

# EIR

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LaRouche's HBPA 'Firewall' Bill: Kanjorski Caves In  
Brits Caught With Hands in the Afghan Opium Jar  
The British Empire's Suicide Club

**Bloomberg Fools Them  
Again: The Flirt**



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# EIR

## From the Managing Editor

We commemorate Abraham Lincoln's birthday in this issue, in the heat of a Presidential election that is comparable in importance to Lincoln's own election. Now as then, the nation is in a crisis from which it can only emerge with truly inspired leadership.

To be sure, there is no Lincoln among the Presidential contenders today. But thanks to Lyndon LaRouche and his international political movement, there is a "philosopher king" on the scene, ready to provide policy guidance to the institution of the Presidency, as the financial-economic crisis deepens.

But just as the London-based financier oligarchy orchestrated the assassination of Lincoln, and later supported Hitler's and Mussolini's rise to power, so today they have a plan to try to hang on to their own global power. Our *Feature* exposes the drive by George Shultz, Felix Rohatyn, and their British cohorts to place New York City Mayor Michael Bloomberg in the White House, to implement a corporatist/fascist program. From where we sit now, the scenario seems implausible. Indeed, as LaRouche writes in "The Flirt," Hillary Clinton could eat Bloomberg for lunch, politically! But these are unusual, perilous times, and there are many ways in which both she and Obama could be knocked out of the race, should the "fixers" be desperate enough to take desperate measures. And they are.

In the aftermath of Super Tuesday, the LaRouche PAC and LaRouche Youth Movement will be concentrating on states with late primaries, to alert citizens to the Bloomberg danger, and to build support for the FDR-style economic recovery measures that LaRouche has proposed—the Homeowners and Bank Protection Act, and programs to build modern infrastructure. In *Economics*, Dr. Hal Cooper reports on the "Texas Triangle" high-speed rail project that has been on the drawing boards for years, but never implemented. And Mary Burdman gives an overview of progress on the "New Silk Road"—the Eurasian Land-Bridge.

Don't miss the latest in our series "Is the Devil in Your Laptop?" This one is on the suicide cult on the social-networking websites.

And in celebration of Abraham Lincoln's memory, Anton Chaitkin overturns revisionist historiography, to expose the British hand behind William Lloyd Garrison and his faction of so-called Abolitionists. They were openly out to destroy the United States, which would, of course, have made the abolition of slavery impossible.



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*New York Mayor Michael Bloomberg (left), with Joel Klein, the city's union-busting schools chancellor.*



Publicolor

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## BLOOMBERG FOOLS THEM AGAIN

# The Flirt

by Lyndon H. LaRouche, Jr.

New York's most notorious bachelor, spends much of his time with his mother, when not being the kind of public political "flirt" which is otherwise called, privately, a "c—teaser" by the kind of psychoanalyst who prefers to come directly to the point at issue.

"No, I do not plan to run," implying, thus, "I'm really a virgin at heart" (saying nothing of other bodily parts), says the flirtatious Mayor Bloomberg.

And then he suggests, with a street-walker's wink, sotto voce, "but, you can keep trying, if you like." The offer actually stands; but, the price has just gone up.

So, the fact of that matter to be emphasized by thinking people today, is, that with obvious concerns about John McCain's health, and with the organized-crime-linked scandal around Obama being promoted by some leading international press circles, Obama's candidacy is being maintained, only temporarily, for only one reason: to use him in a continuing effort to eliminate Senator Hillary Clinton's candidacy, so that the fascist option of Mayor Bloomberg's candidacy could be brought into play.

The fact is that New York Mayor Bloomberg would not have a chance with a capable pre-Presidential nominee in the race. Politically, Hillary, for example, could eat him up for lunch! Meanwhile, coquettish billionaire Bloomberg continues to fuel his Presidential campaign, while, at the same time, waits for the moment of opportunity at which he believes that the strains on Senator McCain and the wear-and-tear of the Obama-Clinton contention clears the way for Bloomberg's unveiling himself as the fascist choice of such London-steered king-makers as George Shultz and Felix Rohatyn, the backers of the former fascist regime of Chile's Pinochet, and of the

Nazi-like mass murder conducted under Pinochet's umbrella in the Southern Cone of the early 1970s.

There is not an iota of essential difference between such London-steered backers of the Bloomberg option as George Shultz and Felix Rohatyn, now, and the circles, then, around the Bank of England's Montagu Norman, and also around Brown Brothers Harriman, who jointly backed Hitler's candidacy throughout the late 1920s, and in the 1930s up to the point of the abdication of Britain's King Edward VIII. These were the backers of the Benito Mussolini of the 1920s, who supported a policy of "corporativism," a policy which has been virtually carbon-copied by the backers of the Bloomberg option, such as Rohatyn.

The facts are obvious and massive, but even leading political figures are saying, foolishly, "Please! Please! Please! Tell me it isn't so!"

### **The Art of Raising, and Lowering Cain**


Some will bring up the the discussion about a McCain-Lieberman "Bull Moose" ticket, some years back. On the record, McCain, Lieberman, William F. Buckley, Jr., and Mayor Bloomberg, are all of one common political species. However, in the meantime, the Bull Moose of past years has been packed up into the collection of heirlooms stuffed into the political attic; the plot remains about the same, but the lightings and costumes have been redone, and there have been replacements in the cast of characters.


The fact is, that we at *EIR* and LaRouche PAC do not know, presently, exactly when the promotion of the coquettish Mayor Bloomberg was advanced as a chosen substitute for the speculation about a "Bull Moose" option for the post-



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**UNITE FOR MIKE**

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Mike Bloomberg  
for President**





*Bloomberg's only chance to become President, is by eliminating all rivals before the election. In the meantime, the "coquettish billionaire Bloomberg ... waits for the moment of opportunity," to unveil himself as the fascist choice of such king-makers as George Shultz and Felix Rohatyn.*

Shultz who, according to Bush's account, launched him, a loutish drunk, and supposedly rehabilitated item of family scandal, and what-not, on the pathway to the Presidency.

Whatever the other considerations of that sort may be, what is clear is that the operation centered in the same Schwarzenegger-maker Shultz, and the Shultz and Rohatyn who played leading roles in backing neo-Nazi mass-killer Pinochet, the root of the present operation is located in Shultz's international team-players among key financier and related Fabian circles in London. This operation involving Bloomberg, is centered, not in the U.S.A. itself, but in the same British financier circles which have been controlling now-former Fabian Prime Minister Tony Blair.

The other key for understanding this present threat represented by the influence of Shultz and Rohatyn to the U.S.A. and its Constitution is found in the history of the recent three centuries, since 1763, especially in the great, geopolitical crises involving the U.S.A. and Europe since Appomattox. The most relevant of these past experiences for understanding the threat to our republic now, is the process

leading from the Treaty of Versailles into London's orchestration of the installation of the Nazi Hitler dictatorship in Germany, or, the precedent for this in London's installation of Benito Mussolini as the dictator of Italy. Shades of Ezra Pound: at this point, the flirtatious Mayor Bloomberg appears to be the leading candidate for becoming London's "corporativist" dictator of the U.S.A.

Bush era. However, we can date the surfacing of the option expressed in the form of the Bloomberg caper of today, to no later than the coincidence of the Wall Street crisis of August-October 1998 with the emerging roles of the impeachment attempt again President Clinton, and the role of Vice-President Gore and William F. Buckley, Jr. asset Joe Lieberman's 1999 pushing for President Clinton's resignation. When we put aside speculation on when the Bloomberg or different options as candidates were set into motion, we can date much of the present crisis to the reported facts of an account given by President George W. Bush, of a series of developments beginning with a certain meeting with the George

The key to understanding the connection to the present developments around the U.S. Presidential campaigns, is, stated simply, that there is no "sub-prime crisis;" there is, in fact, a general breakdown-crisis of the world's existing financial monetary system. The cause of the crisis is located

in the fact that the great mass of debt built into the system was already many, many times greater than all of the redeemable financial assets of the world as a whole. The “sub-prime” market, was simply tossed out, like babies thrown to the troika’s pursuing wolves, or, like the strongest cannibals eating the weakest first, and so on and so forth.

Just as in the case of the Germany which had Adolf Hitler imposed on it by London, a general financial-monetary crisis of the type of the 1920s and early 1930s, is either solved by the methods of U.S. President Franklin Roosevelt, or it leads quickly to fascist-like tyrannies and generalized warfare. When a financial system breaks down, either it is reformed, as Franklin Roosevelt reformed the terribly failed system bequeathed to him by Presidents Coolidge and Hoover, or the choice is a terrible tyranny unleashed by tyrants comparable to London’s puppets of that time, the Mussolini and Hitler political forces of the 1920s and 1930s.

These present days of world existential crisis are like the times of the early 1960s, under President John F. Kennedy, when the leading political figures of Europe and the U.S.A. itself, were thrown out by various kinds of Liberals’ coups-d’état, as Macmillan and Adenauer were, or targeted for assassination as President Charles de Gaulle was targeted repeatedly from London-directed forces, or as President John F. Kennedy was assassinated for reason of his role as an impediment to what the associates of John J. McCloy intended. Leading senior figures of the world know this pattern, and usually tremble at the thought that they might be placing themselves in the position of targets in a shooting-range. When you are assessing the apparent cowardice of leading political figures, do not overlook the genuine cause for their fears.

The notion that the current U.S. Presidential nomination campaigns are like horse-races, or a league sports-competition, is for silly children to believe, not grown-up serious citizens. The position of President of the U.S.A. is a position of potentially great power on this planet, still, even today. In increasingly desperate times, such as these, the most powerful of the international financier interests of the world would arrange the killing or similar elimination of almost any figure they saw threatening their games, as they saw Lyndon LaRouche back during the 1980s. In times of an on-rushing, great, global financial breakdown-crisis, the impulse of the financial predators, such as London-centered organizations of pro-fascist financial types Shultz and Rohatyn, to seize control of that instrument of government becomes an all-consuming passion. These people would slaughter millions just to get their way; in such times, such people consider even leading political figures of the U.S.A. as persons to be destroyed, in one fashion or another, virtually on a whim.

Such are the lessons of real history: don’t be fooled by a flirt.

# Mitt Romney Walks Out

by Lyndon H. LaRouche, Jr.

Mitt Romney, who had recently returned from the Mormon inauguration of a new leader of that church, has apparently reacted to his very poor showing in the recent Republican primary, by suddenly dropping any active role as a contender for the Republican Presidential nomination. Barack Obama is being hit hard from London with the beginning of a massive international campaign to eliminate him from the competition for the Democratic Presidential nomination. New York City Mayor Bloomberg—who laid out his own and California Governor Arnold Schwarzenegger’s explicitly Benito Mussolini-like fascist corporatist “infrastructure” policy at a Los Angeles meeting, with avowed accomplices and Governors Schwarzenegger and Ed Rendell—is moving like a juggernaut toward what his backers have presented as an intended fifty-state campaign for the U.S. Presidency. In the meantime, Senator John McCain appears to have virtually locked up the Republican nomination.

Where does Bloomberg, a publicly avowed follower of the corporatist economic and social “infrastructure” policies of Benito Mussolini and Adolf Hitler’s Hjalmar Schacht, fit into the mainstream Presidential primary campaigns?

The fly in flirty corporatist Bloomberg’s campaign is that both Senators Obama and Hillary Clinton are still very much in the race, at this moment, despite the credibly avowed intention of British and related circles to bring Obama down. That would leave Senator Clinton as the remaining candidate for the Democratic Party’s nomination.

Will Bloomberg actually run for President? On which ticket: Democratic, Republican, or “Independent”? I am confident that I can already identify some of the leading options here, as follows.

**Republican Option:** A McCain-Bloomberg ticket, in which case it would be expected that Bloomberg would soon succeed McCain in the Presidency, for health reasons, and the not entirely excluded possibility of Lenora Fulani as successor to Condoleezza Rice.

**Democratic Option:** Following the London orchestration of Obama’s downfall, Hillary is also eliminated in some way, and Bloomberg’s machine grabs the Presidency and, with the support of Schwarzenegger, institutes the immediate reign of a neo-Schachtian, corporatist fascist program of Lazard Frères-created George Shultz “revolution in military affairs” crony Felix Rohatyn, in the U.S.A. Remember that Shultz and Rohatyn were leading accomplices in creating the neo-Nazi government of Chile’s President Pinochet and its Nazi-ad-



*Among the options for a Bloomberg Presidency: Following London's orchestration of Obama's downfall, Clinton is also eliminated in some way, and Bloomberg's machine grabs the Presidency and institutes the immediate reign of a neo-Schachtian, corporatist fascist program. Shown, Hillary Clinton, at a campaign rally in Iowa, Dec. 26, 2007.*

vised mass-murder machine in the states of the Southern Cone of the Americas.

I do not believe that Mayor Bloomberg would attempt to parody Ross Perot's 1992 "spoiler" campaign. Such a role does not fit the current intentions of those who created and have deployed Mayor Bloomberg.

So far, while the current Chicago Board of Trade favorite, Obama, has garnered support with much help from Senator Edward Kennedy's circles, he has shown no evidence of a credible kind of intention to launch a meaningful and relevant kind of reform. He is long on populist rhetoric, but bereft of any economically credible reforms; and, like Representative Barney Frank, has violently rejected the only practical economic reform which would be actually relevant to the lower eighty percentiles of the nation's family income brackets.

Nonetheless, although there is nothing of competent substance in the stated campaign program of Obama so far, his significance is that he has captured the imagination of a significant minority of the electorate. If both he and Hillary were eliminated by the various, London-steered coup-d'état methods being deployed against both those candidates now, and replaced by a Bloomberg or McCain-Bloomberg ticket, the likely result would be immediate adoption of the specific fascist economic and social programs being pushed by fascist-Felix Rohatyn today. That is the only way I foresee the significance of Mayor Bloomberg's firm intention to seize the Presidency, to ends pioneered by both London's puppets Hjalmar Schacht and Adolf Hitler, or the fascist economic and social policies associated with Lazard Frères in France then.

The damnable foolishness of many political figures is to

regard the election of a President as a form of sports tournament. The credulity of foolish citizens is to see this as a contest among sports teams, or color gangs, rather than as a moment of global crisis in which the policies at stake will, as in this case, be a matter of choice of the fate of nations, even the planet as a whole, for generations yet to come.

The assassinations, and ensuing cover-ups of issues motivating the assassinations of both President John F. Kennedy and his brother Robert, together with Rev. Martin Luther King, and Malcolm X, during the 1960s, are recognized by any competent political or economic analyst, as assassinations which caused an immediate shift in national U.S. policy, and were intended to bring about those shifts.

John F. Kennedy ran for President on the ticket of President Franklin Roosevelt's memorable policies. His assassination, which made the long and ruinous U.S. War in Indo-China possible, and the terror this struck in President Johnson, according to Johnson's own account (!), resulted in a sudden and ruinous change in direction, against the FDR legacy which John Kennedy committed himself to renew, and into the disasters which sent the U.S. economy spinning

consistently downward in measurable physical-economic terms, per capita and per square kilometer, over the entire period since the U.S. Federal budget of 1967-68.

On such matters I enjoy the authority of being the only visible long-range economic forecaster who has been consistently on the mark since 1968. My "Triple Curve," first published widely since January 1996, has been the only factually validated long-range forecast over the entire interval since. Hence I am greatly feared, and therefore hated by both stubborn fools and crafty evil-doers, such as George Shultz and fascist Felix Rohatyn, to the present date.

The U.S.A. is now plunging into the deepest pit it has known since about 1960. There are actions, actions which conform to the stated intent of our Federal Constitution, by means of which we could do as President Franklin Roosevelt did, to rescue our nation and its people from a presently ongoing plunge which has no visible bottom. As this was made clear in the recorded California gathering of Governors Schwarzenegger and Rendell, Mayor Bloomberg, and the Rockefeller Foundation's Judith Rodin, the policy which they outlined (on recorded camera) was explicitly a fascist "infrastructure" program modeled exactly on the precedents of Mussolini and Hitler, a program which, by its nature, must lead to similar outcomes. However, this time, were the present followers of those fascist intentions to succeed in gaining the U.S. Presidency, they and their British masters would be soon destroyed utterly by the results of their own choice of economic policy.

The word to the wise citizen has thus been given to you. The rest, you should be capable of thinking through, yourself.



# British Have Obama By the Short-Hairs

by Jeffrey Steinberg

The British Fabian press chose the occasion of Super Tuesday, Feb. 5, to make clear to the world what Lyndon LaRouche had been warning for weeks: Democratic Presidential hopeful Barack Obama can be politically destroyed by scandal on a moment's notice. Both the *Guardian* and the *Independent* published detailed stories on Obama's ties to jailed political fixer and slumlord Antoin "Tony" Rezko, one of the earliest political and financial backers of the Illinois Senator's meteoric rise to political prominence.

The *Guardian* headlined its account "Obama-Rezko Link May Be Scrutinized by Republicans." The *Independent* was more lurid: "The Chicago Street Where a Dangerous Secret From Barack Obama's Past Lurks."

On Jan. 28, U.S. Attorney Patrick Fitzgerald had Rezko's bail revoked, on the basis of a \$3.5 million wire transfer to Rezko bank accounts, from a London-based Iraqi-born billionaire, Nadhmi Auchi, a man who has been a target of British media scrutiny for years. Fitzgerald contended that Rezko was a flight risk, given his ties to Mideastern countries that do not have extradition treaties with the United States. Rezko was jailed pending his March 3, 2008 trial—a trial that will be occurring against the backdrop of major Democratic primaries.

The Fitzgerald filing stated, in part: "The government has learned there was an approximately \$3.5 million wire transfer in April 2007 of which a substantial portion immediately was directed to Rezko's relatives.... The originator of the wire transfer was identified as General Mediterranean Holdings, SA ('General Mediterranean'). The money was then transferred on April 4, 2007 to another bank account (the 'client funds account') at Northern Trust held by Freeborn. Based on recently obtained records, it appears clear that Rezko has used the approximately \$3.5 million for his benefit without alerting either the government, or, as far as the government knows, the Court."

The Fitzgerald filing explained, "General Mediterranean is owned by Nadhmi Auchi, who public source documents describe as a British-based Iraqi billionaire who was convicted several years ago in France on fraud charges. Auchi was sentenced to 15 months in prison and fined \$2 million euros, but the sentence was suspended as long as Auchi committed no new crimes. Thereafter, in November 2005, after Auchi was unable to enter the United States, Rezko directly appealed to the State Department to permit Auchi to enter the United States and, it appears, asked certain Illinois government officials to do the same."

## More Trouble

The Feb. 10 *Chicago Sun-Times* featured a first-ever interview with one of the FBI's key witnesses against Rezko. The informant, Chicago real estate broker John Thomas, a close associate of Rezko, maintained records of Rezko's dealings with Obama and Illinois Gov. Rod Blagojevich, during 2004-05. According to the paper, "Sources said Thomas also logged frequent visits to Rezko from Gov. Blagojevich and U.S. Sen. Barack Obama (D-Ill.). Blagojevich and Obama were among the many politicians for whom Rezko raised campaign cash. Neither has been charged with any wrongdoing.... Sources said the government had him wear a hidden wire to record conversations with a Chicago alderman—but that he did not record Blagojevich or Obama."

The *Chicago Tribune* weighed in with a Feb. 10 story by John Kass, which warned that top Illinois Republicans were also in bed with Rezko. On Obama, Kass was deadly: "There are a few who don't consider Obama to be inevitable. They'll be paying close attention to the upcoming federal political corruption trial in Chicago of Obama's personal real estate fairy, indicted political fixer Tony Rezko. You'll be hearing a lot more about 'Operation Board Games,' but don't make the mistake of thinking that it's all about Democrats. It involves Republicans too. Rezko is a pal of the Democratic Gov. Rod 'The Unreformer' Blagojevich. Rezko became involved in the questionable purchase of Obama's home, while under federal investigation. Every politician in Illinois—except for Obama—figured Rezko to be leprous with federal subpoenas. By dancing with Rezko, Obama impeaches his own judgment, and raises questions as to whether he has the presidential stuff. Rezko stands accused of using his Illinois political connections to extort kickbacks and political money from investment firms seeking billions of dollars worth of state business in the investing of state pension funds."

Another exposé of the Obama-Rezko links appeared on Feb. 10 on [www.firedoglake.com](http://www.firedoglake.com). It included the following report, originally published in the *Sun-Times*: "Obama is not named in the Dec. 21 court document. But a source familiar with the case confirmed that Obama is the unnamed 'political candidate' referred to in a section of the document that accuses Rezko of orchestrating a scheme in which a firm hired to handle state teacher pension investments first had to pay \$250,000 in 'sham' finder's fees. From that money, \$10,000 was donated to Obama's successful run for the Senate in the name of a Rezko business associate, according to the court filing and the sources.... Rezko, who was part of Obama's senatorial finance committee, also is accused of directing 'at least one other individual' to donate money to Obama and then reimbursing that individual—in possible violation of federal election law."

These revelations represent just the tip of the iceberg, according to U.S. intelligence sources, who confirm that the Rezko trial will be full of surprises.

# THE 'NEW ECONOMY' IS DOOMED

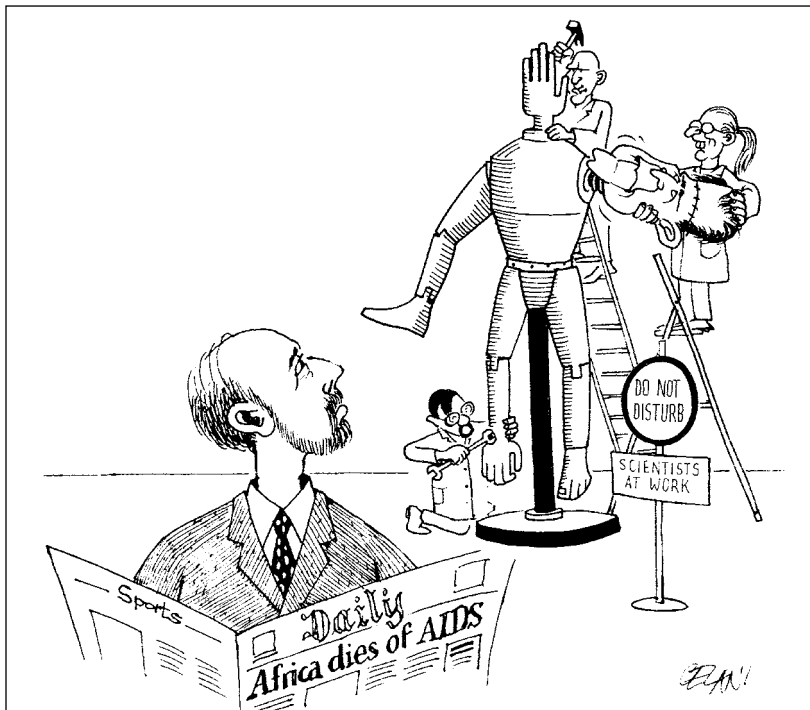
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# Kanjorski Caves In

by Lyndon H. LaRouche, Jr.

U.S. Pennsylvania Representative Paul Kanjorski (D) publicly attacked the LaRouche-crafted 2007 HBPA (Homeowners and Bank Protection Act) at a Stroudsburg, Pennsylvania press conference Feb. 4. The crucial feature of this attack was the Congressman's fraudulent charge against the HBPA, in which Kanjorski alleged, fraudulently (he knows better), that the intention of the HBPA is to launch a U.S. government takeover of the banks, which Kanjorski characterized as: "We fought communism to stop ideas like that."

Representative Kanjorski has to regain his courage, and tell the truth. The danger is not from "communism," but from a shamelessly fascist program modeled, by figures such as Felix Rohatyn, on the "infrastructure" policies of Italy's fascist Benito Mussolini and Adolf Hitler's and Hjalmar Schacht's Nazi regime. The actual key financier circles behind that so-called "infrastructure" scam, are centered around the circles of the same George Shultz and Felix Rohatyn who were key figures involved in the neo-Nazi regime of Chile's mass-murderous Pinochet. Rohatyn, a key political controller of Speaker of the House Nancy Pelosi, is the leading spokesman for the explicitly fascist "infrastructure" scam pushed by the controllers of Schwarzenegger and the so-called Bloomberg option.

Kanjorski, like many other elected officials who have either endorsed, or were considering endorsing HBPA earlier, have come under massive pressure to lie about the HBPA, pressure from financier circles and captive politicians who capitulated to massive pressure from financier circles associated with the Presidential campaign conducted by New York Mayor Bloomberg's organization, on behalf of the explicitly fascist program on "infrastructure" policy recently announced, in a Los Angeles press conference held by Governors Arnold Schwarzenegger (Calif.), Ed Rendell (Pa.), New York's Bloomberg himself, and a representative of the flagrantly frank enemy of the nation-state, the Rockefeller Foundation.

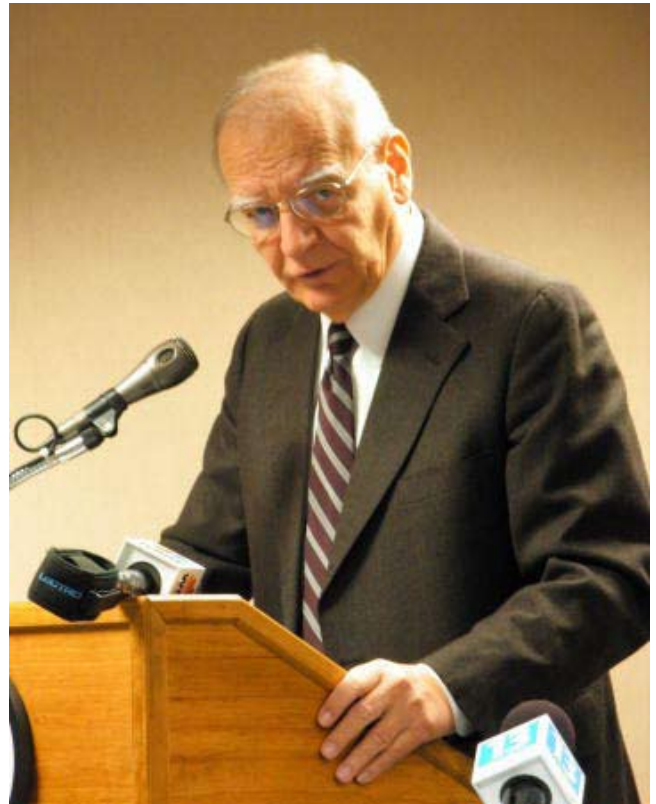
The common delusion of victims of such pressures, such as Representative Kanjorski, is their swallowing of what they did, or must have known were nothing but the wild lies from certain financier and related circles, that the present financial crisis is a limited problem which the Federal Reserve System and related institutions can manage. In fact, what is in progress, as the relevant world-wide pattern of evidence shows conclusively, is a two-fold trend:

1. First, what is in progress, is not merely a mortgage crisis. It is a general breakdown crisis of the entire present world monetary-financial system, a rapidly escalating global financial crash, which must be compared with the "New Dark Age" which wiped out an estimated one-third of the population of Europe during the middle of Europe's Fourteenth Century. The present U.S.A. financial crisis is a world crisis for which there is no bottom under the world system's present organization. In such matters, setting an exact date for the catastrophe is not possible; but, the fact remains that, without appropriate forms of sweeping emergency action by cooperating leading nations, the planet as a whole is moving near to the edge of the greatest and deepest financial and economic collapse in modern history.
2. Second, there are readily available, workable solutions. Since real economies are not monetary-financial economies, but are physical economies of production and consumption, there is always a potential action by governments which could reorganize the sick monetary-financial system, and thus prevent a deep and prolonged physical collapse of national economies. President Franklin Roosevelt demon-

strated that principle. Just as replacing the methods of Coolidge and Hoover saved the U.S.A. then, so, eliminating the policies which were introduced under Presidents Nixon, Ford, and, especially, the Tri-lateral Commission's control over President Carter, George H.W. Bush, and George W. Bush, Jr., is an indispensable means for rescuing the U.S.A., and other nations, today.

