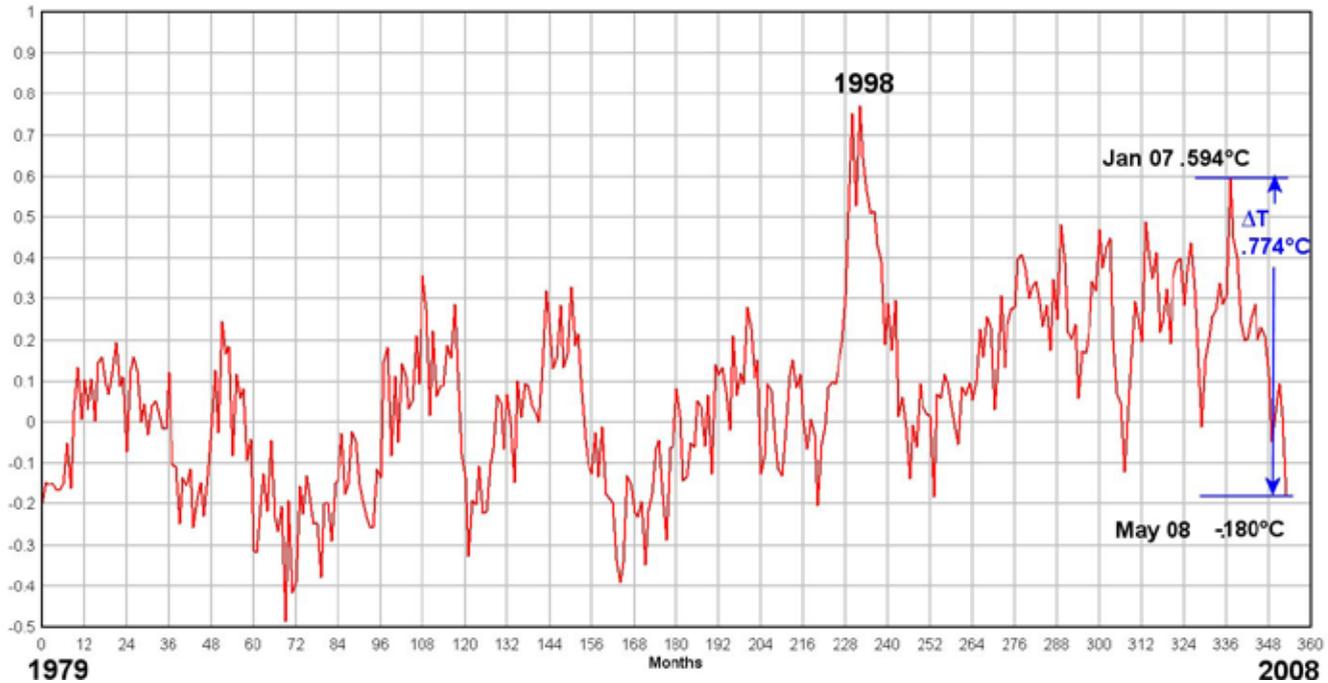
**Lawson:** Yes. Before that inquiry, I was extremely skeptical of the economic sense in the policy which was being recommended by the government and by governments in Europe at the time. But I assumed that the science was absolutely clear—cut and dried. It was only in the course of that inquiry that I discovered that there was considerable uncertainty about the science—not uncertainty as to whether there’s such a thing as the “greenhouse effect”; there obviously is such a thing as the greenhouse effect. But how large an effect it is, is extremely uncertain.

It depends—as you well know—on complicated things in the interaction between carbon dioxide in the atmosphere, and

FIGURE 1

**UAH Monthly Means of Lower Troposphere LT5.2, Global Temperature Anomaly 1979-2008**

(Temperature °C)



Anthony Watts/surfacestations.org

The graph shows the University of Alabama at Huntsville (UAH) monthly temperatures for the lower Troposphere, taken by satellite since 1979, proving that Al Gore’s “global warming” ended in 1998. From January 2007 until May 2008, the temperature decrease has been .774°C, which is larger than all of Gore’s hyped global warming for the entire 20th Century, which was only .6°C.

clouds, among other things. And the science of clouds is extremely uncertain. It’s not a criticism of the scientists; it is extremely complex.

