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LaRouche on How He Developed the 'Triple Curve'
Stop Dope, Inc.'s Takeover of World Economy
Russia: What the U.S. Presidency Needs To Know

What Is a Nation? Nations as Dynamical



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EIR

From the Assistant Managing Editor

In his weekly discussion with the staff, Lyndon LaRouche warned that “any week now, you could have the ‘Big Bang,’ where you have a chain-reaction cave-in and collapse of governments.” *However*, he said, if actions are taken *now* by the Obama Administration, there is still time to avert a threatened New Dark Age. What might surprise you, is that LaRouche placed at the top of the agenda, that the U.S. must get out of Afghanistan, and conduct a war against drugs and drug money. The unimaginable scale of drug money being laundered into the banking system, is now estimated, by leading figures, such as the director of the United Nations Office on Drugs and Crime, Antonio Maria Costa, to be a major factor in keeping the banks afloat, if only for just a little bit longer (see *International*).

In this week’s *Feature*, LaRouche breaks new ground, in “What Is a Nation? Nations as Dynamical,” in which he emphasizes the now urgent requirement that the U.S. Presidency, and other leading forces internationally, break with the Cartesian thinking that has brought civilization to the brink, and learn to think as he does: *dynamically*, i.e., the method which has allowed LaRouche to become the only successful economic forecaster in the world today. To further elaborate this method, we reprint an exchange from LaRouche’s Jan. 22 webcast, on how he developed the “Triple Curve Function.”

A major roadblock in the path of any recovery program, is the current Speaker of the House Nancy Pelosi, a creature of the Nazi-trained drug-promoter George Soros, and the fascist banker Felix Rohatyn. She must immediately resign, LaRouche demanded, and called for a nationwide mobilization to make sure this happens (see *National*).

This is a time when things can turn on a dime: As LaRouche writes in our *Feature*, “We are currently experiencing a turn, somewhat akin to that under the onset of Franklin Roosevelt’s leadership, in the early days of the change of the U.S. Presidency, from the reign of the wretched President George W. Bush, Jr., to the spirit of optimism which has arisen since the inauguration of the Presidency of newly incumbent President Barack Obama.”

To paraphrase Friedrich Schiller, we must insure that this great moment does not find a little people.



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Gen. George Washington at the Battle of Trenton, Dec. 26, 1776.



Library of Congress

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By Lyndon H. LaRouche, Jr. The global crisis inherited by the Obama Presidency, as well as the extraordinary success of LaRouche's July 25, 2007 forecast of the current collapse, demonstrate the need for "a sweeping, fundamental change in the future meaning of the very name of economics, sweeping aside everything which had been considered professional expertise" up to the point of that forecast. Solid, long-ranging measures, LaRouche writes, must be crafted and put into place soon. This report is focussed on those conceptions that are most important, among such urgent "long haul" elements of policy.

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No better honor for Mendelssohn's 200th birthday could be imagined, than to expunge the besmirching of his name by his enemies who spread the characterization, still heard today, that he was "gentlemanly," without telling the truth about him: that he was perhaps the best example of that which Friedrich Schiller had fought for—a beautiful soul, aesthetically educated.

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LaRouche Explains How He Developed the 'Triple Curve'

The following exchange, which took place during Lyndon LaRouche's Jan. 22 Webcast, encapsulates the central problem now on the agenda of the Obama Administration, and all mankind.

Question: Mr. LaRouche, we represent a multi-disciplinary group centered at Stanford, Berkeley, and Princeton which, since early November, has been tasked with working on your 'Triple Curve Function' as a model for economic analysis. Little argument can be made now as to its accuracy in defining our current predicament. However, it's my understanding that you developed this model long before our financial instruments, like derivatives, ever existed. This may be too involved a question for you to address in this venue, but if you can, would you please indicate to us how you were able to forecast this dynamic before the instruments which arguably caused this current crisis were even born?

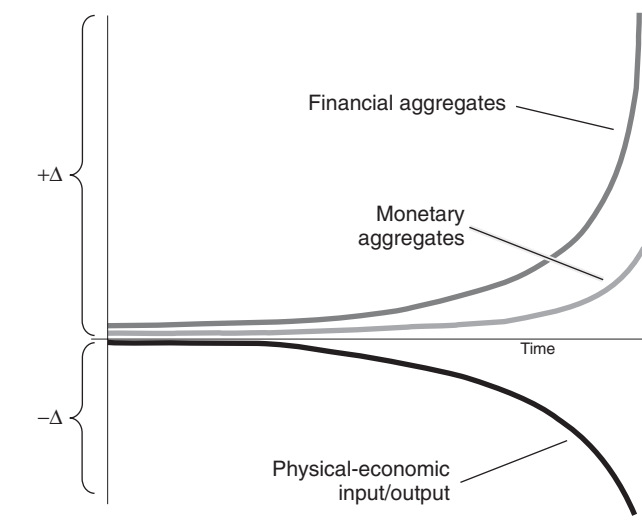
LaRouche: Essentially, I understood economics. That's why. My discoveries in economics were, of course, part of a childhood experience, in a sense. My father was a consultant in the footwear industry and a few other things, and I was never dumb. Got into a lot of trouble for that reason. No, but in 1953, I, in a sense, completed a phase of what, shall we call, my education, and by that time, I had adopted, understood, that we can not possibly deal with or understand economic processes, except by looking at them, first of all, as *physi-*

cal economic processes rather than monetary or financial processes.

And secondly, that we could not do this unless we abandoned the usual Cartesian-type methods of thinking about economy, even physical economy, which are prevalent in most universities today. That you had to use, you had to apply the concept of *dynamics*, as reintroduced to modern civilization in the 1690s by Gottfried Leibniz, and then the advanced concept of dynamics by Bernhard Riemann. And Riemann's conception, as exemplified by his famous Habilitation Dissertation of 1854, is the key to the competent understanding today, of any kind of physical process, and economic processes as physical processes can be only understood as Riemannian systems. Now, in Riemannian systems, the variable you're looking at, is dynamics, and you could go back to the *Dynamicum* of Leibniz in 1695, *Specimen Dynamicum*, for the definition of this.

The point was that the reductionists in physical science and so forth are idiots, and they should not be allowed—they can repair things, but they should not be allowed to try to design anything. Because, you see, the difference between man and the beast, is that no beast is capable of creating the discovery of a valid universal physical principle. Only an individual human mind can do that. This, of course, is the reason implicitly why Academician Vernadsky emphasized the question of the Noösphere, as distinct from the Biosphere: That

FIGURE 1

LaRouche's Triple Curve

human beings are essentially spiritual, you would call them, because what happens in the human body is a biological entity, apparently, but it has a function that performs intellectually which is not biological. And this function is called creativity, and it is most easily identified, that is, from a scientific experimental standpoint, by the discovery of a universal physical principle. It also has a complementary way of being defined, in terms of artistic composition. But the most common approach is to physical principles.

Now, in physical principle, as in the case of the Leibniz differential, as opposed to all the other versions of the things, the calculus, is that this concept of Leibniz comes essentially from the discovery of gravitation by Johannes Kepler. And what Kepler did was to discover the differential, the infinitesimal, in terms of the characteristic of the planetary orbits, such as the orbit of Earth: that there's no way by quadrature of the ellipse or quadrature of the circle, that you can define the meaning of the infinitesimal in the curvature of the planetary orbit.

The Harmonics of the Solar System

Now, this was then treated again by Kepler in what is called *The Harmonies of the World*, and in Book IV of *The Harmonies of the World*, he takes the thing up in a very specific way, which is later addressed by Albert Einstein. And that is that the harmonics of the organization of the Solar System are such, that you can not ex-

plain this from a visual standpoint, or from a simple aural system. That is, not from the sense of sight, the use of the function of the concept of the section of sight to portray the orbital pathway, or from the function of sound, simple sound, to define the orbital pathway. But rather, you would have to rely upon something from music, called harmonics. And you realize then, when you do this, that you are dealing with something, a phenomenon, in which neither the sense of sight nor hearing defines the phenomenon you're looking at, the phenomenon of change, which you're looking at, which defines the orbital pathway of the planetary system.

So, Leibniz in this sense, in the 1690s, returned to this conception, because he was a student of the work of Kepler—all modern science, all competent modern science, comes from the work of Johannes Kepler, of physical science. Anything else is—forget it. So, he recognized that the infinitesimal of the calculus, which he had originally discovered based on this appreciation of this work of Kepler, involved an ancient conception which is called the infinitesimal, of dynamics. And therefore, we understand that creativity is always expressed—creativity in terms of physical principle—is always expressed in terms of this kind of dynamics, of the infinitesimal, which has no finite quality, but is simply the appearance of a principle as a discontinuity in a system of action.

So therefore, what the difference between man and the animal is, is that mankind, by discovery of new physical principles, and applying these to production, is able to transform man's power to generate physical values, to increase man's power to produce something. That sort of thing. And so therefore, this kind of concept is the basis for all competent science, all competent economy. All present economists, as taught in universities, do not know this, and therefore they try to figure out, from a financial system, the idea of profit, in terms of a *financial* system or marginal income, in terms of a financial system, not in terms of a physical system. And all progress in science is based on that.

For example, let's take the simple case of simple stupidity among today's typical environmentalists. If you measure power in calories, you're an idiot. If you think a calorie of sunlight is equivalent to a calorie of nuclear power, you're an idiot. Because a calorie of nuclear power is thousands of times more powerful than a calorie of sunlight. Sunlight is very useful, when it comes in the form of solar radiation, in terms of chlorophyll. Extremely useful. Then the sunlight increases its

work, the power increases its work on behalf of man, or on behalf of nature, in many ways. Whereas if you simply use it as power, what do you do? You use up all the sunlight, you make a desert. If you take the sunlight and apply it to plantlife, you make prosperity. So sunlight, in a sense, as a living principle—the chlorophyll is a living principle—actually increases man’s power in and over the universe, whereas the same number of calories consumed as solar power for a solar reactor, is a waste of time. If you have enough solar reflectors, what have you got? You’ve got a desert. Have enough calories, have enough chlorophyll, you’ve got a forest. That’s the difference. And you’ve got human life, and all kinds of things.

So therefore, it is human creativity, individual creativity of the individual human mind, such as universal physical discoveries, the application of these to the productive process in particular, that is the means by which man is able to increase his power to exist on this planet.

So what you have then, you have financial systems, all these financial systems in economy: They’re not worth anything! Because they don’t take into account the most important thing: How you increase the productive power of labor per square kilometer and per capita, in a world in which the key opposing factor is depletion. If you simply try to do the same thing over and over again, and expand the population on that basis, you’re going to run down the planet. If, on the other hand, you use creative methods which involve this concept, which Leibniz defined as the differential, the infinitesimal, and you apply this as in the case of chlorophyll, or the case of nuclear power, which is thousands of times more efficient than the same amount of calories expressed in the form of sunlight impinging on the Earth.

So, what happens is, you find in the history of mankind that all backward societies, including especially societies of slavery, prohibit the slave from developing discoveries of principle. The slave is told to follow in the footsteps of his father, of his grandfather, of his great-grandfather, and not to try to change the way in which he produces. Now, the effects of this is in all societies which are fixed-mode societies, lead to the destruction of the society by itself, simply by continuing to exist. All societies which are successful, take natural resources and increase the power of natural resources by these kinds of methods called discoveries, which reflect the same kind of principle which Kepler recog-

nized in the organization of the Solar System, or that Einstein and others recognized in terms of the way the world is organized.

The Factor of Creativity

So, the problem with economists, generally, is they don’t look at this factor of creativity. They call all kinds of things creativity, including the ability to masturbate in new ways—but that’s not creativity. which is the discovery and use of newly discovered principles which increase man’s power in and over the universe, and the organization of these discoveries in the form of production or other relevant ways to increase the power of man to exist, and to exist in a better way. So therefore, economy is not to be studied, first of all, as financial economy or monetary economy, but to be examined as a physical process, a physical scientific process, with attention to things like life, as in the case of Vernadsky’s work, on life and on the idea of the Noösphere.

So, you’re looking for the principle of change, which distinguishes, on the one hand, living processes from non-living ones, and human processes, which are distinguished advantageously from non-human living processes. And this is expressed by invention, by production, and also by the development of an appropriately improved infrastructure, such as an increase of nuclear power; and the greater the nuclear power in terms of per-square-centimeter power, the greater your productivity.

So therefore, if I go into India, and I find an Indian farmer who is what he is in his skill, and I bring in the factor of nuclear power in the form of enhanced water resources, freshwater resources, which you can only make efficiently from nuclear reactors, as with say the thorium-cycle reactor which is appropriate for the coast of India, then you have increased the productive power of labor of that farmer, without changing the way he produces, because you have changed the conditions under which he produces, and therefore increased his productivity. So, all economy is based on that.

The problem we have, for example, is under the former director of our monetary system, the Federal Reserve system, [Alan Greenspan], who was an idiot and his idiocy has dominated the interpretation of what productivity is in the United States today. Forget Greenspan. Get rid of him. He’s gone. Get rid of what he did. Therefore, we have to have a system which functions not on the basis of counting dollars, or counting marbles, but by counting the increase in the level of

productivity per capita and per square kilometer of the United States, and of other countries. This means investment, capital-intensive investment, in technologies and in modes of production which multiply the effective productivity of the working individual or the producing individual.

Therefore, if you want an economy which is going to grow, you have to have capital-intensive investment. Because to build a nuclear power plant, that costs a bit of money. It wears out over, say, 40 or 50 years, if you maintain it properly. Say a 40-year investment. It's a capital investment, and the importance of the capital investment is not the size of the investment in money. The importance of the capital investment is the amount of the increased yield per moment of action that you get as a result of that power, at that intensity. It's just simply a matter of physical science. You raise the level of energy-flux density of any process, you raise the potential productivity of that process. And you simply have to know enough science, enough physical science and other things, to know how to make that work. That simple.

So therefore, what we need is capital-intensive, long-term investments, concentrating first of all on the basic economic infrastructure. First of all: water, power, mass transportation, and so forth. Make these more efficient. Therefore, even simple labor will be increased in its productivity, because you have created the environmental preconditions for enhancing the effective power of that act of production. And that's the point.

So, for me, it was simple to forecast. My forecast cycles always worked in these ways. The condition I was forecasting about was different. The auto industry forecast I did back in the 1950s, which was unique, was very simple for me. I was simply doing consulting in this area, knew a number of these auto industries, knew how the thing was rigged, and I said—along with other industries, which were doing something similar—this is finished. It's gone. When I find that somebody has a vehicle which has a 24-month useful life, and it's sold on the basis of 36 months, with a giant balloon note in the 36th month, and I find that not just the auto industry is being run that way, but many other industries are being run that way, I can look at the capital factors and tell you at the point, this is going to blow out. It's that simple. And it's that kind of consideration, to give a simple illustration, which I used. It's always the same.

We kept coming back to one condition under Truman, we got to another condition, which is the Vietnam War condition—under the Vietnam War condi-

tions, we were destroying the economy. And we were going to destroy the economy once the policy of Wall Street and London was introduced, the policy against which Kennedy fought in the steel negotiation issue. Once Kennedy's policy was eliminated, the United States was going to go the way these guys were going to send 'em, and it went that way.

By 1968, it was going that way. In 1961, they blew it. The same thing happened in the 1970s. They blew it again: the Trilateral Commission. The Trilateral Commission did the greatest amount of destruction to the United States economy, in terms of rate, of any time in its modern history. Until we got to George Bush, George Bush I, the Emperor George Bush I, and he did a good job in this.

And then you had the effect of the green revolution, in effect, the anti-industrial, the anti-nuclear, all this kind of thing. And again, what we were counting upon as production was fake. The ratio between the cost of production to the U.S. population as a whole, and the benefits of production, was such that we were losing.

And what happened then, is Greenspan came in, and Greenspan said this doesn't work. (This is after the October 1987 crash. It didn't work. Well, I forecast that one.) And what he did is, he went to financial derivatives, self-inflating fake money. And the world economy now is sitting under the weight of \$1.4 quadrillion of absolutely fake money, and under the present conditions, that fake money is growing, like a cancer, while the world economy, in terms of employment and production and goods produced, is shrinking.

So therefore, what you have to do is you have to take the cancer and you have to excise it! The entire financial derivatives bubble created by Alan Greenspan has to be taken out in the backyard and shot! And then buried! That's the solution.

So, there was nothing mysterious about this, because if you think about how these curves function, it simply was to me—I had a Vatican conference I attended, the way it happened, and it was on health care. So, I submitted a report to the Vatican on my participation in that conference, and later, in the following months, I was running for President, so I just published this Triple Curve on that basis. All it was, was a description of what I know about the way the system is working, and the way the system has worked ever since I first got into the business back in 1953, as a successful student of the work of Bernhard Riemann on the principle of creativity.

WHAT IS A NATION?:

Nations as Dynamical¹

by Lyndon H. LaRouche, Jr.

January 14, 2009

The global crisis which the just-inaugurated Presidency of Barack Obama has inherited, involves profoundly elementary forms of existential challenges for each and all peoples of the planet, challenges of a type which are beyond anything which recent governments of any part of the world have been willing to face heretofore. The rescue of those governments and their putative experts, demands some profound, and also shocking changes from the conceptions which have, heretofore, misguided the leading professionals involved in advising the most relevant leading governments of various regions of the world.²

My recent, extraordinary success of July 25, 2007, in long-range economic forecasting of crucial developments in the world's economic systems, should have become, by now, sufficient, even virtually overwhelming evidence of the need to abandon what had been, heretofore, the leading assumptions respecting economy by governments and others, and to adopt new,

more appropriate principles which would be consistent with the validated methods of forecasting employed by me.³ That forecast has become a breakthrough, toward a sweeping, fundamental change in the future meaning of the very name of economics, sweeping aside everything which had been considered professional expertise up to the point of that most recent development.

However, now that the inauguration has occurred, the new President and his Presidency, for their part, are now justly occupied, for the moment, with the proverbial "bits and pieces" of maintaining their "tempo of control" over the day-to-day role of the President in establishing and maintaining his office's control over its function of moment-to-moment national and world leadership in the current, virtually unprecedented crisis in the national and world situations. This compels that President to resort to large doses of improvisation; for, if he were to lose control, hostile foreign as well as domestic forces will be able to act to immobilize the Presidency's ability to exert management control over the current situation.

In the meantime, circles and individuals associated

1. This report was prepared in response to an important question, presented by relevant professionals, presented to me during the January 22, 2009 LaRouche PAC webcast.

2. From misleading conceptions premised upon the notion of money, to that of physical values.

3. Learn the homely wisdom of the ghosts in the celebrated German film *Spukschloss in Spessart* who said, "*Die Hauptsache ist der Effekt*" ("The effect is what's most important.")

with the institution of the Presidency, whether formally attached to it, or implicitly committed to its success, must generate programs and perceptions which are of a more long-range, lasting significance for the history of the republic and the world. Thus, while the new Administration is pre-occupied with what may be characterized as “swatting flies,” solid, long-ranging measures must be crafted and put into place for the long haul—soon. In the end, as the months pass, it will be those long-haul effects which will be crucial for this present Administration. This report of mine is focused on those conceptions which represent the most important among those urgent “long haul,” elements of policy.

The most crucial, and also least understood, among those still controversial conceptions on which the survival of civilization on this planet now depends, is the issue of principle which I present in this report:

So, in remarks which I had delivered to a leadership meeting of January 13th, I emphasized the following:

1.) That, the systemic distinction, both physical and moral, between a species of animal life and a sovereign individual member of a human culture, is a difference expressed, in the human individual, as a process of development of an implicitly immortal, subsuming principle, a principle whose expression occurs within an individual of a specific generation, but, a principle which, nonetheless, subsumes, ontologically, the way in which the ultimate outcome of a succession of generations of a nation is actually, intentionally ordered for effect.

For societies which are capable of surviving this present world crisis, we have now reached the point that, no more can anyone who wishes to be considered competent, tolerate the assumption, that the process of an economy should be treated as being contained in a way in accord with the dogma of the unfortunate René Descartes: that as if within what were to be treated as merely a reflection of the externally influenced, mechanical-like interactions of the inanimate, or mortal individual subjects as such.

2.) What I was emphasizing in that report to the



The dynamic quality of nations is fostered through scientific and technological achievements and their introduction into the physical economy, promoting the general welfare. This Leibnizian conception was well understood by Benjamin Franklin, whose scientific exploration of electricity is portrayed here by Benjamin West.

meeting of my associates, was the following.

The consistent failure of most attempts at long-range economic forecasting by my putative rivals from among the sundry economists and relevant others of nations, should have warned us, that we must reject the notion, that the controlling physical cause of mass economic behavior could be what appears to have been a statistical succession of individual developments in society: as if embodying, as if mechanically, the physically efficient cause of the existence and behavior of each of the subsumed, presumably discrete elements of that succession.

Kepler on Aristotle

Johannes Kepler refuted Aristotle's geocentric cosmology, and charged that Aristotle held science back for nearly two millennia, until the advent of Copernicus, by rejecting the Pythagorean idea that the Earth moves in an orbit around the Sun. Here is an excerpt. Kepler's full document was published in 21st Century Science & Technology, Winter 2001-02.

I am as little satisfied with Aristotle, when he thinks it is sufficient to have asked why the Earth remains at the center of the world, and to answer, that nature assigned this position to it. For it is entirely uncertain, and not conceded by me, that the Earth is in the middle of the world; and were it so, it would be so indeed on account of nature, but in the same way that all things are on account of nature. But one is not satisfied to know that things are according to nature, but one asks why they are that way and not some other way, and what means nature used to bring this about. . . .



Johannes Kepler (1571-1630)

*For example: Contrary to mechanistic presumptions, Johannes Kepler's uniquely original discovery of an efficient universal principle of Solar gravitation, in his **The Harmonies of the World**, remains, in fact, today, a prime example of what Gottfried Leibniz defined, during the 1690s, as a principle of physical dynamics. The categorical point of distinction of human society from animal ecologies, is a comparable case. The same harmonic quality of systems, is the subject of the physical science of such as Bernhard Riemann, V.I. Vernadsky, and Albert Einstein.*

The great fault of all recently prevalent assumptions governing the economic thought of professional economists and related circles, whether among the academics, or the opinion of the street gambler, lies in the influ-

*ence of the axiomatic presumptions of the practice of usury, assumptions which were summed up by Adam Smith, not in his virulently anti-American tract of 1776, his **Wealth of Nations**, but his earlier apology for the mystical irrationality of philosophical liberalism, an apology given in what should have been considered today as his more thorough promotion of the Ockhamite Liberalism of Paolo Sarpi, as in Smith's 1759 **Theory of the Moral Sentiments**. The exclusion of the possibility of a physical-dynamic (e.g., Leibnizian, Riemannian) basis for economic value, rather than a monetarist one, is the great error of academic and Las Vegas gambler alike, an error which must be now suddenly expelled from the practice of economy by governments, if civilization is to survive this present crisis.*

*Therefore, if civilizations wish to survive the presently onrushing, global economic breakdown-crisis, they must change their ways accordingly, shifting to the legacy of the physical science of Nicholas of Cusa, Leonardo da Vinci, Johannes Kepler, Pierre de Fermat, and Gottfried Leibniz, away from popular sentiments such as those prescribed by Paolo Sarpi follower Adam Smith's **Theory***

of the Moral Sentiments. It is that Liberalism of the dupes of Paolo Sarpi, which also made a dupe of not only Karl Marx, but many of Marx's followers, among many other types of cases of the same radically reductionist madness.