3. It was President Franklin Roosevelt whose actions saved and revived the U.S.A., and made possible the defeat of a fascist takeover over the entire world. Today, it is the still very active campaign behind Mayor Bloomberg and his "infrastructure" frauds, like the infrastructure frauds of Mussolini and Hitler which Bloomberg and Rohatyn copied exactly in respect to essentials, which are the principal threat to the great majority of the people of the U.S.A., and other nations, today.

The problem to which elected officials such as Kanjorski must stand up is the issue of whether they choose to represent fascists such as Shultz, Rohatyn, and their stooges Schwarzenegger and Bloomberg, or represent the increasingly desperate interests of that great majority of the citizens who elect them? We need political leaders who have the guts not to cave in as Kanjorski did at Stroudsburg. Let us hope that our expression of "tough love" will bring Kanjorski back to his senses.



EIRNS/Jean-Sebastian Tremblay

*Pennsylvania Rep. Paul Kanjorski at his Feb. 2 press conference in Stroudsburg. LaRouche tells Kanjorski "to regain his courage and tell the truth."*

## What Is the HBPA?

*It's no coincidence that Kanjorski's home state, Pennsylvania, has 35 municipalities, including Pittsburgh, Philadelphia, and the capital, Harrisburg, which have passed resolutions calling on Congress to enact the Homeowners and Bank Protection Act. The Representative should take some courage from local officials across the state.*

*Here are the essential features of the HBPA:*

1. Congress must establish a Federal agency to place the Federal- and state-chartered banks under protection, freezing all existing home mortgages for a period of however many months or years are required to adjust the values to fair prices, restructure existing mortgages at appropriate interest rates, and write off all of the cancerous speculative debt obligations of mortgage-backed securities, derivatives, and other forms of Ponzi schemes that have pushed the banking system into bankruptcy.

2. During this transitional period, all foreclosures shall

be frozen, allowing American families to retain their homes. Monthly payments, the effective equivalent of rental payments, shall be made to designated banks, which can then use the funds as collateral for normal lending practices, thus recapitalizing the banking system. Ultimately, these affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble, the establishment of appropriate property valuations, and reduced fixed mortgage interest rates.

It is to be expected that this shakeout of the housing market will take several years to achieve. In this interim period, no homeowner shall be evicted from his or her property, and the Federal- and state-chartered banks shall be protected, so they can resume the traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.

3. State governors shall assume the administrative responsibilities for implementing the program, including the "rental" assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition.



# Brits Get Caught With Their Hands in Afghan Opium Jar

by Ramtanu Maitra

In early February, the London *Independent* broke a story which said that the U.K. was in the process of using its 7,700 troops in the opium-infested, Pushtun-dominated southern Afghanistan province of Helmand, to train 2,000 Afghan militants (generically identified in the West as the “Taliban”), ostensibly to “infiltrate” the enemy and “seek intelligence” about the lethal arms of the real Taliban.

This patent little colonial game of the British, sitting atop Afghanistan’s opium province, was aborted, at least temporarily, when officers from Afghanistan’s KGB-trained National Directorate of Security got hold of a computer memory stick after they had moved against a party of international diplomats who were visiting Helmand.

Immediately, Kabul expressed anger, claiming the British agents were talking to the Taliban without permission from Afghan President Hamid Karzai. Kabul pointed out Prime Minister Gordon Brown’s pledge to the British House of Commons on Dec. 12, that Britain would not negotiate with the Taliban. Brown said on that occasion: “Our objective is to defeat the insurgency by isolating and eliminating their leaders. We will not enter into any negotiations with these people.”

Following the exposé, Britain tried to cover up one set of lies with another, insisting that Karzai’s office knew what was going on.

What was somewhat surprising was the silence from Washington and NATO capitals in Europe. In Washington, where the Bush Administration considers the Brits as the most reliable partner-in-crime, the watchword is to ignore these British perfidies. Among the NATO partner-nations in Europe, the news was ignored, and they, instead, concentrated on how to please the Anglo-American venture in Afghanistan without putting their “boys” in harm’s way.

This is like attempting to jump into the water without get-

ting wet. But NATO’s partners know, even if they would not like to admit it, that the Afghans consider them as much a part of the occupying force as the Anglo-Americans are. In other words, while all the occupying forces swear by their commitment to strengthen and stabilize President Karzai, they chose to overlook a blatant attempt to further undermine Kabul’s authority, not by the Taliban, but by Kabul’s “friends.”

## MI6 Agents Wearing EU and UN Badges

In reality, however, this story broke weeks before, when, on Dec. 26, two intrepid British MI6 agents, working undercover of the United Nations and the European Union, were expelled from Afghanistan. One of them, a Briton, Michael Semple, was working as the acting head of the EU mission in Afghanistan, and is widely known as a close confidant of Britain’s ambassador, Sir Sherard Cowper-Coles. The second is an Irishman, Mervin Patterson, the third-ranking UN official in Afghanistan.

UN Secretary-General Ban Ki-moon, who owes a lot to the Americans and the British for his present position, through his office, gave the impression that it was all a big “misunderstanding,” and that, once the UN talks it over with Kabul, these two “high-ranking diplomats” would be back in business.

But Karzai had other ideas, and clearly saw through the murderous plot the British were hatching against him. Some Western analysts, who have no respect for sovereignty of any nation, and believe their governments have the moral authority to carry out whatever is in their best interests, frowned and wondered why Karzai, who is himself negotiating with the Taliban, did not allow these two “high-ranking diplomats” to carry out their “harmless” little operation. After all, as the *Independent*, in late December, quoted a British officer, Brigadier Andrew Mackay, who had pointed out the grand British

objective in a classified briefing document issued to top officers across Helmand on Oct. 30: "Great Britain's long association with Afghanistan has shown that we got ourselves into this country by forming tribal alliances. Equally we will get ourselves out, over time, by forming tribal alliances that support the government of Afghanistan. Everything we do will have as its singular focus our ability to influence the population of Helmand in order that we can retain, gain and win their consent."

### Karzai's Moves

But, what President Karzai saw was quite different from what Mackay said. To begin with, reports he received indicated the training camp was part of a British plan to use bands of reconciled Taliban, called Community Defense Volunteers, ostensibly to fight the remaining insurgents. "The camp would provide military training for 1,800 ordinary Taliban fighters and 200 low-level commanders," the report said.

The camp was due to be built outside Musa Qala, in Helmand, under the pretext of reconstruction, and using the reconstruction money. It was part of a package of reconstruction and development incentives designed to win trust and support in the aftermath of the British-led battle to retake the stronghold last year. The memory stick revealed a three-stage plan, called the European Union Peace Building Program. The third stage covered military training. The European Union says the program did not exist and there were no EU funds to run it. Afghan government officials insist it was bankrolled by the British. U.K. diplomats, the UN, Western officials, and senior Afghan officials have all confirmed the outline of the plan, which they agree is entirely British-led, but all refused to talk about it on the record, the *Independent* said.

An Afghan official told the *Independent*: "When they [the two MI6 agents] were arrested, the British said the Ministry of the Interior and the National Security Council knew about it, but no one knew anything. That's why the President was so angry."

The Afghan President's anger became public on Jan. 24, while speaking to journalists on the sidelines of the World Economic Forum at Davos, Switzerland. Karzai told reporters that he should not have listened to British and U.S. officials who said he should remove the local security forces that were already in place in Helmand province, according to the London *Times*.

Referring to the strengthening of the Taliban in Helmand due to the British interference, Karzai told the press: "Both the American and the British forces guaranteed to me they knew what they were doing and I made the mistake of listening to them."

A few days earlier, Karzai had resisted a strong effort by the British and the Americans, with the help of Ban Ki-moon, to appoint Paddy Ashdown as the UN Special Envoy to Afghanistan.

The *Asia Times* pointed out that Karzai anticipated that

Ashdown, true to his reputation in the Balkans, would function like a colonial viceroy under orders from London. Karzai was aware that the Western agencies and organizations operating in Afghanistan lack coordination. But a "unified command" under Ashdown would create a counterpoint in Kabul to Karzai's own authority. The President didn't want this to happen.

### What Were the Brits Up To in Helmand?

The answer to that question is not difficult for those who have followed the British colonial *modus operandi* over any length of time. Brigadier Mackay spelled out a small part of it in his classified briefing on Britain's "tribal alliances." The truth, however, is a lot more vicious, and even, bloody.

To begin with, now, after a half-hearted effort that lasted for almost 74 months, the Bush Administration has come to realize that it is impossible to tame Afghanistan, where the Afghans are singularly focused on dealing with the foreign occupiers. Washington realizes, but is afraid to admit, that it is not possible to keep Pakistan a friend, and simultaneously keep the Northern Alliance-backed government in power in Kabul. The Pushtun leader in Kabul, Hamid Karzai, does not have the approval either of Pakistan, or the majority of the rest of the Pushtun community straddling both sides of the Pakistan-Afghanistan border.

So, the only option open to Washington is to get Karzai accepted by the majority of Pushtuns; in other words, it means opening a dialogue between Karzai and the Taliban. Such talks were taking place. But, the process is complex since the anti-U.S. and anti-NATO militant Pushtuns would not accept foreign troops on Afghan soil as part of any solution.

While this complex process was in play, Britain wanted to have its own "Taliban" as opposed to the Karzai-Washington-favored Taliban. Britain's objective was to train these Taliban militants and use them to capture, or if necessary, to assassinate Hamid Karzai, to get their Taliban secure control over Kabul. These Pushtun Taliban will remain under the British control, while Karzai is under the American control. To gain control of Kabul at a time when Pakistan is being exploded by externally controlled Pushtuns inside Pakistan, would, no doubt, put Britain in the jockey's saddle.

The second objective of Britain is to get hold of a chunk of the opium money floating around in Afghanistan, and in Helmand, in particular. The British East India Company, at the end of the 18th Century, helped Britain to wipe out its huge trade deficit with the Qing Dynasty of China, by establishing a British monopoly of opium trading in the Indian province of Bengal.

Helmand produced 53% of Afghanistan's 8,200 tons of opium in 2007. In 2008, it is likely the total production would exceed 8,200 tons, and Helmand's contribution could be even more. That amount could kill a lot of people, but the British note, it can bring in a lot of cash at a time when the banks are cash-dry and bankrupt.

# Will NATO Die at The Gates of Kabul?

by Jeffrey Steinberg

Nearly seven years into the NATO occupation of Afghanistan, following the post-9/11 U.S. invasion, serious rifts are coming to the surface among the NATO allies, over how to proceed. American and European defense officials are nearly unanimous that the current course of action is failing, and that the Afghan-Pakistani border region has become a new command-and-control hub for al-Qaeda and Taliban forces. In effect, from a military standpoint, the war has been lost. And the 42,000 NATO troops currently deployed in Afghanistan are incapable of waging the kind of campaign needed to unseat the insurgents—not to mention the skyrocketing opium production, which is generating an estimated \$1 billion in black-market revenue inside the country, and hundreds of billions of dollars in global Dope, Inc. loot, laundered through Anglo-Dutch offshore financial havens.

U.S. Pentagon and intelligence sources have estimated that a minimum of 100,000 combat troops, and a total of nearly 400,000 troops altogether, would be needed to stabilize Afghanistan militarily. History suggests that Afghanistan will never be tamed by foreign occupation. A series of U.S. and European think-tank studies—by the Atlantic Council and the SENLIS Council—have sounded the alarm, but offer no viable policy alternative.

In response to this crisis, which could reach disaster proportions by April-May, when Afghan elections are scheduled, and a major Taliban offensive is expected, U.S. Defense Secretary Robert Gates has written to his counterparts in the other NATO countries, asking for a deployment of additional forces. However, Gates, himself, acknowledges that European NATO forces are not trained to conduct the kind of counterinsurgency warfare being proposed, to disrupt and unseat the insurgency. And the Secretary was forcefully told by the U.S. Joint Chiefs of Staff, according to Pentagon sources, that the United States cannot afford to send any additional troops to Afghanistan, because the U.S. Army has been “broken” by the Iraq occupation, and the Marine Corps is a close second.

Despite these JCS warnings, which Gates reportedly endorsed, President Bush recently ordered the deployment of 3,200 U.S. Marines from the Second Marine Expeditionary Force into southern Afghanistan, to reinforce U.S. and British troops there.

## Is NATO Also About To Implode?

In a statement released on Feb. 4, Helga Zepp-LaRouche emphasized that the Afghanistan situation is lost, from a mili-

tary standpoint, and any idea that a new “surge” of NATO forces can bring stability to the country and the region is pure folly. Furthermore, she warned it could bring down the German government, along with other European governments, that are already facing massive public pressure for their failure to deal with the onrushing global financial collapse, which has devastated the conditions of life for a majority of citizens—and could not survive the popular blowback from increased military deployments and casualties.

It is in this context that Lyndon LaRouche denounced the latest scam by the neoconservative American Enterprise Institute, which is promoting a new American military “surge,” in Afghanistan, modeled on the Iraq surge, to add 12,000 American troops—three combat brigades—to the 26,000 already deployed there.

The AEI report was prepared in early February, by almost the same cast of characters, led by Fred Kagan and Gen. Jack Keane (USA-ret.), who sold the White House on the Iraq surge; it not only calls for the expansion of American counterinsurgency operations inside southern Afghanistan, but also for American and NATO military operations inside Pakistan—unless the Pakistani government launches its own invasion into the North West Frontier Province and the Federally Administered Tribal Areas (FATA) bordering Afghanistan. Such insane conduct by the Bush Administration, LaRouche warned, could assure the breakup of Pakistan, as well as the further unraveling of Afghanistan. And this is precisely the kind of “managed chaos” and “post-Westphalia” destabilization that has been Britain’s longstanding policy towards this region—and the world as a whole.

Some U.S. military specialists have observed that, if the Bush Administration adopts the insane plan coming out of the AEI “Afghan Planning Group,” the one likely outcome will be the final demise of NATO.

LaRouche agreed, noting that, since 1989-91, NATO has been an alliance without a legitimate mission. With the fall of the Soviet Union and the Warsaw Pact, NATO should have been simply disbanded, amid much fanfare and back-slapping over the West’s “victory” in the Cold War.

Instead, a hard-core faction of British, American, and Continental European neocon wanna-be imperialists, is determined to keep NATO going, under the guise of “out-of-area” peacekeeping missions, which have thinly concealed a new round of imperial “mandate” occupations—as in Afghanistan and the Balkans. Below the surface, this faction has been building up a NATO encirclement of Russia and China, in anticipation of a future confrontation.

However, as a military force, NATO is broken. All the pressure in the world is not going to move the other NATO states to wage global asymmetric war, in the midst of the biggest financial and economic crash in modern history.

So, NATO now faces an existential crisis, and the prospects are growing, by the day, that NATO will die a not-so-quiet death at the gates of Kabul.

# Anglo-Dutch Financial Cartel Promotes Colombia-Venezuela War

by Maximiliano Londoño Penilla

*On Feb. 7, Maximiliano Londoño, president of the Lyndon LaRouche Association of Colombia, issued the following statement (it has been translated from Spanish).*

*In times of crisis, the tides of history change quickly. Only two months ago, on Dec. 9, seven Presidents of South America signed a historic document founding the Bank of the South to serve the common interests of the region.*

*South American leaders had advanced the cause of integration over the past five years, despite efforts, by those associated with British agent Dick Cheney, in particular, to turn one country against another.*

*The countdown to war began, however, when Venezuelan President Hugo Chávez was induced to give Venezuelan state backing to narcoterrorists in Colombia. In a Jan. 11 address to Venezuela's National Assembly, Chávez called upon governments to grant formal "belligerent" status to the world's largest cocaine cartel, the Revolutionary Armed Forces of Colombia (FARC), and to the National Liberation Army (ELN), which he called "true armies, which occupy areas of Colombia," as well as to Bolivarian insurgent forces "respected" in Venezuela. On Jan. 17, Venezuela's National Assembly duly passed a resolution granting belligerent status, and on Jan. 20, Chávez announced that he had ordered the militarization of Venezuela's border with Colombia, purportedly to stop contraband.*

*Nicaragua was then drawn into the trap, with President Daniel Ortega making the stunning statement, at the Jan. 26-27 summit in Caracas of the Bolivarian Alternative for the Americas (ALBA) formed by Venezuela, Cuba, Nicaragua, Bolivia, and Dominica, that the ALBA defense pact proposed by Chávez would serve to defend countries like Nicaragua from Colombia, in their border dispute.*

*Meanwhile, top officials of the Bush-Cheney Administration trooped to the Colombian capital, where they issued threatening statements against Chávez. On Jan. 18, it was Adm. Michael Mullen, chairman of the Joint Chiefs of Staff; on Jan. 20, drug czar John Walters; and immediately thereafter, Secretary of State Condoleezza Rice came to assure the Colombians of U.S. support.*

*Tensions are rising. Perhaps as many as 15 million Colombians poured onto the streets on Feb. 4, as part of a worldwide "No More FARC!" march.*

*Colombian military sources told this news service that,*

*although Colombia's standing army is ten times larger than Venezuela's, they believe Chávez plans to deploy his "people's army," with Air Force backing, to launch an attack on Colombia, knocking out its ports and international trade, in coordination with FARC attacks. They expect that Nicaragua would back Venezuela. EIR has no confirmation of this, but the fact that some in the Colombian military consider it a live option, indicates that the scenario is in motion.*

*Adding to the explosive mix, Colombian Defense Minister Juan Manuel Santos announced from Tel Aviv on Feb. 7, that Israel will refurbish and expand Colombia's kfir jet fighter fleet.—Gretchen Small*

The ongoing Colombia-Venezuela conflict, which could end in an absurd military confrontation between two brother nations, is part of a British game of war, through which the Anglo-Dutch financial cartel that controls the City of London and Wall Street hopes to divert discussion away from the urgent necessity of creating a new international financial and monetary system to replace the dying International Monetary Fund (IMF) system. The idea is to use President Hugo Chávez and his relationship with the narcoterrorist Revolutionary Armed Forces of Colombia (FARC) as an instrument for detonating a "proxy" war against the United States, in South America; a war that would sweep through the entire region. Venezuela and Cuba would be the first affected, along with Colombia.

As is typical of such British operations, Chávez himself would be dumped after having been used, and, worse yet, perhaps even assassinated, to perpetuate chaos and war in the region.

President Uribe and other heads of state in the region should seek to return Chávez to the orientation he had a few months ago, when, in association with other Presidents of the region, he promoted an agenda of economic integration for the continent, which included creating the Bank of the South as part of a new world financial architecture. For, just as U.S. statesman Lyndon H. LaRouche warned, it is the growing turbulence of the ongoing global crisis of economic and financial disintegration that is pushing the Anglo-Dutch financial cartel to seek perpetual warfare on a planetary scale, with the intention of thereby preserving its political power, by imposing a fascist dictatorship upon a world torn by war and the destruc-





*Will Hugo Chávez and his relationship with the FARC be used to detonate regional war? Here Richard Grasso, then president of the New York Stock Exchange, embraces FARC leader Raúl Reyes in June 1999.*

tion of sovereign nation-states. Unfortunately, due to the romantic and Jacobin ideology which grips him, President Chávez is easy prey to British manipulations.

### **Chávez Must Learn What Bolívar Knew**

LaRouche noted on Feb. 5, that Venezuela's President "has been misled by his ignorance of reality, his ignorance of what Simón Bolívar himself came to understand about the British orchestration of regional conflicts. Because of his ignorance of history, Chávez, like Fidel Castro, is committing the error of aligning himself with British imperialist interests, against the legitimate interests of the nations of the Americas. One could say that this is an innocent ignorance on his part." LaRouche added: Chávez should admit what Bolívar recognized, at the end of his life, when he banned Jeremy Bentham, that British imperial policy was a "total catastrophe for the hemisphere."

As for Chávez's "special relations" with the FARC, LaRouche observed: "An experienced military man like Chávez should understand that it is a mistake to develop too close relationship with a diseased prostitute." LaRouche insisted that Chávez must understand that the drug trade that is destroying the Americas is a modern form of slavery. As he underscored, "The point is that this is a British scenario and gameplan, and must be identified as such. It is madness on Chávez's part, induced by both his desire to be President-for-life and by his failure to achieve that in the recent referendum . . . not to mention his regular chewing of coca leaves."

"When a guy goes out on American history and says he supports a British operation against the U.S., in that period,

where Bolívar had said, in the same general period, from Colombia, that this was a British operation run by Jeremy Bentham, which led a lot of fools in South America into being dupes of the British Empire. . . . Is Chávez being a dupe of the British Empire?" asked LaRouche.

The Jacobin ideology that guides Chávez, was concocted and deployed originally by Jeremy Bentham, England's foreign intelligence chief during the Independence period, as an instrument of warfare to guarantee both the fragmentation of the former Spanish colonies as well as their economic unviability, through the imposition of free trade (now called globalization), which torpedoed any industrialization, mechanization of agriculture, and great infrastructure projects that could have transformed the provinces newly freed from Spain into true economic powers.

### **No 'Republiquettes'**

Bentham corresponded with and gave direct instructions to many Independence precursors and leaders, such as Francisco Miranda, Zea, and Santander, among others. He manipulated Bolívar himself, before the latter realized, nearly at the end of his life, that the British project was to Balkanize the region, producing tiny "republiquettes" dedicated to producing raw materials and unprocessed agricultural products, out of what had once been a single geographic and political entity, from Mexico to Argentina. That is, fear that Mexico, and Central and South America would follow the successful steps of the United States—which, under the leadership of George Washington, Benjamin Franklin, and Alexander Hamilton, had become an independent nation committed to industrial



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*Colombian police and military personnel are held prisoner by the FARC in a Nazi-like concentration camp.*

and scientific development—led England, applying its “balance of power” strategy, to seek the independence of the former Spanish colonies, but on the condition that they would be turned into fragmented little entities, subordinate to Britain’s free-trade and colonial policy. Instead of a country of industrialists, productive farmers, and skilled workers, our country, Colombia, continues to be basically a den of smugglers, drug traffickers, plantation owners, and usurious bankers, thanks to its adoption of British free-trade.

Now, when the existing world economic order is disintegrating precisely as LaRouche had forecast, is the time to create, as LaRouche has proposed, a new, just international monetary and financial system, which can provide plentiful and cheap credit to finance large industrial, agricultural, scientific, and infrastructural projects which every nation on the planet needs, starting with the United States itself, which faces the worst economic bankruptcy crisis in its entire history, thanks to the application of the same, evil neoliberalism that has destroyed the productive potential of the world in its entirety.

When discussion of a new world financial architecture is the order of the day, and various South American nations, led by Argentina and Venezuela itself, were promoting the creation of the Bank of the South from that perspective, Chávez, carried away by his radical Jacobinism, has acted exactly as the British have orchestrated, to sabotage this very process of regional integration which he himself helped put in motion. Instead of helping to physically unify our countries with extensive and modern rail corridors, Chávez is, in his relations with the FARC, reviving the old FARC-Wall Street alliance that expressed itself in the famous embrace of Richard Grasso, then president of the New York Stock Exchange, and the FARC’s “Raúl Reyes,” at the time that the FARC was handed Colombian territory by the misled President Andrés Pastrana.

The Uribe government, if it is smart, will not fall into the

British gameplan of fomenting war between Colombia and Venezuela, which could be triggered by any of the border incidents which do occur, and have occurred for years. Neither should President Uribe fall into the trap of calling on our U.S. “ally” to come and supposedly protect us from our neighbor. U.S. Vice President Dick Cheney, who is still trying to invade Iran and Syria after unnecessary and criminal wars against Iraq and Afghanistan, will have little difficulty in convincing the mediocre and manipulable George Bush to follow Teddy Roosevelt’s “Big Stick” tradition of sending U.S. soldiers after Chávez, while they are still looking for Osama bin Laden.

## Beat Swords into Rails

No. We cannot accept a war between Colombia and Venezuela, a war that would spread across the subcontinent. We must act to prevent such a war from occurring, and to do so, a flanking maneuver must be carried out against the only interest which would benefit from this, the Anglo-Dutch financial oligarchy. Colombia, together with the rest of Ibero-America—including Venezuela—must adopt LaRouche’s perspective, of taking active part in the process of change toward a new world monetary and financial system to replace the decadent and usurious IMF.

Instead of falling for the Anglo-Dutch imperial scenario, what the Uribe government should do is launch a program of great infrastructure projects, centered around the construction of wide-gauge, high-speed railroad corridors (350 kilometers/hour) based on electrical traction and/or magnetic levitation. At least 8,000 kilometers of modern new railway would crisscross Colombia from north to south and east to west. These corridors would connect to development and infrastructure corridors which, through the Bering Strait tunnel that the Russian government is committed to building, would link up the Eurasian continent with the Americas. Among other projects, Colombia would have to build the Darién Gap Train, to serve as the port of entry for the rail corridor that would eventually extend from Alaska to the Patagonia in Argentina. The policy of Democratic Security, per se, will not survive if there is no Economic Security. The most effective way to consolidate peace in our country is to ensure that there are stable, well-paid, and productive jobs for every Colombian of working age.

In sum, if LaRouche’s policy is adopted, the British war game to create a new Opium War in the region can be defeated. At [www.larouchepac.com](http://www.larouchepac.com), one can find ample documentation of LaRouche’s perspective and proposals. A synthesis of LaRouche’s approach can be found in the recent frank and fraternal dialogue that the American statesman recently held with Ecuador’s Minister Coordinator of Economic Policy, Pedro Páez, on the economic bankruptcy afflicting humanity at this time. The transcript and audio recording of that historic Jan. 30 interview, broadcast by the Ecuadoran radio station 530 AM of Quito, can also be found on the above-cited web-page [and in *EIR*, Feb. 8, 2008—ed.].

## The British Empire's Suicide Club: The Noun Generation

by Delante Bess and Nick Walsh, LaRouche Youth Movement

*An ordinary member who comes here in search of death like yourself," replied the paralytic, "returns every evening until fortune favors him. He can even, if he is penniless, get board and lodging from the President."*—Robert Louis Stevenson, *The Suicide Club*

What would cause seven young friends, growing up in Bridgend, South Wales, over the course of a year, to hang themselves, one after the other, all within the vicinity of their small town? The ongoing suicidal tendencies of the British empire's policy-making, including the imminent possibility of a repeat of the 1923 Weimar Germany hyperinflation, and an intended Felix Rohatyn and George Shultz-inspired, Michael Bloomberg fascist dictatorship in the United States, create, as the 19th-Century sociologist Emile Durkheim defines, an environment of anomie for a young mind to develop in; nonetheless, in this, and other extreme cases,<sup>1</sup> there is something more.

As in the extreme events of the Perugia, Italy murder, the Jokela High School massacre in Finland, the Omaha mall shootings, and many other recent, youthful acts of social psychosis, there is an underlying common cause, in addition to the apparently hopeless Malthusian world administered by the **British empire** today. As in Robert Louis Stevenson's *The Suicide Club*, a trilogy of short stories, there must be a daring group, a club, or a "chat room," where young people's desperate, uneducated minds have their fantasies twisted into dehumanized actions, to be carried out in society. Today, that "suicide club," recruiting youth to do the extreme, is not a real place, or location, as Stevenson's "club" was physically based

in London, but rather, is a digitalized place, a nowhere land, invented in the cold minds of the social programmers who engineer today's Internet "social networking" sites.

The most popular clubs today are MySpace, Facebook,<sup>2</sup> and, as in the case of our Bridgend, South Wales tragedy, the British website Bebo. As the goth-existentialist Robert Louis Stevenson wrote in his story, "There was a tacit understanding against moral judgments; and whoever passed the club doors enjoyed already some of the immunities of the tomb. They drank to each other's memories, and to those of notable suicides in the past. They compared and developed their different views of death—some declaring that it was no more than blackness and cessation; others full of a hope that that very night they should be scaling the stars and commercing with the mighty dead." And, as today, Stevenson notes that his suicide club is composed of "people in the prime of youth, with every show of intelligence and sensibility in their appearance, but with little promise of strength or the quality that makes success. Few were much above thirty, and not a few were still in their teens."