And so, I discovered in the course of this inquiry, that it was not merely that the economic prescription was, in my opinion, not cost effective—and even if it was cost-effective, nobody had looked to see whether it was cost-effective at that time. But even the science itself was uncertain.

**Global Warming and Iraq’s ‘WMD’**

**EIR:** After the House of Lords report was released, Prime Minister Gordon Brown had Lord Nicholas Stern produce a report, which you described in the lecture that you gave to the Center on Policy Studies, as, in a very real sense, the story of the Iraq War writ large. Could you elaborate on that?

**Lawson:** What I had in mind there, was that the Iraq War was based on the alleged threat of Iraqi weapons of mass destruction. And that without looking into it sufficiently clearly, the United States and the United Kingdom, and one or two other countries, went to war to get rid of the Iraqi weapons of mass destruction, which it subsequently turned out they didn’t have in the first place. And they hadn’t been properly looked at, properly investigated.

In a similar way, we’re now told, [that there is a threat] of

mass destruction of the planet by warming. And then panic measures are introduced, even though the threat is *hugely exaggerated* (see **Figure 1**). Quite a similarity.

**EIR:** You have referred to the alarmist Stern Report in your book, as another “dodgy dossier.” Which I thought was a very good comparison, because that’s the sense I got when I read it back in 2006. But I noticed one thing: The prevailing media want to use the word “climate change” in their discussion of this issue. In your book, you stayed with the term “global warming.” Is there a reason that you stayed with that?

**Lawson:** Yes, I do it very deliberately. Because, of course, the climate is always changing all the time, and in different parts of the world, in different ways. And so therefore, there is evidence of some kind of change in the climate.

But that is not what the issue is: The issue is, whether in fact, globally, the Earth is getting warmer. If so, what is this caused by? Is it largely man-made carbon dioxide concentrations, or is it totally different reasons? And which [one] has a huge bearing on what is sensible to do about it; and of course, how big is the threat?

And, if there is no warming, which so far this century—although the century’s young—but so far this century, there’s been no further warming. If there is no further warming, the



Council of the EU



Lord Nigel Lawson compares the alarmist “Stern Report” on climate change, authored by Nicholas Stern (left), to Tony Blair’s “dodgy dossier,” which “documented” Iraq’s non-existent weapons of mass destruction.

fact that there may be storms somewhere in the world, or unusual weather patterns somewhere, is really nothing new, and may have nothing to do with carbon dioxide concentrations.

The “greenhouse effect” can only cause other changes via warming. And if the warming isn’t happening, then the climatic variation is for different reasons altogether. And even if the warming is happening, there’s a question of how much of it is, as they say, due to the carbon dioxide. So, we need to focus on what the issue is. And the issue is, the issue of warming and why, and how serious is it?

### Implausible Assumptions

**EIR:** Yes, that’s exactly the sense I’ve been trying to convey in the articles I’ve written so far. I noticed that in most of your presentations that I’ve looked at, you have pushed the prescription of adaptability as the proper method to deal with warming (if there is any), as opposed to the IPCC’s carbon-cutting, emission-trading systems—what they call “mitigation.”

The IPCC spends very little time describing that adaptability, and basically they use assumptions that say, this really couldn’t work too well. Could you describe some of the assumptions they use?

**Lawson:** There are two assumptions in particular that they use, which I think are, to say the least, implausible. The first is that they consider adaptation in terms of the technology we have at the present time. But they’re looking 100 years or more ahead: It is quite clear, that over those next 100 years, technology is going to develop; we don’t know precisely how, but it’s unrealistic to think it’s not going to develop, considering how much development of technology there has been in the past hundred years.

It’s going to develop, and therefore, the ability to adapt is going to increase over time. So, to have your fixed point of the adaptation as we can do it at a moment, is an implausible and

unrealistic assumption to base your views on.