The distinction of the subject of this present report, is its attention to, and explanation of the fact, that that which is expressed in the manner in which the living human individual, who is mistakenly seen as merely biological, is actually shown to be the embodiment of something which is subsumed by the superior efficiency of a higher principle. That principle is one which must appear to our biologists, not as a principle of biology as they have usually defined it heretofore, but, as what must tend to appear to most literate observers as an

eerie sort of spiritual principle, as that creative potential of the individual human mind which is lacking in all lower forms of life.

I refer, here, to the distinctive quality of a principle of human intelligence, a higher sort of principle which is expressed as original, or replicated discoveries of universal physical principles, or as artistic compositions expressing truly original and valid principles of composition. Eerie as this notion might appear to be to some persons, at first glance, it is, nonetheless, actually (ontologically) a physically efficient principle of our universe. It is to be treated as an expression of a physically efficient principle of dynamics, rather than a mere effect, for example, of such as a Cartesian-like datum of the reductionist classroom's statistical dogma.

Thus, in the matter of the relevance of the work of Academician Vernadsky, there are three, mutually distinct ontological qualities of such integral, dynamical systems to be considered by us here: a.) The general abiotic ("pre-life"); b.) Living processes, and their specific by-products, other than those of human mind; and, c.) The human mind. In these cases, the distinction of the higher one, is not a derivative of the nature the lower, but, rather, all three are commonly subsumed by a higher, common, universal, dynamic (creative: anti-entropic) principle, as Albert Einstein summed up the combined effect of the uniquely original discoveries of the Solar System's principle of gravitation of Johannes Kepler and those of Bernhard Riemann, defining our universe as a finite, but not externally bounded universe.

In other words, I mean dynamics as dynamics (the echo of Classical Greek *dynamis*) was defined by Gottfried Leibniz's attack on Descartes, on this specific account. The fuller meaning of a general principle of dynamics in modern science, was given later by Bernhard Riemann, as this is typified for today's general reference by his 1854 habilitation dissertation. Further contributions to the elaboration of Riemann's discovery have been supplied, most notably, by the anti-mechanistic discoveries of Max Planck (e.g., harmonics, rather than Ernst Mach's "mechanics"), Albert Einstein, and Academician Vernadsky.

3.) The principle which I have identified in the opening of this prologue, is of the same quality of form as that expressed by Johannes Kepler's uniquely original discovery of a universal principle of gravitation. So, Albert Einstein identified his own, Riemannian view of Kepler's work, as pin-pointed in Kepler's Book

IV of *The Harmonies*, as being the enveloping foundation of **all** competent, modern physical-science practice.⁴

4.) So, I have emphasized, over decades to date, that in that competent way of thinking within the domain of physical science, this difference is expressed in the terms of what Gottfried Leibniz defined, in his denunciation of Descartes, as dynamics. As I have said above, this is a notion of dynamics which Leibniz identified as an echo of the notion called *dynamis* among the ancient Greek and related circles of the Pythagoreans and Plato. The same notion, as developed in an enriched form by Bernhard Riemann and his followers, such as Albert Einstein, is crucial for defining the functional notion of the necessary integrity of a sovereign nation. Einstein's expressed, Riemannian views, insofar as they are known to me, lack only the needed, still higher standpoint of reference, to Academician V.I. Vernadsky's Riemannian notion of the *Noösphere*.

5.) The application of this conception, so summarized above, supplies modern civilization with a specific notion of nation-state cultures which is crucial in addressing the root of that grave crisis of global civilization which is presently menacing humanity as a whole, as at this present moment.

In these days of a world of humanity now plunging at an accelerating rate toward depths which have not been thought possible, everything on which I expend significant efforts now, has both a long-term and an immediate purpose, that in service of the defense of the immediate, terrible threat to very existence of a civilized form of life on this planet. This condition of presently accelerating, global crisis, makes demands upon me, which bear upon the unique competencies which I have developed in the field of a science of physical economy. Thus, what I must present as of urgent relevance on this account, may appear to verge on the merely academic, but no one should be misled into thinking that what I write in the following piece is "merely academic" in any meaningful sense. The fol-

4. Kepler's demonstration that neither the sense of sight, nor hearing could account for the harmonic composition of the Solar System, freed science from the grip of the folly of sense-certainty, especially the folly of the modern European empiricism of the followers of Paolo Sarpi. Although this had been anticipated by Cardinal Nicholas of Cusa, as in Cusa's seminal *De Docta Ignorantia*, and was already clear in the work of Pythagoreans such as Archytas, and of Plato, the actual experimental demonstration of this underlying principle of all competent modern physical science, is owed to the concrete work of Kepler. Hence, Albert Einstein's celebrated argument in support of both Kepler and Riemann.

lowing is written in what must be identified as “deadly serious” intent, and must be read accordingly.

That intent and character of what I write below, will be clear enough as the following account unfolds.

Introduction:

On the Subject of One’s Self

My specific contribution to the principles of dynamics being delivered within this present literary location, lies within those dynamics of humanity, as such, which underlie the actual characteristics of *physical* economies. This can be usefully illustrated, for these purposes, by a brief reference to a closely related aspect which is typical of my own, relevant personal experience, and in relatively greater, or lesser degree by some relevant others. I point out some notably relevant autobiographical items, as follows.

All but one of my grandparents were born during the 1860s, amid the setting of the decade of the great U.S. Civil War. One notable grandfather was a descendant of members of the group of the English settlers in North America during the middle of the Seventeenth Century; another was the son of a Scottish professional dragoon, a dragoon who arrived to volunteer his Civil War service with the First Rhode Island cavalry. The specifically English strain in that ancestry, was represented by grandparents representing families which had included active leaders of the anti-slavery conspiracy of their time,⁵ as known to my grandparents’ family dinner-table of my childhood, as having been expressed from among living ancestors born during the immediate, Seventeenth-Century establishment of what was to become this Federal republic, who were of this subsuming category.⁶ In general, excepting large chunks of Scottish and Irish strains introduced to the ranks from approximately the middle of the Nineteenth Century, my family history is traced from its beginnings within North America, from Seventeenth-Century French and English immigrants from the same era as the original New England and Quebec settlements.

At the same time, the fact was, as actually known to me, that: despite a significant diversity of the specific

traits and views of these individual parts of that extended family as a social process, the larger social process which was my emerging new nation (in actuality) during those three centuries before my own time, had predominant, manifestly underlying characteristics which are distinct from those of citizens of European nations, characteristics which influenced the individual representatives who were often not notably conscious of the nature of these influences upon their behavior, but which, nonetheless, were influenced by them in critical ways. Those characteristics were rooted in, as subsumed by the dynamics of this society, rather than the opinions specific to any individual representative of the family or related larger grouping. While the individual had an affect on the evolution of the national culture, the culture was never the simple aggregate of individual opinions among the population: *dynamics*, again.⁷

The most significant of the differences between the cultures of our United States and representatives of the same language-groups in Europe, was our separation from the European and other class-distinctions common to European, and such other expressions of oligarchical models of society, including those of British and other parliamentary systems.⁸

On this account, I now turn your attention to refer, once again, as I have often done so over the course of the most recently preceding sixty-odd years portion of my eighty-six years to date, to the strong impact of my first experience of the concluding paragraph of Percy Shelley’s *A Defence of Poetry*, a paragraph featuring his summary on the subject of the imagination.⁹ I em-

7. Herein lies the root of the common failures of the customary opinion-pollsters. They mistake the footprint left by the mind, for the living foot which had left that print, a print which was often a misleading indication of the intention which that print reflected. Hence, we have revolutions and other developments by a society which take most of that society by surprise, when those strata see the unintended effects which their expressed opinion had created.

8. The oligarchical currents within our U.S.A. have been limited, chiefly, to the families associated with the British East India Company, and, a variant of that, the slaveholder pseudo-culture of the U.S. Federal states in which chattel slavery came to be promoted.

9. “Imagination,” as employed here, does not signify “unreal;” it signifies products of the functions of the mind, rather than of mere sense-perception as such. As in all valid expressions of Classical poetry and drama, the imagination is the substance of the idea, called *irony*, whereas the relevant sense-perception is the shadow. One does not recognize one’s beloved by sense-perception as such, but through those powers of the imagination needed to distinguish the person from the mere sensory form of image, as for the case of a “changeling.” Irony, including meta-

5. Such as the Daniel Wood who had run an “underground railway station” in Delaware County, Ohio.

6. An American family of English ancestry identified, chiefly, within a genealogical study known as “The Lancaster Family.”

phasize the usually unwitting role of most relevant persons in their fostering what can be isolated as those superb moments of achievement of a great people summoned to a great task, moments in which those individual persons performed with a certain commitment and excellence, yet, often, were unwitting of the underlying source of their inspiration, when, often, as Shelley emphasized, that inspiration was even contrary to their customary character. The emergence of the U.S. population under the leadership of President Franklin D. Roosevelt, is an excellent illustration of this. Consider the ironies of the matter in Shelley's own terms.¹⁰



Percy Bysshe Shelley; engraving by Amelia Curran, 1819.

phor, typifies this. Objects which exist, but are sensed directly only as microscopic, or sub-microscopic, are typical of this. Shelley's *A Defence of Poetry* is clear on the matter of this distinction.

10. This present report is a continuation, but in broader terms, of my own. Lyndon H. LaRouche, Jr., "The Lesson of Pearl Harbor Day," *EIR*, Dec. 19, 2008. I emphasize the presently urgent, following excerpt, taken from that paragraph which I have often quoted, orally and in print, more or less in full from Shelley (the *Harvard Classics* edition in my possession and use during the middle of the 1930s and early 1940s). I quote myself, thus, as quoting Shelley repeatedly over decades, as follows: "...we live among such philosophers and poets as surpass beyond comparison any who have appeared since the last national struggle for civil and religious liberty. The most unfailing herald, companion, and follower of the awakening of a great people to work a beneficial change in opinion or institution, is poetry. At such periods, there is an accumulation of the power of communicating and receiving profound and impassioned conceptions respecting man and nature. The persons in whom this power resides, may often, as far as regards many portions of their nature, have little apparent correspondence with that spirit of good of which they are the ministers. But even whilst they deny and abjure, they are yet compelled to serve, the power which is seated upon the throne of their own soul. It is impossible to read the compositions of the most celebrated writers of the present day without being startled with the electric life which burns within their words. They measure the circumference and sound the depths of human nature with a comprehensive and all-penetrating spirit, and they are themselves perhaps the most sincerely astonished at its manifestations: for it is less their spirit than the spirit of the age..." That passage must be restated, in print and sung aloud, repeatedly, for the sake of its unique relevance as being uttered by me, yet once again, as stating a principle which is typical of every culture, in every age: that the individual member of society should become able to recognize himself, or herself, as expressing a behavior which is often, predominantly, typical of the movement

The fact of the often unwitting quality of the motive to which Shelley refers, within that concluding paragraph, as in the behavior of many others of his time, expresses the same phenomenon which is the subject of this, my present report. That same quality of customary individual unwittingness to which Shelley referred there, is also expressed in physical science, as, also, in what are nonetheless great artistic endeavors generally.

The Classical Poetry of Science

Consider a more general expression of that irony.

That form of science which had been emerging from the rising waters of the oceans, then

at a time not less than about 11,000 years ago,¹¹ was the product of what had been the ancient transoceanic maritime culture which had become settled, since, on the newly defined coastlines and the lowest regions found in the mouths of great riparian systems.

What we have come to call "science," as it emerged thus, was expressed, at that time, as that to which India's Bal Gangadhar Tilak would point, in his *Orion*, as the approximately 26,000-year Equinoctial calendar cycle already known to the ancient Vedic culture. This is a culture whose work is embedded in the cultural characteristics, even those characteristics of the presently unwitting, of both later Sanskrit and India's culture generally, amid its living population, still today. Typical human experience with such relatively long cycles, reflects ancient ocean-going maritime cultures, whose attention to the cyclical and quasi-cyclical stellar array, bespeaks a current of experience and knowledge in mankind's culture, whose emphasis on the ancient

of his, or her time, rather than simply a conscious product of his own, individual opinion-making. (My punctuation and editing.) Without that concluding paragraph of his *A Defence of Poetry*, any reprint of Shelley's piece were fraudulent by intent.

11. N.B., During the ebb in that glacial continuum estimated by some as about the recent two millions years, which is on the rise, again, today.

fruits of *astronavigation*¹² implicitly defines the notion of man in, and acting efficiently upon the universe: a true, anti-Euclidean notion of a quality of a science, which is to be defined, thus, as characteristically universal.

It is the relative mastery of this maritime standpoint for the definition of the concept of “universe,” which presents the basis, from the past, for what we may fairly consider to be, virtually, the still living ancient “ancestor” of competent scientific practice, as reflected in the form of efficient action upon the domain of the here and now.

However, as I shall emphasize in the course of this present report, the proper primary subject of science, is not that of astronomy as such; science is the expression of that whose very existence is shown, essentially, not in the stars which Shakespeare brushed aside in his *Julius Caesar*, but in a certain uniqueness of mankind’s own behavior: a uniqueness which is to be adduced from in our species’ unique, historical concern with ancient maritime culture’s mastery of universalized astronavigation as such.¹³ We must proceed from mastery of the discovered principles which the outlook of ancient mariners’ astronavigation reveal, as what we must know and employ as the principles which order the development of our universe in both the respectively very large and very small. Man is not an object in the universe; man comes not merely to know the principles which order the universe, but principles which are expressed by us, as in our making that universe itself our subject (rather than ourselves as being merely the subject of that universe). In other words: man and woman of

Genesis 1 as in the image of the Creator.

Thus, I shall emphasize, that, therefore, the subject of man lies, as Shakespeare wrote in his *Julius Caesar*: not in those “stars, but in ourselves,” as every true Promethean must discover his, or her true heritage as a human being. Hence, true tragedy, including the intentional use of the concept of tragedy by Aeschylus, Shakespeare, and Friedrich Schiller, is not a matter of what not only ignorant, but also mis-educated individuals, label “the tragic individual.” *Tragedy* is that principled quality of systemic folly which tends to permeate the “axiomatic-like” behavioral presumptions of an entire social formation, such as a language culture, a nation, or a social class, or the like, as an experience within or among nations.¹⁴ As Shelley wrote: “...they are themselves perhaps the most sincerely astonished at its manifestations: for it is less their spirit, than the spirit of the age. ...” Mankind distinguishes itself from the beasts by superseding the spirit of a former age.

Thus, I emphasize: Johannes Kepler’s uniquely original discovery of the principle of universal solar gravitation, as Albert Einstein emphasized Kepler’s uniquely original discovery, as being the foundation of all competent modern experimental physical science known by Einstein and relevant others up to that time. That is the most crucial of the discoveries on which all competent modern science currently depends.

In the end, man does not react to the universe; man reacts in ways implicitly intended, as a matter of principle, to modify that universe’s behavior, ultimately to qualitative effect. So, man as a species is distinguished from the beasts, if and when he chooses to do so. That is that end which a person’s search for a choice of destiny must serve.

12. The original reference to experience from which the meaning of the term *astronavigation* should be derived is not essentially “space-travel,” but forms of transoceanic navigation which take into account the effects specific to changes in specific astronomical experiences, from fixed to variable, which are relevant to transoceanic navigation within what had appeared, initially, as a permanently fixed set of changes within the ordering of the planets or specifically stellar phenomena. The Classical name for a practiced body of physical science so defined, is that Egyptian-Greek science of *Sphaerics*, associated with the Pythagoreans and the method of Plato. For example, any truly universal physical principle is, contrary to all empiricist doctrine, the image of a reflection of any change in the universe, local or other, whose efficient origin, as a principle of action, lies within the existence of the universe as a whole. The Vedic record of the Equinoctial cycle, as reported from seemingly landlocked central Asia, reveals its ancient maritime origins and relations to cycles within our planet’s presently continuing ice-age.

13. Long-term changes in the composition of the observed astrophysical system itself.

14. In a competent view, or performance of any Classical tragedy, the tragic factor lies in the adopted cultural habits shared among virtually an entire class of people, or the culture as a whole at that time; the individual’s character is tragic only to the degree that he, or she is controlled by a habituated notion of principled behavior shared by an entire class of people, or as a “species-like” principle permeating even the culture of the population as a whole. In physical science, for example, belief in the *a-priori* elements of *Euclid’s Elements*, embodies what must be recognized as a society’s tragedy, that in the same general sense that the opening two paragraphs and concluding sentence of Bernhard Riemann’s 1854 habilitation dissertation (the virtual “book-ends” of that composition as a whole) discredit the tragedy characteristic of Euclid’s admirers. Such principled distinctions, point out almost any kind of a popular folly of an entire population, that in fashion often suggesting the common, controlling feature subsuming the process of a slime-mold.

The Evil in Euclid

The most significant of the typical causes for the intellectual failure of a promising social movement, such as the Classical Renaissance associated with that period of the American Revolution prior to the effects of the British Foreign Office's orchestration of Philippe Egalité in the incident of the Bastille, is that the fact that so many among those supporters of the cause of our American Revolution were reacting to that development, during the best preceding period, in a manner contrary to what might be fairly described as their customary inclinations. In great moments of history, a people rises above its habitual traits; but, in decadent moments, reverts to something like that which it had already been before. I saw this reversion on my return to the post-Franklin Roosevelt U.S.A., after the war. Heinrich Heine's clear insight, as in the matter of the Romantic School, into a certain moral duplicity in the impressively brilliant Goethe, illustrates the point.¹⁵

Consider the historically ironical patterns of development, as during that interval of the rising influence of Abraham Kästner, his protégé Gotthold Lessing, and Moses Mendelssohn, which typify the favorable European setting for the success of the American Revolution.

The principle of that Classical school had held a large degree of sway, against the follies of the contrary influence, over strata which were, otherwise, of the contrary inclination of the Cartesian Abbé Antonio Conti, and such among Conti's followers as the hoaxsters and haters of Leibniz as Voltaire, and as the followers of Paolo Sarpi's tradition among the mere mathematicians Abraham de Moivre, Jean le Rond D'Alembert, Leonhard Euler, Joseph Lagrange,

Pierre-Simon Laplace, Cauchy, Rudolf Clausius et al. That classical influence waned with the collapse of the dynamic expression of authority associated with the cause of the American Revolution, a corrosion already under way in 1782, and aggravated by the death of Benjamin Franklin, and by the fall of the Bastille orchestrated by London, and by the insurgency of that reactionary party which the Habsburg Emperor was now supporting (since the affair of the Queen's necklace).

So, the influence of the Eighteenth-Century renaissance was weakened to a degree that we in the U.S.A. saw manifest in Thomas Jefferson's period of defection, as also in the bedroom of President Madison, as under the influence of the traitor and British agent Aaron Burr. Under the earlier active influence of Benjamin Franklin, Thomas Jefferson, Madison, et al., startle us, still today, with a quality which Shelley identified as "the electric life which burns within their words," but, in the late 1790s and into the second decade of the Nineteenth Century, we must recognize the greatness of their time of association with Franklin as expressing, like the Biblical Jonah, or the Apostle Peter's "thrice," "less their spirit, than the spirit of that age." So, in the matter of the so-called "Monroe Doctrine," and other matters of later life, Jefferson returned to himself as he had been, more or less, under the influence of his former mentor, Benjamin Franklin.

Any truly competent treatment of history must recognize the kinds of examples which I have just referenced here, and also recognize the principle which Shelley had addressed in what I have referenced here as the relationship between the individual and the motivating power which appears in the form of the "spirit of the age."

So, we experienced a comparable return to the worse, with the death of President Franklin Roosevelt. Already, once the Normandy victory of the U.S.-led allies assured the defeat of the Nazis, the same, British led, right-wing faction, inside the U.S.A., which had been pro-Mussolini-Hitler prior to December 7, 1941, moved to take back their former power. So, the death of President Franklin Roosevelt served as the opportunity for the former, pro-fascist, right-wing gang to regain power in the Presidency under President Truman. During most of that change back toward a "right-wing" takeover of U.S. leadership, I was overseas—until late

15. The actual downturn in the rate of immediate progress of the American Revolution, came with Lord Shelburne's role in the 1782 establishment of the British Foreign Office. Thus, Shelburne caused the negotiation of a peace treaty to divide the U.S.A., French, and Spanish allies by separate British negotiations with each. The special relationships, between Shelburne and his lackeys Jeremy Bentham and Edward Gibbon on the British side, and the set of such as Philippe Egalité, Philippe's Swiss banking crony Jacques Necker, and the Martinist freemasonry generally, on the other, triggered the setting and unfolding of the history of the world, from the siege of the Bastille, on, under what has been called "The British Empire," from 1782 to the present day. The British East India Company's empire was established in fact, as a private empire of that company, by the February 1763 Peace of Paris; but, the systemic features of the government of that empire were established by Shelburne's adoption of Gibbon's model of Julian the Apostate.



The end of the Second World War is celebrated in Norfolk, Virginia, 1945. Already, a shift was underway in the “spirit of the age.”

National Archives



National Archives and Records Administration

Veterans returning from the war settled with their families into suburban bungaloes, retreating from the great cause for which they had recently fought.



Library of Congress

With the death of FDR, the right-wing crowd regained power in the Presidency and other institutions. Here, the fascist Sen. Joseph McCarthy and his lawyer, Roy Cohn, during the Army-McCarthy hearings in 1954.

Spring 1946, and therefore had the peculiar “advantage” of experiencing, more fully, the shock of that change within U.S. institutions which had taken over the U.S.A. during the interval from Spring 1945 to Spring 1946.

The weakness of otherwise promising figures of the U.S.A., which allowed the corruption expressed by the “Wall Street” phenomenon, is also to be recognized in the pro-fascist elements of “right wing” anti-Franklin Roosevelt circles, particularly those which had been openly pro-Mussolini during both the 1920s and 1930s and sympathizers of Hitler during the pre-December 1941 1930s, and which represent the Liberal “free trader” tradition of the pro-fascist elements of both the Republican and Democratic parties still today.

We are currently experiencing a turn, somewhat akin to that under the onset of Franklin Roosevelt’s leadership, in the early days of the change of the U.S. Presidency, from the reign of the wretched President

George W. Bush, Jr., to the spirit of optimism which has arisen since the inauguration of the Presidency of newly incumbent President Barack Obama. We must reckon with both of the implications which that change presents, and do so with accompanying comprehension of what I have just summarized here as the thesis of Percy B. Shelley. The present moment is precious, its opportunities prospectively grand, and the perils grave.

This, as I have promised above, will be, necessarily, a lesson on the higher implications of the principles of dynamics.

I. Dynamics & Immortality

Yes, young fellow, human immortality does exist, just not biologically. You could say, that, in that way, it has an efficient, practical expression

within the individual's and society's experience of mortal life. Thus, true immortality is not something to be relegated to some domain of blind faith; 'it not only can, but must be experienced by every living person who knows, really, what it is to be immortal, and, to be, thus, human in the sense of man and woman of Genesis 1. It exists for us within a very efficient domain of experience, one called by Leibniz, and by others, dynamics.' It is important that you discover this fact for yourself, so that you may discover not only how to act as human, but how to become truly, fully human, not as some talking simulation of a higher ape, but as the realization of becoming a fully human, implicitly immortal being.