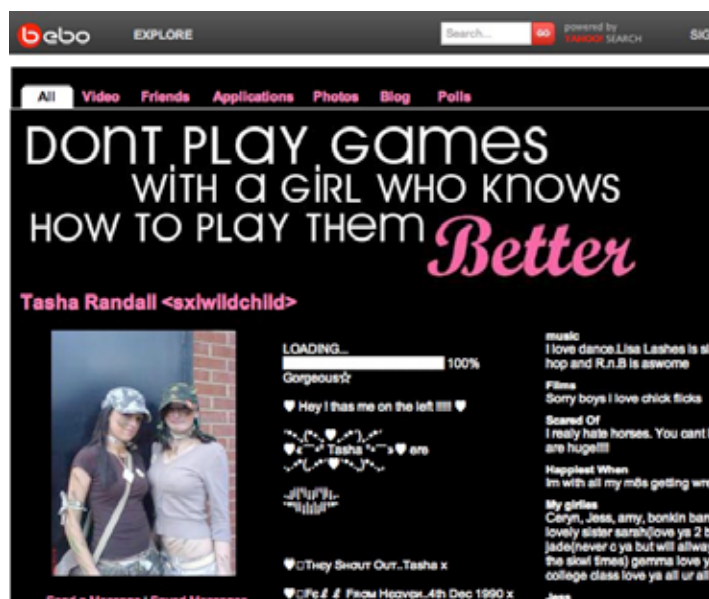
### The Ace of Clubs

Today, Bebo, MySpace, and Facebook are, for youth of the 14-to-25-year age bracket, places where, once you "log in," you're *already dead*; and, these Internet tombs, a capital weapon in the British empire's warfare against human civilization, are frequented by today's youth in the privacy and security of their own bedrooms, with mummy and daddy, oftentimes, right downstairs. The intentionally destructive nature of the sites, has everything to do with the *digital nature* of cy-

1. See Lyndon H. LaRouche, Jr., "From Milken & Enron to Perugia: 'Extreme Events!'" *EIR*, Nov. 23, 2007.

2. See the LaRouche PAC pamphlet, "The Noösphere vs. the Blogosphere: Is the Devil in Your Laptop?" November 2007.





Natasha Randall, whose Internet screen name was “sxiwildchild,” is shown here on her Bebo website. Randall committed suicide shortly after one of her “friends,” to whom she wrote, “RIP Clarky boy!! gonna miss ya! always remember the gd times! love ya x. Me too!”

berspace itself, where anything is allowed, except that which distinguishes man from the beast: human cognition.<sup>3</sup> Combine this unknowable, paranoid medium for “communication,” with the fairy tale, and also suicidal logic of today’s globalized “information economy,” and one has all the ingredients necessary for a youth culture that can be programmed to commit the most horrific and senseless acts imaginable. This programming turned into Internet “social networking,” is the intended effect of freakish Internet Olympians such as Rupert Murdoch and Bill Gates, who each have insisted, at various times, mimicking their controllers in the British empire, that the human mind is no better, if not worse, than a silicon microchip.

In the case of Bridgend’s Leah Phillips, who survived her attempted hanging, due to her stepfather’s intervention, she claimed to have no memory of her suicide attempt, nor knowledge of a reason for why she did it. She did, however, tell police who were investigating the hangings, that Bebo should be monitored to prevent more death: “People are going on to Bebo and talking to other teenagers, but it is all going too far and it is ending in bullying and suicides,” Phillips warned them. Bridgend’s coroner Phillip Walters, who has conducted inquests for many of the victims, also pointed his finger in this direction, saying that he is “desperately concerned” about the chain of young suicides, and of the connection to teenage social network sites such as Bebo and MySpace. He said, “I shall be looking at these networking sites myself to see if there

is a link between them and the growing number of youngsters committing suicide. But in the meantime, I want to warn youngsters about the possible dangers these web-sites can pose. I would also like to warn parents to be actively on the alert for signs of their children being influenced by others on these sites.”

The seven youth thus far involved in the Bridgend suicide club over the past year, had all been friends, and spent large amounts of time, a few as many as three to five hours per day, “logged in” to Bebo. Just as in the case of the Internet-driven school shootings at Paducah, Kentucky, or in the case of Alan Greenspan’s own, now admitted, historical incompetence as chairman of the Federal Reserve, it is unclear whether these Bridgend suicide cases were actually conscious of what they did. In these and related cases, it is as if an unseen demonic force, like the ghost of Ayn Rand, or Bill Gates, suddenly hacks into the person’s soul and carries them into action. The survivors, looking back, are often at a loss to explain what they did.

## Digital Anomie

*But society is not only something attracting the sentiments and activities of individuals with unequal force. It is also a power controlling them. There is a relation between the way this regulative action is performed and the social suicide-rate.*

—Emile Durkheim, *Suicide: A Study in Sociology*

Let us spy, for a moment, at the Bebo pages of the youths involved in our active Bebo Suicide Club in Bridgend, South Wales. These youth, already living as miserable subjects in a post-industrialized British empire, had, like fools in a Bosch painting, found their purpose in hedonistic pleasures. Their web pages are covered with their exploitations. However, with the added obsession of Bebo and MySpace addiction, their thrill-seeking takes an even more misdirected turn.

The most recent suicide victim in this case, Natasha Randall, whose screen name was “sxiwildchild,” wrote boldly at the top of her page, “Don’t Play Games With a Girl Who Knows How to Play Them Better.” In response to the suicide of her friend Liam Clarke, shortly before her own suicide, Randall had written, “RIP Clarky boy!! gonna miss ya! always remember the gd times! love ya x. Me too!” And more recently, in response to Randall’s suicide, another friend posted on Randall’s page, “RIP tash—can’t believe you done it!” And another, “Heyaa Babe. Just Poppin In To Say I Let My Balloon Off With A Message On It, Hope You Got It Ok And It Made You Laugh Up There.”

This is not only the social milieu of a suicide club, but it is a form of *symbol-minded* language, and disassociation from reality, *only possible* on either mind-altering psychedelics, like LSD, or, today’s cyberspace. This is a type of domain for schizophrenic expressions of what Lyndon LaRouche and other specialists would call *ontological nominalism*.

3. See Sky Shields, “What Exactly, Is the Human Mind? Analog, Digital, and Transcendental,” *EIR*, Jan. 4, 2008.





The presidents of today's digital  
"Suicide Clubs": Bill Gates KBE (left)  
and Sir Rupert Murdoch.



Not coincidentally, these websites, originated out of MK-Ultra's Silicon Valley mind-control experiments, are programmed to trap the individual addicted to them in this type of psychosis: a non-living digital tomb, a club, where the person's identity, increasingly digitized, and thus decorticated from human reason, has only one increasingly compelling option available to terminate their living hell.

A point of reference for understanding this is Emile Durkheim's 19th-Century sociological case study of suicides. For although the empirically observable trend of the Bridgend epidemic looks like a type of contagion or mere "copy-cat" phenomenon, that simply does not locate the cause, or exterior force, shaping the cultural matrix around these individuals. For our purposes, we must seek out a *dynamics* which subsumes this case, rather than the individual particulars of many different situations.

Popular investigators and media reporters today, in the digital tradition of Sherlock Holmes, actually contribute to the problem, scrambling over each other like bloodhounds for the best sniff of the latest isolated clue. But the stinking elephant in the room goes undetected, i.e., the digital world environment, which these youth locate their souls, and hubris, in.

In Durkheim's investigation of the effect of simple "copy-cat" or imitation suicides, he says, "In short, certain as the contagion of suicide is from individual to individual, imitation never seems to propagate it so as to affect the social suicide-rate. Imitation may give rise to more or less numerous individual cases, but it does not contribute to the unequal tendency in different societies to self-destruction, or to that of smaller social groups within each society. Its radiating influence is always very restricted; and what is more, intermittent. Its attainment of a certain degree of intensity is always brief."

This empirical hypothesis is made after a review of quantitative data of different races, heredities, sects, and religions.

When you take the various social dynamic aspects together as a one, Durkheim is right on this point, that *suicides do not principally depend upon the congenital qualities of each*

*individual; but upon causes exterior to them; that ultimately dominate them.* That exterior force in this case, today, is a despairing, existentialist culture, coupled with digital controlling mechanisms, that reinforce and escalate this despair.

Durkheim's description of anomie, hints at this effect: "*In anomic suicide, society's influence is lacking in the basically individual passions, this leaving them without a check-rein.*" What Durkheim crucially fails to grasp, however, is the nature of the human mind, and therefore, also, the nature of precisely how it can be destroyed.<sup>4</sup>

## Hyperlinks: Newsqueak for a Dead Mind

The use of so-called "Newspeak" language to interact in the digital world, does not correspond to anything in the real world; but, is perceived to the naive mind as something that possesses a true relevance to real-life interactions. This creates a battle between two universes, the real and the virtual, intended to foster a type of *existentialist schizophrenia*.

Take the role of Wikipedia, and related websites, where the fastidious individual is supposedly researching a subject or word, but, is barraged with an overload of "hyperlink," noun-based words. That individual, navigating through "virtual cyberspace," frantically clicking on hyperlinked words, no longer has to think of an idea, or image in their mind, of that word; but, the word or object of research is *predetermined* for them. The collage of predetermined symbols, images, and definitions, resting ultimately upon a fixed, machine-language code, inhibits the mind from acting in a creatively non-linear way.

The natural process of the human mind, when hearing a word ironically situated in a phrase, can take the path of many different ambiguities, especially, if done in a Classically intentional way. The way words are spoken, written, and punctuated, can invoke a plethora of ideas to appear in the mind. Take, for example, the famous opening line of the Act III, Scene 1 soliloquy of Shakespeare's *Hamlet*, "To be, or not to be," which can only be spoken truthfully according to Shakespeare's intention. Nevertheless, this ironical statement, delivered as intended, triggers the mind to act and *actually* think. How would Wikipedia deal with the verb, "To be?" What "information" would they link to it? Wikipedia can't deal with verbs! Can a digital computer develop a truthful idea of such a phrase, according to the historical specificity in which

4. The work of Durkheim has been certified by modern sociologists and psychologists as revolutionary; but, he misses the question of the ontological social principle causing an anomic society. His method can be contrasted to Johannes Kepler's anti-Euclidean approach to the work of Tycho Brahe and Copernicus, by which he, uniquely, discovered the universal physical principle, organizing the Solar System.

Shakespeare was writing this? The richness of the irony surprises the mind to act in a *non-linear* fashion; one experiences this, effectively, when hearing a good joke!

The substitution of predetermined symbols, pictures, or noun-based definitions for truthful knowledge of the real-physical world, stifles the non-linear creative process of forming any hypotheses. It padlocks the mental capacity for creative change and discovery. Imagine these Bridgend youth, and hundreds of millions of others around the world, investing so much of their time on “social networking sites,” with the halting of any creative, or verbal, thinking; with the mind not acting to figure out ironies or paradoxes; in a place prohibiting any scientific hypotheses; a place of *virtually dead minds*.

Even the most radical empiricists admit the existence of principles. What they deny is the knowability of them, typified by Ernst “no-metaphysics” Mach, Bertrand Russell, and their followers. Universal principles that exist, even those of which the mind is unconscious, at the time, may reappear as thought-objects, not in some “click the link” manner; but in a dynamical, non-mechanistic process of thinking through an unsolved problem. Is it possible to store a universal physical principle in your desktop’s recycling bin? Attempt, in the vain spirit of Zeus and Wikipedia, to delete a physical principle from the universe. Where would it end up?

## A Self-Doomed Empire

The anomie of MySpace, Facebook, Bebo, et al. exemplifies this extreme form of “click an object” empiricism, and is abused accordingly as the escaping ground for hedonistic fantasy and infantile emotional rage. This is comparable to Plato’s allegory of the Cave, and those in it who resist the outside real world. What we witness in the victims of this suicide club, is what competent specialists call “mass schizophrenia as a social phenomenon.” Those who are in control of these “social networking sites” are fully aware of this, as LaRouche PAC has documented substantially in the mass distribution pamphlet, “The Noösphere vs. the Blogosphere: Is the Devil In Your Laptop?”

For the honest student or specialist on this subject, Durkheim’s treatment of suicide is useful as a starting point of investigation, although, the higher platform from which to view the cause of anomie, i.e., from the standpoint of the subject of creativity, is thoroughly elaborated in all writings of Lyndon LaRouche, and by some of his associates.<sup>5</sup> The British empire’s policy, on the other side, of fostering *mass cultural insanity*, is driven by the desire to deliberately destroy the Classical cultural heritage of Western Civilization. To wit, that so many individuals, even those of some intelligence, are duped into thinking of today’s synthetic digital cyberspace, as an actual universe of existence.

5. For example, Lyndon H. LaRouche, Jr., “Life Within the Noösphere: What Is the Human Mind?” *EIR*, Jan. 11, and Shields, *op cit.*



*The young people who are seduced by “social networking” sites, such as Bebo, MySpace, and Facebook, are “like fools in a Bosch painting”; they find “their purpose in hedonistic pleasures.” Here, a detail from Hieronymus Bosch’s “Garden of Earthly Delights” (1504).*

The crucial issue here, is the authoritative role which the British empire’s Internet social networking sites have over their squeaking mass of youthful victims, who, in response to a destroyed global financial system, have surrendered their minds like scared lemmings, to a medium foolishly accepted as a new Utopia, just as the “counterculture” of the programmed 68er generation was accepted in similar fashion.

In the case of our Bridgend suicide club, it is the medium and nature itself of today’s digital networking sites which must become the focus of investigation; for if this social disease is not treated, the atrocities which have been committed thus far, will only be the beginning. The alternative to today’s collapsing world is not flight into virtual fantasy, but summoning the courage to be one’s true self; to locate oneself in the ongoing 3,000-year fight against oligarchism in Western Civilization; and, to expose those agents of the British empire such as Rupert Murdoch, Bill Gates, and Bebo founder Michael Birch, et al., who have engineered the virtual shackles that are corraling today’s younger generation to its own personally styled self-destruction.

# Bailouts and Corporativism, Or Franklin D. Roosevelt

by John Hoefle

“If we choose to enjoy the advantages of a system of leveraged financial intermediaries, the burden of managing the risk in the financial system will not lie with the private sector alone. Leveraging always carries with it the remote possibility of a chain reaction, a cascading sequence of defaults that will culminate in financial implosion if it proceeds unchecked. Only a central bank, with its unlimited power to create money, can with a high probability thwart such a process before it becomes destructive. Hence, central banks have, of necessity, been drawn into becoming lenders of last resort. But implicit in such a role is the assumption that the burden of risk arising from extreme outcomes will in some way be allocated between the public and private sectors. Thus, central banks are led to provide what essentially amounts to catastrophic financial insurance coverage.”

That statement was made by Alan Greenspan, then the chairman of the Federal Reserve, to a meeting of the Council on Foreign Relations on Nov. 19, 2002. Even through his turgid prose, Greenspan’s message was clear: Trouble is coming, and when it arrives, the public is going to foot the bill.

Two days later, in an address to the National Economists Club in Washington, Ben Bernanke, then a governor of the Fed, gave a speech on preventing “violent financial crises which lead to ‘fire sales’ of assets and falling asset prices,” in which he touted that, “the U.S. government has a technology, called a printing press (or, today, its electronic equivalent), that allows it to produce as many U.S. dollars as it wishes at essentially no cost.”

These two speeches signalled the intent of the Federal Reserve, acting on behalf of the international financier oligarchy, to bail out the banking system when the global financial system collapsed, as they had to know it would. What they feared

then, has now come to pass, and Bernanke and Treasury Secretary Henry Paulson are carrying out the plan.

## Bailout Schemes

Paulson and Bernanke, and the bankers behind them, would have you believe that their actions are aimed at protecting the American people, because that is the only way they can sell their bailout plan to the public. Instead of calling it a banking crisis, they call it a housing crisis; rather than admitting they are trying to save the value of their mortgage debt—and the piles of leveraged bets related to those mortgages—they claim they are trying to protect the homeowners from foreclosure. They are, to put it politely, lying through their teeth.

Indicative is the so-called “stimulus plan” passed by the House and the Senate. Most of the publicity around the stimulus centers on the tax rebates of \$600 per person, but the bill also contains measures that would raise the maximum size of a mortgage that Fannie Mae and Freddie Mac can purchase, from the current \$417,000 to \$729,750, a move which will effectively allow significant numbers of mortgages—and the securities they nominally back—to qualify for Fannie’s and Freddie’s implicit government guarantee. The real beneficiaries here are the financial institutions and investors holding these mortgages and their mortgage-related securities—it is the value of the paper, and the solvency of the institutions which hold it, which is being protected.

As a further example, take the scheme outlined by New York banker and real estate magnate Howard P. Milstein in an op-ed in the Feb. 6 *New York Times*, in which he calls for the Federal government to “guarantee” all subprime mortgages. “As these mortgages would be guaranteed by Treasury,” Mil-



stein writes, “they would suddenly be assessed, on bank balance sheets, at their original value—and a significant amount of the banks’ lost capital would be restored.” That, in turn, would allow the banks to “buy back the subprime debt now being held by foreign banks and other financial institutions.” Milstein offers this plan, he says, “out of concern for the health of the global financial system.”

What both of these schemes have in common is that they would transfer huge costs to the public, which is precisely what Greenspan said some five years ago would be done. The idea that these moves are a response to a “subprime housing” crisis is merely a marketing gimmick, a way to sell a bailout of the big banks and other major players to a credulous public, a claim with no more substance than a toothpaste commercial.

Underlying all the bailout talk is the idea that the valuations of financial assets must be protected, and that it is in the interests of the public to do so. That, too, is a lie.

The U.S. economy is drowning in debt, and the measures being proposed by the bankers all involve, in one way or another, the creation of yet more debt. That, in itself, is nothing new, but these plans would add a dangerous new element, by turning trillions of dollars of financial market debt into obligations guaranteed by the United States government, and the population. The essence of all these plans is to dump a significant portion of the losses in the financial markets onto the public, all in the name of helping the “little guys.”

These plans are lunacy, and any attempt to use the government to bail out a significant portion of the worthless financial paper will backfire spectacularly, setting off a hyperinflationary storm. That the bankers would consider such schemes, shows them to be bankrupt both financially and intellectually. They would actually be better off admitting that they are bankrupt, and seeking government protection under the principles outlined in LaRouche’s Homeowners and Bank Protection Act. Being sane is always better than the alternative.

## Privateers

Sanity, however, appears in short supply among financier circles, which is why we find the growing push to “help” the public by charging them for the use of taxpayer-funded infrastructure. This scam, which is marketed under the name of public-private partnerships, or PPPs, involves selling or leasing public property to corporations, and then charging the public an arm and a leg to use it.

The rationale for this is the claim that the private sector can manage such projects more efficiently than can the government, thus providing the public better service at a cheaper cost. It is a variation on the argument Enron made to the State of California to push energy deregulation, but what California got instead was outrageous electricity prices and blackouts. Just, we should add, as Lyndon LaRouche and *EIR* warned.

The premise for these claims has repeatedly been proven false, with private projects generally costing far more than government projects. This should be a rather obvious point, particularly when the project is financed by private equity companies which are in the business of making money, not building infrastructure.

For comparison, take the state-built and state-run Dulles Toll Road and the private Dulles Greenway in Northern Virginia. The 12-mile Dulles Toll Road has had one rate hike since it opened in 1984, raising the toll at its main plaza from 50 cents to 75 cents in 2005, with the increase slated to help cover the cost of a planned commuter-rail project along its route. In contrast, the 14-mile Dulles Greenway, built by private firms as an extension of the Dulles Toll Road, has seen a steady series of rate increases, with the basic fare now standing at \$3.50.

## ‘Lexus Lanes’

There are also many projects underway to create special fee-based lanes (“Lexus lanes”) on public highways under the guise of dealing with congestion, and even discussions of tracking all cars, and charging drivers by the mile driven on all “public” roads. Add to this, the growing number of schemes to privatize water and sewer systems, bridges, tunnels, airports, and other infrastructure projects, turning them into profit centers.

The pressure for governments to agree to such deals is rising, as the effects of the economic collapse are felt. Falling real estate values, for example, are beginning to devastate county tax receipts, and the breakdown of the securities markets is making it increasingly difficult for state and local governments to raise money for infrastructure projects through the sales of bonds. Under such circumstances, the lure of money from private equity funds to buy or lease government assets is increasingly powerful. But governments which accept such bids are basically selling their populations down the river.

The treating of infrastructure as a profit center to be judged in its effectiveness by the amount of revenue it produces, is a sign of a society gone insane. The purpose of infrastructure is to raise the productive power of the people in the area it serves, as a way of making the economy more productive. Selling it off to the highest bidder, who will charge as much as possible to maximize income, is actually counterproductive to economic growth.

Rather than attempt to bail out our banks by shifting their losses to the population, and allow corporatist privatization of what should be free public services, we should return to the policies associated with Franklin Delano Roosevelt. FDR put those he termed “the economic royalists” in their place, and defended the general welfare of the population, and in doing so, defended the nation. That is a policy which worked, and a policy to which we must return if we are to survive as a nation.



# India: A Powerless Giant... But, Who Made It That Way?

by Ramtanu Maitra

On Jan. 25, India's Harvard-trained Finance Minister, P. Chidambaram, was busy enticing foreign investors at the World Economic Forum at Davos, Switzerland, claiming that India is in the middle of an economic boom. He said that "India's growth rate is cruising along at 8.5-8.6% in the financial year 2007-08." On the same day, only a few hundred miles away, Bhagwan Dass Morwal, a respected Hindi writer, pointed out to a conference of Indian writers organized by the Premio Grinzane Cavour, a prestigious Italian literary prize: "Today if you see Indian villages and the rural areas, you will not believe [what you see]." He said that "education and primary healthcare facilities have all been abolished," adding that "the situation is going from bad to worse."

Summarily dismissing Chidambaram's lies, Morwal told the audience: "I feel we are talking about 'Shining India' [the slogan of the ruling coalition—ed.] but that's just the propaganda of the Indian government and the ruling parties."

## Go, See for Yourself

What Morwal was referring to becomes evident if one takes a tour through India's hinterlands. In rural India, where the majority of Indians live and die, "Shining India" did very little. It is estimated that almost 450 million Indians make do without regular electrical power, and more live without having access to safe drinking water.

In spite of this desperate situation, which calls for all-out attention, news came out from New Delhi on Feb. 7, announcing that India's Ministry of Power is preparing for a downward revision in the country's targets for new power-generation for the 2007-11 period of the 11th Five-Year plan. During the first nine months of the plan in 2007-08, it was reported that only 6,485 megawatts (MW) of additional power was commissioned, against a target of 13,152 MW. The total additional power targetted for the current plan is 78,577 MW, which would still leave India short of providing electrical power on a regular basis for its population.

But, at the rate this government is implementing projects, the actual amount of additional power during the plan period could be less than 50,000 MW. That means, little will be added to the rural agricultural lands, where darkness

prevails, and nothing shines.

It is a shame that despite adequate competent manpower and plenty of foreign-exchange reserves, India is going back into the age of darkness. During the last four years of the Manmohan Singh-led coalition government—the United Progressive Alliance (UPA)—India's infrastructure has gotten worse, and its agricultural and small-and-medium scale industries have been further weakened. The evidence of that lies in the statistics, which have recorded an increasing number of suicides by farmers during the Manmohan Singh-led "success" period.

## Washington Consensus in Power

The reason things have gotten worse is that Indian economic policies are under the control of a triumvirate, representing the Washington Consensus. Prime Minister Manmohan Singh and his cohort, Montek Singh Ahluwalia, are both creations of the IMF-World Bank, and like the Harvard-trained Finance Minister, Chidambaram, consider economics to be equated with money. This triumvirate has no concept of building a national economy, and, in the Indian context, are overtly anti-poor.

Singh, who was India's Finance Minister between 1991 and 1996, and was featured on the cover of *Time* magazine one of those years, had sabotaged India's power program then, and is doing it now. According to figures included in the Eighth Plan document, during the preceeding 1985-90 Seventh Plan, which was presided over by the slain Indian Premier Rajiv Gandhi, the country added about 21,000 MW of generating capacity. That was the amount the plan had promised.

By contrast, during the Eighth Plan (1992-97), the generation capacity added was a mere 16,000 MW as against a target of 30,000 MW. That is a shortfall of 14,000 MW, or about 46% of the total, in a country crying out for power. It is no surprise that he is doing it again, now that he is at the helm.

The Prime Minister needs to explain why this state of affairs must continue and why the hundreds of millions of Indians have to forgo a future for their children because of lack of electrical power. A few years ago, Singh was telling Indians that he expected foreigners to invest in India's in-

frastructure. Whether it was a plain ruse, or it was his simple-minded belief, it is difficult to fathom. But the bottom line is that that investment in power infrastructure did not happen.

There was no reason why it should have happened that way. Infrastructure-building provides an opportunity for the poor and underprivileged to get out of the rut they are in, and become productive. It is their productive power, and not only the productive power of a handful of privileged people who live in the cities and earn a pay package that enables them to educate, feed, and take care of their respective families, that makes a nation strong. If he understood the essence of nation-building, Singh would have seized the opportunity to build power plants, and not wait for foreign investors to save the day. It is evident that he has no clue about the essence of economic development.

### **Undermining India's Nuclear Program**

Secondly, for the last three years, Prime Minister Singh, and his coterie, were playing up the U.S.-India nuclear deal as the manna from heaven that would fall on Indian soil to solve all of its power problems. One may ask why the Indian nuclear power sector, which should have been put in motion to solve India's long-term problems, was not given a boost? Was it because foreign nuclear reactor suppliers, and the countries that they represent, had told the Indian Premier to act that way?

India's nuclear program is unique in many ways, whether the Washington Consensus admits it, or not. India has developed small nuclear reactors indigenously. These reactors are excellent for building clusters to provide rural agro-industrial power and water requirements. Small reactors require smaller infrastructure to make them function optimally. Smaller reactors require smaller capital outlay, and as a result, with a given budget, more reactors can be built which can then be spread around to provide an improvement of the nation's vital power and water sectors. The power generated by these reactors is small enough to be consumed at the source, or in the outlying villages. The heat generated by waste water can be used to desalinate saline and brackish water for agricultural, industrial, commercial, and domestic uses.

As the agro-industrial, commercial, and domestic activities increase over time, more of these small reactors need to be added to make the cluster larger. Nowhere in the world, except in India, have such small reactors been developed. Why, then, were these reactors not proudly given the place they deserve? Manmohan Singh must answer: Why was their construction not put on a war footing to help India's rural sector?

It is time for the Indian population to tell the triumvirate that money generated from various activities does little unless it is used to enhance the productive power of labor. For instance, a visit to India's cities, and their immediate sub-

urbs, will prove how the hard-earned money is being squandered by a super-inflated real estate bubble. The price of real estate in the vicinity of Delhi, Mumbai, Bangalore, and other cities, can be afforded by only a handful of Indians. Foreign investors, loaded with petro-dollars, are pouring money into land speculation, instead of investments that would help India's deprived millions. Those Indians who are already wealthy are borrowing heavily from the government to buy properties, jacking up the prices even further. Some of these Indians are wealthy enough to buy real estate in the United States, because real estate there, following the collapse of the housing market bubble, is cheaper than that of Indian real estate in the vicinity of cities, the only places where some form of infrastructure exists.

Where do the poor figure in all this? How could they get even a drop from the so-called trickle-down effect of this real estate bubble? They get nothing, except the negative part of higher prices for everything they buy.

But, the failure to provide infrastructure to the hundreds of millions of agricultural and small-and-medium scale industrial workers, could spell an immense danger to the nation. Already, a vast swathe of land from the border of Nepal and Bihar in the north, and to the borders of Tamil Nadu in the south, running through Madhya Pradesh, Orissa, Andhra Pradesh, and Karnataka, is now under the control of murderous Maoists. This swathe of land is also almost bereft of infrastructure; its population includes millions who are desperately poor, and who are getting increasingly angry and militant.