The other assumption which is implausible, is, they do admit—they curiously enough state, in terms of Australia and New Zealand, but I suppose it must mean it applies to other developed countries like the United States, and United Kingdom, Europe generally—they say that, it’s all very well, of course, these highly developed countries, wealthy countries, they can adapt to a considerable extent. But the problem is with the developing world: They’re the people who are going to suffer, because they lack—and I put this word in metaphorical quotation marks, but this is a very important concept in the IPCC’s report, if you read it, as I’m sure you have done—“they lack adaptive capacity.”

Now, I think that is patronizing, and misleading on a number of counts: It’s misleading, because many of them, in fact, do have the adaptive capacity now. It’s misleading because the whole assumption of the IPCC is that developing countries are going to grow very fast, and it’s this growth, which leads to the growth of emissions, which leads to their projective temperature increases—they’re going to grow very fast, and as they grow, their adaptive capacity will increase in many cases.

Finally, it’s misleading and false, because, although of course there will be some countries, no doubt, that will be less successful in becoming more economically developed, there, we can help them. We in the West—it is not a huge cost to devote much of our overseas aid programs, to helping them, if it should be the case. But if it should be the case that they need, for example, better sea defenses, we can help them build the sea defenses! The fact that they don’t have the adaptive capacity to do it on their own, doesn’t mean it won’t happen.

So for all those reasons, I think that [the IPCC’s] estimate of the capacity to meet the problem of warming, should it occur, through adaptation, is totally unrealistic, and unduly pessimistic. The result of which, of course, of this inadequate adaptation which they assume, is that they tend to exaggerate what would be the damages caused by global warming, should it occur.

### The Benefits from Warming

**EIR:** Yes, I’ve noticed the really catastrophic consequences that they associate with food production, human health, and the rise in tropical diseases, like malaria—things like that.

**Lawson:** Yes, they say that. But if you look at each individual thing, it is incorrect. It is quite clear what game they are play-

ing. And I've no doubt that most of them are well-intentioned. But they think they have got to paint the most alarmist picture possible, in order to stir political leaders into action. I'm sure they genuinely believe that action is desirable. But they are deliberately painting an alarmist picture, in order to persuade politicians to take it seriously.

But this is an alarmist picture; it is not an objective picture. And indeed, even if you read the IPCC's own report, you find they contradict themselves time after time. For example, you mentioned two things, food and health: This is based on an inadequate assessment of the capacity to adapt, and in food it's particularly large, because of the development of bioengineering, and genetically modified crops, which is continuing to advance all the time, that technology.

But they say, an increase in temperature of up to 3° Centigrade, which is more than their median forecast for the next hundred years, would actually improve global food production. Which is not surprising, but it's because the warming is often good, and carbon dioxide has this fertilization effect on plants, and they grow better. So, the alarmism is clearly unwarranted, even from their own findings, which are, as I say, unduly pessimistic, because of their inadequate estimate of what can be done, or what would be done, through adaptation.

The other thing, in health: They say all these things about health, but if you look at the table, where they show—this is buried away—the table shows health effects, and the only health effect which they list as virtually certain—the number of grades is “certain” down to “possible”—is reduction of cold-related deaths. But again, in some areas, you don't find this at all.

And right away, along with the whole picture, they underplay the undoubted benefits that come from warming. I'm not saying there aren't damages, too, from warming, should it occur. But you also have to recognize that there are benefits as well, and see what the net effect is. And they downplay the benefits to the most extraordinary degree.

**EIR:** Yes, that's the assessment I had from looking at their reports.

**Lawson:** And on the health thing: They downplayed it a little bit in the latest report, the 2007 report. But the big thing in their 2001 report—they say this, and Gore makes much of this in his book and film, “An Inconvenient Truth”—is the huge increase in malaria.