There are several crucial points to be considered in this summary of the case.

1. First, and foremost, the essential distinction of the human personality from all among the beasts: that human personality is expressed by a living body with ostensible animal characteristics; but that, as the effect of the outstanding creative personalities of science and Classical art illustrate this more clearly, the creative human personality will continue to influence the development of the quality of society in a specifically creative way, as a sovereign personality, even after the mortal body of that person is dead.

So, the incompleting discovery of one person can be adopted and extended in an active way after that person is deceased. So, each creative individual lives as represented in the continuing development of society even after the death of the mortal husk

2. Thus, that human society is not a collection of individuals, but is dynamic, not merely percussive, in respect to the interaction of society's individual members.
3. That the progress of society depends upon forms of action by individuals which express a form of action of change of culture comparable to the effect of the discovery and adoption of a universal physical principle, that according to such models as Johannes Kepler's uniquely original discovery of the principle of universal gravitation.

So, for example, the principal failures which those who were merely mathematicians have brought into the domain of physical science, are results which could be traced readily, by some, from what has been clearly the outright fraud prompted, still, to the present day, by the *a-priori* presumptions of *Euclid's Elements*. These failures have been rooted in the *a-priori* notion, that both space (explicitly) and time (implicitly) are as Euclid's almost bestial *a-priori* assumptions of sense-perception wrongly presume them to be.

However, since the work of such leading modern scientists as Riemann, Planck, and Einstein, the absurd notions of *space* which may be associated with the legacy of Euclid, have been called more seriously into question. Nonetheless, even among the so-called scientifically literate classes, a mistaken notion of *time*, considered as being consistent with the presumption of simple clock-time, maintains its stubborn grip on belief, even among some considered to be leading physical scientists.

The matter of time is the crucial theme of this present report on the principles of economy.

Nonetheless, despite those reasons for doubts, even among scientists, respecting the notion of simple clock-time, even on the most rudimentary level of the notion of dynamics, the popular tendency has been, as it might be said: to "go along with the popular notion of clock-time, to all practical intents and purposes." It is not until we pause to examine more closely the way in which human creativity functions in the effects of fundamental progress in physical science, or, also, the Classical metaphor of poetry and musical counterpoint, the more we begin to recognize the existence of a practicable approach to comprehension of this ironical character of the human experience of time as such: the *physical time of evolutionary change in the rate of human action per capita and per square kilometer at the Earth's surface, rather than clock time*.

To introduce this point most simply, and yet forcefully, consider the following.

The long reign of a Euclidean or similar pseudo-science, as within what is usually studied as ancient through modern European history, is echoed in the role of those arbitrary, *a-priori*, assumptions respecting space and time, which are, as I have just stated, above, associated with the same state of mind as faith in the fraudulent dogma of *Euclid's Elements*, that as according to what are still those popularly accepted, but incompetent presumptions.



Library of Congress

Gottfried Wilhelm Leibniz (1646-1716) anticipated Einstein's study of space-time: *"The source of our difficulties with the composition of the continuum comes from the fact that we think of matter and space as substance, whereas in themselves material things are merely well-regulated phenomena, and space is exactly the same as the order of coexistence, as time is the order of existence which is not simultaneous."* (Letter to Nicholas Resmond, March 14, 1714.)

On the first account of those popular, but mistaken beliefs, the notion of *space*, the notion of an infinite Euclidean, or Cartesian space, is not acceptable in anything which should be allowed to pass for modern scientific method among respectable sorts of relevant modern institutions. Space put to one side; so, far, however, most opinion on the meaning of time is still worse than muddy, even among professionals. This failure by them has crucial bearing on the reasons for the failures of economists and relevant others so far today.

So, despite the clear case respecting the falseness of belief in "space by itself, or time by itself," as made by such authorities as Albert Einstein, the needed correction for the notion of *physical time* (rather than "clock time") has not become anything better than can be met

among a tiny fraction of what passes for literate expressions of contemporary scientific opinion.

In outlining that case here, my emphasis is on the importance of a relativistic conception of physical time, as needed for competent argument in the field of a science of physical economy. This, however, is not merely the kind of a formal problem to be relegated to the classroom. My emphasis here is on the role of relativistic time in the practical work of that science of physical-economy which is my speciality. In that latter context, it points toward the implied requirements of the highly practical need for my own choice of a broader, and more profound approach to the notion of time urgently needed in the common practice of nations today.

Currently, the most damaging error in the usual treatment of the subject of time, among even some persons formally certified as scientists, occurs chiefly as the expression of a widespread hoax, a dubious notion of thermodynamics which is traced to the supposed "authority" of the mid-Nineteenth-Century activities of mechanistic dogmatists such as Rudolf Clausius, Hermann Grassmann, Lord Kelvin, and the later followers of Ernst Mach and, worse, Bertrand Russell. The "pro-Malthusian" form of political motive for that fraud, known as "The Second Law of Thermodynamics," is as interesting clinically, and important, as it is related to the study of the closely related implications of the popular folly, even among scientists, on the subject of time.

I will return to that popular error in due course, here. First, I must define the issue as it is posed from the standpoint of the working scientist; in this case, I mean the standpoint of economic science, my profession, rather than mistaken appeals to the favor of today's wildly misguided popular opinion on that subject.

Therefore, we must now work through the following discussion of some key features of the problem.

In the rudimentary physics of design in construction, for example, we consider the specific relationship of the geometry of supporting structures, to the required mass of support required for the combined mass of both that support and that which it supports. The Paris Eiffel Tower is among the most conspicuous illustrations of this point, still for today. My own introduction to that physical view of geometry, came to me about the time I reached the age of fourteen, a consequence of my fascination with this ironical feature of the structures witnessed at the neighboring Boston

area's Charlestown Navy Yard. As a result of that experience, I had rejected the notion of Euclidean geometry at my first secondary classroom encounter with it, and, as a result of that, soon became an admirer of some translated works of Gottfried Leibniz, that in some not-unimportant, relevant respects.

In the science of physical economy, the same type of point is illustrated in the matter of the functional relationship of the infrastructure which supports production and its productivity, to the specific effect, that, obviously, infrastructure which supports no *physically productive* function by mankind, is waste, or, might be described as comparable to the role of the fruits of the act of masturbation in the production of society's wealth.¹⁶

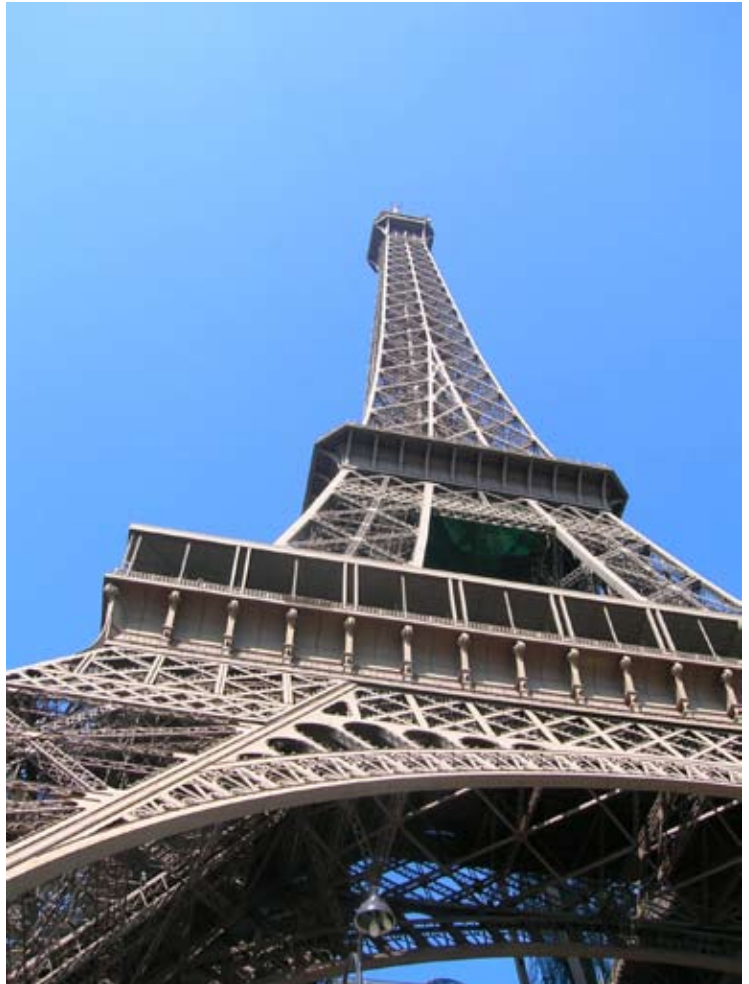
So much, so far, on background, for the matter of the physical function of space. What of the physical-economic function of time?

Creativity as Human

Insofar as our attention is focused upon the notion of the "creation of wealth," this signifies something which, in the view of competent animal ecologists, never occurs within the bounds of practice of any animal species, except through effects of biological evolution. Willful creativity never occurs except through the creative intervention of the human will, as by farmers, for example. Consider the contrasting cases of the so-called "animal kingdom" and society on account of this difference between man and beast.

Fairly said, in the study of animal populations, but not in the case of mankind, the potential relative population-density of animal species, is not located essentially in the willful powers of the particular species, but, rather, in an ecology within the evolution of the Biosphere as a whole, integrated (dynamic) process. Thus, for example, the application of the specific idea of an

16. The apologist might argue that, it may not be productive, but it might be considered as threatening to produce, even without ever producing what its advocate purports to simulate. The Rockefeller Foundation's recent proposal to perpetrate the public display of "economic masturbation for a price" in supporting the "infrastructure" swindle of New York's Mayor Bloomberg and Californication's Governor Arnold Schwarzenegger, is an illustration of the principle involved.



The magnificent construction of the Eiffel Tower illustrates LaRouche's point that geometry is not a question of blackboard mathematics, but of structure in the physical universe.

animal ecology to mankind, is an intention and practice of a type, which, in the case of human society, would be tantamount to forms of fascism such as that Hitler-like, "green fascism" of Prince Philip's pro-genocidal World Wildlife Fund: a practice whose utopian expression is best described as "farming human populations" as one does flocks of hens or herds of cattle. Adolf Hitler and Hermann Göring, like the lately deceased former Nazi-SS officer Prince Bernhard of the Netherlands, and his fellow Prince Philip accomplice, former U.S. Vice-President Al Gore, typify their intended application, as by the World Wildlife Fund, of the ecological principles of mere animal populations to people.

That view by such as that Prince Philip, the late Prince Bernhard, and Al Gore, is otherwise expressed

in the perverted, already implicitly fascist notion of the contemporary descendants of Giammaria Ortes, and of his plagiarist Thomas Malthus, that the notion of “balance” within systems of animal ecologies must be also imposed upon human populations.

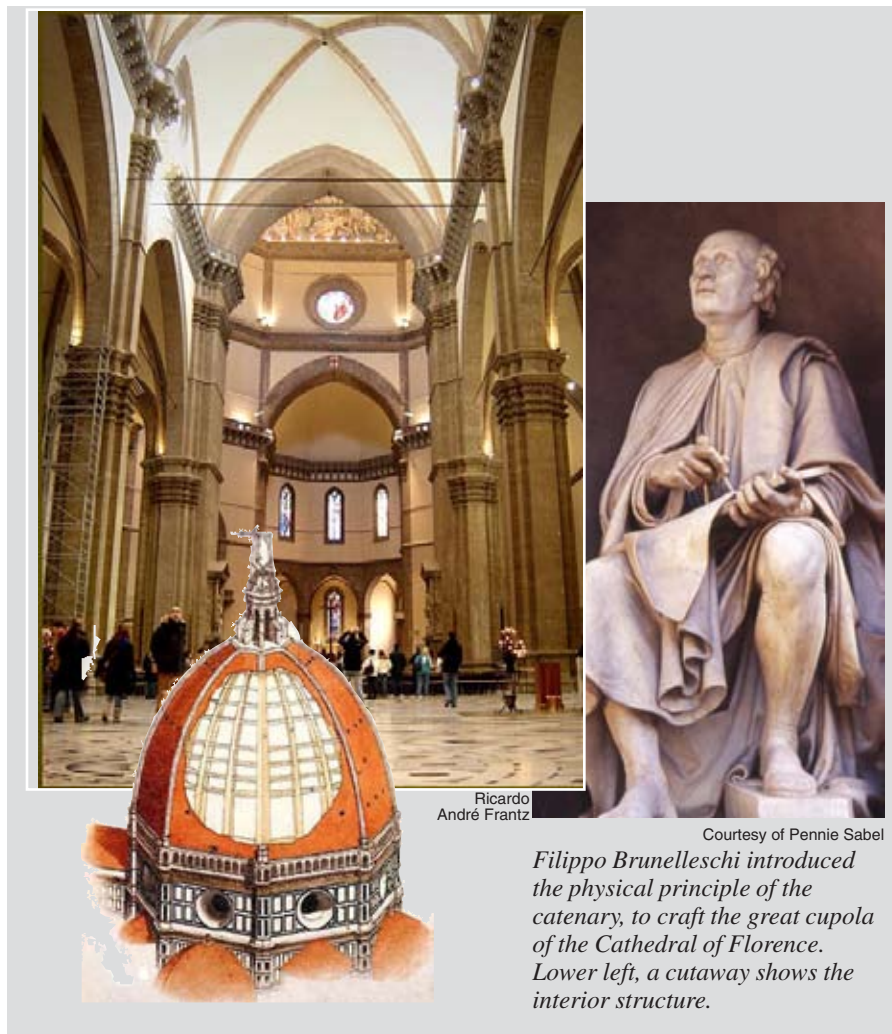
We should not be surprised that this shameless, shared dogma of so-called “eugenics,” as shared among the late Bertrand Russell and Aldous Huxley, Prince Philip, the late Prince Bernhard, and former Vice-President Al Gore, is approximately as incompetent for science, as it is as monstrous as it was in the paws of Hitler and Göring,, when applied to humanity.

From the relevant standpoint of physical science, the essential functional difference between human and animal populations, is located in those potentially creative powers of human individual reason which are absent from all members of animal ecologies. Hence, we have Academician V.I. Vernadsky’s distinction of Noösphere from Biosphere, to the following effect.¹⁷

As Seen in Physical Science Generally

At this point in our account, we must introduce an illustration of the functional meaning of creativity; the most appropriate approximation for that immediate purpose, is that uniqueness of Johannes Kepler’s discovery of the principle of universal gravitation, as in his *The Harmonies of the World*. This work of Kepler serves at this point in my account, to point out the shocking incompetence of today’s customary academic use of the term “creativity,” as the contrary, true

17. Although Vernadsky was prompted to adopt the term “Noösphere” from his encounter with the use of that term by Teilhard de Chardin, the systemic features of the use of the term by Vernadsky are rooted in his application of the standpoint of Riemannian physics, not those quaintly mystical, reductionist schemes of Teilhard de Chardin, as those associated with the infamous Piltown hoax.



character of this discovery by Kepler was treated properly by Albert Einstein, as being the foundation of competence in modern, Riemannian, European physical science.

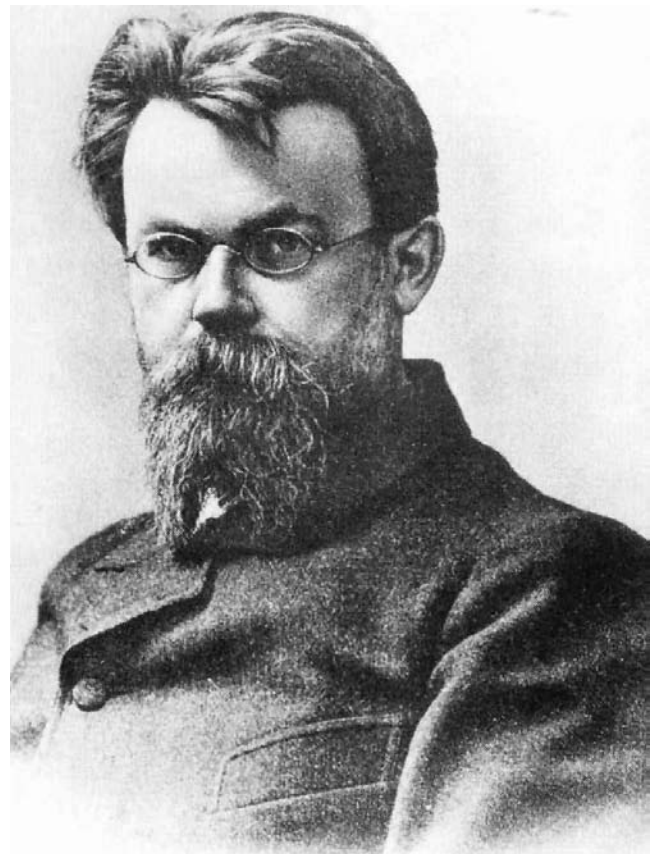
On that account, I must, therefore, insert a qualification for what is to be said now. This qualification is, that all competent modern science is Riemannian in that coincidental sense of the use of the term “Riemannian” by both Einstein’s treatment of the subject of Kepler’s astronomy, and in the related case of Academician V.I. Vernadsky’s defining of the physical chemistry of the Noösphere. The coincidence of intention expressed in these and related cases, hangs on that notion of dynamics which had been brought back to life, so to speak, by Gottfried Leibniz’s defining the meaning of “dynamics” in connection with his attack on the incompetence of Descartes and, implicitly, also, Descartes’ Seven-

teenth-Century and later empiricist followers.¹⁸ The list of such relevant rogues as those empiricists, includes the philosophical mechanists Clausius and Grassman, Ernst Mach, and, most emphatically, the hoaxster Bertrand Russell.

By the term “creativity,” I mean such relevant historical occurrences as the duplication of the cube by Plato’s contemporary Archytas; and, such modern cases as the discovery, by Filippo Brunelleschi, of the function of the physical principle of the catenary, as to be seen, still today, in the principle of design employed for the construction of the cupola of Florence’s Santa Maria del Fiore; as to be read in the founding of the system of modern European physical science by Cardinal Nicholas of Cusa in his *De Docta Ignorantia*, or, in the uniquely original discovery of universal gravitation by Johannes Kepler; or, the principle of least action by Pierre de Fermat; and, the uniquely original discovery of the modern calculus by Gottfried Leibniz. Ironically, each of these discoveries expresses a common, shared principle of creativity which subsumes each and all as aspects of a common dynamic conception, as might be anticipated for the case of a set of events expressing one and the same physical universe.

The avoidance of that error in defining creativity which each of us must be certain to ward off, requires that we stick strictly to Albert Einstein’s approach to the subject of Kepler’s discovery of the general principle of gravitation, as Kepler effected the original discovery, as shown in Kepler’s *The Harmonies of the World*, and, then, Einstein’s viewing Kepler’s actual approach to that result from the standpoint of Einstein’s adoption of the viewpoint of Bernhard Riemann.

The risk of error lies in acceptance of the misleading assumption, that a principle of nature is defined by numerical values for an algebraic function, when, in fact, as for the case of Kepler’s uniquely original discovery of gravitation, exactly the opposite relationship between principle and coefficient pertained. Any actually universal physical principle does not lie within the system; but, as Einstein insisted, it bounds it, that in the same sense that Einstein emphasizes, that in opposition to the pseudo-science of modern, Sarpian philosophical



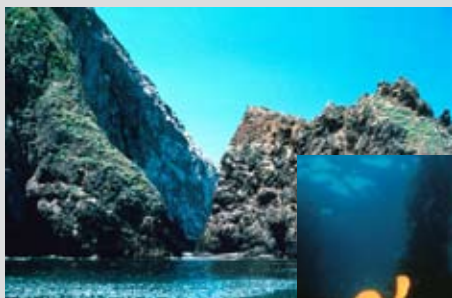
Academician Vladimir I. Vernadsky (1863-1945), the Ukrainian-Russian biogeochemist who pioneered the Soviet Union’s nuclear program. His work, including his concept of the “Noösphere,” is rooted in Riemannian physics.

Liberalism, that gravitation is not a mechanical-like relationship within the system; rather, it bounds the entire system, both externally and internally, as a finite system of a form which is without external boundary at any given moment in the system’s normal, continuing (*anti-entropic*) self-development.

However, to grasp certain implications which are also already embedded, if only as systemic implications, in Einstein’s presentation of the case, seek the greater degree of clarity required, by taking into account V.I. Vernadsky’s distinction of Noösphere from Biosphere.

Any system which does not lie within the Biosphere, lies either within the system of inherently non-living processes, or within the Noösphere which supersedes the Biosphere. No living process, or what is uniquely a relic of a living process, is a relic, as a living process, of the “pre-biotic” phase-space of our universe. Yet, no noëtic function of human mind is a specific product of

18. Such as “the usual suspects” Abbé Antonio Conti, Abraham de Moivre, Jean le Rond D’Alembert, Leonhard Euler, Joseph Lagrange, Pierre-Simon Laplace, and the sometime plagiarist and hoaxster Augustin Cauchy.



NOAA/Shane Anderson

The abiotic: Dramatic rock formations on Santa Cruz Island, one of California's Channel Islands—but with the biosphere clearly making its incursions.



NOAA/Channel Islands NMS

The biosphere: Garibaldi damselfish (*Hypsypops rubicundus*) live around the Channel Islands.

The universe, which contains three, categorically distinct, and interacting phase-spaces, LaRouche writes, expresses a universal creative principle of anti-entropy that subsumes the three phase-spaces. That universe is itself intrinsically anti-entropic.



NOAA/Joe Heath

The Noösphere: young scientists, exploring the tidepools at Moss Beach, Calif.

the Biosphere. Yet, the universe, which contains the three, categorically distinct, and interacting phase-spaces (the *abiotic*, the *Biosphere*, and the *Noösphere*), which thus expresses a universal (creative) principle of anti-entropy, subsumes the three phase-spaces. That universe is intrinsically anti-entropic in and of itself, and imparts that inherently noëtic quality to that integrated process which it contains. Such a set of conclusions, is supported by the evidence of the accomplishments most distinctly characteristic of the creative powers (acting within the dynamic of society as such), the anti-entropy which is the characteristic seed-form of the human mind itself.

Nothing demonstrates those principles more clearly, more emphatically, than the subject of a science of physical economy. Such is the implication of the notion of mankind's individual as a noëtic power of change within the universe.

Noësis—that quality which true human creativity shares with the universe as a whole—is a principle in itself. By *noësis*, we signify an action of the type which adds a new principled element to the universe, such as the knowledge of the discovery of what is, for that person, a previously unknown, *lawful quality* of principle of the universe, as typified by Kepler's uniquely original discovery of universal gravitation, as presented by him in his *The Harmonies of the World*.

All of the categorical discoveries of universal principle to which I have referred thus far, are contrary to that vile hoaxster Bertrand Russell, and are included among the dynamics of a common type of creativity. Therefore, wherever I employ the term “creativity” hereinafter, I signify that meaning of the term “creativity.”

Ecology, Economy & Creativity

The universe, insofar as we presently know it, is essentially *anti-entropic*.