But anger has spread beyond the Maoists and now involves the innocent poor. Recently, three people were killed and at least two dozen others were injured by police in Kahalgaon town in Bhagalpur district in Bihar. They fired while people were protesting against electricity outages, according to district administration officials.

The incident involved hundreds of angry local people, who were protesting outside the National Thermal Power Corp. (NTPC) plant in Kahalgaon against acute power shortages. They were demanding electricity supplies from the local NTPC plant.

In Punjab, India's agricultural heartland, state chief minister Parkash Singh Badal, on the Jan. 26 Republic Day, asked people to bear with power cuts, as all northern Indian states were facing electricity shortages: "We are getting about 6,000 MWs of electricity, while we need about 11,000 MWs. So we are facing a shortage of about 5,000 MWs."

The failure to provide infrastructure in the hinterlands with the purpose of improving the living standards of their populations and their succeeding generations, so they become part of a productive labor force, is much worse than being anti-poor. It is tantamount to being anti-national, because the opportunity to make the country stronger and powerful is being frittered away for the purpose of making money, and doing little else.

# Land-Bridge Development Could Transform Eurasia

by Mary Burdman

Amidst world financial collapse and chaos, the government of China is the only one which is paying attention to getting things done, noted Lyndon LaRouche at the end of January. LaRouche was reflecting on the slew of initiatives that China is taking this year, from both national and provincial levels, to build the infrastructure vital to build its national economy and that of all Eurasia.

The international financial breakdown, and particularly the immediate effect on the United States—China's key partner economy—is being discussed and debated by Chinese economists and policymakers. On Jan. 27, President Hu Jintao told a national meeting that China's leaders must "have a clear understanding of current global economic trends, their influences on the home economy especially, and prepare for a fast-changing and complicated situation in 2008." As *China Daily* reported a week later. Hu was quoted saying: "We have to have a good control over the pace and strength of macro-control, so as to prolong steady, relatively fast economic growth as long as possible."

The financial crisis is hitting as China is in the process of trying to shift its enormous economy away from over-dependence upon low-cost exports, the large portion of which are actually the products of processing trade. This export-dependence has burdened China with a huge foreign trade surplus and a vast pool of foreign exchange reserves. These both have exacerbated the problem of inflation, which the People's Bank of China has been using various monetary methods to control, with limited success.

The export-dependence has also led to what is termed "overheated" investment. In reality, this means too-rapid expansion of certain sectors, which are overburdening China's underdeveloped energy and transport infrastructure, and very limited land and water resources, without contributing to the Chinese infrastructural, industrial, and agricultural base that is needed for its 1.4 billion people. Since last Fall, Beijing has been working to tighten both bank lending and controls of critical consumer prices.

This has not been, however, a blanket "credit crunch." In the same time period, China has been carrying out, or launching, a series of infrastructure projects which will take its economy into a new era.

In this infrastructure effort, China has partnered with India and Russia, especially on rail transportation. As LaRouche has emphasized, such collaboration is necessary to

create the transcontinental network to bring industrial development to the entire Eurasian land mass. Both LaRouche and his wife, Helga Zepp-LaRouche, are well known for their years-long campaign to build the Eurasian Land-Bridge and develop new cities and industrial corridors along the route, using the most advanced technologies: nuclear power for electricity and high-quality heat, and magnetic levitation for rail.

## Land-Bridge Link in Record Time

Even as China began to battle in January with the worst snowstorms and cold weather since 1951, the principle on which China is basing its future economy was being demonstrated by the arrival of the pilot "Beijing-Hamburg-Container-Express" train in Hamburg, Germany, in only 15 days, 5 days earlier than expected! This train of containers made the 9,780-kilometer journey from Beijing, to test the feasibility of new agreements to ensure that the Eurasian Continental Bridge between China and Europe could function in a timely way. The projected arrival time was in 20 days, and its fast record—less than half the time it would take to transport goods by sea—is well within the timeframe that officials of Germany's Deutsche Bahn, partners in the project, had considered would make the rail service "viable."

This record rate of transit was ensured by cooperation between Deutsche Bahn AG, and all the countries along the route—Mongolia, Russia, Belarus, and Poland—to ensure that customs, rail gauge change, and other factors did not delay the container train. Deutsche Bahn Chief Executive Officer Hartmut Mehdorn has put out a statement saying that "the workers of the six participating railways have proved with their excellent cooperation that Asian-European freight traffic traversing Eurasia has a future." Mehdorn said that Deutsche Bahn aims for regular European-Asian rail traffic by the end of the decade, although Chinese rail officials are much more optimistic, projecting that "a scheduled container train should be shuttling between China and Germany in a year's time." This test train ran along a second designated China-Europe Continental Bridge route, which will supplement the original route from Lianyungang port, via the Alataw Pass to Kazakhstan and Russia. In October, a train travelled this route to Moscow, in what the Lianyungang authorities called the "first real operation of the whole Eurasian railway" since it was opened in 1992.

FIGURE 1

## Eurasia: Main Routes and Selected Secondary Routes of the Eurasian Land-Bridge



The main rail corridors of the Eurasian Land-Bridge, as proposed by the LaRouches. For details, see the January 1997 EIR Special Report, "The Eurasian Land-Bridge: The 'New Silk Road'—Locomotive for Worldwide Economic Development."

### Developing the Interior

A crucial rail initiative was announced in China's central Sichuan province on Jan. 22. Gov. Jiang Jufeng told the opening of the provincial people's congress that Sichuan plans to become the central rail transport hub for all of western China, with links all over Eurasia.

"This shows an understanding of real economics, physical economics," commented LaRouche from Washington. "This is how you develop the economy of the interior of Eurasia, not just the coasts. You do not just build Eurasian Land-Bridges from the Pacific to the Atlantic coasts ... but you [also] build dense hubs of this continental rail network, in the interior regions. That is how the interior can be developed over decades into the future. That is physical economics—it is what very few so-called professionals understand. But there is an understanding" of it in China, LaRouche said.

A map published in the *China Daily* Jan. 23 shows the Sichuan capital, Chengdu, at the center of six rail lines, radiating out in all directions. Sichuan has a population of more than 84 million, and if the huge industrial city of Chongqing, its former capital and now a separate municipality, is included, the total population of this valley on the upper Yangtze is close

to 115 million people. The valley is surrounded on all sides by high mountains. For many centuries, its main link to the outside world was via the Yangtze, China's largest river; now, finally, rail lines over the rugged terrain will bring a new era. Jiang Jufeng and Sichuan party secretary Liu Qibao signed an agreement in Beijing with Railway Minister Liu Zhijun on Jan. 10, to build the new rail links.

A big project will be building railways which will connect Sichuan with Europe and Southeast Asia, *China Daily* quoted Xie Hong, director of the provincial development and reform commission, as saying. The province will build six new railways, as part of China's overall huge rail construction plan. There will be two new rail links, between Chengdu and the cities of Xi'an and Lanzhou to the north and west. Both cities are key stations on the Eurasian Continental Land-Bridge, which goes from Lianyungang port on the Chinese east coast, all the way via Central Asian railways, to Rotterdam and Hamburg, the largest ports in Europe.

Sichuan will also be linked to southern China via the new Chengdu-Guiyang Railway, and eventually to Kunming, Yunnan province, the gateway to Southeast Asia. A new high-speed rail line will link the coastal province of Guangdong



## Province to be transport hub

By Huang Zhiling and Wang Wei  
Updated: 2008-01-23 07:17



CHENGDU: Sichuan is expanding its railway network in a bid to position itself as a transport hub for western China, governor Jiang Jufeng said at the opening of the provincial people's congress yesterday.

China Daily

This map from the Jan. 23 China Daily shows Chengdu in Sichuan as a transport hub for western China, with six new rail routes.

(which launched the “opening up” to the world economy of the impoverished province of Guizhou), to the west. This line will begin construction in 2008, Gov. Lin Shusen announced to the provincial government on Jan. 18. This will be the first direct rail link between the two cities, and cut travel time from 20 hours to 4 hours. The Guiyang-Guangzhou line connection to Lanzhou, on the Eurasian Continental Bridge, via Sichuan, will form an entirely new north-south corridor, opening up the rugged terrain of central China for the first time.

Finally, Sichuan will get a rail link to Lhasa, capital of Tibet, via a network linking Sichuan's western passageway with Qinghai province, where the new rail line “to the roof of the world” originates, and Xinjiang, the interior basin north of Tibet, which was the main route of the ancient Silk Road from China to Central and South Asia. Work to extend the Qinghai-Tibet railway itself to the southwest will begin this year. A 254-km extension line, will link Lhasa to Xigaze, which is close to the area where Tibet borders India, Nepal, and Bhutan.

## From the Center of Eurasia

In Urumqi, capital of Xinjiang, the regional government announced two key projects on Jan. 27. One is the second tier

of the Eurasian Continental Bridge through the Alataw Pass to Kazakhstan, set to be completed this year. The other project is even grander: the long-planned railroad from westernmost Xinjiang, up and over the Tian Shan mountains, to Kyrgyzstan, and via the famous Fergana Valley to Uzbekistan and Europe.

Building this railroad will be an incredible feat, for it will involve going over mountain passes close to 13,000 feet (3,300 meters) high. This rail line, now in a preparatory stage, should be completed by 2010, and will be a key link in the southern passageway of the new Eurasian continental bridge, *Xinhua* reported from Urumqi. It will extend west from Kashi in Xinjiang—the inland city famed for being farthest on Earth from any ocean.

The almost-finished new Continental Bridge link will connect Korgas on the China-Kazakhstan border, with China's inland railways. In Kazakhstan, it will join the Sary-Ozek railway, and ease the increasing transport burden on the Alataw Pass, the largest land port in northwest China. The Alataw pass handled 5 million tons of rail exports in 2007, up 60% from 2006.

Kazakhstan, which lies at the crossroads of Eurasia, is also focussing on rail development. On Dec. 5, 2007, the Kazak Foreign Ministry confirmed that the country will further develop the transcontinental rail corridor linking China and Europe, the Kazak Rail Ministry announced. This will mean building some 2,500 kilometers of new rail lines and upgrading of the country's existing rail infrastructure.

“Transport development is one of the priorities of the ‘Kazakhstan—2030’ strategy,” Amanbai Ibraimov, dean of faculty of the extension department of the Kazak Transport and Communications Academy, said on Jan. 30, Kazinform reported. He said that 1,600 km of new railways will be constructed and 2,700 km will be electrified by 2015, under Kazakhstan's Transport Strategy. The sector will include both centrally controlled and private sectors. Key projects are the new “Shar-Ust-Kamenogorsk” and “Kyzylorda-Zhezkazgan” lines, as well as the new 697.5-km international rail corridor linking Russia, Kazakhstan, Turkmenistan, and Iran. Construction of this route, which will run north-south from Uzen-Gyzylgaya-Bereket-Etrek-Gorgan, was formally inaugurated on Dec. 1. It will open a new route from Russia and western Kazakhstan, to the Persian Gulf, and should be operating by December 2011.

Other Chinese regions are also looking to extend the entire Eurasian Land-Bridge network. On Oct. 30, 2007, a seminar was held in Kunming, capital of southwest Yunnan province, with the cooperation of the southern port city of Shenzhen, to discuss the feasibility of developing an intercontinental rail link between South China and Europe. This line, the *Shezhen Daily* reported, would traverse 21 countries, including Myanmar, India, and Turkey, over 15,150 kilometers, to Rotterdam, in Holland. This railroad, according



*The China-Kazak border crossing at Korgas, Kazakstan. A new rail link under construction will connect Korgas to China's inland railways.*

to *Shenzhen Daily* would be “the third linking Asia and Europe.” Ren Jia, deputy director of the Yunnan Academy of Social Sciences, told the newspaper that the “idea to build such a rail link was first proposed in the 1990s, but this will be the first time a full-scale seminar will be held to discuss the subject.”

## How To Really Develop China

National discussion in China goes beyond concrete projects. On Feb. 1, Lau Nai-keung, a member of the National Committee of the Chinese People's Political Consultative Conference, published a strategic commentary in the *China Daily* to say that such a “vast and populous” nation as China, must concentrate on development of railroads, not the automobile, if it is to become a developed economy. Lau Nai-keung, who is based in Hong Kong, has written a number of such perceptive commentaries in the past, including one in 2005, warning that the U.S. economy/financial bubble had to collapse. Although China had begun building national super-highways 20 years ago, current developments are “a sure sign that the auto-economy is not going to work in China,” Lau wrote in his latest piece. He also emphasized the importance of the Eurasian Land-Bridge.

For decades, Lyndon LaRouche has criticized the insane overdependence in the United States on gas-guzzling auto, truck, and air transport, to the neglect of railroads; instead, LaRouche has advocated development of high-speed and magnetically levitated trains, including in his most recent international webcast, Jan. 17. LaRouche representatives have also emphasized this point in discussions with economic planners in China.

“For a vast and populous developing country like China,

it has finally found the logical solution to its transportation problems. Cars are too polluting and too inefficient for intra-city commuting; and they are too expensive and too slow for inter-city traveling. On the other hand, oil-guzzling airplanes are too small and much too expensive,” Lau wrote. Air travel is actually very time and space-consuming, he said, and “inter-city trains running at about half the cruising speed of airplanes can sometimes be faster, more convenient, and much safer. Overall, rail is also a lot friendlier to the environment.”

China has been on a big highway construction mobilization, and now has a 30,000-mile network, second only to that of the United States. By 2030, this network should double. However, skyrocketing oil prices and China's highly congested cities show

that an auto economy will not work.

Now, the 11th Five Year plan, which began in 2006, puts the emphasis on rail construction, and changing the emphasis from cars. Under the 11th plan, a total 125 billion yuan (\$16.9 billion) will be used to build about 12,600 miles of new railways, half of it just for passengers. Speed is being increased all over the country, which will make transport much more efficient. Rail travel is still much more used than automobiles for long-distance travel in China, which has, Lau wrote, “one of busiest railway networks in the world, moving 24% of global rail traffic with just 6% of the world's tracks. In many respects, it is by far one of the most efficient railway transportation systems in the world....

“Rail transportation development plans are rapidly unfolding, and people will soon find their perception of distance completely altered. This will lead to a lot of ramifications currently beyond imagination. The map is shrinking, people's mobility has been greatly enhanced, and regional barriers and differences are breaking down. All this will completely change how the Chinese people live and work,” Lau wrote. While U.S. fast logistics systems rely on air, in China they will be rail-based. The great urban areas of north and south, will be unified into megacities—but these will be efficient due to rail transport.

“There are also plans to revive the land-bridge linking the Asian and European continents by rail, thus reducing transportation time and costs, and boosting the economies of the Central Asian countries along the way,” Lau wrote. He also noted the “southern route,” to Southeast Asia. “Imagine the opportunities and challenges the development of the Chinese rail system will offer. It is mind-boggling,” Lau concluded.



Gopal Aggarwal

Passengers exiting an India Railways general compartment. India's rail network is the fifth largest in the world, but it has 30 times the passenger use as the United States.

## Cooperation with India

Eurasia's other giant nation, India, is also moving to develop its rail network. India is already working with Japan to construct new, high-speed dedicated rail corridors. Now, in what is also an important political development between the two nations, India and China, "the two giant railway systems of the world," are launching a "new chapter of cooperation," the Indian Ministry of Railways announced Jan. 18. During the visit of Indian Prime Minister Manmohan Singh to China, Jan. 15-18, the two nations signed a Memorandum of Understanding, which the Rail Ministry called a big boost for the modernization of the Indian Railways. Among other things, Chinese Railways will help India increase rail speed, essential to increase the efficiency of India's system.

These two nations really are the railway "giants" - in terms of rail length, China is third in the world, after the United States and Russia, and will soon be second; India is fifth in size. But when it comes to passenger use, these two nations far surpass any other. China's is the highest, with India not far behind, with passenger travel twice as high as in the entire European Union, and 30 times passenger use in the United States! In freight transport, India lags behind. China and the United States are the largest rail freight transporters, but India only transports about 25% as much.

The Memorandum of Understanding, signed by K.C. Jena, chairman of the Indian Railway Board and Liu Zhijun, the Chinese Minister for Railways, will extend for three years.

Indian Railways has lately been making "tremendous progress" in modernization, increasing efficiency and upgrading its technologies, and the memorandum "signed with China will further facilitate progress in that direction," the Rail Ministry announcement said.

Key areas for cooperation are in R&D, increasing speed (the fastest Indian train goes just 150 km/hour, while Chinese trains are now reaching speeds of 275 km/hour and faster), and developing world-class stations and multimodal logistics parks. Chinese experience in rail communications, design and maintenance, and multimodal transport will all benefit the Indian Railways. The Chinese side was "very enthusiastic" about cooperating with India, and both sides will exchange experts and senior officials to carry the work forward, India announced.

Russian Railways is also interested in investing in Indian railways, the *Economic Times* of India reported on Jan. 30. Visiting New Delhi, Anatoly Volodin, director general of Russian Railways, announced that the "Indian market is growing fast and we are keen to do business with Indian Railways." Russia is offering its latest technologies in railway automation, safety systems, and energy saving equipment. Senior Indian Railway officials plan to visit Russia in March to discuss the proposals.

Another development with strategic potential, was the announcement by Indian Prime Minister Manmohan Singh, on Jan. 31, of a \$1.75 billion development package for the northeastern state of Arunachal Pradesh, during a rare visit there. Singh called Arunachal Pradesh India's "land of the rising sun," and said that New Delhi is planning power, rail, road, and air projects in this underdeveloped, mountainous border state.

There is an international complication to this proposal, because the India-China border remains unresolved in this region. The dispute arose from the British Empire's method of claiming territory by drawing lines on a map during its domination of India, but has yet to be resolved by the nations of India and China. However, after the short border war of 1962, and the China-India 1996 pact to maintain "tranquility" on their frontiers, the borders have been peaceful.

At this time, the border dispute is being overcome by joint economic relations, as *The Times of India* cited a senior Indian foreign ministry official saying, on Jan. 31.





Presidential Press and Information Office

Vladimir Yakunin (right), CEO of Russian Railways: “Railroads have always been a catalyst for economic growth.” Here Yakunin is meeting with President Putin.

“The salience of the India-China relationship today is that the boundary dispute does not stop us from moving forward in other areas like trade,” the anonymous official said. Joint contacts are today “a marked contrast to what the atmosphere was 20 years ago.” However these complicated matters are resolved by these two sovereign nations, infrastructure development of the entire border region will be essential for the economic cooperation needed for the future of these two Asian giants.

## Russian Rail Diplomacy

The expansion of the Eurasian Land-Bridge is also a key part of Russia’s strategic perspective, as has been demonstrated by such critical initiatives as the proposal to build the Bering Strait tunnel and railroad to North America. This perspective is also urgent for Russia’s own economy, as First Deputy Prime Minister Sergei Ivanov stressed at a meeting Feb. 1 of the government Commission for Industry, Technology, and Transportation. The state of Russia’s own rail system is so bad, Ivanov said, that the country is losing billions of dollars’ worth of revenues every year. Far too many regions have no rail system, blocking Russia’s ability to exploit mineral and other wealth, especially in its vast northeast.

Even the vital Trans-Siberian Railway—the First Eurasian Continental Bridge, as it is known in China—is barely being used for transporting cargo between the Pacific and Atlantic, although transport time, at 14-16 days, is just one-third of what it takes to transport cargo from South Korea to Finland via the Suez Canal, RBC reported. Russia must invest heavily into its rail system.

International projects, of which Russia has just started several, will certainly play a key role in forcing Russia to upgrade its own system. Russia is one of the six nations participating in the Beijing-to-Hamburg container train, and Vladimir Yakunin, CEO of the state-owned company Russian Railways, was among the officials in Hamburg Jan. 24, to welcome the train. “Railroads have always been a catalyst for economic growth,” Yakunin said, echoing the late 19th- and early 20th-Century builders of the Trans-Siberian Railroad, Dmitri Mendeleyev and Count Sergei Witte.

“The steady development of the Russian economy, China’s rapid growth, and the expansion of economic ties and trade between Europe and Asia require the intensive development of our countries’ transportation systems. These conditions also define a good basis for multilateral projects, like the Beijing-to-Hamburg

container train,” Yakunin said.

Russian Railways has also won an \$800 million tender to build the 520-km rail line, from Riyadh Airport in central Saudi Arabia to Al Zahirah. This rail line will make up more than 20% of the North-South “Saudi Land-Bridge” railroad project. This land-bridge will extend 2,400 kilometers when completed in 2010-11, and will be used to help develop phosphate and bauxite deposits in the north, at the same time helping to reduce Saudi Arabia’s dependence on oil exports, Novosti reported.

## Will Rail Open the Transcaucasus?

Another project also demonstrates the strategic potential of rail development, although this project is up against one of the most complicated geopolitical situations in the world: that of the Transcaucasus, the mountainous region which lies between the Black and Caspian Seas, linking Russia to South-west Asia.

On Jan. 16, Yakunin and Armenia’s Minister of Transport and Communications, Andranik Manukian, reached an agreement for Russian Railways to operate the Armenian national rail network for the next 30 years. The Russian company is paying Armenia the equivalent of \$5.5 million up front, while pledging to invest at least \$570 million into improvements in the rail system, \$220 million of that in the next five years. Yerevan will also get 2% of the rail annual operating revenues, Radio Free Europe reported.

Minister Manukian said that this arrangement was necessary to stop the collapse of the Armenia rail system. “Please understand that if we left the railway in the current





*Armenia's Metsamor Nuclear Power Plants (above), which are scheduled to be replaced with a new Russian-built reactor, will benefit from the proposed Russia-Armenia rail link between Armenia and Iran, now under study. This railroad will make accessible Armenia's uranium deposits in Syunki Province, near Iran.*

state, we would have no train fleet in a few years," he said. "And you also know the state of rail tracks and other infrastructure."

Armenia is landlocked not only in the mountainous Transcaucasus; it is also cut off from the rest of Eurasia by the intricate geopolitical conflicts of the Transcaucasus region, still unresolved since the breakup of the Soviet Union in 1991. Since 1992-93, the existing east-west Armenia rail connections to Turkey and Azerbaijan, have been blocked, because of the unresolved conflict over the status of Nagorno Karabakh, an Armenian-populated enclave in Azerbaijan. Armenia's existing rail link to Iran, with which it has cordial relations, is also blocked because it passes through Nakchivan. This is an enclave of Azerbaijan, which lies between Armenia and Iran, with only a short border with Turkey.

The Armenian northern rail link, via Georgia, is officially "open," but in reality it is not working, because it runs through Abkhazia. Abkhazia, a region on the Black Sea, was the north-western part of Georgia, on the Russian border, which declared its independence in 1992. Since then, Georgia has maintained a "virtual blockade," including on the rail line. Beyond this, the situation is complicated by Georgian differences with Russia, exacerbated by the "rose revolution" in 2003, and Russia's closure of its border with Georgia in 2006.

The result of all this, is that Armenia has only one rail link to the world, using specially designed rail car ferries which run from the Georgian ferry port of Pot'i on the Black Sea to the Russian industrial rail depot in Port Kavkaz on the Sea of Azov, between the Don River and Black Sea.

The Armenian-Russian agreement includes the potential

for a huge increase in Russian investment, to \$1.8 billion, if the Armenian rail connections to Turkey and Azerbaijan are restored, and ultimately some \$2.2 billion in the event of the reopening of the Abkhaz section of Georgia's railway, linking the region to Russia. Yakunin, however, said that the political resolution of the rail links is not the job of Russian Railways: "We are not politicians; we are railway workers. What we are saying is that we will do everything in our power to help end the isolation of the Armenian railway," he said in Yerevan.

Another possibility—although it would require a lot of investment—would be to build a new railroad linking Armenia to Iran. This possibility is increased by the energy cooperation between Arme-

nia and Iran, including a gas pipeline and two projected hydropower projects on their border. In Yerevan on Jan. 24, Russian Transport Minister Igor Levitin discussed this possibility, the online Regnum News Agency reported: "The rail link between Armenia and Iran is part of the north-south railway corridor and entering Iran via Armenia is a key part of this route for Russia," Levitan said.

This would be a big undertaking, building a new rail line some 200 kilometers between Meghri in northern Iran, to the Armenian network. However, as Armenian analyst Haroutiun Khachatrian wrote in May 2007, a big motivation for this project is that Armenia has uranium deposits in its southern Syunik province, near Iran, and the rail line would be an important factor in developing them. Russia is also committed to building a nuclear plant in Armenia.

An ArmeniaNow.com commentary of Jan. 18 noted that building a new railway would potentially resolve the Transcaucasian conflict, because it would "change the situation from just putting pressure on Turkey," to one of opening the blocked rail lines. Armenian Minister Manukayn said Dec. 27 that Iran has already signed a protocol for a feasibility study for an Iran-Armenia rail line, and the study should be completed by this Summer. "We have already provided the Iranian side with the initial project of the railroad route," Manukayn said. Negotiations on constructing the rail line are ongoing with Russia and international organizations, he said, and were Georgia to lift the blockade on Abkhazia, "a prospect of a huge main route connecting Russia with the Indian Ocean will be outlined."

*Rachel Douglas contributed to this article.*

# Renewed Push for Texas High-Speed Rail Could Spark a U.S. National Effort

by Marcia Merry Baker

At a Dallas, Texas conference sponsored by the Texas Rail Advocates in late January, transportation expert Hal B.H. Cooper, Jr., Ph.D., P.E., made the case for resuming commitment to the Texas Triangle High Speed Rail Project. The concept, which goes back to the 1930s, is to connect Dallas, Houston, and San Antonio, by a 750-mile electrified high-speed rail corridor, carrying passengers, freight, and trucks. Magnetically levitated rail (maglev) has also been proposed for the routes. Below are excerpts from Cooper's prepared conference paper, given Feb. 1, titled, "The Past, Present, and Future Development of the Texas Triangle High Speed Rail Project and the Reasons Why It Did Not Work in the Past, Along with What We Can Do to Make It Work in the Future."

Cooper, a surface transportation specialist, is a longtime advocate of building a worldwide network of rail corridors. He has campaigned especially hard for the crucial link-up across the Bering Strait, for a Eurasian Rail Land-Bridge, with a new rail grid for the Americas. During 2007, Cooper spoke at the Schiller Institute international conference in Kiedrich, Germany in September, and at the *EIR* conference in Ottawa, Canada in October, both dedicated to the Land-Bridge concept.

Based in Seattle now, Cooper's early career was in Texas, where he taught at Texas A&M University and the University of Texas in Austin. In 1983, he and others formed a consortium called the Texas Railroad Transportation Co. to advance the Texas Triangle Project. Beginning in 1984, the German company Siemens also formed a consortium to get involved in the Texas plans. Later, the French TGV interests became active, and sent their representatives to the Dallas Rail Advocates conference. But to date, all these initiatives have failed.

There are similar priority high-speed rail projects intended for key corridors in many parts of the United States, that all have been stalled out for decades. Only the Boston-to-Washington, D.C. corridor has seen high-speed development with the Amtrak passenger service. Cooper is an activist among the engineers and regional leaders who are keeping the idea of the projects alive. A national conference on transportation corridors took place in St. Louis this past January, where rail backers set plans to continue organizing.

Cooper's idea for funding regional rail projects is for collaboration between public and private entities, in a govern-

ment-fostered environment of infrastructure promotion, with regulation overall, as was done traditionally in the United States, as in the Pennsylvania Railroad, the New York Central, and others. This is the hallmark approach of the American System, where private rail and other utility companies, operate within government regulations for the public good.

However, given today's unfolding epic financial crash, there is no prospect for investment in projects from "the markets" now, just as there has been no investment for U.S. infrastructure development during the past four decades of the spread of the speculative bubble economy. Meantime, infrastructure is collapsing.