Malaria has very little to do with temperature. That is well known. Prof. Paul Reiter of the Institut Pasteur in Paris, who gave evidence to our Economics Affairs Committee investigation which you referred to earlier, is probably the world's leading authority on malaria—he's a professor of epidemiology. He was associated with the IPCC originally, and he point-



*In his super-hyped docu-fraud, “An Inconvenient Truth,” Al Gore asserts that the worldwide increase in malaria is caused by Global Warming. In fact, Lawson states, “malaria has very little to do with temperature.... After all, malaria was endemic in Europe during the little Ice Age!”*

ed out that what they had to say about malaria, was plain wrong! After all, malaria was endemic in Europe during the little Ice Age: It's got virtually nothing to do with temperature! And they refused to change what they had written. And so he was forced to resign from the outfit.

You know, they have a message, and they're not interested in expert, scientific evidence, if it conflicts with the message.

In our domestic affairs, we had a heat wave in Europe [in 2003]; I refer to it in my book. It was a regional heat wave, it wasn't a global heat wave, but there was one in Europe. And there were a number of deaths, particularly in France, for particular reasons of elderly people, as a result of dehydration.

And the Ministry of Health in this country, was sufficiently concerned about it, to have a study about what would be the consequences for health if the predictions of the conventional computer models of temperature increase by 2050 were to occur, what would be the health result by 2050? And they found that there would be, by that time, 2,000 more deaths a year from dehydration; and 20,000 a year *fewer* deaths from hypothermia! But you very seldom hear this pointed out.

And, there was, incidentally, a French academic study done about France, where they'd suffered the most from this heat wave, which came to the same conclusion.

## The Globe Cannot Outsource Its Emissions

**EIR:** Since we've seen the end of the G8 summit in Japan, there's a lot of talk, about cutting emissions. The question I have, is, about the cost to the economy of this. And, if we didn't spend the money on these emission-cutting schemes, is it plausible that we could afford to have health care, fresh water, and real development in the developing countries, which would actually, in turn, cut their emissions?

**Lawson:** I don't know how much it would cut their emissions, but it would certainly do far more good for the people. It would certainly relieve these problems they do have, of hunger, and drought, and malnutrition, and disease, and premature death. It would certainly help them far, far, more. And it would also actually cost considerably less.

**EIR:** Yes, that's the sense I had. You've written in your book, and said in your other presentations, that the biggest problem right now in the developing world is massive poverty.

**Lawson:** That's right.

**EIR:** And impeding their use of carbon-based fuels to further their development, will actually do more harm to them, than global warming ever could.

**Lawson:** That's absolutely right. And that is why I think it is most unlikely, that either China or India—I think it sounds like Russia will, too, or one or two other big countries—but it's certainly most unlikely that either China or India will agree to cut back their emissions drastically, which is what they're told they should do, as we are told we should do. And I think it's most unlikely. And even if they were to sign up for it, for a quiet life, I'm quite sure they wouldn't, in fact, implement it.

And if they take that view of signing up and not implementing it, they are doing no worse than those of us who did sign up to ratify the Kyoto agreement, and have done [nothing]—because that was only a 5% reduction of carbon dioxide emissions, but, in fact, it is quite clear that if anything, there is going to be at least a 5% *increase* [in emissions] by the end of the Kyoto period. And, of course, it really wouldn't be much bigger than that.

I think this is something people don't fully realize, and I don't think I spelled it out with sufficient clarity in my book: The reason that the Kyoto signatories have missed the target by a relatively small amount—instead of a 5% reduction, it's something like a 5% increase—is because they have, in a sense, outsourced their emissions. Because so much of manufacturing industry has moved from the developed world to China and India, and parts of the developing world, that the emissions are no longer coming from the developed world, which has made it relatively easy for us to have a lower growth of emissions. But if you are seeking—which they are in the G8 meetings—a global cutback, there's no way the globe can outsource its emissions to Mars or wherever.

## Selling Indulgences

**EIR:** When you think about these emissions-cutting schemes, it brings the medieval indulgences back to mind. It's really: You can sin all you want, but as long as you can pay, you're okay, and somehow that's going to solve the problems: And that was not the case then, nor is it the case now.