Our Sun is a product of its immediate “neighborhood,” that being our galaxy, which was in turn, a product of the universe as a whole. The Solar System, and its periodic table of elements and the like, are a product (of probably polarized thermonuclear fusion) generated by the evolution of a once faster-spinning, younger Sun. The preconditions for the appearance of living processes on Earth, are traced in apparently

manifest origins to the development of our planet Earth. The species of life were ostensibly generated on Earth, but, probably, must have also appeared in locations such as other parts of our Solar system and beyond. The living species which wander, slither, crawl, fly, walk, or swim with apparent willfulness, on the land, within the upper crust of the Earth, and in the bodies of water, constitute an included part of what Academician V.I. Vernadsky defined for physical chemistry as a Biosphere. Into this setting came mankind. Mankind's characteristic, potential, *willful creativity*, is not found in any other known living species.

The existence of mankind thus changes the ordering principle within the universe, away from what must be assumed to be the characteristic of a universe without the existence of mankind.

The orders of life which appear amid such developments, are represented, as I have already said here, by two distinct general categories, the Biosphere and the Noösphere, as both have been defined with a certain scientific rigor by Academician Vernadsky. Although, we know of development within the Biosphere, from such orders as marsupials, to the superior placentals, no animal or comparable species of life, apart from mankind, has presented us with what can be classed as creative powers comparable to the quality which distinguishes the human species as absolutely superior, categorically, to other forms of life, even to forms generated, as ostensibly from marsupial to mammal within the domain of animal life.

The relevant sort of gross demonstration of these distinctions of beast from man, is found in the comparison of the fixed difference of the dynamic of the biosphere as defined only by the animal species, to the breaking of such types of ecological boundaries by the presence of mankind. Man changes the value of the Biosphere, usually upward, by aid of the role of human

creativity in changing the composition and anti-entropic values for the Biosphere.

The Immortality of the Soul

In my knowledge of the matter, the idea of the immortality of the human soul, came meaningfully into the province of European physical science only as an aspect of what some currents of Judaism share with the scientific implications of Christianity.¹⁹ My own knowledge of the history of that concept of immortality, is rooted in references to the work of Plato, and that of Cardinal Nicholas of Cusa and his followers, as that concept of the principle human *dynamics* was illustrated as the argument of famously illustrated in the Vatican Library's "School of Athens" by Raphael Sanzio.²⁰

Any valid reading of the background for that view, pertains to the associated notion of a "simultaneity of eternity." This concept is, in turn, interchangeable, ontologically, with



Raphael's "The School of Athens," detail showing Plato (pointing up) and Aristotle.

the notion of that human creativity which we trace in European history from the *Sphaerics* of the ancient Pythagoreans, Plato, and those of kindred insight and accomplishment. The celebrated, unique solution for the construction of the doubling of the cube, by Archytas, has been, historically, a scientifically crucial demonstration of the method of reconstructing knowledge congruent with that conception. Kepler's discovery of the general principle of gravitation, as in his *The Harmonies of the World*, is an expression of this, as is Fermat's concept of least action, and Gottfried Leibniz's uniquely original discovery of the principle of the infinitesimal calculus.

19. E.g. the exposure of the fraud of Aristotle by Philo of Alexandria, and the work of Moses Mendelssohn.

20. Some would say, that the figure of Plato is pointing the way to God the Creator, while Aristotle, in a like manner, is directing his minions to Hell. I believe that Philo would agree strongly with me on that point.

In general, as in those instances which I have just referenced, the existence of action in physical space, like that of the infinitesimal of action in time, must replace the superstition of belief in “absolute” space and “absolute” time as such. That needed conception must be dynamic, not percussive.

The demonstration of that principle of a science of physical economy which underlies the notion of a “simultaneity of eternity,” was presented in a pedagogically expert way by Philo’s argument denouncing the posturing of the Aristoteleans of his time. The relevant theological argument may be properly restated as follows.

Aristotle’s relevant argument is that since the Creator is perfect, the results of his work are perfect. Therefore, according to the argument of the relevant Aristoteleans, once the Universe is “made,” the Creator Himself could not be permitted to change it. The implication of this is, that the philosophical reductionists, of which that Aristotelean dogma is an example, would not have permitted a God who created the universe to have existed, in the first place. The point is, that the perfection of the Creation lies in the power of the Creator to change it. In other words, in real physical science, the fundamental law of the universe is the continuing power of creation: the universe is essentially an anti-entropic one, from which the concept of universal entropy is absolutely banned.

In other words, to identify the conclusion to be reached in the simplest terms: the notion of a *permanent Creator* whose existence is contrary to the Aristotelean presumption attacked by Philo, implies (if it does not yet suffice to prove) the notion of a fixed conceptual reference-point of existence in a universe undergoing characteristically systemic transformations.

The Role of Descartes

For purposes of reference to modern empiricism, such as that of René Descartes and his modern dupes, let that follower of Paolo Sarpi, the thoroughly wicked Descartes, be the whipping-boy of reference for our argument here. Descartes is a follower of Paolo Sarpi, not Aristotle, but the argument against Aristotle follows for our purposes here. A brief comment on the historical significance of Descartes since Europe’s early Eighteenth Century, is required, to situate historically what we have to say today.

Descartes is, with one important qualification, the

model used by Abbé Antonio Conti and others for the crafting of the synthetic personality of Sir Isaac Newton. The circle of fakers associated immediately with Newton was created chiefly as a faction intended to combat, even intended to eradicate the reputations of Johannes Kepler, Pierre de Fermat, Leibniz, and, to some degree, Christiaan Huyghens. The most significant target selected by the followers of Paolo Sarpi, during the Eighteenth Century and beyond, was Gottfried Leibniz. The desire for Leibniz’s ruin, during the 1690s and beyond, a desire premised on the intention to defend the principal features of the claimed authority of Descartes, was the chief motivating factor in that work of a network of salons created to promote the reputation of the synthetic personality of Sir Isaac Newton, a project which was initiated by Abbé Antonio Conti and Voltaire, and implemented through a network of salons featuring Abraham de Moivre, Jean le Rond D’Alembert, Leonhard Euler, Euler’s intellectual protégé Joseph Lagrange, and such as Pierre-Simon Laplace, Augustin Cauchy, Clausius, Grassmann, and Lord Kelvin.

After considering all features of that campaign by Conti et al. which are relevant for our consideration of the subject of the present chapter here, it is the neo-Euclidean conception of ontologically empty space and ontologically empty time, as defined by the follower of the Paolo Sarpi school’s René Descartes, which fills the vacancy of the thought in physical and popular science for the presently still hegemonic, and popular empiricist school of leading trans-Atlantic opinion about scientific matters, still today. Even where the impact of Nineteenth-Century progress in continental European science has threatened to supplant the axiomatic, Cartesian notion of “Cartesian empty space,” there is almost no significant progress, yet, in attention to the evidence exposing the fraud of the Euclidean-like “empty space” of clock-time.

To understand the origins and characteristics of the fallacious notions of space and time being examined in this moment, the following, very ancient implications of the fraud by Descartes and his followers must be considered here.

Clausius’ Crime Against Science

The most conspicuous obstacle to recognizing the reality of *physical time*, rather than clock time, has become the fraudulent assertion introduced, as the popularized cult of that mechanistic doctrine of ther-

modynamics premised on the initiative of Rudolf Clausius, the mathematician Hermann Grassmann, and their associate Lord Kelvin.²¹ What inspired Clausius et al. is appropriately located as an echo of the argument by the fictional Olympian Zeus of Aeschylus' *Prometheus Bound*, in which Zeus menaces all mortal persons, pagan gods, and demi-gods alike with threat of the torture meted out to Prometheus, should anyone dare to inform mortal mankind of the existence of discoverable universal physical principles, such as "fire," by means of which human potential might be increased in fact.

Although Aeschylus's report is one of the greatest Classical compositions in all of the known history of European civilization, what Aeschylus attributes to the mouth of Zeus is, in historical fact, the greatest political and moral issue in the known history of mankind, even still today. What is being expressed by Aeschylus' character Zeus, as by Clausius, Grassmann, and Kelvin, ranks among the cruelest frauds against science and mankind in the sum-total of known history to date; such is the effect of the doctrine known since Clausius, as *universal entropy*, or, before Clausius, by creatures such as the Giammaria Ortes whose English edition was so lavishly plagiarized by Thomas Malthus.

The known origins of the oligarchical model prescribed by that fictitious Zeus²² are traced from the mists of more ancient millennia, into the rise of the type of oligarchical maritime model of both the Mediterranean region and land-based West Asia. The emerging characteristic of these cultures rooted in such ancient times, has been the model of society based upon the principle

of human cattle, cattle who talk, but not too much, on the subject of the authority of what are esteemed as the pagan "god-like" or "semi-god-like," who are assigned the function of more or less arbitrary rule, a rule by flesh-and-blood demi-gods, whose power is limited by the still higher power of the pleasure of mythical invisible gods. The Homeric *Iliad* and *Odyssey* are contrasted cases which illustrate the role of the tradition of such pagan gods and demi-gods, still today.

So, the idea of the Roman Pantheon, and of the British empire struck in the model of Julian the Apostate, are illustrations of the reality of that pagan tradition, even if the visibly reigning authorities are not any real gods, but, merely the incarnate demi-gods of ruling social-political classes, classes which do as much as they can to promote adoration and fear of the alleged, invisible hand of the pagan gods of the City of London and Wall Street.

To create and maintain organizations of society in which the majority of the population is bestialized through a maintained status as slaves, serfs, or modern European culture's pleasure-seeking fools, it has been considered necessary by those ruling classes, or by other circles of similar bent, to stupefy the general population into suitable states of submission, preferably self-induced submission to a conditioned culture which acts as invisible shackles on the mind of those intended to submit by self-inflicted habits and related ways of thinking. The indoctrination of foolish believers in *Euclid's Elements* must be prominently included as an example of this.

The Prometheus Concept

This problem was understood, in his fashion, by the Cardinal Nicholas of Cusa whose earlier *Concordantia Catholica* and *De Docta Ignorantia* have been prominent keystones on which Europe's escape from the Fourteenth-Century "New Dark Age" has depended, even to the extent this has happened thus far. Among the most crucial of the included contributions of Cusa, were expressed in his *De Pace Fidei*, the peace of faiths, and his crucial part in setting forth the policy which set Christopher Columbus on the course for discovery of the Americas. That is to emphasize, on the last account, that Cusa's recognition of the pernicious role of the Venetian financier oligarchy in its effort to destroy the great, mid-Fifteenth Century European renaissance, required crossing the oceans to develop Europe's rela-

21. See *Bernhard Riemanns Gesammelte Mathematische Werke*, H. Weber, ed. (New York: Dover Publications reprint, 1953), footnote on p. 293. The posthumous attack on Riemann's work, by editor Heinrich Weber there, is premised on the presumed authority of Clausius, although the argument was actually made by Clausius' associate, the mathematician Grassmann. The significance of this matter is located in the text of the body of this report, above.

22. It is to be conceded that there is an argued, and likely historical basis for that model of the Olympian Zeus, as the Roman (Sicilian) chronicler Diodorus Siculus attributes the information to both Egyptian chronicles and the legends of the Berbers of his own time. The Middle Eastern documentation traces the origin of the oligarchical model referenced as the case of the Zeus of Aeschylus' *Prometheus Bound* to its exemplification by the degeneration of the bow-tenure system of an Indian Ocean-based maritime culture from the Fourth Millenium B.C., which degenerated, and was replaced by an emerging Semitic culture, which became, in turn, the root of the Babylonian and related oligarchical models of later times.

tions on other continents. Columbus, who encountered and adopted this policy of Cusa's, about 1480 A.D., thus produced the initiative which led the best currents of Europe to taking, hopefully, some of the best of Europe's culture to a distant place of relative safety, freed from the immediate grip of Europe's, essentially financier-controlled oligarchy.

The fortunate outcome of that was the founding of the U.S. Federal constitutional republic; the unfortunate thing, was that the European financier and related oligarchies pursued the European colonies across the oceans, and sought to bring about their permanent submission to European oligarchical corruption, as imperial London's creation, the North American Confederacy, was formed to this purpose, and London's pet, Wall Street, has continued this predatory role of seduction and other corruption under a just ended, monstrously morally and financially corrupt U.S. Presidency from whose induced state of wreckage we are now struggling to arise again.

Yet, all that, and much more said to the same effect, the nature of the human individual, as distinct from the nature of all lower forms of life, is shown to be efficient, in that the inherent creative powers, and inborn character of the human individual, has produced an improvement in the size and condition of the human population in general, and has also given us the means of potential to succeed in reaching levels of achievement never known by any other species during, or before our present time.

The actuality, and, more significantly, the potentiality for such continued achievement lives within and among us today. All of this achievement, and all potential for future achievement, depend upon the truth of that spoken by the fictional Prometheus of *Prometheus Bound*, and also spoken, implicitly or otherwise, by those who see in the human species a power for development which brings us toward a likeness to the Author of this universe, if we are but willing, and enabled to accept that challenge of immortality.

So, as the U.S. Declaration of Independence quoted Gottfried Leibniz's "the pursuit of happiness" in the founding of our republic, it is the goal of reconciling our purpose in existence to that outcome of our existence as personalities beyond the beastly aspect of our incarnation, which is the standpoint in personal commitment which would prompt us to yearn for a certain immortality which is expressed in sundry ways, includ-

ing scientific and technological progress in the condition, and the increase of power, per capita, and per square kilometer, of the human species so destined.

'Aye, there's the rub'

So far, so good. However, astute readers of these lines already know, that all to be considered on this account is seldom truth or goodness. The most common experience of a person who seeks to be good in the sense I have just indicated, that from childhood, is that he, or she, when pursuing the goals of cognitive self-development toward which I have just pointed above, will often find himself, or herself the target of a "black chick, white chick" phenomenon. Will he, or she, be able to stand up for truth, when a popular or kindred lie is demanded? It is often fairly said, that the principle of torture is "sweet conformity."

"Why do students lie in school?" As Adam Smith wrote in his 1759 *Theory of the Moral Sentiments*: in pursuit of pleasure and avoidance of pain. Truth does not necessarily come up for consideration, in either classroom, or playground; what you are expected to repeat, does. Thus, in our society today, speaking truth is usually avoided, and frequently even dangerous. Being popular has its perils, but it is nonetheless the usual goal of those who are, at least temporarily, prosperous and influential, until they come upon what they come to consider the sudden injustice of their own misfortune.

It should become obvious, sooner or later, to those who have some sort of what is called "a realistic outlook," that the delusions of those who think themselves either successful, or about to become successful, are the chains of delusion through which those who think themselves on the top of things, are mustered to ride herd on those who, for the moment, are on the bottom. However, an exchange of place usually lurks nearby.

Truth lies not in the past or present, but in devotion to a better future. A "better future" usually turns out to be something which develops, as for Niccolo Machiavelli, when one is rather old, or already deceased. Wisdom is usually devotion to what a future generation should experience. This means, in turn, that happiness, in the sense of the passage from Leibniz contained with the 1776 *U.S. Declaration of Independence*, means an assurance of the future outcome of the present.

Take Shakespeare's tragedy of Hamlet as a case in point. In the famous soliloquy, "To be, or not to be,"

Hamlet contemplates his adopted devotion to his own doom. This is not because there is no alternative; but, there is no acceptable alternative for a member in good standing, even any official of his self-doomed society. The doom lies not within himself, but in the relevant characteristic of his society, a cage formed of the compulsions of adherence to the habit of his society, from which he is unwilling to escape completely. In Schiller's *Wallenstein* trilogy, it is not what Wallenstein does, which is his fate, but that which he does not know how to do, precisely because the evil which grips his society, is not his own, but he is a prisoner of both the culture, in the tradition of the Netherlands wars, and a prisoner of the cultural setting of the Habsburgs and Paolo Sarpi, not the Westphalian impulse of a Cardinal Mazarin. After all, Schiller's *Wallenstein* is not fiction, but the shadow of real history put on stage as historically truthful drama.

II. Dynamics & Creativity

Since the introduction of this report as a whole, I have repeatedly emphasized, here, the decisive importance of that concept of dynamics which Leibniz had revived from the *dynamis* of Classical Greek science, as being the crucial principle upon which all competent notions of economy are to be premised. So, echoing Percy Shelley's *A Defence of Poetry*, I emphasized that the dynamic which subsumes the equivalent of the Classical musical composition as a whole, particularly that in the tradition of Johann Sebastian Bach, is the key to the whole action of which the various, subsumed elements are only subordinated aspects.

As I have pointed out repeatedly, above, the function of human creativity, as distinct from anything encountered among lower forms of life, is that once a valid discovery of principle is made, the discoverer, or his or her mentors, should be reminded to relive that act of discovery. This process of reliving the act of discovery, has a feature of crucial significance. That is, once a discovery has been made and validated in its own terms, we must return to the origin of that specific discovery, this time to rediscover the universe which has been changed by the initially successful discovery.

The point to be emphasized so, is that the nature of any valid principle of the universe is its universality. Thus, while a discovery of a principled form of action

is made, we must then discover whether this takes into account all of the changes which our discovery has made *in defining the universe within which it has occurred*.

That leads to outbursts of the following relevance: "We have just made a valid discovery of what is, in its own terms, a universal principle. Since such a success, however otherwise limited, has changed our idea of the universe from what it had been a moment earlier, we must now hypothesize and experiment afresh, this time to discover the universe which has been changed from that which we had thought we knew before the new discovery was to be added to our roster."

Take cases such as Archytas' duplication of the cube, Brunelleschi's discovery of the physical principle of the catenary, Nicholas of Cusa's *De Docta Ignorantia*, Kepler's discovery of the principal of universal gravitation, Fermat's discovery of the principle of least action, and Leibniz's uniquely original discovery of the calculus, as examples. Then take all discoveries which have a similar quality of uniqueness as principles, whether in science or Classical art-forms. These typify, individually, or as combined, the kind of notions which are key to identifying the principles which subsume, and situate the composition as a unified whole effect. Each of these discoveries required the subsequent discovery of an added, principled consideration.

There is no linear (e.g., statistical) continuity in the unfolding of history.

With the introduction of this concept of dynamics, as Hermann Minkowski proposed for a reform of physics, "space by itself, and time by itself" cease to exist. (Unfortunately, the brilliant Minkowski erred in choosing Lobatchevskian geometry, rather than Riemannian.) The part then partakes of the nature of the whole, and, more than that, conveys the nature of the whole in each impact of the part.

Now, interpose the intention to act according to such a principle of dynamics in an interval of action. Such a development presents us with a form of relevant, creative action within an interval of time for that action. This defines the general meaning of relativistic time. Thus, through the role of principles of actions which transform space-time, neither space nor time are empty forms. We have, simply said, physical space-time, instead.

That application of such a conception of dynamics to social processes considered in those terms, is the true

key to the principles of a practiced science of physical economy. The natural outcome of that, is that the underlying principle of a competent science of economy, and of related features of social interaction and development otherwise, is Riemannian dynamics as the work of Einstein and Vernadsky typify the role of Riemannian dynamics in all competent modern physical science.

Take a relatively simple type of action, corresponding to an included enhancement of a principle, from the process of physical production. This enhances the productive powers of labor, even if the action of the human operative has not been altered, otherwise. What is characteristic of one part of the productive process, in a system, is radiated as an expression of dynamics in the whole.

Thus, through the introduction of relevant new physical principles, the productivity of the economy as a whole has been increased, in just the same general way that the experience of what turned out to be the creation of our U.S.A. has been a dynamic characteristic of the distinction of the U.S. society from European societies of the same stock included among those with us, here.

This enhancement is not limited to the action of production itself. The enhancement of the environment of production also enhances the expressed productivity. The part of the dynamic as a whole, expresses the whole, in the sense that the citizen, whatever else he or she embodies, nonetheless also reflects the dynamic character of the society as a whole.

In general, in production, the increase of the energy-flux-density of the production or comparable action, increases the net productive powers of labor, even if no other change has occurred at the point of production.

For example, among the poor of India and Africa, no significant rate of increase in local productivity, as in farming, can be secured from production; a generation or two of favorable preconditions were needed for that. However, if we turn our attention to recommended improvements in infrastructure, as through charging the thorium nuclear reactors for developing increased water supplies, there can be a large net increase in net product through factors of basic economic infrastructure.

For example, in the U.S.A., as in Europe, there has been a catastrophic drop in actually productive activity per capita, a shift accompanied by essentially non-productive make-work, paid for out of reduced income for those employed in actually productive work. The shift to lower technologies, as using highly inefficient

“free energy” and similar very low-grade power-sources, for alleged “environmental” reasons, has been a prominent part of national economic catastrophes in the U.S.A. and Europe.

A related, implicitly disastrous effect has been the lowering of the productive capacity of the general population through the catastrophic loss of productive skills through increasing emphasis on “alternative” forms of make-work employment.

Or, if we replace hours of commuting lost through congested traffic patterns, or lost through excessive distance travelled, we have tended to increase the net productive powers of labor of that society, even if no other improvement were introduced as a factor.

This applies not only to particular enhancements of such a form; the disposition of the relevant population for adopting such enhancements, is also determining.

Generally, there are two general “dimensions” of culture which tend to shape the relative potential of a population for performance. The variability of the potential among national cultures generally, and among the sub-sectors of national cultures, acts similarly.

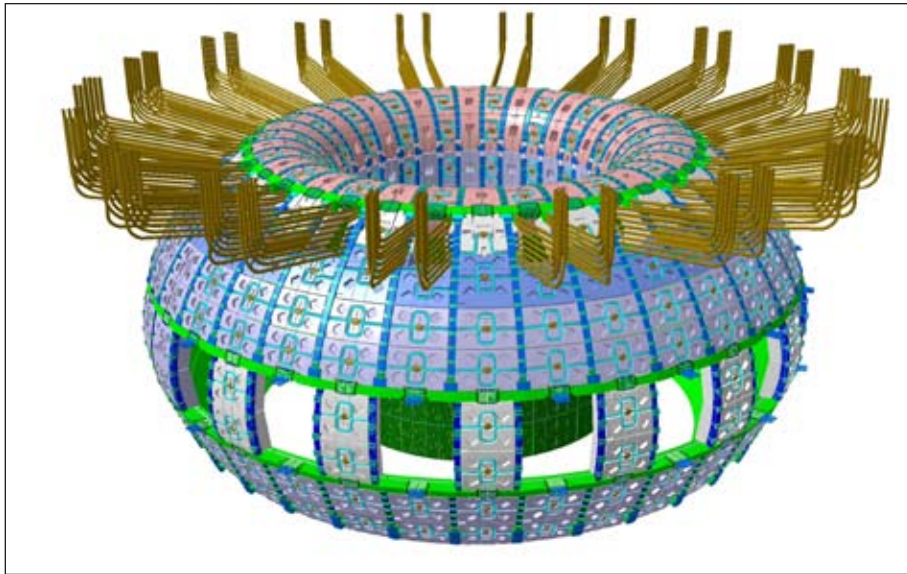
In general, increase of the productive powers of labor requires an increase of relative physical-capital intensity, as well as scientific-technological intensity, including improved qualities and degrees of education, and including greater required emphasis on Classical forms of culture, rather than dionysiac revels.

Similarly, the relative price of the element of the national bill of materials, is a relative price which tends to adapt to what the whole requires for it.