What is required is a break with the collapse process, a financial reorganization, and a rapid return to infrastructure-building. Lyndon LaRouche is leading the international drive to bring this about on an emergency basis.

## Mussolini-Style 'Infrastructure'

In complete opposition to such a development approach, there are demands for outright Mussolini-model "infrastructure," coming in the form of "Performance-Based Infrastructure" (PBIs), as California Gov. Arnold Schwarzenegger is calling it, otherwise known as PPPs—Public-Private Partnerships, or prior to that, privatization. The leaders of the pack are George Shultz and Felix Rohatyn, whose signature collaboration is for privatizing the military. The newly announced Rebuilding America's Future Coalition, put forward by Schwarzenegger and New York Mayor Michael Bloomberg, is a direct call for Mussolini-style corporativism.

In Texas there is turmoil over such a corporatist scheme foisted on the state six years ago. In January 2002, Texas Gov. Rick Perry (R) announced the Trans Texas Corridor plan, calling for a statewide grid of corridors carrying highways, rail, electric, fiber optic cable, natural gas, and other lines. Behind the nice talk was the intent to sell off looting rights to future toll revenues to the international cartel Cintra, and to other companies, in exchange for pledges to start highway construction. An uproar ensued over the whole rip-off, especially from local landowners, who don't want their property to be appropriated for the 1,000-foot-wide highway corridors. In addition, the Trans Texas was denounced as part of the "NAFTA Super-Highway" system.

One week before the Rail Advocates conference, 1,400

people came to a meeting in Victoria, Texas, to protest the Trans Texas operation. The program is now partially on hold, pending review by the legislature.

In the eastern states, a similar PPP rip-off scheme, involving Halliburton as toll collector, was in the works in recent years for the North-South Shenandoah Valley Corridor. In this scheme, a 12-lane highway for truck and passenger traffic would be built and operated—no rail improvements—in plans drawn up by Kellogg Brown & Root (a subsidiary of Halliburton until 2007), and the Virginia Department of Transportation (VDOT). On Jan. 16, VDOT announced that the consortium is cancelled.

Cooper reports that rail corridor advocates see this cancellation, and the nationwide disaster in highway congestion and maintenance, as an opportunity to renew their efforts to force through rail projects. The issue is funding. In turn, that means facing the reality of the financial breakdown crisis and fighting for the nation-building emergency measures advocated in

the LaRouche plans.

On Feb. 1, in Dallas, John Barton, Deputy Assistant Director of Texas Department of Transportation, said that Texas has no money and is looking for help in funding transportation. The state can barely maintain its roadways with the NAFTA traffic, and has no means at all for new projects. VDOT is in effect saying the same in Virginia. In Pennsylvania, in January, the Rendell administration put out bids to private companies, for long-term leasing of the famous Pennsylvania Turnpike.

This kind of demoralization is what is addressed by the Schwarzenegger/Bloomberg Mussolini “infrastructure” option. Their typical rhetoric is in a letter they wrote to the *New York Times* (Feb. 1), “Our country needs a new, independent approach to infrastructure, one that provides sufficient financing and weighs projects based on merit, not politics...” But taking infrastructure decisions out of the hands of government, can only be described as traitorous.

# Texas High-Speed Rail: Past, Present, Future

by Hal Cooper, Jr., Ph.D., P.E.

*Here are excerpts from Dr. Cooper's paper, "The Past, Present, and Future Development of the Texas Triangle High Speed Rail Project, and the Reasons Why It Did Not Work in the Past, along with What We Can Do to Make It Work in the Future." Footnotes and numerous maps and charts have been omitted. Those seeking more information may contact Dr. Cooper at [HalCooper@verizon.net](mailto:HalCooper@verizon.net).*

## Summary

An analysis has been made of a future high-speed rail network of up to 750 miles in length in the Texas Triangle to connect Houston with Dallas and San Antonio to carry passengers and trucks. The high-speed rail passenger service would be electrified and would be generally located on separate tracks, in parallel to the existing freight tracks of common rights-of-way. The proposed high-speed rail system would be designed to carry between 100,000 and 150,000 passengers per day, plus to haul 20,000 to 30,000 trucks per day between cities by parallel railroad. The overall railroad network would have between 600 and 750 trains per day of traffic volume when in full-scale operation, and would have an electric power demand of 600 to 700 megawatts, or 1% of the statewide total generating capacity.

Previous efforts to develop the proposed high-speed rail passenger system in the Texas Triangle, based largely on pri-

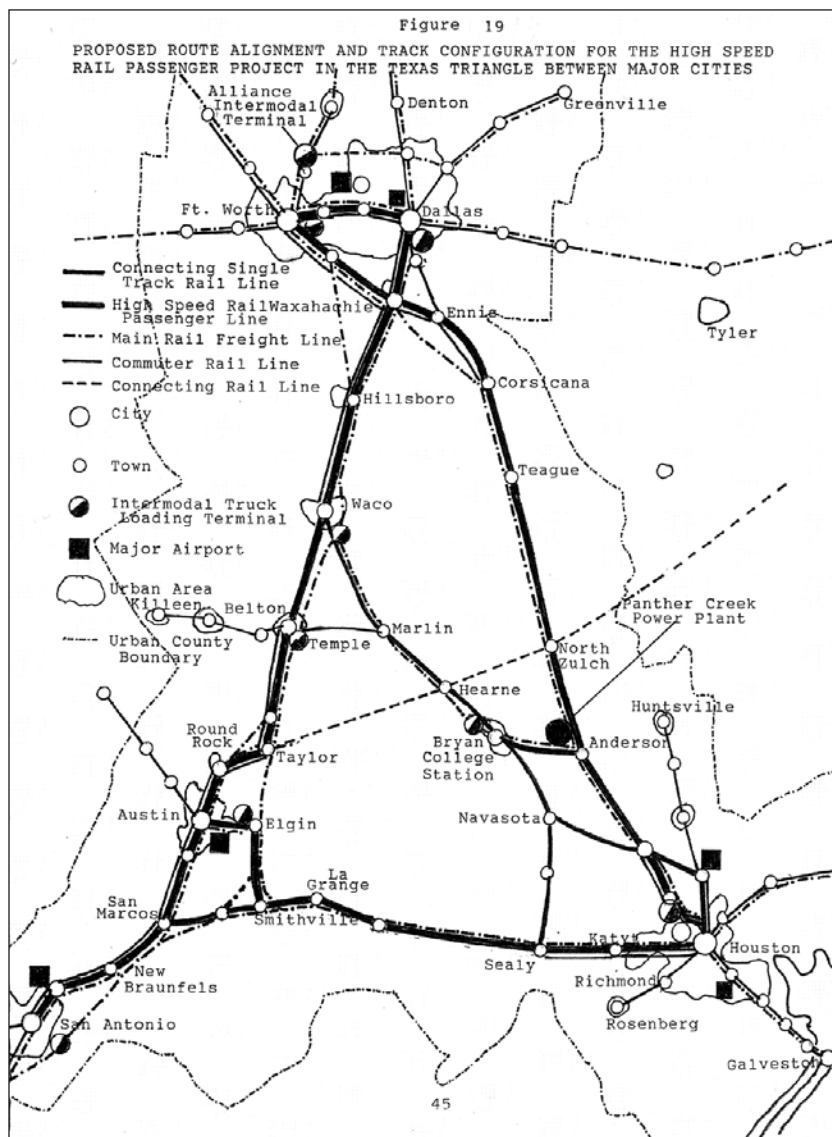
ivate-sector efforts, have failed to date, for a variety of reasons. There did not appear to be a significant level of support from the State Government in Texas, and there was substantial opposition from a number of interest groups who would have been adversely impacted, including landowners, airlines, real estate developers, and oil-related interests. There was also a noted lack of support from the conventional financial institutions, because of the high degree of creativity required.

The recent rise in the price of oil has made it more attractive to develop high-speed rail in Texas, along with the steadily increasing roadway traffic congestion, along with the deteriorating air service. The greater need for roadway maintenance, along with growing concerns over maintaining compliance with air quality standards and with greenhouse gas emissions impacting climate change, have all acted to create a change in the dynamic favoring high-speed rail.

The growing success and expansion of electric high-speed rail systems in France, Germany, Italy, Spain, England, and elsewhere in Europe points to the necessity of similar projects in the United States. China, Japan, and Korea already have high-speed rail systems in place, while Russia and India are developing existing high-speed rail networks. The Amtrak national rail passenger system is showing steadily rising ridership. The recent announcement by Argentina that it is going



FIGURE 1

**Proposed Route for High-Speed Rail in the Texas Triangle**

ahead with a high-speed rail system is a first in the Western Hemisphere, while Canada is seriously looking at a similar system. All these developments point to the necessity for Texas to begin serious planning efforts to implement an electrified high-speed rail system in the Texas Triangle to match its decision to begin rail transit systems in Dallas, Houston, and now Austin.

...The Texas State Department of Transportation would be responsible for constructing the required grade separations and other major rail infrastructures. The urban transit authorities would be responsible for building the collocated local commuter and intercity passenger lines. The cities and towns would be responsible for building the needed passenger stations and terminals as public inputs. Intermodal freight com-

panies would be responsible for building the track-loading and -unloading terminals. The electric utility companies would be responsible for the traction electrification components, while the private railway company would be responsible for building the fixed rail line facilities, as well as for purchasing and operating the rolling stock locomotive and cars. The basis then exists for a real public-private partnership to implement the Texas Triangle high-speed rail project.

**Project History**

The Texas Triangle high-speed rail passenger project has a long history going back to the 1930s, when the Rock Island Rockets ran with steam power between Houston and Dallas, as a part of a bigger system. The era of major passenger service in Texas was doomed to eventual oblivion by the State's major road construction program, beginning in the late 1940s. The demise of intercity rail passenger service was made even more certain by the passage of the Interstate Highway Act in 1956, with the following construction of the 42,000-mile Interstate Highway System, whose greatest extent is in Texas. The construction of the Interstate Highway System eventually became a threat to railroad freight service, and has led to the late explosive growth in truck traffic we see today. These trends have continued with the passage of the North American Free Trade Agreement in 1994 and by Governor Perry's Trans Texas Corridor project, proposed in 2002, which proposes to build up to 4,000 miles of new transportation corridor.

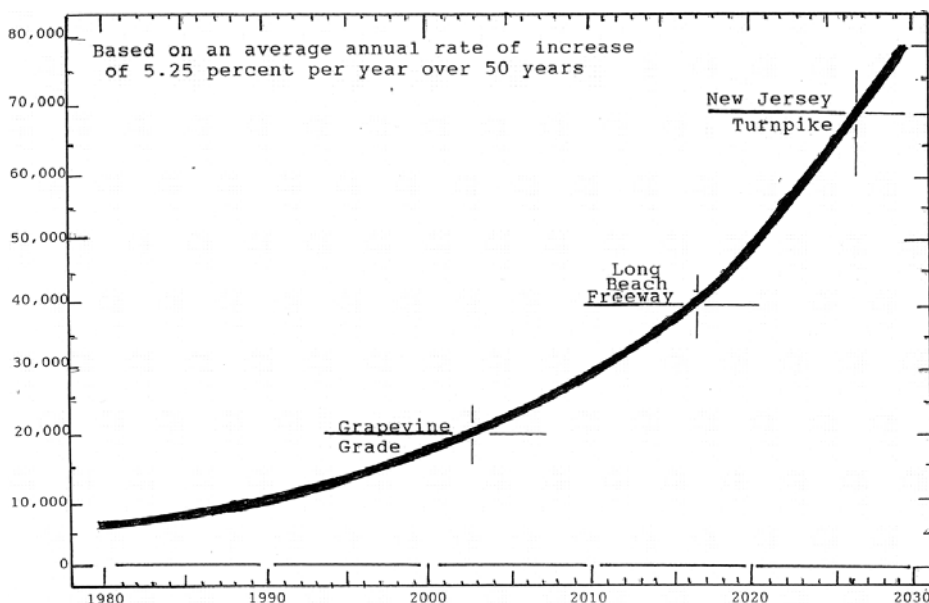
The odds against continual rail passenger service in Texas and elsewhere were made even greater with the simultaneous rise of the commercial airline industry after World War II, applied in the final blow to long-distance intercity rail passenger service in Texas. The status of the Southwest Airlines in the early 1970s in Texas acted to prevent the continuation of short-distance corridor rail passenger service. Only the formation of the National Railroad Passenger Corporation (Amtrak) in 1971 by the Federal Government prevented the complete demise of rail passenger service in the United States. However, rail passenger service did continue, and has been emphasized in the Northeast Corridor, at the expense of the rest of the country. Eventually, other areas saw the benefits of rail passenger service, so that its rebirth began in California and the Midwest during the 1970s. The Northeastern and Midwestern States, along with California and the Pacific



FIGURE 2

## Estimated Increases in Expected Truck Traffic on Interstate 35 Between Austin and Dallas, Texas, in the Absence of Intermodal Diversion of Trucks

(Average Number of Trucks per Day)



Northwest, are developing expanded rail passenger services, which are all experiencing major increases in passenger ridership. The recent rise in the world oil price beginning in 2004 has resulted in major increases in rail passenger ridership, at the expense of air and auto travel, which is limited only by the availability of rail passenger service because of the small size of its network and the relatively limited service frequency.

There were previous proposals to develop high-speed rail systems in California, Florida, Ohio, Illinois, Michigan, and several other states in the late 1970s and early 1980s. None of these projects materialized, but interest has continued, as continuing efforts being made to implement these projects on a more incremental basis have been very successful in the Pacific Northwest and California. However, the only rail service which remotely resembles high-speed operation is between Washington, New York, and Boston, over the 450-mile-long Northeast Corridor, using the Bombardier Acela trains, which are modifications of the French TGV high-speed trains. The Acela trains operate at speeds of up to 135 miles per hour in the Northeast Corridor, with average speeds of 80 to 90 miles per hour over the route...

As a result of the aforementioned efforts and studies, the author formed, in conjunction with four other investors, the Texas Railroad Transportation Company (TRTC) in 1983, as an initial sector effort to develop the high-speed rail passenger project in the Texas Triangle. The author recruited both the French Alstom company and the German Siemens company to

evaluate this project in 1983, which led to discussions with both suppliers. The discussions with the French companies were not successful, for reasons to be discussed later in this paper. However, the discussions with the German companies were productive, which led to an initial agreement to proceed with the initial planning for the project. A series of feasibility and ridership studies were conducted by this company, which showed that the Texas Triangle High Speed Rail passenger project was both technically and economically feasible, and could be built without public funding, as presented at a technical conference in Paris, France in November of 2004 on high-speed rail...

## Future Development

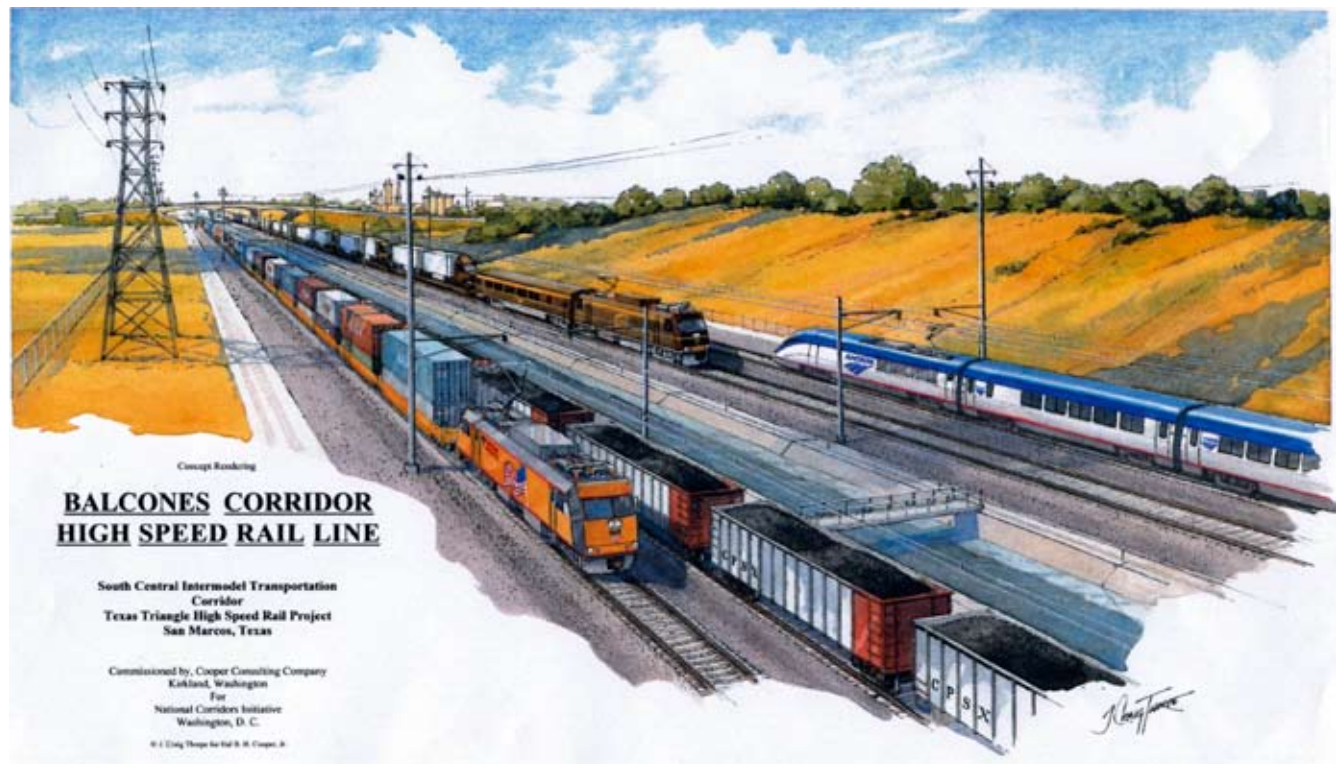
[Some are concerned, Cooper writes, that the proposed "NAFTA Superhighway" would create a "race to the bottom" of the wage

scale, obliterating U.S. national sovereignty and forcing American and Canadian truckers to compete with Mexicans who operate at lower costs and much lower wages, forcing down U.S. wages in a further assault on the middle class.]

There is no possibility of an assault being made on the middle class by racing to the bottom with toll roads, if a major electrified high-speed passenger and freight railroad network is built in the Texas Triangle, over 750 miles in length (**Figure 1**). This electrified high-speed railroad network of 750 miles in the Texas Triangle could then be expanded into a 4,000 mile network, at least in part elsewhere in Texas, by "rising to the top" for the middle class as an economic goal. It could then indeed become the largest single component of a future 42,000-mile-long electrified high-speed passenger and freight railroad network throughout the United States, to carry passengers and trucks and other freight cargoes...

This new rational high-speed rail system across the United States, comprised of 42,000 miles of routes, would be built primarily along existing railroad lines with double or triple track throughout, with electrification throughout, with joint freight and passenger service. This electrified high-speed railroad network would reduce the need for oil consumption at a time of peakage, as well as reduce air pollution and greenhouse gas emissions. Its implementation would set the stage for a complete renewal of the U.S. economy through a major program of reindustrialization and redevelopment of the entire country, and allow the middle class to prosper and expand, instead of to decline and con-

FIGURE 3



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tract, by “rising to the top” as a far preferable alternative to “racing to the bottom.”...

The electric power demand for the alternative electrified railroad networks in 2000 from projected freight traffic volumes and route distances, is expected to increase to 1,256 megawatts for the minimum case, 1,735 megawatts for the medium case, and 2,251 megawatts for the maximum case. The overall electric-generating capacity at present is approximately 70,000 megawatts, as demand increased at a lower rate than projected. The electric power demand for an overall statewide electrified railroad operation would comprise between 3 and 5% of the State of Texas’s electric generation capacity, as compared to between 1 and 2% for the Texas Triangle alone....

Truck traffic has become an increasing problem in the Texas Triangle, with nearly 20,000 trucks per day along Interstate 35 between San Antonio and Dallas (**Figure 2**). There are also substantial truck traffic flows of more than 12,000 per day between Houston and Dallas, with more than 8,000 trucks per day between Houston and San Antonio. Truck traffic volumes have been growing especially along the Interstate 35 corridor at a rate of approximately 5.0% per year for some period of time, especially since the passage of the NAFTA trade agreement. If allowed to continue unchecked, truck traffic volumes along the Interstate 35 corridor could approach 50,000 trucks per day between Austin and Dallas after 2020,

as compared to a present truck traffic volume of approximately 20,000 per day.

A concept drawing of the proposed Balcones Corridor high-speed rail line adjacent to the Interstate 35 freeway as an integral part of the South Central Corridor rail line immediately south of San Marcos, Texas is illustrated in **Figure 3**, by the noted railroad artist J. Craig Thorpe. This illustration shows coal and container trains on the Union Pacific Railroad tracks, along with an intermodal train carrying trucks, and a high-speed passenger train carrying passengers, operating over the other tracks between Austin and San Antonio. The entire railroad line is to be electrified, as well as serving as a major electric transmission line corridor between the major load centers. The two Union Pacific Railroad tracks for conventional freight trains are separated from the high-speed passenger and freight (trucks) train tracks by a water aqueduct channel to transport water supplies for industries, businesses, and homes between cities....

The proposed high-speed rail system in the Texas Triangle, with freight service and commuter rail service included for the entire system, would have an estimated total capital cost of \$17.5 billion for the 950-mile system over a 10- to 15-year total implementation period. For the high-speed rail passenger system alone, the expected capital cost would be expected to be approximately \$11 to \$11.5 billion, or 40% greater than the previous number. The above numbers are ini-

tial approximations only, and would need to be verified through detailed engineering and economic analysis to be conducted. These capital cost figures are based on 2003 cost figures, and would need to be corrected for today's dollar conditions. The estimated capital cost of the project has increased significantly over time, with inflation, so that it is not a wise idea to wait to build it, because material, construction, and labor costs will only increase at a rate of 4 to 5% per year with time....

The proposed Texas Triangle high-speed rail passenger project is expected to show significant ridership levels once it begins operation. If the system were to be in full-scale operation in the Houston-Dallas corridor by 2015, it would be with a ridership of 15,000 passengers per day, which would increase to 40,000 per day by 2020 with all three corridors in operation. Overall passenger ridership would be expected to increase to about 100,000 per day by 2030 and to 150,000 per day by 2040 (with a passenger traffic density of 2,000 to 5,000 passengers per day per million population in the Texas Triangle of 30 million people per year.) This level of passenger ridership density is comparable to that of the TGV rail passenger lines in France, of 3,500 to 4,000 per day with similar populations, where a significant portion of the trains are relatively short-distance commuter types.

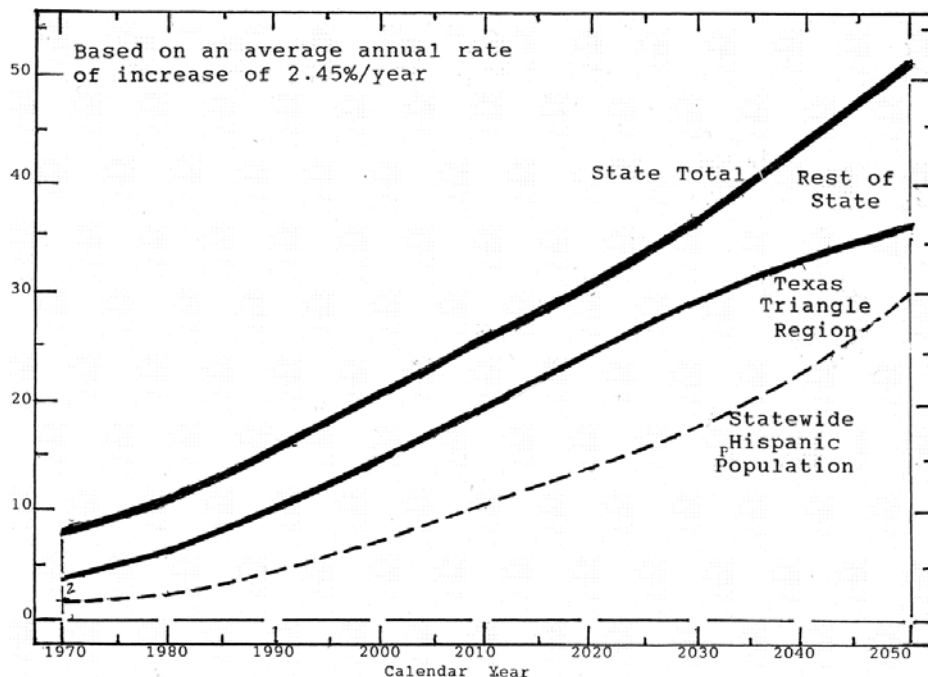
...The overall system would be designed for a total of 100,000 passengers per day and a truck haul traffic volume of 20,000 trucks per day, when based on a 50% market penetration. When based on an expected future population of 25 million in the greater Texas Triangle region in 2030 to 2035, the average ridership density on a per-capita basis is approximately 4,000 riders per day, per million population. The truck haul traffic density is about 800 intermodal truck hauls per day in the overall Texas Triangle. However, much of this truck haul traffic is long-distance in nature, especially between Laredo and Dallas, with final truck destinations in the Midwest, Northeast, and Southeast, so that either offloading or a larger network would be needed.

The high-speed rail passenger and freight network in the Texas Triangle is expected to have a future train traffic volume of 500 to 600 trains per day. The greatest number of passenger trains will be in the Houston-Dallas corridor, while

FIGURE 4

### Expected Increases in Population for the State of Texas and the Texas Triangle (1970-2050)

(Millions of People)



the largest frequency of intermodal truck haul trains will be in the Laredo-San Antonio-Dallas corridor. In all, it is expected that the overall electric demand for the overall high-speed rail network in the Texas Triangle will increase from 150 megawatts at the startup to 600 megawatts when in full-scale operation.

The population of Texas is currently growing at a rate of approximately 2.0 to 2.5% per year (Figure 4). The main portion of the State's population is in the Texas Triangle, with about 16 million out of a total State population of 23 million at present, nearly 70% of the total. The population of Texas is expected to more than double by 2050, from 23 million today to greater than 53 million, by 130% (1.85% per year). The population of the Texas Triangle is expected to increase from 16 million today to 38 million by 2050, by 137% (1.95% per year). In the same time period, the Hispanic population of Texas is expected to increase from 5 million in 1990 to 10 million in 2010 to 19 million in 2030 and 31 million in 2050, or by 245%. The increase in the Hispanic population in Texas will no doubt impact the expected ridership patterns for the high-speed rail system, as well as many other social and economic issues, as Texas gradually becomes an increasingly Hispanic-majority State after 2030. The author has made some preliminary economic projections for the future high-speed rail passenger system in the Texas Triangle between



2015 and 2050, based on the above rider levels and capital costs. The estimated startup capital cost is \$23 billion for a passenger-only system, and \$27 billion including truck hauls in the Dallas-San Antonio corridor only, and \$30 billion for truck hauls in all three corridors. The passenger ridership projections in the operating year of 2035, after 20 years of operation, are a total of 100,000 passengers per day, while the expected truck hauls are 20,000 per day in the overall Texas Triangle.

It is expected that the train traffic volumes will be in the range of 500 to 600 per day, with an expected electric power demand of approximately 600 megawatts. If the freight railroad lines in the Texas Triangle are also electrified, it is expected to add another 1,000 to 1,500 megawatts to the electric power demand. The total increase for the entire State of Texas would be in the range of 3,500 to 5,000 megawatts for the electric power demand if all of the major state rail lines were also electrified, which is 7 to 10% of the present State total generating capacity of 70,000 megawatts....

The economic viability of the Texas Triangle high-speed rail project was evaluated for the separate cases as follows: 1) the high-speed passenger rail service alone; 2) the high-speed passenger rail service plus intermodal truck haul alone; 3) the high-speed rail passenger service plus the intermodal truck haul plus a power plant purchase; 4) the truck haul alone; 5) the high-speed rail passenger service plus the power plant; 6) the operation of the power plant alone.