**Lawson:** No, I think that, looking back, the sale of indulgences by the medieval Church, was much less damaging, much less harmful, than what is proposed now.

**EIR:** Yes, definitely. Considering now, you have a rise of this, what you described as “eco-fundamentalism,” this moving into the Age of Unreason—

**Lawson:** Yes, which is very worrying.

**EIR:** Yes, you have [global warming alarmist scientist] James Hansen, the other day, making statements that skeptics and oil executives should be put on trial for crimes against humanity!

**Lawson:** It is, it is. It's a very alarming trend.

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## Book Review

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# Questioning the Global Warming Religion

by Gregory Murphy

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### **An Appeal to Reason: A Cool Look at Global Warming**

by Nigel Lawson

New York: Overlook Duckworth, Peter Mayer Publishers, 2008

149 pp., hardcover, \$19.95

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Lord Nigel Lawson's latest book is short, but polemical, attacking the orthodoxy of the “new religion” of global warming. Lawson's previous book was a diet book (co-written with his daughter, the chef and television personality, Nigella Lawson), and now it appears that he wants to reduce the hysteria around Al Gore's global warming swindle. As such, it should be required reading for all policy-makers.

In particular, Lawson's arguments against the fraud of the Intergovernmental Panel on Climate Change (IPCC) needs to be understood by all the policy-makers of the world before they pass an international agreement to cut carbon emissions, which would kill billions of people both in the developed and the developing world. On this point, Lawson, who was the treasury secretary in the Thatcher government, doesn't directly call the policies of the IPCC genocidal, which is the major shortcoming in his book.

Lawson's book has been attacked for saying that the science of global warming is uncertain. Most of the attacks on the book have been focussed on his statements that there has been no global warming this century. But, in fact, the temperature records from Britain's leading climate research center, the Hadley Center and the Climate Research Unit at the University of East Anglia, indicate that global warming ended in 1998, a

fact noted by Australian Climate Researcher Bob Carter.

Al Gore's warmaholic friends have attacked Lawson for not being a scientist, but these people cannot have read the whole book, or they would have noticed that Lawson states very clearly that he is not a scientist—but then, neither are the vast majority of those who espouse the currently fashionable madness of global warming.

## The 'Dodgy Dossier' of Warming

The book is an extended version of a lecture that Lawson gave to the Center for Policy Studies in London in 2006. In it, Lawson says that a constructive parallel for the British government's so-called Stern Report on the economic effects of climate change is Tony Blair's notorious "dodgy dossier" of sexed-up intelligence on Iraq's weapons of mass destruction. Lord Nicholas Stern, he says, "sexed up" his report by claiming that global warming would cause more damage than the two world wars and the Great Depression combined.

The strongest feature of the book is Lawson's view that the only solution for global warming, if warming were, in fact, a problem, is to pursue the policy of adaptation. The IPCC tries to ignore this as much as possible, and it only gives honorable mention to this type of solution. The IPCC's own scenarios are actually written by the Austrian-based International Institute for Applied Systems Analysis (IIASA), which denies the existence of human creativity. That is why it is important that Lawson pushes the adaptation possibility, because that solution is based on the idea that human creativity can find solutions to any problems that may arise in the future.

Furthermore, the policy of adaptation is not one that has to wait until there is an international agreement, as required by the IPCC carbon-emissions cutting scheme. The presumed problems that the IPCC points out—like sea-level rise and severe drought conditions—could actually be solved right now: The developed nations could help the developing nations to build better sea defenses, and to start building nuclear desalination plants to supply potable water.

Lawson estimates that for the cost of cutting carbon emissions, the world could have all the fresh water, public health care, and increased food production needed, which would be a better solution to what he calls the largest environmental problem today: widespread, and growing poverty throughout the world. And unlike global warming, the problem of poverty is not a hoax.

Lawson has said that these small-minded solutions that Al Gore promotes, such as changing your light bulbs and driving a hybrid car, "are trivial to the point of total irrelevance. What would be required is for all transport to be 100 percent electric, and all electricity to be generated by nuclear power."