The U.S.A. & Germany: 1877-1890

One of the greatest leaps in national productivity per capita and per square kilometer, occurred in Germany under the leadership of Chancellor Bismarck, between approximately the 1877 aftermath of the U.S.A.’s great Philadelphia Centennial and the ruinous effects of the ouster of Bismarck from the Chancellory. The cause for this progress in Germany was, primarily, the effects of the U.S. victory over the British Empire in the U.S. Civil War of 1861-1865, and the explosion of agro-industrial progress in the U.S.A. during the immediate post-Civil War decade.

Indeed, the cause for what became known as the international wars organized by the British Empire between 1895 (Japan against China) through the close of the first World War, was made possible by the combined effects of the ouster of Bismarck and the assassination



ITER

The International Thermonuclear Experimental Reactor (ITER) project: high energy-flux-density power for the 21st Century. Shown is a drawing of the “blanket,” which removes heat from the plasma and protects the vacuum vessel and magnets from radiation damage. It is subdivided into modules to allow ease of access.

of U.S. President William McKinley, enabling the Prince of Wales and later King Edward VII to pit the two cousins, Germany’s Kaiser Wilhelm and Russia’s Czar Nicholas in war against one another, all for the greater glory of the British Empire.

It was implied that Britain’s motive in launching those “Seven-Years-War-like” war of the 1890-1917 interval was war against transcontinental railway building on the continents of North America and Eurasia. This was, indeed, the keystone motive for all of the wars of the interval, but the more essential issue behind the opposition to transcontinental railways, was that such railway systems shifted the potential power of economies, as measured per capita and per square kilometer, from sea-based, to land-based development, thus undermining the maritime supremacy strategic to the perpetuation of the British empire. Otherwise, that motive of the British financier interest was, as always, and still today, the intent

to represent a global financier-imperialist maritime power, to dominate the planet as a whole, forever (it would never succeed, in the end; but they did keep trying).

Thus, the wrecking of the U.S. transcontinental railway system through the promotion of highway motor traffic as a substitute, was, intrinsically, a cause of the ruin of the productivity of the U.S. economy, per capita, and per square kilometer.

In these matters, the physical organization of the economy is essential, but the mental social-cultural organization of the mind and disposition of the population, is even more significant.

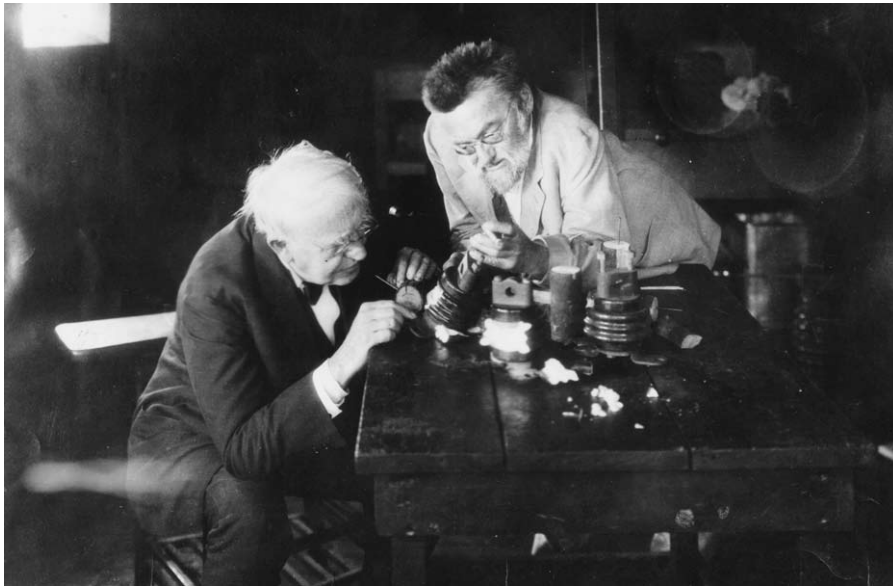
The Issue Is Productivity

In my two most recent webcasts, one of the issues posed as a question from among the participants, was the subject of the benefits of the income of operatives whose source of income was not production. The argument of the question was along the lines of the inher-



EIRNS/Finn Hakansson

The shift to low-grade power sources has been a prominent part of the national economic catastrophes in the U.S.A. and Europe. Here, promotion of ethanol at the New York Stock Exchange, 2006.



A crucial feature of productivity, ignored by British System economists, is individual human scientific and technological creativity. Here, scientist/engineers Thomas Edison and Charles Steinmetz, at a General Electric facility in Schenectady, N.Y., 1922.

ently fraudulent dogma of “marginal utility” introduced in the later Nineteenth Century phase of British imperial perversions.

Ultimately, all true wealth of nations arises from physical-productive output. This is effected either through physical production as such, or as activities which are essential to either that production itself or the households which supply functionally necessary support for the functions of physical production, such as science and engineering, and the essential administration of government and productive enterprises. Marginal utility is sheer bunk.

The cult-dogma of “marginal utility” presumes that there is a potential equilibrium between prices of goods or services and the relative “good” which society senses (by some mysterious organ) in a certain ratio of each considered “utility” to the society as a whole. E.g., “cocaine” and “heroin” make some people happy. There is, in fact, no natural money-price which could be equilibrated. U.S.A. and other past experience has shown, that social agreement on a range of “fair trade” prices is the best option for defining price-ranges. There is nothing inhering in that object called a commodity which defines a proper price for it.

There are three principal aspects to national productivity, when that productivity is assessed in terms of those principles of dynamics reflected in this report.

One is at the virtual “point of production.” A second

is the technology and related capital formation in which the production and circulation of the product is situated. A third is the society in which both the productive individual and that individual’s household is situated, and also the physical capital formation invested in both of the previous two aspects of the process. The part reflects, and thus radiates, that which it represents within the whole.

That point is conveniently illustrated by referring to the related point that, contrary to the obscene suggestions of the so-called “globalizers,” virtually all good product tends to reflect a national cultural character of the product and its production. So, the World Trade Organization (WTO) is a lunatic

venture whose time will never come. Up to eighty percentile of the product consumed in any region of the world should be produced within that region. This rule ensures lowering the net cost and supporting the benefit to the consumer nation.

The corollary of these considerations lies in the nature of the principles of the dynamics of technological progress. On this account, there is, most immediately, the generation and transmission of the relevant advance in technology, and also the technology-intensity of the physical-economic accumulation of both technological capital applied and that consumed. There is the capital-intensive level of accumulated investment in technology in use to be considered, and the rate of capital-intensive and technology intensive productivity and product development to be considered.

A British gentleman once uttered a book on the subject of “the production of commodities by commodities.” The author was clever, but essentially mistaken. The subject of a proper book would have been the progress of mankind through the progress of man’s scientific-progress-driven, increasingly capital-intensive production of man. Creative progress in the individual human mind’s comprehension of the universe, through aid of fundamental scientific progress in rising levels of progress in technological intensity had been a better title, and, hopefully, also better content for a book.

No to the 'Clash of Civilizations'!

The Anglo-American financier oligarchy is trying to unleash a "Clash of Civilizations," to block the vast potential for Eurasian development. Instead, the Western powers should join in the great project of the new millennium, the Eurasian Land-Bridge.

The Eurasian Land-Bridge

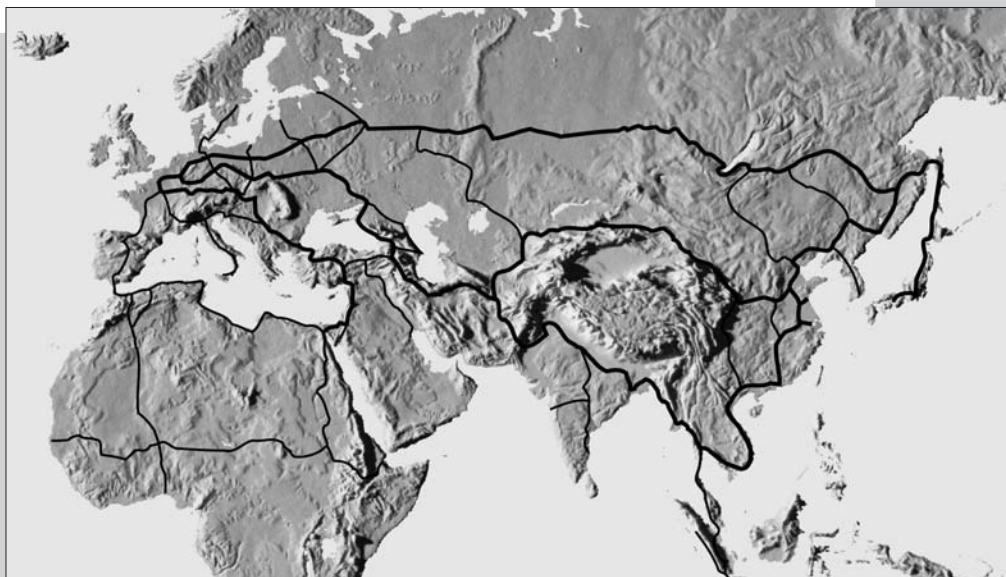
The 'New Silk Road'—locomotive for worldwide economic development

including studies of:

- High-technology infrastructure development corridors
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- Crucial infrastructure projects in China
- The Eurasian Land-Bridge and development around the great ocean basins
- Financing an economic miracle: Hamiltonian credit generation
- The Eurasian Land-Bridge and the economic reconstruction of the United States



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Helga Zepp-LaRouche known as "the Silk Road Lady," has played a major role in organizing worldwide support for the Eurasian Land-Bridge. She is shown here at Lianyungang Port in China, October 1998.



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Enough Bad Banks; We Need Good Ones in a New System

by John Hoefle

Jan. 30—We have said, repeatedly, that the attempts to bail out the global banking system, including the U.S. banks, are not working, will not work, and can not work. Not only will they not restore the banking system to solvency, but they are actually making the economic crisis worse.

There are several problems with the bailout process. One is that the global financial system, with its quadrillion dollars-plus derivatives bets and hundreds of trillions of dollars of worthless securities and unpayable debts, is hopelessly insolvent. This is, and has been from the beginning, a full-blown banking crisis; the widely touted “subprime crisis” and “credit crunch” were marketing slogans created for the purpose of hiding the true nature of the problem, and positioning the banks to lobby for a public bailout under the guise of protecting the so-called “little guy.”

The more fundamental problem is that it is not the financial system which is killing us, but the collapse of the physical economy, that system of infrastructure and productive activity upon which human life depends. Financial systems come and go, but the pain of their passing is nothing compared to the damage to humanity which results from the collapse of the physical economy.

It is said, over and over as if it were some sort of spiritual mantra, that we must save the banking system to save the economy. That is both true and false at the same time. True, because an economy needs a banking

system to serve as an intermediary for the distribution of credit. False, because what the bailouts are attempting to save is not that sort of banking system at all, but a giant speculative casino which should have been shut down long before it blew up. The resources which are being thrown down the bailout rathole would be far better used in rebuilding our physical plant.

The discussions now underway in the political and financial capitals about escalating the bailout schemes through the nationalization of banks, the creation of “bad banks,” and government purchases of worthless paper, are proof that the bailouts have failed. What are we left with? Accelerating job losses, deepening government budget deficits at all levels, rising levels of home foreclosures, and corporate and personal bankruptcies. The more we expand the bailout schemes, the more money we suck out of a failing physical economy, and the more it collapses. The bailouts are not only incompetent from an economic standpoint and criminal from a social one, they are also destroying the economic structures upon which our very lives depend.

We have enough bad banks. What we need are some good ones.

Fix the Problem

The global economy is unsustainable in its current state. It requires an immediate boost in economic activity. That means we must launch an immediate program to build infrastructure, both nationally and internation-

ally, from mundane projects, such as building and repairing sewer systems, to great projects such as an intercontinental maglev rail network. It means building state-of-the-art nuclear power plants to generate the electricity we need to power the increased economic activity, new steel plants to produce the steel we need, and a greatly expanded machine-tool sector to build the machines we need to build our new economy.

To accomplish that task requires a functioning credit system. We can not simply close all the insolvent banks, clean them up, and feed them back into a banking system which does not work. We must fix the banking system, itself, first. That means putting not only the banks, but the Federal Reserve System, through bankruptcy. We must put the Federal Reserve down.

The method by which this can be done is based on the approach laid out by Lyndon LaRouche in his Homeowners and Bank Protection Act. We close the banks, put all the speculative crap off to the side, to be dealt with later, and reorganize the banks into regulated, functioning entities. Then we take the Federal Reserve, do the same with it, and reorganize its necessary functions into a new version of Alexander Hamilton's Bank of the United States.

At the same time that we freeze the speculative paper, we declare a moratorium on home foreclosures so that people don't lose their homes while we reorganize the economy. We take steps to make sure that essential services such as health care, education, public safety, and similar activities are maintained—that the electricity stays on, the grocery stores stay stocked, and that people whose pensions were lost in the financial crash are protected. The principle is, do what is necessary to ensure the welfare of the population, while we deal with the mess the financiers have created, and rebuild our economy.

Credit System

The Anglo-Dutch imperial central banking system—the one that has died and whose rotting corpse is stinking up the joint—must be replaced with a global system based upon sovereign national credit. There is a vast difference between an oligarchic central banking system and a sovereign credit system, beginning with intent of the people who create them. The oligarchic system, in which the central banks are supposedly “independent,” is designed to allow the international financiers to control nations. This is what Mayer Amschel Rothschild had in mind when he said he cared not who made a

country's laws, as long as he could control its money. The sovereign credit system, in contrast, was designed by Alexander Hamilton to free the nation from such imperial predations.

Under the Hamiltonian American System, as outlined in our Constitution, the Congress authorizes the issuance of credit for specific purposes such as infrastructure projects, and the Treasury handles the distribution of the funds.

The Treasury will do so through a new Bank of the United States, which will act as a intermediary between the Treasury and the private sector, and other governments. The Bank will monetize Federal debt, and pass the government funds into the reorganized private banking system. The banks, in turn, as intermediaries, will distribute the credit to the private sector entities, which had been selected to carry out the projects authorized by Congress.

The Federal government will do what it does best, which is to run large-scale infrastructure projects, while providing credit through the national bank to the private companies who will rebuild our productive base. In this way, the balance between the proper roles of government and the private sector can be maintained, with the government helping create the environment in which the entrepreneurial talents of the private sector can be maximized.

Do It Now

There is no time like the present to implement such a program. The bankers and functionaries of the oligarchic system will howl, and raise the specter of great calamity, but their system is bankrupt, and so are they. Let them scream—they probably need the oxygen anyway.

The Obama Administration has the perfect opportunity to act, to cast out the failed policies of the Bush Administration and its Treasury Secretary, and to correct the damage done by Speaker of the House Nancy Pelosi's supporting the Bush bailout scam. The people are outraged at the bailouts, and will support a return to national sovereignty and productivity—if the President takes the lead in explaining the new policy.

The alternative is to watch the economy continue to collapse, leaving the people at the mercy of forces beyond their control. We cannot allow that to happen, and it need not happen, if our government acts.

johnhoe@larouche.org

What the U.S. Presidency Needs To Know About the Russians

by Michael Kirsch¹

As the Obama Administration assumes the duty of command, what is the state of Russian thinking with regard to the current global crisis, at a time when that Administration must reach out for collaboration on solving the biggest economic collapse since the 14th-Century New Dark Age?

No one country is safe from the present crisis; no one country can solve the global crisis within its own borders. Presently, if nations do not unite for a solution, they will be destroyed by the British Empire's intent to destroy them; a British Empire which is presently at the end of its own life span.²

There is now nothing more urgent for the survival of both the United States and Russia, than for the Obama Administration to open the door for a strong partnership with Russia, which excludes all British and kindred imperial influences from within and without our borders. For that partnership to work, however, the Administration must understand the current thinking in Russia with regard to the global crisis.

What follows is an examination of how Russia's leaders have exhibited their thinking in the months

leading up to the Inauguration of President Obama, relative to the state of their own and the world economy, and actions to deal with it. First, we shall look at how the crisis has hit Russia, and what the outcome was of the initial, emergency attempts made to remedy it. After this, the deeper-rooted issues which underlie the current Russian failures in economics will be addressed.³ Lastly, we shall examine the ambiguities and struggle in Russia, which reflect the potential for change.

I. The Effects of Global Collapse

Russia Wakes Up

In mid-September 2008, the Russian government realized it had to take emergency action. The Russian stock market collapsed 18% in a single day, Sept. 16, on its way to a 72% fall for the year. Net foreign capital inflows to Russia of \$25.5 billion in the first half of the year abruptly gave way to capital flight, which reached \$15 billion by Sept. 21. The ruble began to weaken.

1. Written with Leandra Bernstein. Research material for this article includes contributions from Rachel Douglas, Mary Burdman, Pavel Penev, and Matthew Ogden.

2. Lyndon LaRouche, "A New Dark Age Is Now Near: Today's Brutish Imperialism," *EIR*, Oct. 31, 2008.

3. Lyndon LaRouche's "2007 Was Already a Year of Crisis: How Russia Was Surprised," *EIR*, Jan. 9, 2009, is essential to read for understanding the picture presented here.



World Economic Forum/swiss-image.ch/
Monika Flueckiger



World Economic Forum/swiss-image.ch/Remy
Steinegger

Russian Prime Minister Vladimir Putin and President Dmitri Medvedev listen to economic “experts” at the World Economic Forum in Davos, Switzerland (Putin in 2009, Medvedev in 2007). They should be listening to Lyndon LaRouche instead! For 15 years, LaRouche has been warning Russian leaders of the onrushing collapse of the global financial system. LaRouche is shown, below, during an interview with KM.ru in Moscow on May 15, 2007.

Bank lending virtually came to a halt, as banks hurriedly converted ruble holdings to supposedly more reliable dollars and euros, simultaneously with Central Bank (RCB) interest rate hikes to defend the ruble. On Sept. 9, the RCB started injecting liquidity into the markets (in amounts like \$20 billion two days in a row) and the banking system. Following non-stop emergency meetings throughout the second half of September, the government put forward an anti-crisis package. New infusions from the country’s foreign-currency reserves included over \$30 billion lendable to cash-strapped banks, as so-called subordinated credits through Russia’s large, partially state-owned banks, and \$50 billion earmarked for Russian firms to convert their foreign currency-denominated foreign debt into debt to Russia’s own banks.

“The crisis on world financial markets has proved



KM.ru

worse than predicted, in even the most pessimistic forecasts,” President Dmitri Medvedev admitted to an extraordinary government session on Sept. 18, as trading was suspended on the main Russian stock exchanges.

Finance Minister Alexei Kudrin stopped repeating his Summer 2008 mantra that “Russia is a safe haven” in a storm hitting the rest of the world. Official statements as to the cause of the crisis were, essentially, “The United States has infected the whole world.”

Somehow, Russia, as Lyndon LaRouche wrote in his Dec. 27 essay, “How Russia Was Surprised,” was not up to speed on the crisis, and “allowed itself to be misled into pretending that it would not be hit massively by what were, in fact, the inevitable spill-over of [the waves of global financial crisis already hitting the U.S.A. and others] into Russia’s own economy.” The spill-over struck hard, and awoke Russia to the fact that its insulation from the crisis was thinner than preconceived.

From the standpoint of available knowledge and

competent forecasts, the Russian leaders had no business being so surprised. Visiting Moscow in 2007, LaRouche had laid out, in two web-media interviews, what Russia faced. LaRouche told KM.ru on May 15, that, without action by Russia, China, India, and the United States to initiate a new financial and economic system, “The entire world economy will go into a dark age.” He warned, “The world strategic volcano is going to erupt sometime earlier than September [2007]. . . . The present world system, the present parameters, can not survive. The present system will never get better. It will get worse. There are no solutions within the framework of the present system. The party is over!” The volcano erupted at the end of July 2007.

Russian Academician Sergei Glazyev likewise kept his own and LaRouche’s warnings in the public eye. In May 2008, an interviewer from the weekly *Zavtra* commented that Glazyev “and a number of well-known economists in our country and the world, including LaRouche,” had long said that a crash of the “global financial pyramid” was inevitable. Glazyev rejoined, “If the leaders of the Central Bank and the government had listened to the recommendations from the Parliamentary hearings, which we held seven years ago,” Russia would not already be losing value from its reserves, with the dollar declining at that time. Those hearings on “Measures To Protect the National Economy Under Conditions of Global Financial Crisis” were convened by Glazyev in June 2001, in his capacity as chairman of the State Duma Committee on Economic Policy. The lead-off witness was LaRouche. A Russian commentator wrote in January 2009, “The current global financial and economic crisis was foreseen and predicted long ago. . . . In particular, the prominent American encyclopedic thinker Lyndon LaRouche has talked about its inevitability for a number of years. He visited our country several times and spoke at the State Duma. He is the one who talked about the irreversible collapse of the reigning liberal financial and economic system, but Russian officials just waved off his warnings.”

Why did the Russian leaders wave off those warnings from LaRouche concerning the magnitude of the crisis? How did they come to tolerate the prior conditions, which they now were forced to try and change? What pernicious influence was at work? Whatever led Prime Minister Vladimir Putin, for instance, to claim on Nov. 20 that “within the existing world financial system, nothing could have been done to prevent [the

crisis], just like a natural disaster”?

In the months since the blow struck in September, Putin has rightly declared that the crisis showed “the incompetence of all the basic elements of the system of regulating financial markets and institutions” (Oct. 20). The crisis provoked him to speak of building an independent financial system, one which could withstand exposure to external problems. Putin has attacked Russian companies for abetting capital flight by purchasing foreign currency, in effect creating their own stabilization funds. He has stressed the need to remove the dependence of important domestic economic development projects on foreign financing.

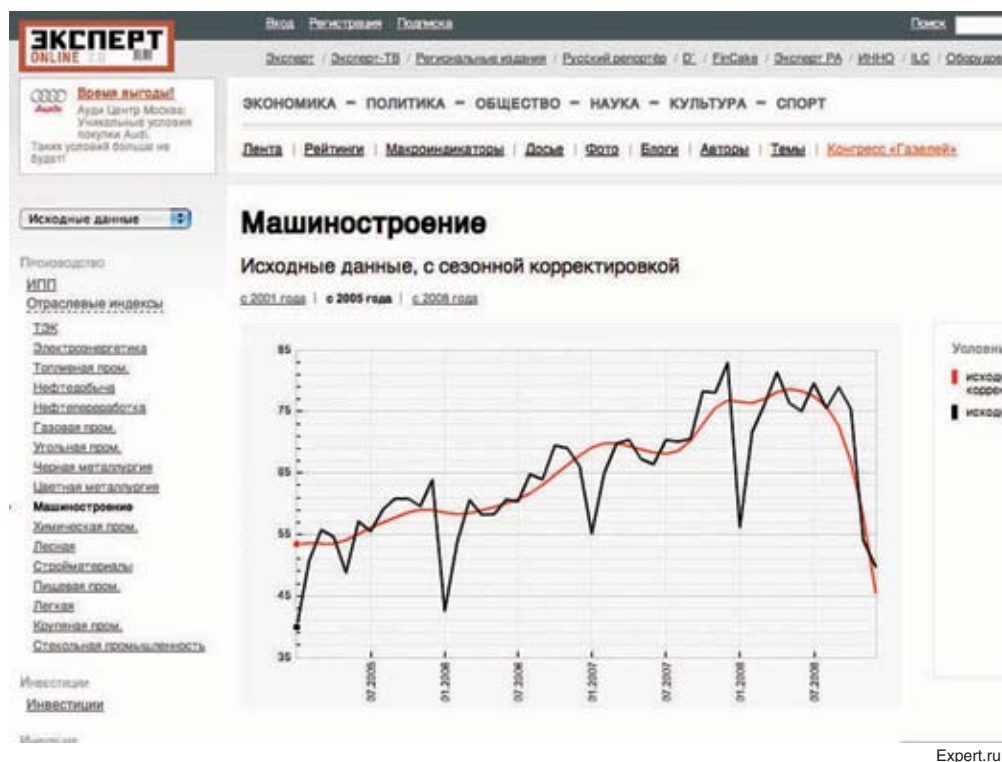
But, why did such a wish-list come into existence *after* disaster struck, and not before? Besides LaRouche’s warnings, the ingredients of a different policy were in hand. As we shall review below, key Kremlin officials had staged the world’s most substantial commemoration of Franklin Roosevelt on his 125th birth anniversary, including in-depth discussion of the New Deal, in February 2008, and then-President Putin had invoked FDR half a dozen times.⁴ Leading analysts like Valeri Fadeyev of *Expert* magazine, a member of the Public Chamber, had written that the “national economy” school of Friedrich List, Sergei Witte, and Dmitri Mendeleyev (which is none other than the famous anti-British American System of Political Economy) was the missing ingredient in Russia’s economic policy today.⁵

These economic policy discussions coincided with a public reexamination, unprecedented in recent decades, of the role of British imperial subversion of Russia over many centuries. In October 2007, then-head of the Federal Security Service (FSB) Nikolai Patrushev alleged that the British MI6 was on a major offensive against Russian interests, adding that British secret agents had been doing this since the 17th Century.