The power plant in question to be purchased is the existing Big Brown power plant at Fairfield, Texas with 1,130 megawatts where the CEFCO emission control process would be installed for air pollution emission control, plus chemical and fertilizer byproduct recovery and clean transportation fuels production, where the plant burns low-grade Texas lignite coal. The CEFCO Process could also be installed at the JT Dealy and Stark power plants of the San Antonio City Public Service Board in San Antonio, to help maintain compliance with existing ozone air quality standards by substantially reducing the air pollution emissions.

The expected overall performance of the Texas Triangle high-speed rail project is based on comparison of the capital costs, operating costs, debt service, and expected revenues on an annual basis. The revenue and cost profile on an annual basis for the high-speed rail passenger service alone ... shows it making a net profit after 2025 at 10 years after startup....

With the CEFCO Process revenues and income from fertilizer and chemical and transportation fuel byproducts included, the initial operating deficit can be nearly eliminated. The CEFCO Process removes the sulfur oxides, nitrogen oxides, carbon dioxide, mercury vapor, and fire particles from the power plant stack gas. Inclusion of the power plant revenues and income reduces the operating deficit period to between five and six years, and earns all-important interim rev-

TABLE 1

## Benefits to the Texas and National Economies from High-Speed Passenger Rail in the Texas Triangle

Specific Benefit	Houston-Dallas Millions \$	Total Triangle Millions \$
Overall Construction Wages	525	1,150
Overall Operation Wages	70	155
Passenger Fare Savings	145	325
Businessmen's Time Savings	135	200
Freight Transport Savings	10	35
Balance-of-Payments Deficit Reduction	75	175
Highway Maintenance	Substantial	Substantial
Highway Congestion Cost Reduction	Substantial	Substantial
State Employee Travel Savings	1	3
Mail Haul Cost Reduction	2	5
Increased Electricity Sales	10	25
Increased Equipment Sales	150	400
Increased Tax Revenues		
Federal Taxes	100	215
State Taxes	60	140
Local Taxes	80	220
Overall Economic Benefits		
Construction Phase	675	1,550
Operation Phase	718	1,658

### Notes:

- Figures are based on 1982 constant dollars.
- Taken from the Report of the Committee to Study Rail Passenger Service in Texas to the Texas State Legislature House of Representatives, Austin, Texas, Rep. Al Edwards, Chairman, January 1983.

enues during construction. The CEFCO Process converts these pollutants into usable potassium sulfate and nitrate fertilizers, and produces polyvinyl chloride plastic plus hydrogen gas as byproducts. It also recovers carbon dioxide gas for use in tertiary enhanced oil recovery, and to produce clean transportation fuels such as ethanol, methanol, gasoline, and ethylene.... The total revenues for the project can increase to more than \$5.0 to \$6.0 billion per year for the high-speed passenger service alone.

...The highest revenue-generating activity would be for the case of the combined high-speed rail passenger service and intermodal truck haul and power plant operation. When net income is considered, the cases of the truck haul alone in the Dallas-San Antonio corridor, and the truck haul plus power plant, never show an annual operating deficit. The annual operating deficit of \$420 million per year only occurs for a short time with the combined high-speed rail-intermodal truck haul and power plant case, as compared to a prolonged maximum annual deficit of up to \$900 million per year for the high-speed rail system alone. The inclusion of the addi-



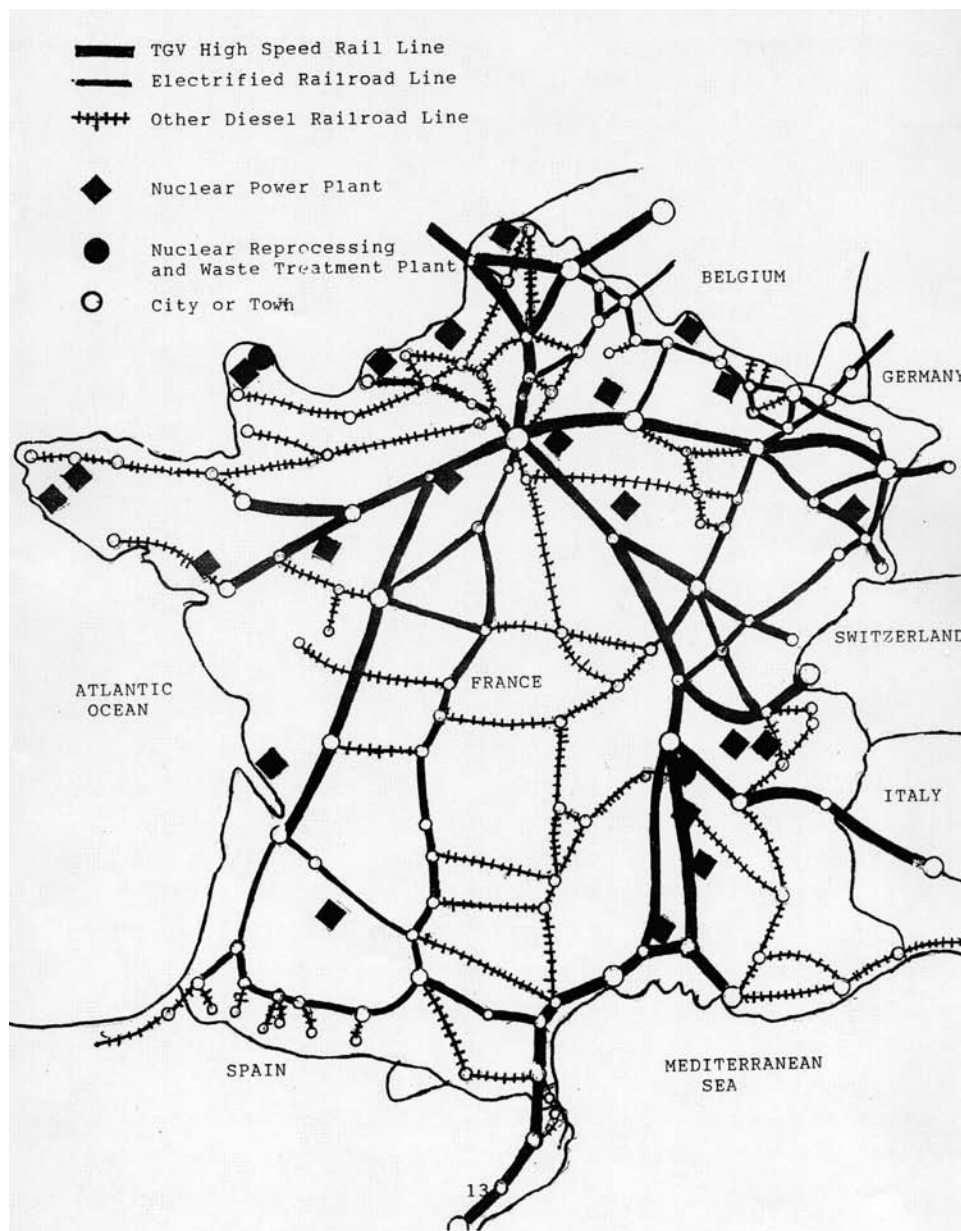
tional revenues from the other two corridors, in addition to the Laredo-San Antonio-Dallas corridor, would considerably reduce this initial annual operating deficit.

## Expected Benefits

The high-speed rail passenger project in the Texas Triangle is expected to provide numerous economic and other benefits to the State and nation, as shown in **Table 1**. The project will create between 5,000 and 15,000 new direct construction jobs in Texas over a 5- to 15-year period, plus 1,000 to 2,000 direct and indirect jobs once operation begins. Increased direct and indirect revenues to Federal, State, and Local governments of \$60 to \$100 million per year from sales, franchise, income, and property and excise tax receipts will result from the Texas Triangle High Speed Rail Passenger Project, with no net drain in the State or Federal treasuries. It is emphasized that the high-speed rail passenger systems in Europe and Japan and elsewhere are profitable, where the Japanese Shinkansen repaid its original bonds in nine years, while the French TGV line between Paris and Lyon repaid its initial bonds in 11 years. Significant passenger transportation cost savings would result from the project, through reduced fares and shorter transit times. Lower freight transport costs also result from high train speed along common rights-of-way operations, in conjunction with passenger service. Significant petroleum savings would also result from the project, because of its electrification, which will also reduce the national balance-of-payment and merchandise trade deficits because of reduced oil imports from the Middle East and elsewhere. Electrification of railroads is essential for these reductions in petroleum consumption to take place, for the transport of both freight and passengers, and to reduce the national balance-of-payments deficit. In addition to the in-

FIGURE 5

## France's TGV High-Speed Rail Line, Other Railroads, and Nuclear Power Plants



creased tax revenue previously mentioned, other specific economic benefits to the Texas State Government will result from the project. There will be a reduction in State employee travel and reduced need for overnight lodging because of faster transit times. Highway maintenance costs could be reduced because of the reduced traffic along the interstate highways as truck movements are diverted from road to rail. In addition, the increased movement of people by train will reduce roadway congestion along the main interstate highways

as well as on surface streets, and also reduce air pollution emissions and roadway maintenance costs, as well as reduce greenhouse gas emissions.

The Texas Triangle High Speed Rail Project will result in significant economic growth in the intercity corridors where rail lines run, and at urban station and terminal locations. Industrial, commercial, and residential real estate development will result from the project, where people will be able to live at extended distances from major urban centers, with easy and fast commuting times. In addition, rural agricultural land can be preserved for farming purposes, by concentrating population development along corridors when existing railroad rights-of-way are utilized in the Texas Triangle, without major disruptions to farms and ranches away from existing railroad lines.

Several areas of possible assistance from the State of Texas may be beneficial to the Texas Triangle High Speed Rail Project. The issuance of revenue bonds under public auspices for construction of highway grade separations (overpasses and underpasses) would benefit the project by providing favorable tax-free financing for a major portion of the project. Joint or total state ownership of the line could alleviate property tax penalties, through the possible creation of State rail passenger transit authorities, as well as provide a source of public bonding capacity. The ability to finance the construction of road-rail grade separations separately from the high-speed rail project itself, could significantly reduce the direct development costs to public or private participants, as a major State of Texas project contribution.

Joint public-private investments in rail facilities such as proposed in Governor Perry's Trans Texas corridor plan would be especially beneficial for those sections of the high-speed passenger railroad lines in urban areas, in lieu of toll roads. The urban areas are generally involved with intercity passenger trains on the same tracks, so that State or Local transit funds utilized for construction of urban segments could be feasible. The operation of commuter trains along the lines under contract of urban transit authorities, using State or local funding, would also be beneficial to the overall Texas Triangle High Speed Rail Project, and particularly to the ridership, by collocation of rail passenger service.

The Federal government can also provide assistance to high-speed rail passenger projects. Most importantly, favorable tax policies in terms of investment credits, safe harbor leasing arrangements, and depreciation allowances can be extremely beneficial in enhancing the attraction, along with grants to assist in feasibility and design studies. Providing Federal funds for grade separation construction would be an extremely valuable contribution to such projects. Assurance of suitable ticket-pricing policies, to provide for competitive responses without requiring quasi-utility status, is also important for high-speed rail transportation to be competitive relative to airlines.

One of the greatest potential benefits of the Texas Tri-

angle High Speed Rail Project lies in its ability to improve air quality, by reducing air pollution emissions from the trains themselves along railroad lines. It is intended that the freight trains, commuter trains, and high-speed passenger trains would all be electrically powered, to eliminate direct emission, with power plant emissions controlled through the use of effective air pollution controls. The diversion of trucks from road to rail would act to reduce the critical emissions of nitrogen oxides from diesel trucks, as the generally limiting reactants in photochemical air pollution formation. . . .

## Conclusions

The proposed high-speed rail project in the Texas Triangle has had a long and somewhat checkered history. Earlier efforts to implement this project through the private sector failed for lack of financing, as well as from unrealistic expectations for instantaneous wealth, plus opposition from entrenched real estate, oil, and other interests. While private-sector financing alone in theory can be justified for the Texas Triangle high-speed rail project, in reality it is better conducted as a joint public-private effort. Governor Perry's Trans Texas Corridor plan provides such an opportunity in concept, but route specifics should be realized to favor existing railroad rights-of-way whenever possible, instead of building toll roads.

The Texas Triangle High Speed Rail Project can be completed for \$10 to \$12 billion for the high-speed rail passenger system alone. However, the total capital cost of the overall Texas Triangle rail project would be increased to between \$20 and \$30 billion, when commuter rail and freight rail are included. The hauling of trucks in conjunction with passengers makes the project especially beneficial in terms of its potential revenues and economic benefits. The greatest benefits are in the congestion, highway maintenance costs, and air pollution emissions, during the time when Texas's population is expected to increase from the present 21 to 30 million by 2020, and to as much as 50 million by 2050.

The model of France can be used as a guide for high-speed rail development in Texas, based on their extensive high-speed rail development using primarily nuclear energy for propulsion over the network. The fact that Texas is considering a future high-speed rail passenger system which could use the French TGV as a model is significant (**Figure 5**), where announcements have been made to construct as many as six new nuclear reactors to augment the four reactors already in operation. The recent announcement by the Argentine Government that it is planning to build a new 435-mile-long high-speed rail system between Buenos Aires, Rosario, and Cordova, using the French TGV technology at a cost of \$1.5 billion over a planned three-year construction period, may be just the spark to get Texas to begin moving in the same direction, to develop a badly needed high-speed rail system. . . .

# Lincoln's American System Vs. British-Backed Slavery

by Anton Chaitkin

President Abraham Lincoln was right when he said saving the Union was the first priority, before ending slavery. The power of the entire nation had to be applied, to free the slaves.

In fact, when he made that statement of priorities, replying to *New York Tribune* editor Horace Greeley, Lincoln had already decided to issue the Emancipation Proclamation. In the end, it was the power of the Union and its armed force that ended chattel slavery.

Lincoln knew that he had to overcome, not a section of his own country, but an imperial enemy, which included the Slave South as an integral part of its global system. That British imperial enemy had long waged *irregular warfare* against the American republic, employing disunionists and opponents of economic nationalism, based in the North as well as the South. Over the 30 years before Lincoln became President, the vehemence and violence of these British irregular forces had increased sharply, pivoting on the issue of slavery. The London-sponsored Southern Confederacy of 1861-65 was the latest phase of the same contest.

## The Union Victory, a Lost Legacy

Lincoln took charge of a country weakened in culture and politics, its economy crippled by free trade. He solved that profound leadership problem, rallying the United States to military victory and to a vast industrial transformation.

The report given here shows what Lincoln faced, in regard to slavery.

It must be admitted that today, this is a sensitive, even a dangerous topic. The historical issue of slavery tends to evoke hysteria, because the public has lost the moral and intellectual qualifications for dealing with it.

Beginning in the late 1960s, after the assassination of Martin Luther King, civil rights advocates came under intimidation and repression. Federal prosecutors systematically purged black public officials. Pro-civil rights figures such as

Sen. Harrison Williams of New Jersey, were jailed in Abscam and other legal terror attacks. Racial minorities and labor unions were pitted against each other.

The financiers and government covert services ran “cultural nationalist” rhetoric, via their agents, assailing racial integration and attacking a civil rights movement that had been born in the Lincoln era under Frederick Douglass.

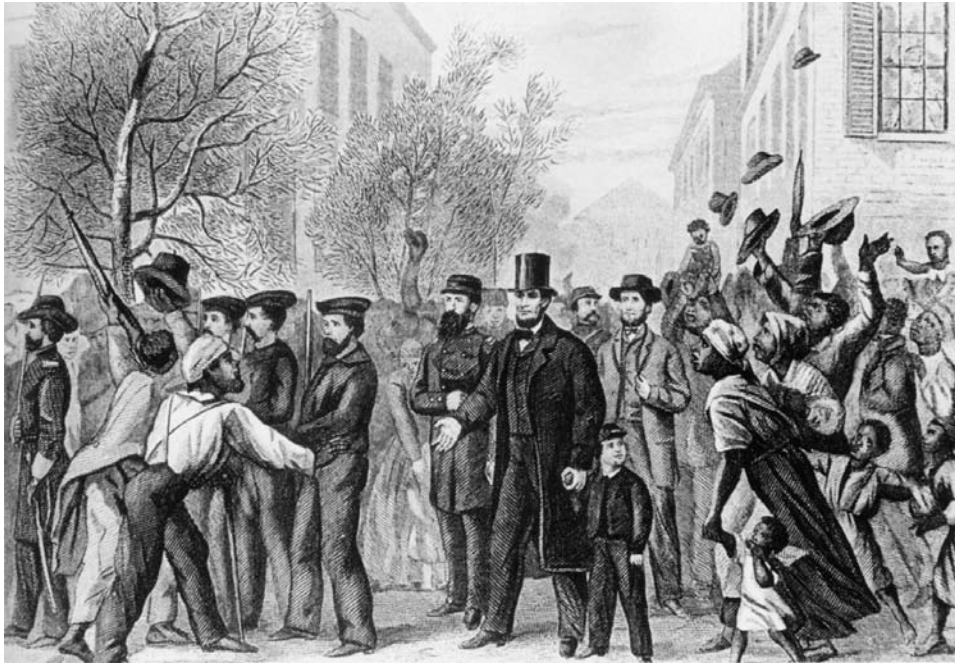
Sponsorship of this continuing irregular warfare may be observed, nearly undisguised, in the record of a 1969 Yale symposium conducted by McGeorge Bundy, Maulana Ron Karenga, and others, entitled “Black Studies in the University.”

Only five years earlier, Bundy had been the National Security Advisor when President John F. Kennedy was murdered. Bundy had immediately reversed Kennedy’s order to begin withdrawing American forces from Vietnam; he also helped organize the cover-up of who was to blame for the President’s assassination, and pushed to escalate the suicidal war.

In 1966, Bundy became president of the Ford Foundation to conduct war on the home front. The Foundation proceeded to fund racial and ethnic conflict, and conflict with labor unions. He told the 1969 Yale symposium: “The Foundation is now making its budget for next year, and we do expect to have several categories which will be relevant to academic studies of the black experience. . . . We have [also] been a principal supporter of the scholarly association concerned with African studies. . . .”

McGeorge Bundy’s role was analogous to that of his Boston Brahmin ancestors, whose British-agent intrigues will be featured in the present report. The fact that Bundy was the great-great grandson of John Lowell the Rebel, is of interest today, because Bundy, like the insidious Caleb Cushing before him, carried out a “commission” from people like Lowell—from the nation’s enemies. Bundy’s historically deci-





*President Lincoln and his son Tad are greeted by jubilant former slaves in Richmond on April 4, 1865, after Lee's surrender. Lincoln knew, as many today still do not understand, that in order to free the slaves, the Union had to be saved first.*

sive actions are of more interest to us than the mere blood relationship these High Personages may have had to Bundy himself.

We will observe, indeed, a striking parallel between the two cases: Caleb Cushing as mentor to abolitionist William Lloyd Garrison and to slaveowner radicals; Bundy as the war hawk and liberal race-provocateur.

More profoundly, and crucial to the loss of qualifications to understand history, Americans gave up their anti-colonial heritage. The Democratic Party resigned the Franklin Roosevelt point of view. Instead of fighting against colonial oppression and backwardness, the 1960s generation became anti-industrial, acquiescing in imperialism, with or without an “eco-friendly” face. The idea of advocating the development of industrial power and material progress of the world’s poor simply disappeared from most discussion.

And now, let us survey the problem of slavery, looking, if we can, through the eyes of Lincoln and other pro-national leaders; eyes not blinded by manipulated chaos, with vision better than ours today.

### **Venice and the Anglo-Dutch Parasite**

Slavery, though practiced in ancient times, became a mass-scale human catastrophe when it was used as the basis for plantation agriculture in the Western Hemisphere. But the inescapable underlying moral problem has always been of central concern to humanists and their opponents.

In ancient Greece, in Plato’s *Meno* dialogue, Socrates brings out the innate genius in the slave boy, by encouraging

him to solve the problem of doubling the square. He thus proves that slavery is unjust, by showing the creative and thus divine nature of the human species.

Plato’s pro-imperial opponent Aristotle, assuming that man has no soul, declared that nature has destined some to be slaves, and has made others their masters.

Rome, on the model of earlier, eastern empires, made slavery and degradation a widespread practice.

Venice, refuge for the Roman aristocracy after their collapse, built a criminal trading system based on financial extortion, slavery, and narcotics trafficking. The Venetians’ covert government employed universal surveillance and assassinations. But their extended power hinged on dividing populations against

themselves by religion, ethnicity, and other snares for the enraged. Venice, with allies and dupes, ran both sides of Europe’s religious wars among Christians and against the Muslims.

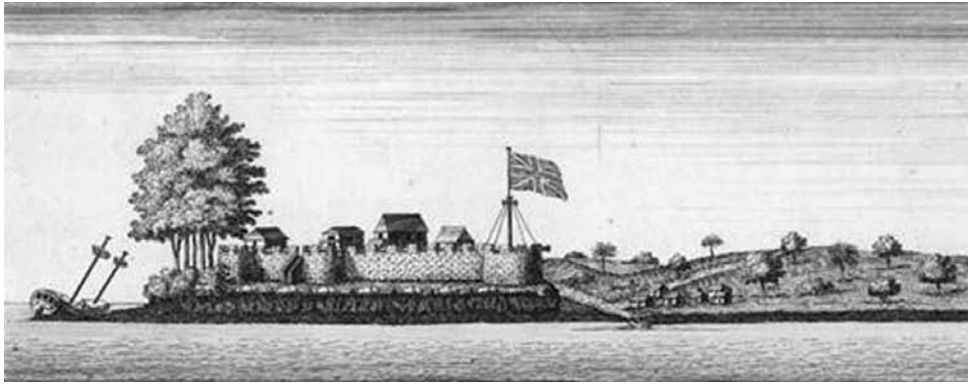
Venice, itself the center of slave-trading over centuries, created the insane religious climate—against the Florentine Renaissance. Venice manipulated Inquisition-driven Spain, and a Portugal similarly stupefied, so that those countries first introduced kidnapped Africans into slavery across the Atlantic.

Venice spread its influence and its divide-and-rule methods into England and Holland. A more powerful imperial system, ultimately combining Dutch with English finance, formed the East India Companies (English and Dutch), and took over the bulk of the slave trade from Spain. Shakespeare warned England with his *Othello*, the noble black African, be-deviled and destroyed by Iago’s Venetian tricks.

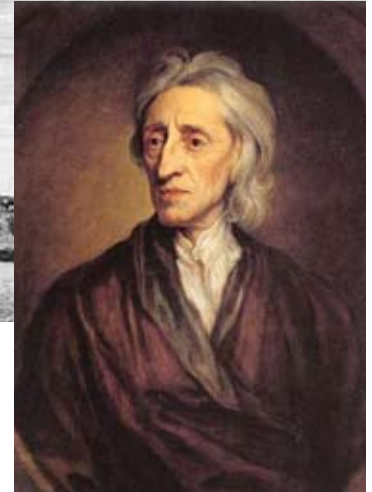
Now, here is the great paradox: How could industrial England, with its advanced labor productivity, also be the center and mover of African slavery, and of the global use of cheap and degraded labor? It is simply that the Anglo-Dutch “liberal” system usurped the wealth from invention-powered labor, wealth that was generated under national government patronage, and gave it to a small parasitic elite as the means (ships, guns, armies, mass propaganda) to brutalize and squeeze the poor, and to control and impoverish other nations.

Before the American Revolution, slavery had become legal in all of Britain’s American colonies and throughout the empire.





*The Royal African Company Slave Concentration Fort, Bunce Island, Sierra Leone. The English and Dutch East India Companies took over most of the slave trade from Spain.*



*John Locke: philosopher of slavery.*

The creation of the Carolina colony in the 1660s was the decisive turning point, that made slavery Britain's system in America. London's "Venetian party" financier oligarchs wanted a slave society in Carolina, to counter the potential humanist influence of neighboring Virginia. In 1669, John Locke wrote the co-called Fundamental Constitutions for the new Carolina colony, calling for slavery and feudalism so severe, that even the slaveowners eventually rebelled.

Locke was soon a major stockholder in a new kidnapping enterprise called the Royal African Company. In the 1670s and 1680s, Locke's company poured around 100,000 slaves into Carolina (later divided into North and South Carolina) and into Virginia and other colonies. The same company took its profits in gold grabbed from Africa, coining it into "guineas" and passing it out as new fortunes and unprecedented power for City of London financiers. Meanwhile Locke himself was secretary of Britain's Board of Trade and Plantations, helping guide the British political attack on the colonists' attempts at self-government.

Yet America's enemies have insisted that Locke was the founder of American liberty—Locke, the procurer of the transatlantic trade that killed millions, and depopulated and disfigured Africa. Locke's soulless, senses-fooled empiricism; his "virtue," a matter of custom and opinion, without natural law; Locke's uncreative man, without Reason, who demands absolute property rights and treats men as cattle, is proclaimed by the British party among historians, to be the source and model for the Declaration of Independence from the British Empire!

Against this evil, James Oglethorpe founded the colony of Georgia in 1732, entirely outlawing slavery from the very beginning. The British imperial interest used the power of the Carolina cancer to crush Oglethorpe by 1750, and to install slavery in Georgia.

## **Will the Revolution End the Empire?**

The American Revolution included leaders in the southern states, as well as in the northern colonies where the Em-

pire's black slavery was still legal, but not an important economic factor.

The revolutionary movement successfully outlawed slavery in the Northwest territory (formed from land ceded by Virginia) and in northern states, but did not have the political power to overturn it in the South.

The Revolution broke out as a shooting war at Lexington in 1775. The British enemy immediately geared up a response, published in 1776 as Adam Smith's three-volume "free trade" tirade, *Wealth of Nations*.

Smith warned the Americans: You may win nominal independence, but do *not* attempt, by government guidance of credit and investment, to change your actual status as a colony. Britain's current prohibition against your setting up manufacturing, *you* should continue to enforce, against yourselves. You may produce some crops, such as tobacco and cotton, and some raw materials, such as unprocessed iron, for export from your small East Coast settlements. *You are a plantation economy.*

America's answer was delivered by President George Washington's Treasury Secretary, Alexander Hamilton, setting forth the principles of what Henry Clay later called, "The American System" By protective tariffs to spur manufactures, government-sponsored transport infrastructure ("internal improvements"), top-down national control of credit for the public welfare—by these nationalist measures we would lift the United States out of colonial status, changing the entire economy, including the plantation-South, into an integrated, modern agro-industrial power.

The founders of the republic compromised with those southern planters who backed the Revolution, on the assumption that a westward-expanding nation, transformed *throughout its territory* by the prosperity of modern industry, would exit from the subordinate transatlantic tie and discard its feudal remnant, chattel slavery.

Such a result, if sustained, would give birth to a new glob-

al power dynamic, and ultimately overturn all imperial rule.

The British had signed the 1783 treaty formally acknowledging American independence, but the London powers never agreed with it. Over the succeeding era, London acted to reverse the Revolution by exerting policy influence against nationalist economics, and by conniving to break up the American Union.

## **Burr, the Essex Junto, and Abolition Which Isn't**

The last arrangement in America's founding compromise with its inherited slavery was worked out on June 20, 1790, at a dinner meeting between Treasury Secretary Alexander Hamilton, Secretary of State Thomas Jefferson, and Congressman James Madison. On behalf of the plantation-slave states they represented, Jefferson and Madison (both future Presidents) consented to Hamilton's plan for the national government to assume the debts the states had incurred in the Revolution; this put the national government into a more centralized position of power to deal with bankers and other creditors. In return, Jefferson and Madison got Hamilton's agreement that the projected new permanent national capital city would be located within the plantation-slavery region, on the banks of the Potomac River between Virginia and Maryland.

But over the next few years, the government's nationalist economic program came under attack from Jefferson and his friends. This attack was joined and accelerated by London's men, Aaron Burr and Albert Gallatin, who, acting together, became Jefferson's most powerful, hatchet-wielding lieutenants.