One problem with Lawson's book is that he presents the

global warming hoax as a post-Cold War "red is now green" outlook. This is the same view taken by other free-marketeers, including the President of the Czech Republic, Vaclav Klaus. Klaus has gone so far as to say that environmentalism is the new communism. This erroneous outlook severely misses the point that the environmental movement is really just an anti-human extension of the financial oligarchy's drive to reduce the world's population to 2 billion people and create a feudal fascist world empire as a solution to the onrushing global economic meltdown.<sup>1</sup>

Otherwise, Lawson's critique of environmentalism hits the mark. He attacks the march of unreason represented by the rise of the new religion of global warming as part of the larger rise of eco-fundamentalism, or, more simply put, eco-fascism. Lawson writes: "So the new religion of global warming, however convenient it may be to politicians, it is not as harmless as it may appear. Indeed, the more one examines it, the more it resembles a 'Da Vinci Code' of environmentalism. It is a great story, and a phenomenal bestseller. It contains a grain of truth—and a mountain of nonsense."

Lawson continues, "We appear to have entered a new age of unreason, which threatens to be as economically harmful as it is profoundly disquieting. It is from this, above all, that we really do need to save the planet."

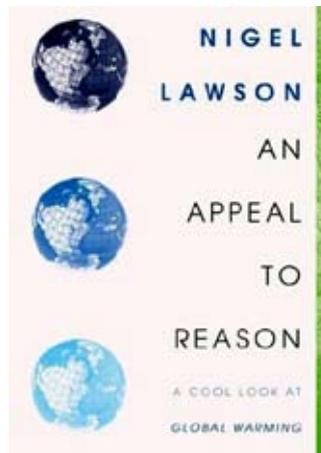
As a prime example of what Lawson is talking about, one only need look at the briefing that NASA's resident global warming nut case, James Hansen, gave to the House Select Committee on Energy Independence and

Global Warming June 23, in which he declared that climate skeptics and oil executives should be put on trial for "crimes against humanity."

This little book is a refreshing reminder that not all of the world's policy-makers are in league with Al Gore and his backers among the financial elites, in rolling the world's population back to dark age levels. His short presentation of the uncertainty of the climate science is very accurate, and he makes the point that computer models cannot forecast the future because they are based on failed assumptions generated by anti-human Malthusians who deny human creativity, which is the greatest force for defeating poverty.

In all, Lawson's book, even with its few shortcomings, is a much needed attack coming from a policy-maker on Al Gore's global warming swindle.

1. The registered British charity Optimum Population Trust issued a statement on July 11, stating that the optimum world population would be 2 billion people. Optimum Population Trust's board of directors is a collection of malthusian genocidalists which includes Sir Crispin Tickell, former U.K. Permanent Representative to the United Nations Security Council, and a leading promoter of the fascist global warming hoax; primatologist Jane Goodall, and "population bomb" freak Paul Erhlich.



### *Give Diplomacy a Chance*

According to early accounts, the Geneva talks on July 19 between Iran and the P5+1 (UN Security Council Permanent Five: the United States, Russia, China, Britain, France, plus Germany) did not achieve any dramatic breakthroughs on Iran's nuclear program and other regional security issues. The chief European Union negotiator, Javier Solana, told reporters afterwards that he will confer with Iran's chief negotiator, Saeed Jalili, in two weeks, at which point he expects a more definitive response from Iran over the P5+1 offer for comprehensive talks. "It was a constructive meeting, but still we didn't get the answer to our questions," Solana told reporters in Geneva, following the talks. Jalili called the talks "constructive and progressing."

One bright spot in the Geneva gathering was the presence of the U.S. State Department's number three diplomat, Undersecretary of State William Burns. His attendance, a break from the previous Bush Administration policy of non-participation in direct talks with Iran, marked the highest level official diplomatic engagement between Washington and Tehran since 1979.