On Oct. 5, 2008, as the crisis hit hard, Russian state television even put LaRouche on a prime-time broadcast, saying that the emergency alternative “would require that the United States would have to go to Russia, China, and India. If they agree on reorganizing the international financial-monetary system, we could solve

4. Rachel Douglas, “Franklin Roosevelt in Post-Soviet Russia,” *EIR*, Feb. 23, 2007.

5. Rachel Douglas, “Russian Editor: Revive ‘National System of Political Economy,’” *EIR*, July 1, 2005



A sample of Russian media coverage of the crisis: This graph from Expert magazine's website shows Russian machine-building from 2005 to the end of 2008. In the smooth curve, the data have been seasonally adjusted. Note the precipitous plunge beginning in July 2008.

the problem. This would mean going to a Roosevelt approach, to a kind of new Bretton Woods system.”

Yet, due to the same type of pernicious influences as have dominated U.S. policy, the Russian leadership blundered ahead with the same incompetent bailout-type solution as did the U.S. Treasury and the Federal Reserve. In countless government meetings on banking, Russian officials have congratulated themselves on the sophistication of Russia's version of the bailout, trumpeting that the Russian bailout would be more transparent than the American one.

Crisis Hits Full Force

By late November and into December, in the wake of the Nov. 15 Group of 20 summit's failure to enact anything even vaguely approximating LaRouche's New Bretton Woods, the physical effects of financial rot began to be seen in their full horror. Russia entered a precipitous economic collapse.

Major sectors of Russian industry and transport slumped deeply. By the end of November, Russia's manufacturing production was down 10.3% year-on-year; steel pipe production fell 36.9%; coking coal pro-

duction dropped 38.7%; and fertilizer production fell 51.6%.

In the metals sector, the Novosibirsk Steel Works, a specialty steel producer, cut its staff by 25%. A Chelyabinsk coal mine closed, with 3,000 jobs lost. Steel production was slashed an average of 50% nationwide, including at the giant company Severstal, the famous Magnitogorsk plant (Magnitka), and others throughout the southern Urals industrial region. A similar situation developed in the aluminum industry.

Some of the metals collapse was related to the fall of export prices by up to 70%, as Medvedev reported in a Jan. 12 speech.

But transactions inside Russia also ground to a halt. Yuri Boldyrev, formerly an Accounting Chamber official, linked the industrial shutdowns to the credit and liquidity crunch. “Business activity is flickering out,” he wrote in a Nov. 26 *Zavtra* article. “Nobody trusts anybody, everybody is trying not to pay anybody else, and, if possible, not to deliver goods because the customers might not pay. A striking example is Magnitka refusing to supply steel to Gorky Auto Works.”

By the end of November, the giant Gorky Auto Works moved to a three-day week. Overall car sales fell by over 50% in October alone. The Siberian regional airline KrasAir ran out of money so quickly that its planes were stranded on the runway. Russian railways reported a 20% year-on-year decline of freight transport, with haulage of non-ferrous metals falling even more steeply. Machine-tool output collapsed by 20-60%.

Unemployment skyrocketed. In mid-November, even with many companies holding back statistics on how rapidly their workers were being idled, 100,000 workers from 3,000 companies had been laid off. The layoff rate doubled in a two-week period. Oil sector

sources reported in December that one oilfield operation after another was rehiring less than half its staff for 2009. Calculations for October-December 2008, released Jan. 21, showed an increase of official unemployment by 20% to a total of 1.5 million people. Another 30,000 people lost their jobs during the first two weeks of January. In some areas, layoffs in these few months are running double the levels of the 1998 crisis, after Russia defaulted on its government bonds. Wage arrears jumped by 33% from October to November, and 93% from November to December.

Another sign of pressure on the workforce was Putin's call in December to lower by 50% the quota of non-citizen workers that Russian companies can hire. Currently there are 10-14 million such guest workers in Russia. Layoffs of these workers also has a huge impact on Central Asian economies. As much as 20% of Tajikistan's GDP, for example, comes as remittances from its citizens working in Russia.

Faulty Remedy

In one crisis meeting after another, Putin's Cabinet, maneuvered to protect the real economy from the finan-

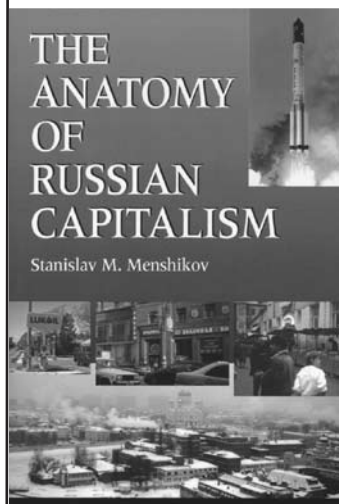
cial collapse plague. But, First Deputy Prime Minister Igor Shuvalov reported to Medvedev, in early December, the billions of dollars channeled to the banks had not reached the real economy. With the stock market collapse having slashed companies' asset valuations by 75%, he explained, industries could not meet the banks' asset standards for borrowers. Interest rates of up to 25%, resulting from the RCB rates policy and illegal rate hikes by individual banks, make it impossible for businesses to borrow.

Like the U.S. investment banks which used their TARP (Troubled Asset Relief Program) bailout money to either continue speculating, or cover their losses, Russian banks have been accused of pocketing the emergency subordinated credits, using them to purchase foreign currency.

The shadows surrounding the Russian banks' failure to resume lending point up the need for a new Pecora Commission, to clean out the corrupt global system of speculation which has been imposed on governments. President Medvedev gamely proposed to Shuvalov that companies could qualify for loans by counting the real asset value of the borrowers, rather than their market share value, but such a solution would be a mere tweaking of the system, within an unsustainable monetarist framework. The Russian government continues to maneuver to change bank laws, as though this would solve the growing crisis, without addressing the rotten, criminal core of the international system.

In the face of the rapid down-spiral, the Russian leadership's refrain is that the crisis will soon be over. Shuvalov says Russia should keep building railroad machinery because, "when the global economy will again be growing at rapid rates," then Russian Railways will need those locomotives. According to him, Central Bank experts calculate that "this period" will only last a quarter or two. For Prime Minister Putin, the dawning of the "post-crisis period" already sounds like an article of faith in a new era soon to arrive. On Dec. 15, Putin said Russia must salvage its big projects, because otherwise "it will be difficult to develop the economy in the *post-crisis period*." At the end of the month, he called for positioning Russia, "for the *post-crisis period*." And again, on Jan. 11, Putin motivated tax exemptions to help employers not merely in these lean years, "but also to invest in the future by creating a basis for *post-crisis* development."

How is this "post-crisis period" going to come about? Is there something magical in the current Rus-



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sian conception of the “market,” causing certainty about a reality that will never occur, so long as the present monetary system is in place?

II. Deeper Questions

Getting to the heart of the matter, in order to reveal the foundational axioms of Russian policy, let us look at the seemingly impossible situation which has been created, due to the country’s dependence on raw materials exports.

LaRouche wrote in “How Russia was Surprised,” that “Russia’s apparent refusal to recognize, *in time*, that its recent role has turned out to have been blind faith in a vastly overpriced market for its raw materials in energy supplies, misled Russian leaders into the view that its temporary margin of profit from exports was permanent. This illusion contributed to luring Russia into its present crisis. The solid evidence in the matter, is that Russia was misled into acting as if it did not need to put the priority on investing in vigorous expansion of its industrial and related output” (emphasis added).

Russian economist Prof. Stanislav Menshikov, in *The Anatomy of Russian Capitalism*,⁶ points out that the reliance on income from raw materials exports was interwoven with the Russian leadership’s failure to invest in any sectors of the economy besides those which had already been developed under state regulation in the Soviet period. They didn’t develop new sectors of manufacturing and production, which, to succeed, would have required a high degree of regulation and protection, as prescribed by the American System of economics.

Instead, during the heyday of privatization and deregulation in the post-Soviet 1990s, and beyond it, into the current decade under Vladimir Putin as President, Russia remained hostage to momentous investment decisions made in the Soviet period. It was in the wake of the 1971 demise of the Bretton Woods system, and the 1973-74 war and oil price crises, which catapulted the petroleum spot market into its status as a major driver of the speculative floating-exchange-rate monetary system, that the U.S.S.R. chose massive development of the West Siberian oilfields for purposes of export, as its most concentrated area of industrial effort.

6. Stanislav M. Menshikov, *The Anatomy of Russian Capitalism* (Washington, D.C.: EIR News Service, 2007).

The Case of Russia’s Far East

On Jan. 12, the Russian daily *Nezavisimaya Gazeta* carried a feature on the “economic disintegration” that Russia faces, echoing LaRouche’s description of Russia’s negligent policy of development. The author wrote, “During the years of economic prosperity, Moscow did not bother to establish motor vehicle manufacturing or the mass production of high-tech products in general, in Siberia and the Far East, by granting some kind of concessions to potential investors. Without such concessions, it is not profitable to invest in any high-tech production facilities there.”

Konstantin Simonov, head of a Russian think tank called the National Security Energy Fund, also pointed to the lack of investment. In September, he stated that only the government could solve the huge problems of the Far East region. “Huge investment paired with huge risks is not for private businesses,” he said, chastising government officials for their irrational fear of “accusations of dirigism.” During an October visit to the Far East, Medvedev himself stated, “We must understand one perfectly obvious fact and, incidentally, one that you feel more acutely when you are actually in the Far East. If we do not intensify our work, then it is possible that we could lose everything.” These warnings came, as LaRouche put it, not “in time.”

The auto sector, as noted, took a beating from the “overflow” of the world economic crisis into Russia’s economy. Putin pushed through protectionist measures to rescue the industry, including a duty on imported cars. In the Far East, however, that duty threatens to throw hundreds of thousands of workers out of work, disrupting the lives of millions, because importing and servicing used Japanese and Korean cars is a huge part of the area’s economy. Thus, while protectionism would seem to be an interim solution in the current crisis, the lack of investment in high-grade technology in the Far East meant that the Russian government created a situation where simple protectionist measures for one sector backfired in another. The Pacific coast city of Vladivostok saw serious protest demonstrations against the tariffs in December, with SWAT teams being flown in from other cities to suppress them.

The Far East case is indicative of the need for a more far-reaching solution. But the Russian government has been dealing with the global crisis as a set of seemingly individual crises that keep flying in its path. The real problem is not that tweaking one part of the economy in western Russia upsets something in the Far East, or vice

versa; the problem is systemic, and the Russian leadership's failure is not having acted on it as systemic.

The Revealing Matter of the Projects

Going deeper into current Russian errors in thinking, turn to an element interrelated with the industrial collapse of Russia, namely, the crisis in what has appeared as a most promising aspect of economy policy: big infrastructure projects.

In late November, the government met to discuss the danger that projects already launched might never be finished, in the crisis. Questions were even raised as to whether foreign nations, due to a lack of capital in Russia for the task, might win contracts for projects such as the integrated energy-mineral resource-rail project called Industrial Urals-Polar Urals (UP-UP), or construction for the 2014 Winter Olympics in Sochi. Media discussion of the threat to the projects mentioned that the construction of the fifth unit of the Kursk Nuclear Power Station had been frozen, and that Russian Railways would have to cancel its plan to build a railroad from Yakutsk to the Bering Strait.

In early December, Shuvalov said that, to avoid the problem of unfinished projects, those lacking funding to be finished by 2010-11 would not be started at all. Big projects like UP-UP and the South Yakutia Development Complex would remain on the agenda, so far, but were mentioned as likely targets for delay.

The interconnection of the projects with saving jobs in industry escaped nobody. The governor of the steel-belt region of Chelyabinsk, forecasting losses of 37,000 jobs monthly in 2009, said Dec. 22, that it will take three to five years to recover from the damage sustained by his region in just three months. UP-UP, for example, is supposed to create 50,000 jobs in Chelyabinsk by opening up new resources for Russian industry, but also through the demand for industrial products to build railroads and other components of the project.

On Jan. 14, the government announced that project money from the state Investment Fund will be only half the level planned just months ago. Of 21 projects on its roster, only 15 remain. One gets the image of a storm closing in on the government, whose existence is not discussed, but merely the effects; one dodges a falling tree or breaking glass, but no shelter is constructed.

Where was the funding for these projects supposed to come from, which is now lacking?

An official from the company Base Element stated at the end of November, "Long money [long-term

credit] cannot be found anywhere, and prices for the resources it was planned to develop in these regions, like coal, metals, and uranium, are dropping. The companies had calculated the profitability of investing in these, under entirely different circumstances."

There is a dramatic, sensuous case of the same error in planning, which led to Russian surprise at the global economic collapse. The government left itself dependent on its own raw materials export earnings to fund these projects and other vital spending: The 2009 budget draft assumed international crude oil prices of \$90/barrel (as we go to press, they are \$41). Furthermore, Russia intended to do the projects through Public-Private Partnerships (PPPs), counting on money from the private sector, whose interest in the projects was largely motivated by the very same high prices on those raw materials!

Such thinking is revealing of the problem in the Russian economy today. Depending on the projected earnings of private capital from mining raw materials, as the basis of determining the feasibility of infrastructure projects which are essential for the survival of a people, is alien to the mission of government. More broadly, the notion that the projects on which a nation depends should be determined by the "market price" of raw materials, is an error detrimental to mankind, and is just plain stupid.⁷

Thus, Russia was constrained by "market forces" and the well-being of a private sector deeply entangled in the global speculative system—which is now dead.

In addition to PPPs as a source of financing, reliance on raw materials export income points to another crucial flaw: looking to obtain money "profit" abroad, thus thinking about profit in terms of a fixed idea of value, exchange value, inherited from Adam Smith via Karl Marx. This problem is one of deep, axiomatic outlook: Russia and many European countries have been seduced and infected by the British liberalism of Adam Smith, of which Marx was the flip side. Why would Russia fall in with the over-used hussy, M' Adam Smith? Let us examine this more closely.

7. But, could this not also be said for the folly existing, if Felix Rohatyn's and Michael Bloomberg's fascist infrastructure program is the fantastical method of "funding" chosen by the U.S. Congress? Placing the future in the hands of private capital is obviously a folly, as seen in their Mussolini-modeled PPP schemes. See Marcia Merry Baker, "Felix Rohatyn's PPP Swindles: The Mussolini Model for Infrastructure," *EIR*, Dec. 8, 2006.



An artist's conception of a floating nuclear power plant. One such plant is currently being built in Russia, with more planned. Such great projects for development are now in jeopardy because of the financial meltdown, yet they offer the only hope for the future.

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A Misconception of Value

Russia was denied the ability to rebuild itself in collaboration with Europe, after the collapse of the Soviet Union.⁸ During the 1990s, when radical monetarists trained by the London Institute of Economic Affairs seized the reins of power in Moscow, the looting of Russia's raw materials base and the accumulated industrial capacity of the Soviet era proceeded on a huge scale.

Menshikov describes what happened as "Leninism in Reverse." Just as the transition from the "capitalism" of the 19th Century to "socialism" under Lenin assumed that the needed physical basis for that shift had been created under the old system, so the free-market radicals running Russia after the collapse of the Soviet Union assumed that "socialism" had laid the physical preconditions for a shift to market "capitalism." Instead, Russia's economy was ravaged, through a process of carpetbagging by foreign interests and widespread organized crime, with agents of foreign countries and institutions directly running economic policy until the late 1990s. The spread of globalization throughout the 1990s had created a false market, which Russia adjusted to, out of seeming necessity, but from which it did not benefit. Now, with the entire world system of "globalization" dead, the inevitable collapse of Russia's export markets has occurred.

Under Putin, especially in 2006-07 during his second Presidential term, the Kremlin at least announced an industrial policy, with the launching of a nuclear power revival, big infrastructure projects, and national corporations for the auto, aircraft and possibly

machine-tool sectors. All of those are now jeopardized by the global systemic crisis.

Why, then, do Russian leaders remain officially committed to globalization, boasting that they are first-rate players in its game? What would make the Russian government believe that a recovery in the markets will come about through self-correction, after inefficient parts of the economy are weeded out? What would cause them to believe that, in the long run, the cycle of the market leads to gain? What axioms guide these deadly policies?

During the recent conflict with Ukraine over natural gas prices, both Putin and Medvedev, to say nothing of die-hard monetarist Finance Minister Kudrin, have repeatedly quoted chapter and verse on the necessity for every nation to put its well-being in the hands of "market prices." Putin stated that price is "determined by the market and not by administrative decisions." Not only does the government back Gazprom's imposition of world-level prices for natural gas on its near neighbors, but raising domestic prices to those levels remains official policy, as well—even though, at the moment, the government admits that to do this for gas or rail freight rates would shut Russian industry down even more.

Medvedev, at a recent meeting with President Islam Karimov of Uzbekistan, stated that competition determines price, and that "those who wish to get by, thanks to low prices, are undermining their own efforts to build economic prosperity. They place their hopes on preferential prices, but in real life, this can not last forever."

That is to say that countries which don't pay market prices are harming themselves by using artificial advantages. This way of speaking reflects the belief that there is an inherent value, which the market

8. LPAC-TV, "The Lost Chance of 1989, Part II: The Fall of the Wall," September 2008, www.larouchepac.com/static/2008/09/23/lost-chance-1989-fall-wall.html.

knows and bestows upon a commodity; if you want to change the price, bad things will happen to your country. With what other belief would such barbaric behavior be justified?

But, how could the market know the right price? The market only knows the names of the speculators who have been using it to destroy the economies of nations over the last 40 years. There is no sane reasoning behind it, as Russia should be well aware.

The reasons why Putin's team, when they jettisoned the free-market radicalism of the 1990s, did not abandon such axioms of globalism must go beyond merely the holdover of free-marketeers like Kudrin or Shuvalov in the government. One explanation is that their habits of thinking were inherited from the time when Marxist doctrine reigned. Marx's theory of value of the "commodity" derived from the same method as Adam Smith's analysis of economic value. The idea that a nation would get its income from a fixed commodity, limited only to certain sectors, is cause for a lack of integrated, domestic development. Is the purpose of developing a railway to get money from it? So it might seem. "How can we extract the value from it, and get the money?" But, set aside the notion that something's value depends on its generating monetary profit. The concept that a resource is valuable because it makes profit, is alien to building infrastructure.

Infrastructure, if looked at as a means to obtain and ship commodities for sale, will be thought of as providing the ability to build or obtain particular things. But, if infrastructure is conceived of from the standpoint of its role in integrating a national economy—an idea driven by a nation's will to apply scientific discoveries made by individuals—then its true potential to increase value for the economy as a whole emerges in a qualitatively different way.

Productivity comes from that which increases the power to develop and meet the requirements of the population, not that which has value because the "market" has determined it to have a high price. Value is created as a consequence of the government's intention to develop the nation. Price is a mere effect which, by means of protectionist regulations of government—not the magic of the marketplace—is caused to converge upon that which leads to the maximum development of the physical economy.

The market ideology breeds a view of value as the monetary profitability of a resource, seeing infrastructure as a means to extract wealth for the purpose of get-

ting money. But, these are not reasons to mobilize the people of a country. Projects are launched for the long-term development of the territory as a whole, for the sake of the development of the minds of the people, and increases in the standard of living.

What is made clear through the economics of the nation-state, with its further development, in our time, by LaRouche, is that the entire discussion of "capitalism" and its stages is a fallacy, even beyond its being an empiricist analysis of an economy. What is more demonstrative of the fraud upon which it stands, is that, like Adam Smith, such a system of analysis is constructed apart from the existence of nations, and the particular tendencies which different nations have for their own development. It is conceived *outside of the existence of constitutional republics, whose economies are the expression of development of their citizens and their unique minds.*⁹

As evidenced by the U.S. Constitution, true Constitutional republics are crafted with the understanding that the powers entrusted to the Federal government are, with respect to their objects, *sovereign*. Meaning, that in respect to their objects,¹⁰ powers imply the ability to construct all the means necessary to affect those objects, and all the means which relate to its regulation; powers of government are not rules to be defined literally—not formulas—but, rather principles to be applied *generally*—and not locally—requiring creative people who can conceptualize the economy as a single unified process; a process whose end is the maintenance of the action of an unseen principle, the stated intention of the Constitution, at each moment. Government implies an intentional unfolding of a conception for the citizens of a nation, with an overarching plan of action, one that begins with the recognition that citizens are the resource from which the nation's progress is achieved, through the employment of their thinking power.¹¹

It is the failure to understand this principle of government, whether in Russia or the U.S.A., which sends either side running for some mess of mechanical, free-

9. Frederich List, *Outlines of American Political Economy in Twelve Letters to Charles J. Ingersoll*, Letter 2 (Wiesbaden, Germany: Dr. Böttiger Verlags-GmbH, 1996).

10. Concerning Article I, Section 8 of the U.S. Constitution, Alexander Hamilton referred to those things to which the powers related, such as taxes, duties, and imposts, as "objects."

11 11. Michael Kirsch, "Hamilton Counsels Congress: Rediscover Your Powers," *EIR*, Feb 9, 2007.



National Archive

President Franklin D. Roosevelt (left) with British Prime Minister Winston Churchill. Many in Russia have recently spoken of the importance of FDR's economic policies for the development of Russia today. But more broadly, confusion continues in leadership circles about the pernicious influence of the British imperial system.

market rules, which are founded on relinquishing the powers that government implies.

As the system of globalization, through which Russia has acquired its raw materials revenue, collapses, Russia must not merely break from its dependence on raw materials exports, but from the delusion of globalization, and the superstition that the “magic of the marketplace” determines value. It were wise of Russians to heed the words of the late Prof. Taras Muravinsky: “It will be impossible to find an exit from the crisis, without sensible government regulation of the economy. The chaos of destruction cannot be overcome through the spontaneity of the market.”