Burr had surrounded himself with leading British intelligence strategists and military officers, and, while he was New York State attorney general, he was also the private attorney representing British interests seeking control of the U.S. frontier areas bordering on the then-British colony of Canada. Gallatin, the son of America-hating Swiss aristocrats, had brought to America the British "free trade" doctrines that his family's British-agent, Geneva-ruling Council of 200 had promulgated throughout Europe.

In the political heat, Burr's client, Maria Reynolds, seduced Hamilton, and her husband attempted blackmail to keep it quiet. Hamilton refused the Burr-run blackmail, confessed the affair, and was politically weakened.

As usual, the British were on both sides, promoting destruction.

London's "Boston Brahmins" faction, which came out

publicly to "defend" Hamilton, was a tightly intermarried grouping of import merchants (family names Lowell, Cabot, Higginson, Forbes, Cushing, Perkins), originally slave-traders, whose fortunes were made as Britain's partners trafficking in opium to China.

Judge John Lowell (1743-1802) had publicly led the pro-British, anti-patriot political forces in his native town of Newburyport, in Essex County, Massachusetts, until the Revolution forced him into the shadows in 1774. With the shooting stopped in 1782, Lowell worked with London, and directly with British occupation forces in New York, to centralize under his control the financial affairs and claims of the leading Tories who had fought on the British side and had fled to Britain; to service this relationship, he and his Brahmins founded the Bank of Boston.

These Brahmins attacked Jefferson, while urging a U.S. alliance with Britain. London's faction in Massachusetts and surrounding Northeast states came to dominate the Federalist Party, of which Hamilton was the nominal leader.

Hamilton in 1800 published his attack on the incumbent Federalist President, John Adams, helping in fact to elect Jefferson to replace Adams. The predictable effect was the splitting and weakening of the Federalist Party—a necessary and healthy result, since the party was dominated by traitors who were enemies to both Hamilton and Adams!

But free trade now reigned, under President Jefferson and Treasury Secretary Gallatin. (Burr was only Vice President, Hamilton having squelched Gallatin and Burr's last-minute plot to steal the Presidency for Burr from their supposed political leader, Jefferson.)

As a result, the founding program of government-sponsored industrialization was blocked. Now Britain's Massachusetts factioneers, dubbed the Essex Junto by John Adams, since most of the plotters were from Essex County, swung into action to break up the nation, on the public premise that slave-owning southerners were dominating the government to the detriment of northern interests. The cabal was known to include former Massachusetts Sen. George Cabot; Judge John Lowell and his son, John, Jr., great-great grandfather of McGeorge Bundy; former Secretary of State Timothy Pickering; merchant Stephen Higginson; Massachusetts Supreme Court Justice Theophilus Parsons; and Aaron Burr's brother-in-law, Judge Tapping Reeve of Litchfield, Conn.

Judge John Lowell having died in 1802, his son John, Jr. (who liked to call himself "The Rebel" against America) took



*Traitor Aaron Burr was in the thick of British plans to split the United States. His scheme was to have his own private army seize the western United States and Mexico, to create a new empire.*

over his father's representation of the Tory emigrés and his father's banking post. He sailed to England in 1803, ostensibly to confer with his clients, but he lived for a time among the circles of Francis Jeffrey and Henry Brougham, who had in 1802 set up the violently anti-American *Edinburgh Review*. Jeffrey and Brougham were chiefs for British intelligence operations against America. Jeffrey would make a daring covert visit to Lowell's Boston home at the height of the War of 1812; Henry Brougham would help launch the British intelligence version of anti-slavery abolitionism, aiming at the ending of the United States.

We may review somewhat candid letters of these men, because they were published a generation later by John Quincy Adams' grandson, Henry Adams.<sup>1</sup>

On Dec. 24, 1803, U.S. Sen. Timothy Pickering, a leader of the Essex Junto, wrote to one Richard Peters, calling for "a separation. The white and black population will mark the boundary. The British Provinces [Canada], even with the assent of Britain, will become members of the Northern confederacy...."<sup>2</sup>

That letter, and the following, are early, plain statements that the British-guided version of abolitionism *did not intend to actually abolish slavery in America, but meant to let it keep going in the newly formed Southern country, after the United States was wrecked*.

On Jan. 29, 1804, Pickering wrote to George Cabot, who was considered the head of the Lowell/Cabot/Higginson incestuous family gang:

"I do not believe in the practicability of a long-continued union. A Northern confederacy would unite congenial characters ... while the Southern States ... might be left 'to manage their affairs in their own way.' ... But *when* and *how* is a separation to be effected? ... If ... Federalism is crumbling away in New England, there is no time to be lost. ... It must begin in Massachusetts. The proposition would be welcomed in Connecticut; and could we doubt of New Hampshire? But New York must be associated; and how is her concurrence to be obtained? She must be made the centre of the confederacy. Vermont and New Jersey would follow of course, and Rhode Island of necessity...."<sup>3</sup>

To accomplish this treason by bringing New York State into secession, Vice President Aaron Burr ran in 1804 for governor of New York.

At a dinner meeting in Washington sometime early in 1804, Pickering, New Hampshire Sen. William Plumer, and Connecticut Sen. James Hillhouse spoke to Vice President Burr about their plans for secession. Hillhouse told Burr that "the United States would soon form two distinct and separate governments."<sup>4</sup>

When Alexander Hamilton thereafter made the public understand that Aaron Burr was menacing the republic, Burr challenged Hamilton to a duel, and shot him to death on July 11, 1804.

Burr, in communication with British Ambassador Antho-

ny Merry, then plotted to have a mercenary army seize the western United States and Mexico, to make a British-aligned empire—a new version of the Essex Junto plan. President Jefferson had Burr arrested for treason, but Burr's communications with the British were not then known; he was acquitted, and fled to England to escape charges for killing Hamilton.

## The Saints and their Cruisers

Britain was then at war with Napoleon's France. In 1807, Britain's ruling Privy Council adopted the Orders in Council, prohibiting American ships from trading with France or French colonies. The Orders were based on the arguments put forward in the 1805 book by abolitionist James Stephen, *War in Disguise; or, the Friends of the Neutral Flags*, asserting that neutrality towards British war aims was immoral. The enforcement of these Orders by British warships over the next several years, led directly to the War of 1812 between the United States and Britain.

The British Navy was an instrument of piracy. More than half of its sailors were foreigners captured from foreign ships, who, together with men dragged off English streets by press gangs, were forced to live in animal-like conditions, and were commanded to plunder other nations' ships. By 1812, when the United States declared war, the British had kidnapped thousands of American sailors.

In 1816 and 1817, following that second U.S. war with Britain, John Quincy Adams (the future President, and son of former President John Adams) was in London as U.S. Ambassador. Back in 1808, as a U.S. Senator from Massachusetts, Adams had gone to President Jefferson to alert him to the continuing plot by Essex Junto members of his own Federalist Party, to bring about the secession of the Northeastern ("New England") states from the U.S.A. Then in 1812, President James Madison had gone public with the captured letters of British spy John Henry, illustrating the channels of treacherous communication between British authorities and the Essex Junto circle.

Thus, Ambassador Adams was already fully aware of the British-guided treason which used American slavery as a false pretext for its aims. On June 6, 1817, Adams met with James Stephen's brother-in-law William Wilberforce, who was famous as an anti-slave-trade reformer. (Britain and the United States had by then both prohibited the slave trade.)

Adams recorded in his diary that day:

"The suppression of the slave-trade was the subject of Mr. Wilberforce's wish to see me.... His object is to obtain the consent of the United States, and of all other maritime powers, that ships under their flags may be searched and captured by the British cruisers against the slave-trade—a concession which I thought would be liable to objections.

"Probably this project originated in the brain of Master [James] Stephen, the author of *War in Disguise*, and brother-in-law to Wilberforce, one of the party called in derision the Saints, and who under sanctified visors pursue worldly ob-



jects.... Wilberforce is at the head of these Saints in Parliament... [British Foreign Secretary Lord] Castlereagh has more than once thrown out this idea of a mutual stipulation that the cruisers of every nation which has passed laws for abolishing the slave trade should be authorized to search and capture the slave-trading vessels of the other nations by whose laws the trade is prohibited.

"In substance it is a barefaced and impudent attempt of the British to obtain in time of peace that right of searching and seizing the ships of other nations which they have so outrageously abused during war...."

## North and South Unite

American patriots, silenced under free trade and Boston Federalist treachery, had rallied in response to British atrocities—the mass-kidnapping attacks by the "Saintly" British warships, and British arming of American Indian assaults on the internal U.S. frontier.

In 1809, Kentucky's Henry Clay recruited young men and Revolutionary War veterans to run for Congress. They elected Clay as Speaker of the House, and a new anti-imperial nationalism arose, reviving the American Revolutionary idea. They brought about a declaration of war against the British, and campaigned for the reinstatement of protective tariffs and government-sponsored infrastructure projects.

The common people of the entire country joined in support of this policy shift.

In retirement, former President Jefferson agreed with "this second weaning from British principles, British attachments, British manners and manufactures." Jefferson said that, "our defensive war should bring about a spirit of nationalism and of consequent prosperity, which could never have resulted from a continued subordination to the interests and influence of England."<sup>5</sup>

South Carolina's John C. Calhoun joined with Henry Clay to lead the movement for economic nationalism, "The American System." Though British invaders burned the White House and Capitol, the United States fought Britain to a stand-off.

After the war, Americans were impelled to economic self-defense, when the British dumped manufactures into the U.S. market, at prices below the British cost. British leaders boasted that they were crushing America. *Edinburgh Review* founder Henry Brougham told the House of Commons on April 9, 1816, "a rage for exporting goods of every kind burst forth [in 1814 after the Napoleonic wars].... The peace with America has produced somewhat of a similar effect... [and] it was well worth while to incur a loss upon the first exportation, in order, by the glut, to stifle in the cradle, those rising manufactures in the United States which the war has forced into existence, contrary to the natural course of things."

Now, North and South united behind a nationalist agenda.

The founders' Bank of the United States was rechartered, after being shut down for five years. In this "Era of Good Feel-

ings," the new President, Virginian James Monroe, made Calhoun Secretary of War, to plan canals and to upgrade the U.S. Military Academy to be a civil engineering powerhouse. Under Clay's lead, Congress raised tariffs and authorized the military to design canals and railroads. Secretary of State John Quincy Adams formulated an anti-imperialist international strategy.

The original American plan for ending slavery was now back in action.

Iron forges and manufacturing plants would be built in the South, and in the new West, nurtured by protective tariffs, national bank credit, and good transportation. As the British trade handcuffs were taken off the nation, feudal plantations would be abandoned in favor of much more profitable modern agro-industrial production. With the Missouri Compromise of 1820, slavery was to be restricted to below a certain latitude, until it died out under industrialization.

## Unity Broken, and Garrison Arises from the Pit

The British counterattack commenced in the runup to the 1824 elections. Patriots backed John C. Calhoun, John Quincy Adams, or Henry Clay for President. But the same New York-Massachusetts treason faction that Hamilton had squashed in 1804, at the cost of his life, was back at work.

Aaron Burr's protégé Martin Van Buren, atop his own New York State political machine, like Burr's earlier one, travelled south in 1823. Van Buren assailed the Monroe Administration and forged an axis of plantation owners with the pro-British Northern elite.

Van Buren's scheme was joined by the Brahmin Tories, led by Timothy Pickens. Van Buren and the Brahmins backed Georgia free-trader William H. Crawford for President. Pickens issued a pamphlet with old letters from John Adams insulting Thomas Jefferson. Van Buren gave Pickens's pamphlet to Jefferson, whom they hoped to prod into attacking the candidacy of Adams' son, John Quincy. But Jefferson wrote to the elder Adams, saying they were now inseparable friends.

John Quincy Adams did become President. He started up America's railroads, spurred canals all through the Midwest, and presided over the first blossoming of manufacturing industry.

But over the next few years, the Brahmins' assaults on Adams, combined with Van Buren's schemes to drive Calhoun into the grip of the Southern plantation oligarchy, crippled the nationalist forces.

Burr himself, having quietly returned from British exile, had invented the Presidential candidacy of Andrew Jackson of Tennessee, Burr's Western secession co-conspirator and an old enemy of Jefferson. Burr's Jackson project was tried unsuccessfully in the 1824 election; but in 1828, the Van Buren planter-financier apparatus, newly dubbed the "Democratic Party" and employing screaming populist slogans, put Jackson in the White House.



FIGURE 1

## The British Cheap Labor World System, Mid-19th Century

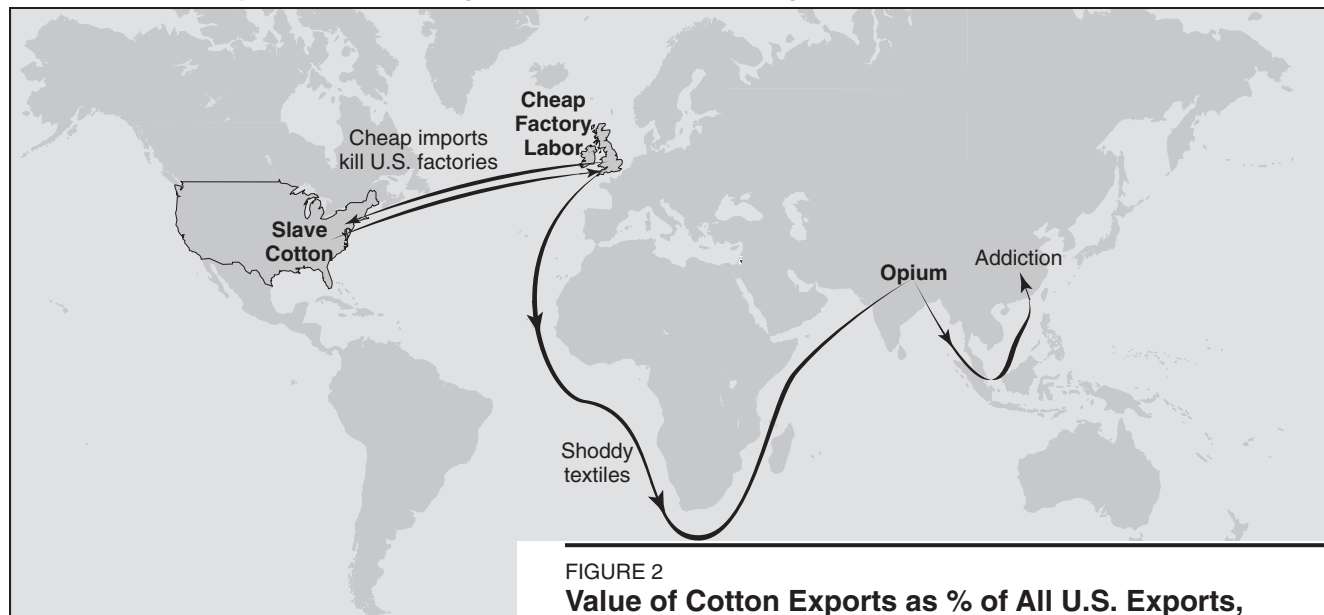
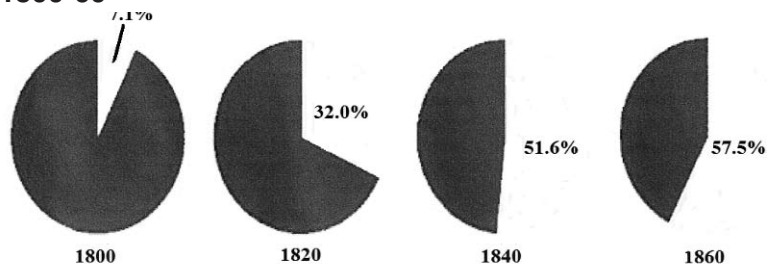


FIGURE 2

### Value of Cotton Exports as % of All U.S. Exports, 1800-60



By 1840, cotton made up more than half of American exports.

The result was a catastrophe for America.

President Jackson, tutored by Van Buren, took down the U.S. Bank, the protective tariff, and the transport-building program. Van Buren himself followed as President, and after him, there was a parade of radical free-trade Presidents.

Over the three decades up to 1860, with financial power detached from promoting industry, plantation slavery was becoming the leading feature of the U.S. economy, and slaveowner politicians dominated Washington.

More than 75% of slave cotton was exported. Cotton soon constituted over half of the value of U.S. exports.

*American slave cotton was now the centerpiece of the British Empire's world cheap-labor system (Figures 1 and 2).*

With no prospect for industrialization, the Southern states gave up their earlier assumption that slavery would gradually be eliminated (the Virginia legislature held its last debates on abolishing slavery in 1829 and 1831). As slave agriculture destroyed the soil of the Southeastern states, the slave system would have to expand westward, and push conquest southward into Latin America, or die out.

As soon as Jackson was installed, and America was thus pinned down, the British commenced new irregular warfare. They sought to reverse the American Revolution by fracturing the Union along the North-South fault line, using British assets in both sections, working in tandem, simultaneously with and against each other.

The Northern star of their show was William Lloyd Garrison, the final embodiment of the Essex Junto, acting under

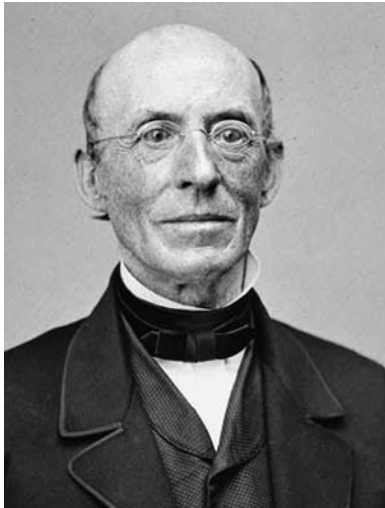
the title of Abolitionist.

His English grandfather, Joseph Garrison, had gone sometime before 1764 to live in New Brunswick, Canada, among settlers who had moved north from the Massachusetts colony. On May 20, 1776, when the people in his village issued a declaration siding with the "united provinces" in revolt against British "tyranny," Joseph Garrison, being English and opposed to the American cause, was one of a small handful in his village to come out *against* the declaration.

Joseph's son, Abijah, left Canada in April 1805, emigrating to Newburyport, Essex County, Mass. Abijah assured his parents that though he was moving to the breakaway U.S.A., he was not "disaffected towards Government." His son, William Lloyd Garrison, was born in Newburyport on Dec. 10, 1805, likely having been conceived in British territory, as his life's projects were to be.

William's drinking father deserted the family before he was three. They were thrown on hardship and sought the protection of the powerful and wealthy.

In 1818, at age 12, Garrison was apprenticed for seven



Library of Congress

*William Lloyd Garrison: disunionist, abolitionist. Immediately after the Civil War began, he called on the United States to surrender, and tell the slave states to “depart in peace!”*



National Archives

*Caleb Cushing: Boston Brahmin, secessionist, mentor of William Lloyd Garrison. He also ran the Presidential campaign of John Breckinridge.*

years to the *Newburyport Herald*, a newspaper continuing the tradition of the town’s radical anti-U.S. leading citizens.

In 1819, William’s mother became nurse to the daughter of Timothy Pickering.

According to the biographical account written by his sons, by 1822, William Lloyd Garrison was an “ardent Federalist” and a “fervent admirer of Timothy Pickering and Harrison Gray Otis.”<sup>6</sup>

Who were these men he worshipped? Eight years earlier, while British troops were burning Washington, Pickering and John Lowell the Rebel had drummed up support for Northern secession. For that purpose, Pickering had instigated the 1814 Hartford Convention. Otis had been a Hartford delegate, having earlier served as private secretary to old Judge John Lowell on his New York conferences, behind enemy lines, setting up the post-Revolutionary financial arrangements for continuing operations within the United States.

In 1822, Caleb Cushing began writing editorials for the *Herald*, and took on the political training of the young apprentice typesetter, William Lloyd Garrison.

The following year, Garrison’s mentor wrote to John Lowell the Rebel, proposing to write a biography of Lowell’s late father, to defend the Lowells against charges in Boston papers that they were traitors. Lowell requested that Cushing write instead a defense of the whole Essex Junto, portraying them as “patriots.” Lowell sent Cushing his family’s correspondence and legal papers, and specified that Cushing must use them as ammunition to lie: They “are but food for your mind to be digested by unknown processes and reproduced under new and more beautiful forms, as we see the odious cat-erpillar reproduced with the most gorgeous and delightful col-

or and proportions.” He placed at Cushing’s disposal, “forever,” the money and the total cooperation of the Lowell circle, and gave Cushing this commission: “I accept you as my champion and that of my race.”<sup>7</sup>

All the while, Caleb Cushing, now the *Herald*’s editor, had been guiding the young Garrison, now the office manager, in his first ventures into political writing. Garrison biographer John L. Thomas notes: “It was Cushing who first called young Garrison’s attention to slavery.... [H]e did not regard slavery as a serious problem until Cushing opened his eyes.... Cushing [also] lent him books and urged him to undertake other ... subjects.... [Under Cushing tutelage,] Lloyd’s investigation of the South American revolts led him to denounce American foreign policy [i.e., Secretary of State John Quincy Adams’ anti-imperialism] in ringing tones. If the new republics could not rid themselves of the ‘dross of superstition and tyranny’ on their own, they must be taught to enforce justice and pay due respect to the American flag.

Coercion held the answer. [Garrison wrote,] ‘The only expedient to command respect and protect our citizens will be to finish with cannon what cannot be done in a conciliatory manner.’”<sup>8</sup>

Thus began William Lloyd Garrison’s career as the leader of the most extreme and provocative elements of Abolitionism. His mentor Caleb Cushing would be the main *pro-slavery* spokesman and strategist in the North, up to the climactic moments in 1861, when both of these Essex men strove to smash the American Union.

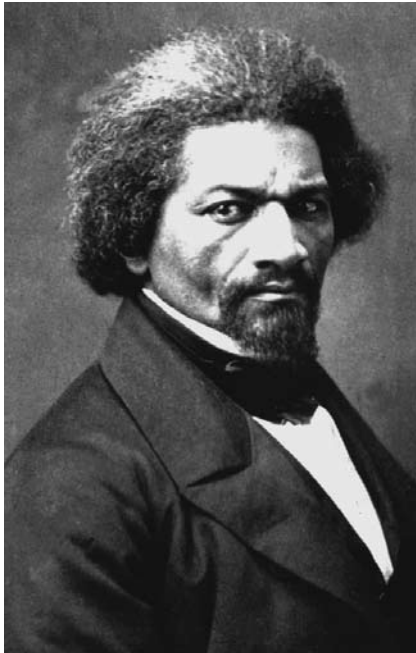
## The British Underground vs. the Underground Railroad

Anti-slavery sentiment and action date back to well before the American Revolution, being quite pronounced in Pennsylvania. Benjamin Franklin and Alexander Hamilton were leaders of anti-slavery organizations. A massive slave revolt in the Caribbean islands in the early 1790s ruined the Boston Brahmins’ slave trade. Haitian slaves (their leadership allied to Hamilton) threw off French rule, and in 1804 established Haiti as the second oldest nation in the Western Hemisphere.

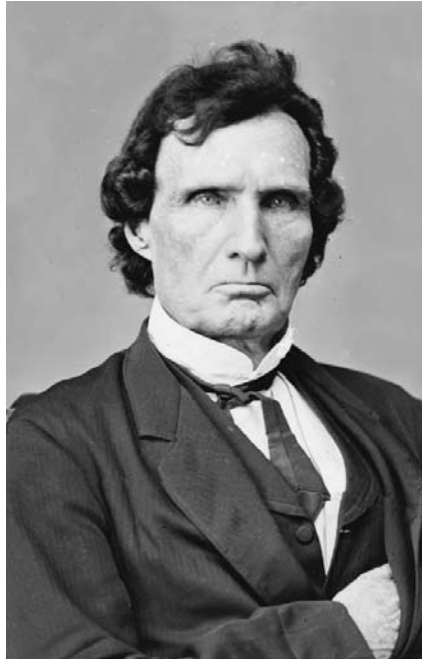
As for the decades leading up to the American Civil War: It would be a grave error to be misled into grouping together under one term and category, “abolitionists,” all those who were then seen as active against slavery. One would entirely miss the underlying dynamic in American life.

The scene may perhaps be most accurately analyzed by stressing three distinct points of view.

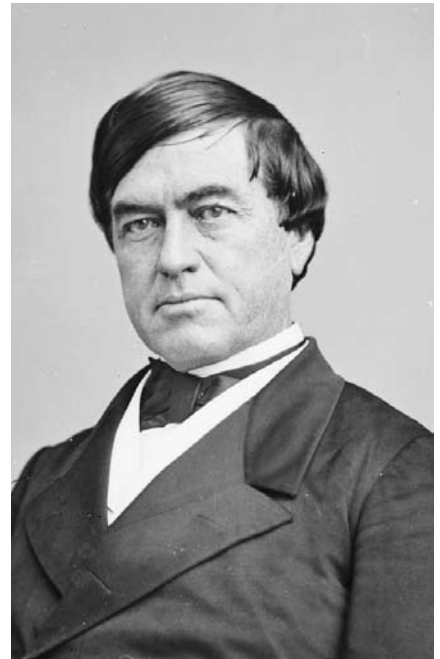
1. The British interest in disunion, to have America as a raw-material source and dumping ground for manufactures, rather than as an independent nation; and the U.S.-based



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*Abolitionist leaders and patriots, left to right: Frederick Douglass, a Unionist who broke with Garrison; Thaddeus Stevens, nationalist Congressional leader; Cassius Clay, Unionist, ambassador to Russia.*

political operatives who, from perceived material self-interest (e.g., Northern importers, or lords of the Southern hierarchy), and family Tory tradition, shared that British interest.

During the Civil War, Lord Robert Cecil (later called the Marquess of Salisbury) expressed this viewpoint in Parliament: "The Northern States of America never can be our sure friends because we are rivals, rivals politically, rivals commercially. . . . With the Southern States, the case is entirely reversed. The population are an agricultural people. They furnish the raw material of our industry, and they consume the products which we manufacture from it. With them, every interest must lead us to cultivate friendly relations, and when the war began they at once recurred to England as their natural ally."<sup>9</sup>

2. American nationalism, opposed to Southern and other colonial feudalism. Kentucky's Cassius Clay (Henry Clay's cousin) and Pennsylvania's Thaddeus Stevens were outstanding nationalists who were known as ardent anti-slavery activists. They sought to use the vast Constitutional powers of the government to rapidly industrialize and benefit all America, which would at the same time break the Southern oligarchy.

As Lincoln's Ambassador to Russia, Cassius Clay, distributed to Russian leaders the books of America's greatest economist, Henry C. Carey. In his memoirs, Clay wrote of how the British-aligned Russian aristocrats ran the provocateur, false-flag, anarchist/nihilist movement to counter the government's nationalist modernizers. Congressional leader Thaddeus Ste-

vens pushed post-Civil War Southern Reconstruction towards the complete destruction of the oligarchs' power, until he died in 1868. (The 1915 Ku Klux Klan movie, *The Birth of a Nation*, depicts Stevens as a monstrous villain.)

3. The standpoint of African-Americans, whether slaves seeking freedom, or former slaves or black Americans born free, knowing that their freedom is precarious.

Frederick Douglass and Harriet Tubman are world-renowned as black American heroes.

Douglass was, after his initial escape from slavery, an ally of Garrison and the British-based abolition movement. In the 1840s, Douglass broke with Garrison, set up his own newspaper in upstate New York, and taught that the U.S. Constitution is implicitly anti-slavery, and must be used to free the slaves. (Garrison had nagged Douglass that he should cease speaking in a literate manner, the better to resemble an ignorant slave.)

Douglass led the recruitment of 200,000 black soldiers, which was the margin of victory for the Union Army. In 1871, Douglass was appointed to the upper house of the Washington, D.C. local government. He led the political coalition that, in two astonishing years, created the modern city of Washington with paved streets, sewers, sanitation, health facilities, public lighting, and streetcars. This project proceeded from Douglass's nationalist vision of the capital city, with a mission to show off America's progress to the world.