Furthermore, days before the Geneva meeting, President Bush's National Security Advisor Stephen Hadley was in Turkey, conferring with top Turkish officials, just one day before Iran's Foreign Minister came to Ankara to meet with the same Turkish leaders. Washington sources close to the White House report to *EIR* that the Turkish government is functioning as a channel for communications between Bush and the Iranian regime.

For the moment, diplomacy has trumped the war party.

In this fragile context, Lyndon LaRouche has strongly urged all parties to keep the diplomatic track moving forward. Weeks before the Geneva gathering, LaRouche had issued a public statement, warning against imposing any artificial deadlines on the Iranians. LaRouche took careful note of the complex factional situation inside the Iranian leadership, and cited the November 2005 breakdown of talks between then-Russian President Vladimir Putin and then-Iranian negotiator Ali Larijani, as an example of the dangers of

trying to impose "red lines" and deadlines on the sensitive and complex talks.

On July 19, as the Geneva talks were underway, LaRouche reiterated: "Any time you can move this diplomatic process forward, it is a good idea to be patient, and let the talks proceed. Serious talk, in itself, is intrinsically useful," LaRouche said. "Keep it going, keep the doors open."

LaRouche noted the shift in the Bush Administration's position, and observed that "someone is working with [Secretary of State Condoleezza] Rice," and holding the war party faction, led by Vice President Dick Cheney, at bay—at least for the time being. It is clear, once again, that the U.S. military, including Defense Secretary Robert Gates, is playing a pivotal role in the anti-war effort.

Adm. Michael Mullen, the Chairman of the Joint Chiefs of Staff, recently traveled to Israel to confer with counterparts there, and, according to *EIR*'s sources in both nations, he delivered a strong warning that the United States will not condone any unilateral Israeli military strikes against Iran. In Israel itself, there is hardly a united front for war. Gen. Gabi Ashkenazi, the Israeli chief of staff, recently delivered a 45-minute report to the Israeli Cabinet, warning of the consequences of an Israeli attack on Iran's nuclear sites, particularly the enrichment facility at Natanz. Yet, hardliners in the Israeli Cabinet, including deputy prime minister and former defense minister Shaul Mofaz, are openly pushing for preventive Israeli strikes against Iran's nuclear program, and former Prime Minister Benjamin Netanyahu remains Dick Cheney's staunchest ally in Israel, constantly spouting the line that Iranian President Mahmoud Ahmadinejad "is Hitler."

Hardly anyone is even keeping tabs on what the British, of Sykes-Picot infamy, are up to, in all of these sensitive diplomatic maneuverings.

It is precisely at a moment like this, when the world economy is crashing, and when the danger of a catastrophic world war is greatest, that LaRouche's sage advice must be heeded.

Give diplomacy a chance.

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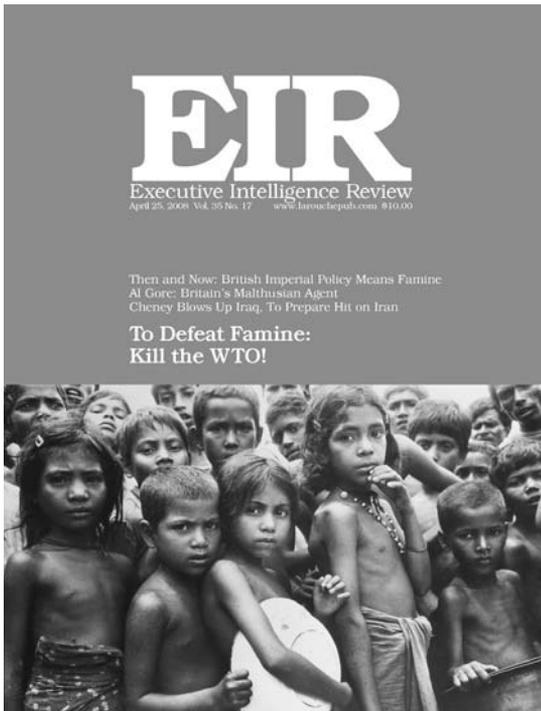
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