III. Opportunities for Cooperation

Russia has fallen into the mentioned traps, but that is not the end of the matter. We have looked at the problems in the Russian reaction to the world crisis. To complete our review of the paradoxes presented by the question, “How should the Obama Administration reach out to the Russian government for cooperation?”, we must take up certain ambiguities, which offer a key to the answer.

Although the Russian response to the economic

crisis has been chained to a monetarist approach, at the expense of an integrated national-economy approach, the Russian leadership's own announced projects and stated desires point toward a basis for escaping from monetarism, especially in cooperation with the United States.

What are the redeeming qualities, expressed by the Russian leadership, that the U.S. government could align with, as a first measure to move out of the crisis? Is there something in current Russian thinking about the development of the real economy and banking, which could, if brought into collaboration with a restored Amer-

ican System credit system in the U.S.A. itself, serve as a gateway to initiating a global Hamiltonian credit system by the United States, China, India, and Russia?

FDR in Russia?

In recent years, many in Russia have explicitly invoked the importance of Franklin Delano Roosevelt for the development of Russia.

On Feb. 6, 2007, the Russian Ministry of Defense daily *Krasnaya Zvezda* published a special message on the occasion of FDR's 125th birthday, including a commentary by Academician Andrei Kokoshin, one of Russia's leading specialists on the United States and strategic affairs, and also a committee chairman in the Duma. Kokoshin called FDR “one of the greatest statesmen, not only of the U.S.A., but in world history,” and cited the genius of the New Deal, as a symbol of mutually beneficial cooperation between the U.S.A. and Russia.

Two days later, at a Moscow conference titled, “The Lessons of the New Deal for Today's Russia and the Whole World,” held at the Foreign Ministry-linked Moscow State Institute for Foreign Relations (MGIMO), Deputy Chief of the Presidential Administration Vladislav Surkov spoke of the similarities between the measures the Russian government needs to take, and

those of Roosevelt: “to centralize and reinforce administrative governance, and make maximum use of his presidential powers under the Constitution.” He pointed to the importance of Roosevelt’s ideas for Russia, saying, “The simplistic theory that says the less government, the better, is wrong and immoral.” Roosevelt, said Surkov, “our ideological ally in the 21st [Century], will remain . . . for all of us, for every Russian, the greatest of all the great Americans.” (Surkov remains a top Kremlin aide to Medvedev, as he was to Putin, at that time.)

On the same day, Boris Titov, chairman of the Business Russia Association, stated, “Before Roosevelt, it was believed that the market would settle any problems that came up.” But, he said, FDR brought the government in, to play the crucial role of “eliminating failures in the economy . . . and regulating the market. That is very important for our country. . . . [In the 1990s] we believed the market would take care of everything.”

The Russian government, which now pronounces that it is committed to the powers of the market to take care of its current and future generations’ well-being, would do well to pay attention to this discussion from just two years ago.

Vladimir Putin himself, in his annual Presidential message to the Federal Assembly, May 10, 2006, quoted FDR on the necessity of treading on the corns of “those who attempt to gain position or wealth, or even both, by taking shortcuts at the expense of the common good.” On Oct. 18, 2007, asked by a reporter about his vision for Russia, President Putin invoked the New Deal, saying that, “Roosevelt laid out his plan for the country’s development for decades in advance,” and that he often battled the elites. “At the end of the day, it turned out that the implementation of that plan benefitted both ordinary citizens and the elites, and eventually brought the United States to the position it is in today.”

Economy of Science?

LaRouche stated in “How Russia Was Surprised,” that Russia did not make the needed transition in its economy, “*in time*.” The lack of investment in domestic manufacturing made Russia dependent on an ephemeral stability provided by oil- and gas-export revenue, which was quickly pulled out from under the country. Yet, a solution was implicit in some policy-commitments on which the Russian government has been explicit. The failure to implement a shift in a timely fashion

takes us back to the curious matter, of what forces have dominated administrative decisions, blocking such action.

Menshikov points out that Russia needed only to unite its income from raw materials with its enormous engineering, scientific, and technological capabilities, to finance and quickly develop a manufacturing sector. Indeed, it has been Putin’s stated intent, to break from dependence on raw materials and to develop manufacturing.

In February 2007, then-President Putin launched a campaign for an industrial policy, with a series of speeches. He told the Russian Union of Industrialists and Entrepreneurs, “We must take qualitative steps to change from simply exploiting natural resources, to fully processing these resources and, in turn, this must serve as the basis for the development of an innovation economy. . . . Russian industry’s accent on raw materials increases its dependence on foreign markets and on the fluctuations of world prices. And Russia has already seen, more than once, how destructive, and sometimes how devastating, for the national economy, this dependence can be. . . . One of our important economic priorities is to diversify Russian industry.”

Was this stated intent to break Russia from the dependence on raw materials and market fluctuations merely lip service, or did some bad advice or pressure prevent Russia from enacting FDR-type government regulation, in order to initiate the changes “*in time*”?

In his webcast of Jan. 22, 2009, LaRouche discussed the social and political problems that challenge any Russian attempt to make such a shift. LaRouche cited the Soviet model of economy, which lacked a commitment to generalize scientific progress in production throughout the economy. The Soviet Union mobilized the will to develop the military and space sectors, and strategic infrastructure, he said, but creative breakthroughs in these areas were not part of the conception of the domestic economy as a whole. They lacked motivation, in applying scientific discoveries to their factories and farms.

Has Russia now shown the will to break from this model? On Oct. 21, 2008, Prime Minister Putin, speaking at a conference in Krasnoyarsk on “Expanded Use of Space Technologies for the Socio-Economic Development of the Country’s Regions,” attacked “the old model,” whereby “the space program existed as a thing in itself.” He underscored that “the process of introducing the achievements of space research into the econ-

omy has still not been made systematic,” and said this must change.

In the same vein, one of the threatened infrastructure projects mentioned above, the UP-UP, has been designed by Russian Academy of Sciences specialists to develop natural resources, not merely for export, but to be integrated with the region’s manufacturing industries, demanding the involvement of other machine-building industries. Does this indicate a change toward thinking about an integrated national economy, a self-developing system within Russia’s national boundaries? Does Russia want to escape from “free trade,” where circulation is unregulated—with results much like what happens when an arm is cut off at the wrist, allowing a spurt of “free circulation.”

Even in recent months, Putin’s refrains about the magical speedy end of the crisis were punctuated with statements reflecting such a potential policy shift, in broad terms.

In response to the world financial crisis, Putin has stressed that a “robust national economy” is the only safeguard. He says building up Russia’s internal resources will mean that “in the next few years, Russia should achieve a significant improvement in the quality of work of the main, backbone industries, such as transport, the fuel and energy complex, the banking sector, and agriculture.”

Putin stated in October that Russia is trying to develop “long money,” not the short-term “hot money” of the oil price bonanza. His recipe for “long money” involves, at least in words, building up the domestic economy with domestic resources. The government’s official position is that Russia needs to keep investing in R&D, despite the crisis, to achieve the latest technologies and to build up national innovation, in a “diversification” strategy of developing high-tech sectors of the economy. They have stressed infrastructure for all territories.

More advanced ideas are also on the table. Despite the failure to develop the Far East “in time,” it was in the context of discussing Far East development that Moscow Mayor Yuri Luzhkov told *RBC Daily*, on Sept. 26, 2008, that Russia’s authorities should follow in the footsteps of Sergei Witte, Russia’s transport, finance, and then prime minister under Tsars Alexander III and Nicholas II—and a great proponent of the “national economy” school in Russia. Luzhkov noted that Witte had realized the importance of the Far East and had gone to great lengths to develop the region.

American System Protectionism?

Despite the official posture that Russia has successfully transitioned from socialism to the free market, both Putin and Medvedev have cast doubt on that formula in recent months.

After the November G-20 summit, President Medvedev announced that the participants had pledged not to resort to protectionism, but he said he fully expected nations to act to protect their own economies. Putin made clear that Russia will attempt to do so, saying, “We shall use customs and tariff protection for our domestic market, such as in agricultural goods.” Spelling out a program of price preferences for domestic producers, for use in designing state orders, Putin said, “I think that protectionism of this sort is a temporary measure, but it is entirely appropriate today.” He has further stated that under current world conditions, it is necessary to “not fully conform to competition” but to use protectionist measures, or, “secure priority directions of our industry.”

On Nov. 24, Medvedev elaborated, “Where rejection of protectionism ends, and the defense of one’s own producers begins, is a question of taste and mea-

GENOCIDE RUSSIA AND THE NEW WORLD ORDER

Russia in the 1990s: “The rate of annual population loss has been more than double the rate of loss during the period of Stalinist repression and mass famine in the first half of the 1930s . . . There has been nothing like this in the thousand-year history of Russia.”

—Sergei Glazyev



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sure, of what is adequate in one situation or another. . . . Not a single country, not a single head of state, will ever be so bold as to state that they will never act to defend their own producers, their own real sector. Therefore, measures taken to defend one's own producers and production, industry, the real sector, need to be sensible and adequate. But what those measures are, is a decision for each nation to make in its own way. . . . We shall do what we need to do, in order to protect our real sector, and help it, by providing supplementary credits, and some other measures which may be justified."

This is an inclination that must be embraced by patriots of the United States, as well, who want to save their nation, and implement American System policies.

Credit Policy in Banking?

As some in the United States government are beginning to heed LaRouche's call, in his Jan. 16 and Jan. 22 webcasts, concerning the bankruptcy of the banking system, perhaps knowledge of the ambiguity of Russia's positions can help to transform the ability of both sides to solve the crisis.

Recent months have brought signs of new approaches in Russia, which could be of general benefit.

Glazyev, a long-time critic of the government's monetarism, who now has an official position as secretary of Russia's Customs Union with Belarus and Kazakhstan, put forward a crisis plan in August 2008. He proposed that the Central Bank issue rubles based on credit applications from Russian producers, rather than on the current basis, whereby the Russian money supply is increased through the conversion of dollar-denominated export earnings.

On Oct. 21, former Central Bank chairman Victor Gerashchenko, interviewed on Radio Ekho Moskvy, advised listeners to look at "the example of the U.S.A.—not the consequences today, but at how it developed a huge country for over 50 years, and kept its level high for a long time." Yes, there was military spending as a driver, he said, but "that very military spending also means, as a rule, technological breakthroughs in various areas simultaneously." If the U.S.A. enjoyed success by issuing "treasury bonds, and even simply currency," for such earmarked purposes, said Gerashchenko, "why can't we do that?" It should work, he added, "as long as the money goes for productive purposes."

In November, Putin called for the creation of "long money for long-term, capital-intensive projects." To

accomplish this, he called for expansion of the program under which commercial banks can obtain preferential financing from the Central Bank, earmarked for the purchase of bonds issued by companies in the real sector of the economy. In parallel, he said, "there should be broader use of the potential of our development institutions, as well as banks that are partially state-owned." Government and state-owned banking support to the real sector should emphasize the improvement of infrastructure, he said.

These three examples reflect a potential directed-credit policy, which would be essential to avoid assured disintegration of the world economy under monetarist dogmas such as currently have a stranglehold on Russian policy.

Collaboration among the United States, Russia, China, and India under long-term treaty agreements, with the guidance of the American System credit system, as put forward by LaRouche, could set the stage for Russia's state-owned VEB Bank and Development Bank to serve as a basis for national banking, having already acted on directed funds for industry, rather than merely funneling money to commercial banks.

So, What's the Problem?

With this multitude of seemingly positive tendencies, we return to the question posed at the outset: What has stood in the way of these becoming the dominant, guiding policies of the Russian government?

LaRouche wrote in his cited essay, that, over the last year, Russia's increasingly visible source of disorientation, was "*perhaps supplied, in part, by certain ostensibly British assets known to me as being from outside Russia itself. This 'assisted disorientation' is what has been recently suffered by some leading parts of Russia's institutions.*" LaRouche stressed again, on Jan. 22, that Russia's leaders were caught by surprise by the crisis, because they were accepting the advice of someone else, and that they should get rid of that someone else.

Therefore, one would make a mistake to assume that Vladimir Putin or Dmitri Medvedev are "tragic figures." Historically, forces in Russia have fought to adopt American System economic policies, as happened repeatedly in the 19th Century. The American System is not peculiar to a group of people united around a belief; it is not a religious dogma. The American System was a method of developing the creative powers of mankind in society. It is a universal scientific principle for all sovereign nations. Therefore, resis-

tance to collaboration with the United States on a new international credit system could only be the result of brainwashing by the British Empire, in favor of acceptance of a foolish, purely dogmatic view of history such as the “stages of capitalism.”

It would be such follies, imported from outside, which blocked a break from reliance on peddling raw materials. Splitting Russia and America apart, economically and otherwise, has been a British imperial priority for over two centuries. What Russia should do today, is to throw out the advice of anyone who had proposed reliance on raw materials, or market prices of raw materials. Throw out the advice of those who propose an image of Russia’s mission as standing in opposition to some false concept of the United States as the new empire. The basis for cooperation between the United States and Russia is that both nations have a common enemy, and this shared enemy is not a nation. This common enemy is the supranational financial forces: the British Empire, which has been intent on destroying sovereign nations for some time. This problem must be noted by the Obama Presidency, in order to form a truly cooperative relationship with Russia, based on the Russian government’s more promising inclination, toward the policies of FDR.



EIRNS/Stuart Lewis

Alexander Hamilton’s credit system is based on the role of government as primary. The failure to use this stated intention of the U.S. Constitutional system, renders the U.S. government as impotent as Russia has been. Time for both to change!

Nicolas Sarkozy, were neither responsible for generating the idea of a New Bretton Woods, nor capable of carrying forward the momentum for a genuine Rooseveltian solution. But the opportunity which was missed two months ago, sabotaged by the City of London and the Bush Administration, now has a second chance, with the inauguration of the new U.S. Administration.

The Obama Administration must ask: If we are faced with the same type of collapse of our own banks, production, and infrastructure, what do we have as a capability, lacking in Russia, which allows us to solve the crisis they have, as yet, been unable or unwilling to solve? What do we have, which could initiate a path for global cooperation?

The credit system of Alexander Hamilton is based on an awareness of the role of government as primary. The failure to use this stated intention of the U.S. Constitutional system, renders the United States government as impotent as Russia has been, in providing that for which the government was constituted in the first place.

Instead of this dance of the eunuchs, discussions on resolving the global crisis must begin with an acknowledgement of the bankruptcy of the British imperial monetary system. Rather than continuing to play the game of manipulating effects, act on the cause: Throw the system out, and under a new Pecora Commission, prosecute those who are responsible for upholding that system against governments.

Above all, there must be a return to the American System’s concept of the role of government in guiding the implementation of needed scientific principles. Anything less, any mental pollution, such as a mystical belief in the magic of Marx’s stages of capitalism, or the inclination to respect and protect “market forces” as if they were part of nature, means sure death for the world economy.

In Summary

International leaders failed to declare the existing, speculation-based international financial system bankrupt, and to implement LaRouche’s policy for a New Bretton Woods, at the November G-20 summit. The effects of this failure were felt acutely in subsequent weeks, exposing the fact that leading personalities of governments, such as Putin, Medvedev, or France’s

LaRouche: Stop Dope, Inc.'s Takeover of World Economy

by Dennis Small

Jan. 30—"This is Doomsday Time," Lyndon LaRouche warned in a Jan. 28 statement issued by the LaRouche Political Action Committee. "The world's available money supply is tied largely to the attempted bailout of financial institutions, and you've got a shortage of money, of any kind of credit, building up rapidly into catastrophic levels in every other area."

With no money available for useful production, and most world leaders still not willing to address the necessary bankruptcy reorganization of the entire international financial system, unemployment is skyrocketing, factories are closing, state and national governments around the world are teetering at the edge of insolvency, and world trade is grinding to a halt. In late January, the usually staid United Nations' International Labor Organization (ILO) issued a report forecasting that 50 million jobs would be lost worldwide by the end of 2009, and that there will shortly be 1.4 billion "working poor"—about half the planet's working-age population.

The ILO's forecast is actually "optimistic," LaRouche responded, given the accelerating disintegration of the global economy. "People are going to start dying as a result of these economic conditions."

Furthermore, the London-centered international drug cartel known as Dope, Inc. is moving in "to take over the whole world economy," LaRouche warned. "The danger is that the people who are pushing drugs

will thrive; and those who get drug money will feel that they are going to thrive, too. And those who are not getting the drug money are going to find out that they don't get anything.

"Now, the argument is that you have to be good to the drug pushers, because they are the only ones who are supplying the loose cash with this situation presently, in which the world money supply is collapsing and the drug supply of money is increasing."

LaRouche said that this drug takeover of the world economy by the British Empire, operating through front men like the Nazi-trained George Soros, has to be stopped cold. "Destroy the bastards! Shut them down. There's no reason to put up with this crap. Civilization is at stake," LaRouche insisted.

'The Whole System Is Infected'

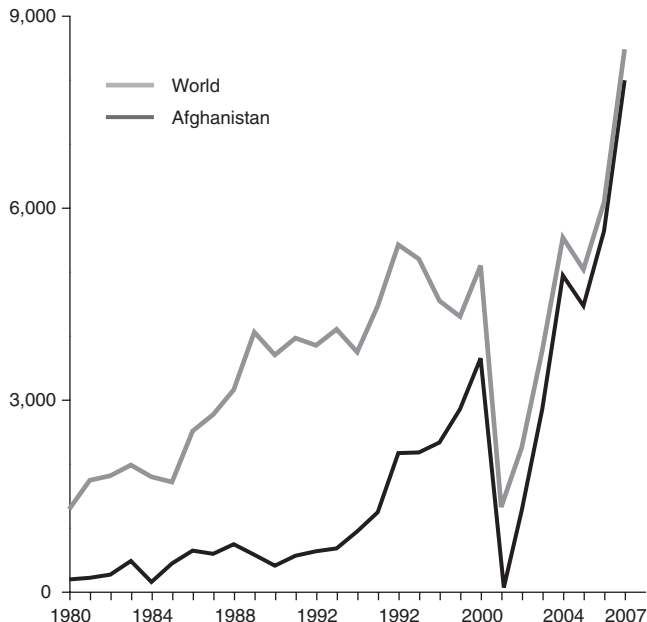
The director of the United Nations Office on Drugs and Crime (UNODC), Antonio Maria Costa, has also exposed the escalating role of drug money in bailing out the drowning banking system. In a Jan. 27 interview in the Austrian magazine *Profil* and in comments to Associated Press, Costa said drug money laundering in unprecedented amounts is "certainly happening across the board.... The money is available, and the need for that money is there. I think the whole system is infected," Costa asserted (see below).

Costa estimated that the total street value of all il-

FIGURE 1

Opium Production, World Total

(Tons)



Sources: U.S. Office of National Drug Policy; U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report*, March 2008; *EIR*.

licit drugs was about \$320 billion a year. This, however, significantly *understates* the magnitude of the problem, according to a new systematic study of Dope, Inc.'s global activities that *EIR* is currently preparing. Preliminary findings indicate that the total dollar value of drug production may well be two to three times UNODC's figure, and that other components of the global "black" economy—illegal weapons, commodities contraband, gambling, prostitution, etc.—are probably as much again as the drug money, bringing the total into the ballpark of \$1.5-2 trillion a year.

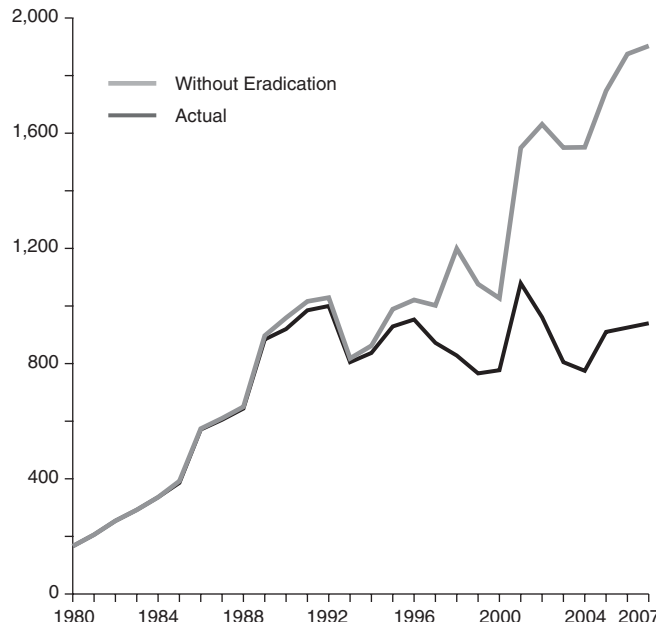
In these days of trillion-dollar TARP bailouts and quadrillion-dollar vaporization of derivatives and other financial assets, \$2 trillion may not sound like a lot of money. But this is loose, highly-liquid, free-floating cash, which can go a long way to purchase politicians and narcoterrorist armies, and salvage friendly financial institutions—albeit briefly.

The campaign for drug legalization, which Soros is spearheading internationally, will only make the problem far, far worse by vastly increasing drug consumption and revenues. The constantly repeated refrain that, "You just can't win the war on drugs, so we

FIGURE 2

Cocaine Production, World Total

(Tons)



Sources: U.S. Office of National Drug Policy; U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report*, March 2008; *EIR*.

may as well strike a deal," is a pack of lies.

"The only reasons we have a drug problem," LaRouche stated on Jan. 19, "is because governments don't want to take it away. People say, 'Well, you can't solve the problem.' What do you mean you can't solve the problem?! We have the technological means to detect everything in fine detail, to find all of this stuff; we know how to develop methods for solving the problem. They choose not to do it! That's the reason—it's the *only* reason. Because you have a *system* which is doing it. You have to shut down the *system*."

Operation Afghanistan

LaRouche this week urged the Obama Administration to launch a serious war against drugs, as the best way—in fact, the only way—to solve the crisis in Afghanistan and Southwest Asia in general (see below).

"There is no hope for Afghanistan or Pakistan, so long as the drug trade is allowed to flourish," LaRouche stated. "The most direct way to shut down that trade, and establish the necessary conditions for a viable policy for South and Central Asia, is to first eliminate George Soros. Shut down his offshore operations,

remove him from any access to the American political process. Cart him off to jail. Then, come and talk to me about an appropriate strategy for bringing stability and prosperity to Afghanistan and Pakistan.” LaRouche added: “George Soros is so pivotal to the British opium war operations, whether in Afghanistan/Pakistan, or in Mexico and other parts of the Western Hemisphere, that no victory is possible in either of these areas, so long as Soros is allowed to operate.”

LaRouche has also emphasized that the new war on drugs must be fought with a minimum of deadly violence, using advanced technologies—especially space-based technologies—to defeat the enemy by detecting, eradicating, interdicting, and seizing drug flows at every stage of the process. LaRouche has dubbed the needed approach “Operation Afghanistan.”

Dope, Inc. has in fact converted Afghanistan into a giant opium and heroin producing machine for the global drug market that London has created. Afghan opium production soared by 140% over the last five years since the NATO invasion—from 3,400 metric tons in 2002 to some 8,200 metric tons in 2007—and its share of world production leapt from 75% to 92% in the same period (see **Figure 1**).