Harriet Tubman escaped from slavery and then came back to lead hundreds to freedom along networks of anti-slavery activists, white and black, known as the Underground Rail-

road. During the war she was back in the South yet again, as a Union scout and spy. Tubman was a close ally of Douglass, having become free only after Douglass had broken with Garrison.

### Garrison's 'Agreement with Hell'

These essential distinctions being made, we may now proceed with a summary account of important events in the career of William Lloyd Garrison. This should provide some insight into the political reality facing Abraham Lincoln, and help in appreciating Lincoln's leadership.

**1824:** Garrison attacked Presidential candidate John Quincy Adams, and supported Georgia pro-slavery free trader William H. Crawford, candidate of the Pickering faction and of Martin Van Buren.<sup>10</sup>

**1829:** Garrison attacked President Adams, who had just been defeated for re-election, publishing extensive blistering correspondence between Adams and the Essex Junto.<sup>11</sup>

**1829:** Garrison said, "If [slavery] cannot be speedily put down ... if we must share in the guilt ... *as the price of our union* ... then the fault is not ours if a separation eventually take place...." (Garrison's emphasis).<sup>12</sup>

**1830:** Garrison wrote, "I join with the eloquent and indignant Brougham—'Tell me not of rights ... of the planter with his slaves....'" hailing Henry Brougham, then Lord Chancellor of the United Kingdom, who was notorious in America for his boast of stifling U.S. manufacturing in the cradle.<sup>13</sup>

**1831:** Garrison began publication of *The Liberator* Jan. 1, 1831. He had few paid subscribers. He sent 100 free subscriptions to Southern, pro-slavery newspapers. The Southerners would read *The Liberator*, publish an editorial denouncing Garrison and send him a copy of it; then he would reply, and so forth.

**1831:** South Carolina Gov. James Hamilton sent a special message to the legislature in December, accompanied by copies of *The Liberator* and of a Garrison speech. The Governor said in the present "united confederacy of states" we must submit to this hostile treatment, whereas if the states were separated, such acts would justify suspending peaceful relations between the two countries.<sup>14</sup> Governor Hamilton used Garrison's ammunition to help organize anti-Union forces, threatening secession unless the Federal government allowed his state to veto ("nullify") America's protective tariffs.

**1831?:** Aaron Burr met with Garrison at a Boston hotel. The two incendiaries discussed the question of slavery. Garrison later wrote admitting the meeting, and claimed to remember they had disagreed but not the precise year they conferred.<sup>15</sup>

**1831:** Giuseppe Mazzini, Garrison's future partner, founded "Young Italy," the first of his ethnic-political insurrectionary movements for many countries. Starting in 1830, when he joined the Carbonari secret society, for the next 35 years, Mazzini's "left" and "right" provocations were a glove for the

hand of Lord Palmerston, the British Secretary at War (1809-28), Foreign Secretary (1830-34, 1835-41, 1846-51), Home Secretary (internal security) (1852-55), and Prime Minister (1855-58, 1859-65).

**1832:** Garrison founded the New England Anti-Slavery Society, on the program of the Agency Committee, founded in England the previous year by James Stephen's son George.

**1832:** In *The Liberator*, Garrison called the compact formed on the adoption of the Constitution "the most bloody and heaven-daring arrangement ever made by men ... not valid then ... not valid now."<sup>16</sup>

**1833:** Garrison went to England to work jointly with Captain Charles Stuart, a military officer of the East India Company, on Stuart's international crusade against Henry Clay's American Colonization Society.

**1834:** Captain Stuart moved to the United States to operate Theodore Dwight Weld, his young ward and apostle. Weld became a full-time Washington, D.C. "abolitionist" operative against Henry Clay's nationalist politics.

**1842:** Calling for secession of the North, *The Liberator* put on its masthead, "A repeal of the union between northern liberty and southern slavery is essential to the abolition of the one and the preservation of the other"<sup>17</sup> [sic].

**1843:** Garrison led the Massachusetts Anti-Slavery Society to pronounce the U.S. Constitution "a covenant with death and an agreement with hell."<sup>18</sup>

**1844:** The American Anti-Slavery Society formally adopted the disunion doctrine of Garrison, its president.<sup>19</sup>

**1844:** The abolitionist Liberty Party gained enough votes in New York State to tip the national election against Henry Clay, giving the Presidency to slavery-expansionist James K. Polk.

**1845:** Mazzini's "Young America" movement was founded by Edwin DeLeon in South Carolina, aiming at the conquest of the Western Hemisphere for slavery.

**1846:** The Polk Administration struck a bargain with Britain, giving Britain, without compensation, two-thirds of the area of the Oregon territory (above latitude 54.40°N), the massive Pacific Coast area now called British Columbia. In exchange, the British did not oppose Polk's invasion of America's sister republic, Mexico, to spread slavery there. Immediately afterward, Polk ordered the attack beginning the Mexican War. Abraham Lincoln wrote later that "the principal motive for the [invasion], was to divert public attention from the surrender of [Polk's insincere electoral campaign slogan] 'Fifty-four, Forty, or Fight' to Great Britain, on the Oregon boundary question."<sup>20</sup>

**1846:** On his third trip to England, Garrison was hosted by William Henry Ashurst, the host and patron of Giuseppe Mazzini. Garrison later wrote of his first meeting with "the great Italian patriot, Joseph Mazzini ... at the charming residence of my honored friend ... Ashurst.... [Mazzini] impressed me very favorably ... by the brilliancy of his mind ...



he strongly drew upon my sympathies and excited my deepest interest. There our personal friendship began, which revolving years served but to strengthen ... and [we] had many experiences in common.”<sup>21</sup>

**1851:** Caleb Cushing met in Newburyport with Mississippi Sen. Jefferson Davis (future president of the slaveowners’ Confederacy) and his friends, to plan the “surprise” Presidential candidacy of New Hampshire’s Franklin Pierce.<sup>22</sup>

**1852:** Mazzini was “working with the very numerous Germanic element in the United States for [Pierce’s] election.... He was to appoint American representatives in Europe who would be favorable to us and would help us; and almost all his nominations are such as we desired.”<sup>23</sup>

**1853:** President Pierce made Caleb Cushing Attorney General, and Jefferson Davis Secretary of War. Cushing put through Congress the Kansas-Nebraska Act, repealing earlier compromises that blocked the spread of slavery. Kansas was drowned in the blood of rival armed settlers, pro-slavery and

anti-slavery.

**1854:** The Republican Party was founded on the single issue of stopping the spread of slavery.

**1857:** Free trade crashed the U.S. economy, with mass unemployment. Over the next four years, the government of President James Buchanan transferred its armaments and treasury to Southern secessionists. Before Buchanan had left office, his Vice President, John C. Breckinridge, ran for President on a slaveowners’-secession platform, the campaign managed from the White House by Caleb Cushing of Essex County, Mass.

**1857:** The Massachusetts State Disunion Convention met on Jan. 15. Its vice president, William Lloyd Garrison, said: “I know ... with what tenacity I clung to this Union, inspired by the patriotic feelings of my early days, and never dreaming that anything would ever separate me from it, or lead me to desire its dissolution.... If Disunion be a matter of slow growth ... I expect it will go on, slowly gathering to itself

## Frederick Douglass: We Had To Save the Union

The great African-American leader Frederick Douglass, himself born a slave, provides the strongest defense of the course which Abraham Lincoln took in defending the Union, before abolishing slavery. In his autobiography *The Life and Times*, Douglass describes the intellectual process he went through over the issue of the Constitution: “I was then [the 1840s-ed.] a faithful disciple of William Lloyd Garrison, and fully committed to his doctrine touching the pro-slavery character of the Constitution of the United States.... With him, I held it to be the first duty of the non-slaveholding states to dissolve the union with the slaveholding states, and hence my cry, like his, was ‘No union with slaveholders’....

“My new circumstances [as a newspaper publisher—ed.] compelled me to re-think the whole subject, and to study with some care not only the just and proper rules for legal interpretation, but the origin, design, nature, rights, powers, and duties of civil governments, and also the relations which human beings sustain to it. By such a course of thought and reading, I was conducted to the conclusion that the Constitution of the United States—inaugurated to ‘form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty’—could not well have been designed at the same time to maintain and perpetuate a

system of rapine and murder like slavery ... that the Constitution of the United States not only contained no guarantees in favor of slavery but, on the contrary, was in its letter and spirit an anti-slavery instrument, demanding the Abolition of slavery as a condition of its own existence as the supreme law of the land....”

And in his reply to the infamous 1856 *Dred Scott* decision, Douglass noted that the slaveholders “do not point us to the Constitution itself, for the reason that there is nothing sufficiently explicit for their purpose; but they delight in supposed intentions—intentions nowhere expressed in the Constitution, and everywhere contradicted in the Constitution.”

Douglass’s attitude was reflected in the fact he became a close collaborator with President Lincoln himself. He described Lincoln as “the first great man that I talked with in the United States freely, who in no single instance reminded me of the difference between himself and myself, of the difference of color”).

*At the unveiling of the Freedmen’s Monument of Abraham Lincoln, in Lincoln Park, Washington, D.C., on April 14, 1876, Douglass described his evaluation of Lincoln:*

It must be admitted, truth compels me to admit, even here in the presence of the monument we have erected to his memory, Abraham Lincoln was not, in the fullest sense of the word, either our man or our model. In his interests, in his associations, in his habits of thought, and in his prejudices, he was a white man.... You [whites] are the children of Abraham Lincoln. We are at best only his step-children; children by adoption, children by forces of circumstances and necessity....

friends and advocates, until at last it shall culminate in an all-pervading Northern sentiment, and the great work be easily accomplished.”

Participants at this convention organized the elements of abolitionist John Brown’s forthcoming (1858) private-military attack on the U.S. arsenal at Harpers Ferry, Va.

**1861:** After the election of President Abraham Lincoln, with South Carolina beginning the secession of the slave states, Garrison called on the United States to surrender—and to give up Washington, D.C.:

“Under these circumstances, what is the true course to be pursued by the people of the North? Is it to vindicate this sovereignty by the sword till the treason is quelled and allegiance restored? Constitutionally, the sword may be wielded to this extent . . . if the Union is to be preserved. . . . Nevertheless, to think of whipping the South (for she will be a unit on the question of slavery) into subjection, and extorting allegiance from millions of people at the cannon’s

mouth, is utterly chimerical. True, it is in the power of the North to deluge her soil with blood, and inflict upon her the most terrible sufferings; but not to conquer her spirit, or change her determination.

“What, then, ought to be done? The people of the North should recognize the fact that the Union is dissolved, and act accordingly. They should see, in the madness of the South, the hand of God, liberating them from a covenant with death and an agreement with hell. . . .

“Now, then, let there be a Convention of the free States called to organize an independent government . . . and let them say to the slave States, Though you are without excuse for your treasonable conduct, depart in peace! Though you have laid piratical hands upon property not your own, we surrender it all in the spirit of magnanimity! And if nothing but the possession of the Capital will appease you, take even that, without a struggle! Let the line be drawn between us where free institutions end and slave institutions begin! Organize your

The name of Abraham Lincoln was near and dear to our hearts in the darkest and most perilous hours of the Republic. We were no more ashamed of him when shrouded in clouds of darkness, of doubt, and defeat than when we saw him crowned with victory, honor, and glory. Our faith in him was often taxed and strained to the uttermost, but it never failed. . . . Despite the mist and haze that surrounded him; despite the tumult, the hurry, and confusion of the hour, we were able to take a comprehensive view of Abraham Lincoln, and to make reasonable allowance for the circumstances of his position. We saw him, measured him, and estimated him; not by stray utterances to injudicious and tedious delegations, who often tried his patience; not by isolated facts torn from their connection; not by any partial and imperfect glimpses, caught at inopportune moments; but by a broad survey, in the light of the stern logic of great events, and in view of the divinity which shapes our ends, rough hew them how we will, we came to the conclusion that the hour and the man of our redemption had somehow met in the person of Abraham Lincoln. . . .

His great mission was to accomplish two things: first, to save his country from dismemberment and ruin; and, second, to free his country from the great crime of slavery. To do one or the other, or both, he must have the earnest sympathy and the powerful cooperation of his loyal fellow-countrymen. Without this primary and essential condition to succeed, his efforts must have been vain and utterly fruitless. Had he put the abolition of slavery before the salvation of the Union, he would have inevitably driven from him a powerful class of the American people and rendered resistance to rebellion impossible. Viewed from the genuine abolition ground, Mr.

Lincoln seemed tardy, cold, dull, and indifferent; but measuring him by the sentiment of his country, a sentiment he was bound as a statesman to consult, he was swift, zealous, radical, and determined. . . .

Few great public men have ever been the victims of fiercer denunciation than Abraham Lincoln was during his administration. He was often wounded in the house of his friends. Reproaches came thick and fast upon him from within and without, and from opposite quarters. He was assailed by Abolitionists; he was assailed by slaveholders; he was assailed by the men who were for peace at any price; he was assailed by those who were for a more vigorous prosecution of the war; he was assailed for not making the war an abolition war; and he was bitterly assailed for making the war an abolition war. . . .

[Lincoln’s assassination] was a new crime, a pure act of malice. No purpose of the rebellion was to be served by it. It was the simple gratification of a hell-black spirit of revenge. But it has done good after all. It has filled the country with a deeper abhorrence of slavery and a greater love for the great liberator. . . .

Dying as he did die, by the red hand of violence, killed, assassinated, taken off without warning, not because of personal hate—for no man who knew Abraham Lincoln could hate him—but because of his fidelity to union and liberty, he is doubly dear to us, and his memory will be precious forever. . . .

*Reprinted in Waldo W. Braden, ed., Building the Myth: Speeches Memorializing Abraham Lincoln (Urbana and Chicago: University of Illinois Press, 1990).*

own confederacy, if you will ... and relieve us from all responsibility for your evil course!”<sup>24</sup>

## Lincoln on Slavery

From 1854, when the Republican Party was formed in response to the passage of the Kansas-Nebraska Act, until he was elected President in 1860, Abraham Lincoln warned that a pro-slavery oligarchy was conspiring to make slavery universal. He held unwaveringly to the principle that slavery was an absolute wrong and moral evil; that though it could not lawfully be overturned right away in the old slave states, its spread must be prohibited, and that this would ensure its ultimate extinction.

Lincoln’s speeches and the 1858 debates with Sen. Stephen Douglas of Illinois, were thoroughly reported in Chicago newspapers and were circulated throughout the United States. The debates caused intense excitement because of the honesty and depth with which Lincoln probed the country’s moral and political crisis over the slavery issue.

His views on the subject of slavery can be seen in the following excerpts from the period 1854-58:

*Oct. 16, 1854, Speech at Peoria, Illinois.*

“This *declared* indifference, but as I must think, covert *real* zeal for the spread of slavery, I cannot but hate. I hate it because of the monstrous injustice of slavery itself. I hate it because it deprives our republican example of its just influence in the world—enables the enemies of free institutions, with plausibility, to taunt us as hypocrites—causes the real friends of freedom to doubt our sincerity, and especially because it forces so many really good men among ourselves into an open war with the very fundamental principle of civil liberty—criticizing the Declaration of Independence and insisting that there is no right principle of action but *self-interest*.”<sup>25</sup>

*Letter to Joshua F. Speed, Aug. 24, 1855.*

“...The slave-breeders and slave-traders are a small, odious and detested class, among you [in Kentucky]; and yet in politics, they dictate the course of all of you, and are as completely your masters, as you are the masters of your own negroes.

“...I am not a Know-Nothing. That is certain. How could I be? How can any one who abhors the oppression of negroes, be in favor of degrading classes of white people? Our progress in degeneracy appears to me to be pretty rapid. As a nation, we began by declaring that ‘*all men are created equal*.’ We now practically read it ‘*all men are created equal, except negroes*.’ When the Know-Nothings get control, it will read ‘*all men are created equal, except negroes, and foreigners, and catholics*.’ When it comes to this I should prefer emigrating to some country where they make no pretence of loving liberty—to Russia, for instance, where despotism can be tak-

en pure, and without the base alloy of hypocrisy....”<sup>26</sup>

*Speech at Springfield, Ill., June 26, 1857.*

“[Senator Stephen Douglas said two weeks ago,] ‘the signers of the Declaration of Independence referred to the white race alone, and not to the African, when they declared all men to have been created equal—... they were speaking of British subjects on this continent being equal to British subjects born and residing in Great Britain....’

“My good friends, ... see what a mere wreck—mangled ruin—it makes of our once glorious Declaration.

“...Why according to this, not only negroes but white people outside of Great Britain and America are not spoken of in that instrument. The English, Irish and Scotch, along with the white Americans, were included to be sure, but the French, Germans and other white people of the world are all gone to pot along with the Judge’s inferior races.

“I had thought the Declaration promised something better than the condition of British subjects; but no, it meant only the we should be *equal* to them in their own oppressed and *unequal* condition. According to that, it gave no promise that having kicked off the king and lords of Great Britain, we should not at once be saddled with a king and lords of our own.

“... [Senator] Douglas’ version ... will run thus: We hold these truths to be self-evident, that all British subjects who were on this continent eighty-one years ago, were created equal to all British subjects born and *then* residing in Great Britain.”<sup>27</sup>

*The famous “House Divided” speech, accepting the Republican nomination for U.S. Senate, June 16, 1858.*

“We are now far into the fifth year since a policy was initiated [under pro-slavery Presidential administrations] with the avowed object and confident promise of putting an end to slavery agitation. Under the operation of that policy, that agitation has not only not ceased, but has constantly augmented.

“In my opinion, it will not cease until a crisis shall have been reached and passed. ‘A house divided against itself cannot stand.’ I believe this government cannot endure permanently half slave and half free. I do not expect the Union to be dissolved; I do not expect the house to fall; but I do expect it will cease to be divided. It will become all one thing, or all the other. Either the opponents of slavery will arrest the further spread of it, and place it where the public mind shall rest in the belief that it is in the course of ultimate extinction, or its advocates will push it forward till it shall become alike lawful in all the States, old as well as new, North as well as South.”<sup>28</sup>

*Speech at Lewistown, Ill., Aug. 17, 1858.*

“The Declaration of Independence ... said to the whole world of men: We hold these truths to be self-evident: that all



men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness.

“This was their majestic interpretation of the economy of the universe. This was their lofty and wise and noble understanding of the justice of the Creator to His creatures—yes, gentlemen, to all His creatures, to the whole great family of man. In their enlightened belief, nothing stamped with the divine image and likeness was sent into the world to be trodden on and degraded and imbruted by its fellows.

“They grasped not only the whole race of man then living, but they reached forward and seized upon the farthest posterity. They erected a beacon to guide their children, and their children’s children, and the countless myriads who should inhabit the earth in other ages. Wise statesmen as they were, they knew the tendency of posterity to breed tyrants, and so they established these great self-evident truths, that when in the distant future some man, some faction, some interest, should set up the doctrine that none but rich men, none but white men, or none but Anglo-Saxon white men were entitled to life, liberty, and the pursuit of happiness, their posterity might look up again to the Declaration of Independence and take courage to renew the battle which their fathers began; so that truth and justice and mercy and all the humane and Christian virtues might not be extinguished from the land; so that no man would hereafter dare to limit and circumscribe the great principles on which the temple of liberty was being built.”<sup>29</sup>

## Lincoln Shapes the Future

Between the 1830s and 1860, American working people had been hit with repeated industrial paralysis under free trade; arrogant Southern slaveowners mocked them as low-class worker-scum; and Boston abolitionists taunted them with threats to dissolve the nation, while preserving slavery within a separated Southern country.

How could Lincoln rally them to defend a government and nation that seemed, at that point, only a memory and a potentiality?

At the 1860 Republican convention in Chicago, Philadelphia economist Henry C. Carey and his Kentucky associate Cassius Clay forcefully organized the delegates to nominate the economic nationalist candidate: Abraham Lincoln. Running for President on the protectionist program that Carey wrote, Lincoln went to the heart of the industrial working class, in Pennsylvania, and pledged to them that he would rebuild the economy under government protection. Their votes were the margin needed to swing the election to Lincoln.

After his inauguration, Washington was surrounded by hostile forces, and the communication lines and railroads were cut. When the Confederates fired on the U.S. fort at Charleston, S.C., Lincoln asked the American people to rouse themselves, as military volunteers, to save their

Union. Leading them in battle, and showing them the beginnings of undreamed-of economic progress: U.S.-funded transcontinental railroads, free higher education, free farmland, tariff-protected steel production rising 10,000% over the next 20 years; he gave them a national mission, and ended slavery.

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### *It Can Happen Here*

Even before the results of Super-Tuesday were in, the British press signalled that Lyndon LaRouche was absolutely correct, in forecasting that the plug would be pulled on Barack Obama's Presidential campaign, around his ties to slumlord and political fixer Tony Rezko. Like clockwork, the *Independent* and the *Guardian* used the occasion to highlight Obama's links to the jailed Antoin "Tony" Rezko.

Within 24 hours, the same stories began to appear in some of the U.S. press, most notably the Associated Press. The word was out that those who built up Obama, can easily bring him down.

These developments should serve as a wake-up call, for patriots to turn their attention to the major thesis of LaRouche's analysis of the British game in the U.S. election: The British financial oligarchy is determined to bring in a fascist government in the United States, through their chosen "Mussolini in an Armani suit," Michael Bloomberg. To that end, they are determined to destroy the candidacies of the vulnerable Obama, and, most importantly, Hillary Clinton. But the real target is *not* any candidate per se, but Constitutional government in the United States.

The oligarchy's strategic thinking is straightforward. The ongoing collapse of hundreds of trillions of dollars—their bankrupt financial system—has called the question on their power. They, like LaRouche, know this is endgame, and that they have to act now to prevent the emergence of a United States that could act in the tradition of Franklin D. Roosevelt. The very same banking establishment that brought Hitler and Mussolini into power, is at it again. The last time the United States saw anything like this kind of political crisis was in the 1960s, with the assassinations, coups, and nuclear war confrontation which characterized that period.

But today, the situation is much worse. The financial oligarchy is much more desperate, and will stop at nothing to eliminate roadblocks to their world fascist plan.

Yet, even serious people, who are totally aware of how right LaRouche was when he forecast the collapse

of the world monetary system, aren't taking the threat of the British-backed Bloomberg fascist option seriously. They desperately want to believe that "it can't happen here."

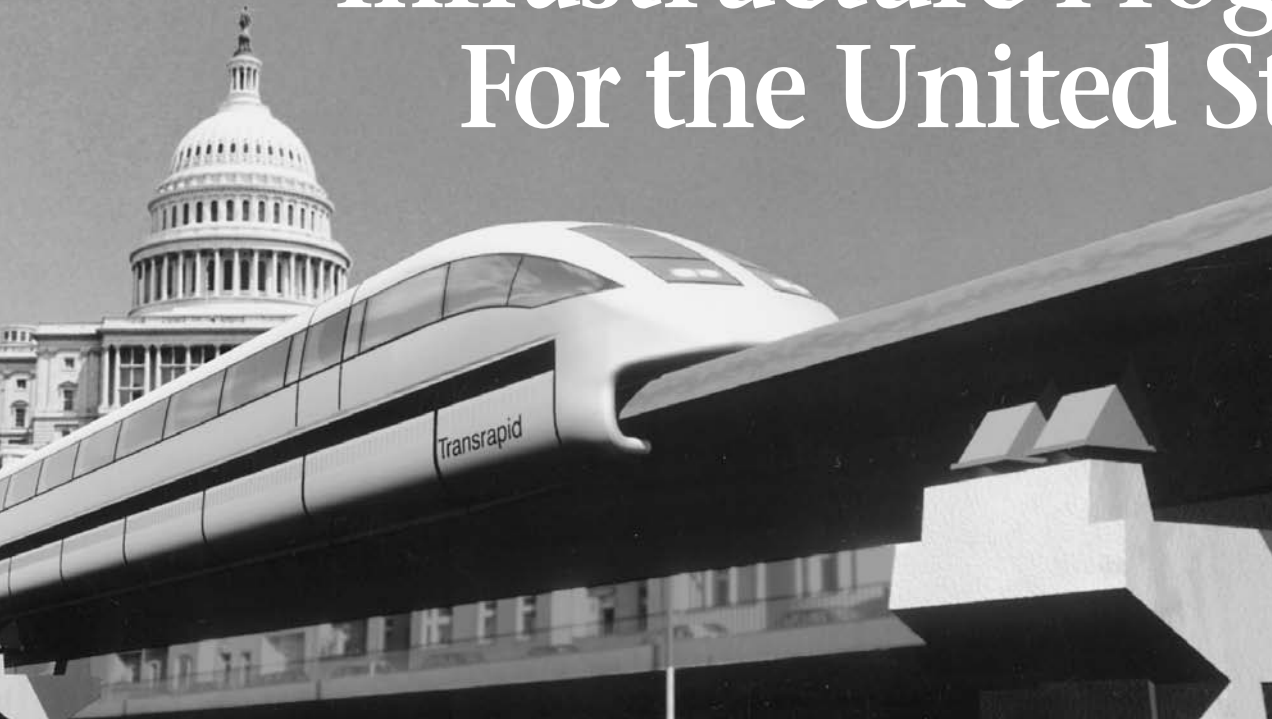
Need we remind them of the foolishness of their previous denial? How they considered it impossible that the American people could re-elect the dumbest President in its history, George W. Bush. How they thought it impossible that Californians would first elect, and then re-elect, the brutish Arnold Schwarzenegger. Most importantly, how they hoped against hope that the financial bubbles created by the insane move toward a post-industrial society in the early 1970s, would not bring the whole financial system down on our heads.

LaRouche forecast *all* these developments—failing leadership by the Democratic Party to adopt the fundamental shift back to FDR-style policies, both internationally and domestically.

In the absence of that leadership, British assets within the Democratic and Republican parties are being mobilized for the Bloomberg fascist program. The duo of fascists Felix Rohatyn and George Shultz—the controllers of leading politicians like House Speaker Nancy Pelosi and California Gov. Arnold Schwarzenegger—is on the stump pushing for Mussolini-style corporatism, especially in the area of the nation's collapsing infrastructure. Note carefully the proposals coming out on public-private partnerships, and the sell-off of public infrastructure to private companies. These programs, which integrally include neo-Schachtian austerity against the living standards of the population, are what Bloomberg is being set up to implement—from the top.

As LaRouche writes in his "Mitt Romney Walks Out," there *are* actions to rescue our nation from the presently ongoing plunge into disaster. They involve immediate economic emergency measures, such as enacting LaRouche's Homeowners and Bank Protection Act, and a no-holds-barred campaign to expose the fascist core of the Rohatyn-Shultz-Bloomberg program. We hesitate at our peril, and that of future generations.

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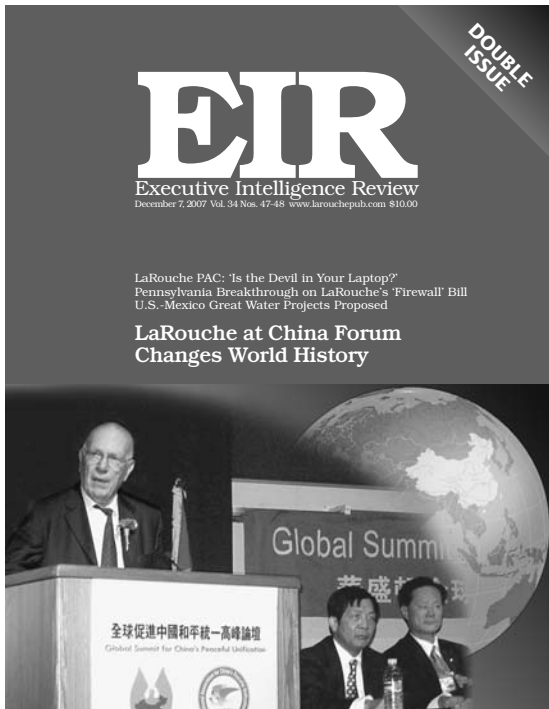
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