Dope, Inc. has a lot going for it in Afghanistan. Opium yields there averaged about 40 kilograms per hectare over the past three years, which is substantially higher than the 15 kg/ha average in most other opium producing countries. It is widely known that half of Afghan opium is grown in the British-occupied Helmand province, which is only 9% of the country’s land area. As Afghan Foreign Ministry spokesman Ahmed Baheen put it on Jan. 18: “Afghanistan’s opium production was only high in places where international foreign forces were stationed, like the British troops in Helmand.”

The vast majority of Afghan opium is converted into heroin, mostly inside Afghanistan itself, or in laboratories located just across the border in Pakistan. Furthermore, since about 2002, Afghanistan has improved the efficiency of its conversion of opium into heroin, by about 15%. Instead of requiring 10 kilograms of opium to produce 1 kilo of heroin (which has been the standard historic average around the world for decades), Afghanistan now requires only 8.5 kg of opium to produce 1 kg of heroin.

This means that, out of an estimated world production of about 795 tons of heroin in 2007, Afghanistan produced some 753 tons (95% of the total), and the rest

of the world produced only 42 tons. The “Afghan bonus” due to the increased conversion efficiency since 2002, has added about 110 tons to what it otherwise would have produced—which, alone, is nearly three times what the rest of the world produced!

If we compare world production of opium and cocaine over the period 1995-2007, a crucial point comes into focus. Opium production increased by 90% during this period (from 4,475 tons in 1995, to 8,484 tons in 2007), with phenomenal increases, especially in the last two to three years in Afghanistan. Cocaine production, on the other hand, was almost flat during that same period, inching up from 929 tons in 1995, to 940 tons in 2007.

The reason? Eradication of over half of all coca plantations, principally in Colombia. If there had been no coca eradication, cocaine production in 2007 would have been 1,903 tons, almost double the 940 tons that actually were produced. And the curve of rising cocaine production from 1995 to 2007 would have looked like an exact copy of the curve for opium production (see **Figure 2**).

Stated otherwise: Over the past four years, Afghanistan eradicated less than 7% of its poppy crop. Why so little? Because the British wouldn’t allow it, because they are *promoting* drugs in Afghanistan, and internationally. According to a July 2008 article in the *New York Times Magazine*, by former ambassador Thomas Schweich, a high-level anti-narcotics official from the U.S. State Department’s Bureau of International Narcotics and Law Enforcement Affairs: When an aerial interdiction effort was briefly undertaken a few years ago in Afghanistan, the British command in the Helmand opium province “actually issued leaflets and bought radio advertisements telling the local criminals that the British military was not part of the anti-poppy effort.”

During the same period that almost no poppy plants were eradicated in Afghanistan, the coca-growing nations of Colombia, Peru, and Bolivia—but especially Colombia—eradicated 50% of the total coca crop.

But even these levels of eradication are modest, compared to what can be achieved with full deployment of shared modern technology, based on cooperation among sovereign nation-states. *EIR* has estimated that fully 90% of all drug crops—coca, poppy/opium, and marijuana—could be eradicated with a serious deployment of high-tech detection and eradication technologies. All that is lacking is the political will to *do it*.

No U.S. Troops; Shut Down the Drug Traffic

On Jan. 29, Lyndon LaRouche issued a policy statement insisting, as he had stated during his Jan. 22 web-cast, that the United States should absolutely not send any troops to Afghanistan:

“I see no reason for sending U.S. troops into Afghanistan. As I said: There’s only one issue there of strategic interest, and that is the protection of the sovereignty of a government in that country. Because the problem does not lie in the country. The problem lies in those who have a market overseas for opium and heroin. Shut down the market! It’s not something produced in a country for consumption by that country. It’s a poison-your-neighbor policy.

“It should be clear why I insist that there be no U.S. troops in Afghanistan, except in the case of assistance to the integrity of the government of Afghanistan in its own capital. The British are trying to get U.S. soldiers killed in a trap which the British themselves have set, with their role, as with George Soros, in promoting the international market in drugs. Anybody who works with Soros is really an enemy of the United States. But of course, knowing the youthful history of George Soros, we’re not surprised by such things.”

LaRouche went on to discuss what’s behind the skyrocketing production of opium and heroin in Afghanistan:

“It’s because of the shipment of the crop to its market. That’s what we have to get the attention concentrated on. That’s the key thing. So, therefore, you have to destroy the system of drug pushing. And how? Well, take away their ability to distribute from that area. If they don’t have a market, they’re going to cut it out. Take the market away from them, which is where the Four Powers collaboration of the U.S., Russia, China, and India that I have proposed, comes into play, on that issue.

“People define the question, they put up the wrong question, and naturally that’s the best way to get the

wrong answer. The question is not how do you control the drug production in a country. The question is how do you make the whole system inoperable. And that depends on the export of the drug.”

LaRouche turned to the historic example of Britain’s 19th-Century Opium War against China:

“This was the characteristic of the Chinese operation by the British. They exported drugs from India, first of all, primarily to China. You had, at the same time, drugs from Turkey, which was a concession by the British, to their markets. So thus, the drug is not a characteristic of the population that produces the drug; the effect of it may be there, but the problem lies in the distribution of it internationally. It works like the WTO!

“The issue is: You’ve got to shut down the market to which it is sold. And the Chinese had that idea, but the British came in with their military operation to prevent the Chinese from shutting down the market.

“The opium was produced, for China, largely in India. But you were not going to solve the problem, therefore, by going to India on the question of the opium poppy. You were going to solve the problem by shutting down the market for the opium, which means the consumer.

“So why send troops to Afghanistan? You’re not addressing the problem. The problem is the distribution. And the problem is you need to have a system of sovereign nation-states with borders which are respected. Once you make the borders effective, then the drug trafficking doesn’t work anyway—especially if you obliterate the financial side of it,” LaRouche said.

LaRouche also stated that Adm. Michael Mullen, the chairman of the Joint Chiefs of Staff, was right when he recently called for a dialogue with Iran. “We should talk to the Iranians about this drug problem, about securing the region against the drug problem,” LaRouche said. “Iran will get on the bad side of the Saudis on this one, because the Saudis are in with the drug operation.

“The U.S. should have a policy of shrewder imagination, and get out of the rut,” LaRouche added. “Let’s start thinking clearly about how we deal with these problems. We should be talking to Iran about our mutual interest in freeing the world of this drug pestilence. They are not blind on the issue of the ‘colonial powers’ involved. So why not take the best side of them, and give them a chance to get out from under this kind of situation they’re subjected to?”

UN Drug Office: Dope Cash Rescued Banks

Antonio Maria Costa, director of the United Nations Office on Drugs and Crime (UNODC), singled out the role of drug money in propping up the disintegrating financial system, in an interview published in the Jan. 27, 2009 Austrian weekly Profil, and in his blog entries on the UNODC website on Nov. 19, 2008. Costa also firmly opposed the idea of drug legalization, medical decriminalization, and Britain's proposal to purchase the Afghan opium crop from local farmers. Here are excerpts of Costa's remarks:

From the Profil interview:

The drug trade at this time could be the only growth industry, with little unemployment. The money is flowing only partly back into illegal activities, in parts of Asia, Africa, and South America, where it is used to bribe politicians, buy elections, or finance insurgents, such as the Talibans in Afghanistan, the Tamil Tigers of Sri Lanka, or the FARC in Colombia. . . .

[The rest of the money] is fed into the legal economic circulation through money laundering. We do not know how much, but the volume is imposing. As such, seen from the macroeconomic effect, this is simply bringing in investment capital. There are indications, that these funds also ended up in the finance sector, which has been under obvious pressure since the second half of last year. . . .

It appears that interbank credits have been financed by money which comes from the drug trade and other illegal activities. It is naturally hard to prove this, but there are indications that a number of banks were rescued by this means. . . .

In many cases, drug money is currently the only liquid investment capital, to buy real estate, for example. In the second half of 2008, liquidity was the biggest problem the banking system had, and therefore, this liquid capital became an important factor. . . .

To get around the electronic surveillance of bank transactions, criminals stash their funds in cash sums which can be up to hundreds of millions of dollars. . . .

We have to consider the interdependence of drugs and criminality; anything else would be irresponsible. . . . Legalization would inevitably send abuse way

up. . . . [When the British gave out over 100 million euro to compensate Afghan farmers for their opium crops] it had the opposite effect. Within one year, the cultivation doubled, because the farmers knew that if the drug traders did not buy their opium, then, "I'll get my money from the British."

From Costa's blog:

Today, the financial crisis is providing an extraordinary opportunity for even greater mafia penetration of cash-strapped financial houses: with the banking crisis choking lending, these cash-rich criminal groups have emerged as the only sources of credit.

Bankers' . . . greed, arrogance and deception have shaken people's confidence in their profession and the trust of the institutions that conspired with them to cause the crisis—hedge and investment funds, insurance companies, rating and audit agencies. During September and October [2008], within about 60 days, the world's financial architecture as constructed in the past 60 years, collapsed. And we are just at the beginning of the drama, as jobs, markets, revenues and production are also being destroyed by the crisis.

Not only have bankers created monstrous financial instruments whose size, complexity and ownership nobody could understand or master. So many of them have engaged in something both stupid and diabolical. They have allowed the world's criminal economy to become part of the global economy. Investment bankers, fund managers, commodity traders and realtors—together with auditors, accountants and lawyers—have assisted syndicates to launder the proceeds from crime and become legitimate partners to business. In most cases the predicated crime was mafia-type: namely, violence against individuals, business and property. In other cases the predicated crime was corruption: namely, a silent yet pernicious violence against national treasuries and against public services that remain unfunded.

Greedy banks have taken in and hidden this blood money. Complex financial instruments have made financial markets deliberately less transparent and more accessible to wrong-doing. Thanks to bankers, accountants and lawyers, criminal groups have become multinational corporations: a sort of mafia borghese, or white collar syndicate. Today, the financial crisis is providing an extraordinary opportunity for even greater mafia penetration of cash-strapped financial houses: with the banking crisis choking lending, these cash-rich criminal groups have emerged as the only sources of credit.

Blair, Bibi Move vs. Mideast Peace Efforts

by Dean Andromidas

Jan. 29—Keeping his campaign promise, President Barack Obama dispatched his special envoy George Mitchell to the Middle East this week. Mitchell, the former Democratic Senate Majority Leader, spoke with leaders in Egypt, Israel, the Palestinian National Authority, Jordan, Saudi Arabia, as well as France and Great Britain.

President Obama “is committed to vigorously pursuing lasting peace and stability in the region,” Mitchell told a joint press conference with Egyptian President Hosni Mubarak in Cairo, on the first leg of his tour. “The decision by President Obama to dispatch me to come to this region less than one week after his inauguration is clear and tangible evidence of this commitment.”

Mitchell has his work cut out for him. The smoke has yet to clear from the eight disastrous years of the Bush Administration, which ended with Israel’s three-week assault on the Gaza Strip, resulting in 1,300 Palestinian deaths, including nearly 300 children. The attack, the worst since the Palestinian-Israeli peace accords were signed in 1993, has yet to end, as fresh clashes erupted as Mitchell arrived in Tel Aviv.

Expressing the bitterness the Gaza attack has left throughout the Arab and Muslim World, Palestinian President Mahmoud Abbas, on the eve of Mitchell’s arrival, declared at a press conference in Ramallah, that, “Israel does not want peace, otherwise it would not have done this. We need to understand this and tell it to those coming from Europe and America. Israel wants to waste time to strengthen facts on the ground with settlements and the wall.”

Mitchell, who brokered the peace deal in Northern Ireland, under the Clinton Administration, is widely considered the most credible choice as a Presidential envoy. He is not new to the Middle East conflict. In 2000, he was designated by President Clinton to lead an international commission to investigate the causes of the second intifada, and present recommendations on getting the Middle East peace process back on track.

His report was not completed until after George W. Bush entered the White House with Dick Cheney and his gaggle of neoconservative advisors.

Although the report was shelved, its recommendations not only remain as valid today as they were nine years ago, but are the best indication of how Mitchell will proceed. That report clearly blamed the violence on the erosion of the peace process after the 1994 assassination of Israeli Prime Minister Yitzhak Rabin, combined with the continued building of settlements; closures and blockades culminating with then-Prime Minister Ariel Sharon’s march on the al-Haram al-Sharif mosque in Jerusalem, which triggered violent clashes between Israelis and Palestinians.

The recommendations were clear: Put a stop to the violence; get both sides to the negotiating table; end all settlement construction, including so-called “natural growth”; and lift the blockades, roadblocks, and other activities that have made life unbearable for the Palestinians. It also called for Israeli-Palestinian security cooperation.

Now, the big question is, how to bring Hamas into the process. While Mitchell has revealed very little about how he views Hamas, prior to embarking on his trip he met with former President Jimmy Carter, who advised him to include Hamas.

Lyndon LaRouche has called for moving on an Israeli-Syrian peace as soon as possible, even prior to an Israeli-Palestinian deal, since such an agreement would create the political momentum for the more difficult Israeli-Palestinian negotiations. Also, the fact that Syria enjoys close ties to Hamas would help enormously. Although a visit to Syria was not on Mitchell’s itinerary, intelligence sources report that Obama’s Middle East team takes the Syria question, and a Syrian-Israeli peace deal, extremely seriously. Syrian President Bashar Assad declared his desire to work with the new American administration, in an interview with Lebanon’s al-Manar TV, on Jan 27.

British Promote Perpetual War

The British are committed to maintaining the dynamic of perpetual war which they established in the region with the implementation of the infamous Sykes-Picot agreements (1916), which divided up the Ottoman Empire between the empires of Britain and France, after World War I. That system has been the breeder of wars for almost a century, pitting Arabs against Jews, Christians against Muslims, and Shi’a against Sunni

(for historical background on Sykes-Picot, see *EIR*, Jan. 23, 2009).

The agents of the British Empire today include former British Prime Minister Tony Blair and Israeli Likud party chairman Benjamin “Bibi” Netanyahu, who is now the favorite to win the Israeli elections, scheduled to be held Feb. 10.

Blair was the true architect of the Iraq War, as his predecessors were responsible for the Iran-Iraq War of the 1980s, and the 1991 Gulf War. Middle East intelligence sources have informed *EIR* that Blair was the “chief architect” of the most recent Gaza war. He sold Israel and the Bush Administration on the plan to deploy the Israeli military machine to “weaken” Hamas, in order to strengthen Mahmoud Abbas. Blair has been promoting the lie that the divide in the region is really between moderate Arab states like Jordan, Egypt, and Saudi Arabia, and the radical states and forces like Syria, Hamas, and Hezbollah, who are aligned with Iran. According to this piece of duplicitous sophistry, the moderates are pleased that Israel attacked Hamas: The lie is exposed by the fact that Jordan recalled its ambassador from Israel during the Gaza assault. The Gaza attack enraged Turkey, which had been mediating indirect peace talks between Israel and Syria. Relations between Turkey and Israel are now at an all-time low.

Blair now operates under cover of his post as envoy of the Middle East Quartet of peace mediators—the United Nations, European Union, the U.S., and Russia. His mandate is to coordinate economic and humanitarian aid for the Palestinians, at which he has completely failed. While he has no political mandate, just prior to Mitchell’s arrival in the region, Blair held a meeting with Israeli towel-boy Netanyahu on Jan. 25. This is unusual, since Netanyahu does not now hold a position in the government, and has nothing to do with Blair’s mandate for coordinating aid. Reportedly, Netanyahu told Blair that, if he is elected Prime Minister, he would not build new settlements, but he would allow “natural growth.” Blair reportedly made no comment in response to this blatant sophistry, since all settlement activity is forbidden by international law.

On Jan. 27, Blair met with Mitchell in Cairo, the details of which have not been released.

The Netanyahu Factor

Public opinion polls indicate that Netanyahu and his Likud party will win the Feb. 10 elections. Blair’s Gaza



U.S. Embassy Tel Aviv/Matty Stern

George Mitchell, President Obama’s Middle East peace envoy, shown here arriving in Israel Jan. 28, has his work cut out for him, as British agents Tony Blair and Benjamin Netanyahu pull out all the stops to sabotage any chance for peace in the region.

war, coming on the eve of a national election, has had a profoundly negative impact on the Israeli political scene. It has mobilized the right wing, demoralized the left and pro-peace constituencies, and left much of the population confused. Except for the pro-peace Meretz party, the political discourse is dominated by the security question. With only a little more than a week before the voting, more than a fifth of the population, according to polls, is undecided, so it is not at all a foregone conclusion that Netanyahu would win. There is a strong possibility that many will simply vote with their feet, and stay home on election day.

It is clear that Netanyahu as prime minister would pose the greatest threat to any effort by the Obama Administration to broker a Mideast peace agreement. Netanyahu and his Likud party are the heirs to the political legacy of Zionist-fascist Vladimir Jabotinsky, who was a creature of the the British imperial faction that

established the Sykes-Picot agreements. Jabotinsky was Netanyahu's father's friend and mentor, and the son has maintained the family tradition of British agency.

With the end of the Bush Administration, Netanyahu's friends, including Dick Cheney, George Shultz, and other neocons, are, thankfully, now in the political woods. Now, Netanyahu is trying to ingratiate himself with Obama, gushing that their meeting over a year ago, established a "chemistry" between them, a claim that has left him wide open for ridicule.

It is not clear what sort of "chemistry" Netanyahu is talking about. While Obama has come out clearly for a two-state solution, peace between Israel and Syria, and opening a dialogue with Iran, Netanyahu revealed what he stands for, in an interview in the *Wall Street Journal* of Jan. 24. He said he does not support a Palestinian state, or a peace agreement with Syria: "We're not going to redivide Jerusalem, or get off the Golan Heights, or go back to the 1967 boundaries. . . . We [the Likud] were mocked for warning that Gaza would become Hamastan, and that Hamastan would become a staging ground for missiles fired at major Israeli cities such as Ashkelon and Ashdod."

As for Gaza, Netanyahu identified it as a *casus belli* for an Israeli strike against Iran: "I don't think Israel can accept an Iranian terror base next to its major cities any more than the United States could accept an al-Qaeda base next to New York City." And, according to him, Iran is the "mother regime" of Hamas and Hezbollah. His "optimal outcome" would be regime change in Gaza—eliminating Hamas completely—and the "minimal outcome would have been to seal Gaza" to protect Israel from incoming missiles.

Directly threatening Iran, he declared, "The arming of Iran with nuclear weapons may portend an irreversible process . . . [which] will pose an existential threat to Israel directly, but also could give a nuclear umbrella to these terrorist bases."

'Collision Course' with U.S.

While the outcome of the election is not known, what is clear, is that Netanyahu is working to put together a right-wing coalition which will do everything in its power to obstruct Mitchell's peace efforts. If given the mandate to form a government, Netanyahu's first partner will be the right-wing, predominantly Russian ethnic Yisrael Beitenu party, led by Avigdor Li-

eberman, who not only incites against the Palestinians, but has demanded that Israeli Arabs take a loyalty oath or be deported. Lieberman, who lives in a West Bank settlement and is referred to as a fascist by Israeli commentators, is nothing more than a stooge for Netanyahu. Lieberman served as Netanyahu's cabinet secretary, in the 1990s. He split from the Likud to form his ethnic-based party for the explicit purpose of creating a potential coalition partner with the Likud. On the day Mitchell arrived in Israel, Lieberman told Israeli Army Radio that Mitchell's mission, "has absolutely no chance [of success]." One can imagine the Cheshire grin.

The ultra-Orthodox Shas party has declared that it will endorse Netanyahu for prime minister, if the Likud wins the election. The party has also declared its opposition to any freeze on settlement activities. Netanyahu could also count on the ultra-right wing, which is primarily based in the settlements. According to the polls, such a right-wing grouping has a lead over a center-left coalition that could include the Kadima, Labor, and Meretz parties.

One hopes that the Israeli electorate will appreciate the opportunity presented by the new U.S. administration. On Jan. 28, the day Mitchell arrived in Israel, the Israeli daily *Ha'aretz*, in its lead editorial, warned voters that Netanyahu is incompatible with the Obama Administration:

"Israeli voters must know that the Obama government will be intolerant of construction in the settlements, as well as measures that hurt the Palestinians, such as closures and checkpoints. It will make every effort to bring about a two-state solution. Anyone for whom Israel's relations with the United States are important must vote for parties that support a peace agreement with the Palestinians, out of the recognition that the right-wing parties that support settlement expansion jeopardize Israel's international standing as well as its security, both of which are dependent on American support.

"This message is also geared toward Israel's political leadership, particularly Benjamin Netanyahu, who is leading in the opinion polls. His platform, which rejects the creation of a Palestinian state, and his statements in favor of 'natural growth' in the settlements, place him on a collision course with Washington—especially if the senior partner in his coalition is Avigdor Lieberman."

Beware of Minefields On the Way to Iran!

by Hussein Askary

Jan. 29—While the Obama Administration is working intensively to draft a new U.S. policy in Southwest Asia based on friendly diplomacy, especially with Iran, the European Union foreign ministers stepped blindly into a British-created minefield on Jan. 26. In their meeting in Brussels, the ministers approved a new blacklist of terrorist organizations to be banned by the EU, which, for the first time, did not include the People's Mujahideen of Iran (PMOI—another name for the Mujahedeen-e Khalq, MeK or MKO—under which it operates in Europe.) This means that, not only would these 3,500 militants be free to relocate to Europe, but the already active group would be allowed to recruit and raise funds for subversive activities on European territory.

“What we are doing today is abiding by the resolution of the European Court,” EU foreign policy chief Javier Solana told reporters just before the meeting started.

Following a British Supreme Court ruling in June 2008, the European Court in Luxembourg ruled in December, that the EU was wrong to keep the group's assets frozen.

The British Supreme Court ruled in favor of removing the MKO from the British government's list of terrorist organizations. Subsequently, an order was issued by both houses of the British Parliament to remove the organization from the British blacklist.

According to the MKO's website (National Council of Resistance of Iran, the cover organization for its activities in Europe), on Jan. 14, British-based members of the group, and some members of the British Parliamentary Committee for Iran Freedom (including Lord Corbett of Castle Vale; Rt. Hon. Lord Archer of Sandwell QC, former United Kingdom Solicitor General; Lord Clarke of Hampstead; Mr. Brian Binley MP; and Mr. David Vaughan QC), held a protest in front of the EU

offices in London. Lord Corbett, chairman of the committee, who organized 400 signatures of British MPs to put pressure on the EU to follow in Britain's footsteps, told the demonstrators: “In the British Parliament, we support your demands and stand with you.” Mr. Binley, a member of the House of Commons, praised the demonstrators' resolve, telling them, “You are running an excellent political campaign. It is certain that you will win at the end. We continue to support the genuine goals of the Resistance.”

Lord Corbett personally travelled to Washington last year to mobilize American members of Congress to support the British plans, but he faced strong opposition there, and his mission failed. The new strategy was to implicate the whole EU in this British policy. With the help of EU parliamentarians in the Friends of a Free Iran group, and others such as European Parliament vice president Alejo Vidal-Quadras, the Spanish MP, who invited the exiled Iranian leader of the MKO, Maryam Rajavi, to the EU headquarters in December 2008. Vidal-Quadras challenged then-EU President Nicolas Sarkozy, declaring that keeping the PMOI on the list was illegal, unfair, and counter-productive.

The Iraqi Decision

The Iraqi government has ordered MKO members to leave their headquarters, Camp Ashraf, and return to Iran, or take refuge in a third country. (The MKO was formed in the 1960s, in Iran, and expelled after the Islamic Revolution in 1979.)

The Iraqis have accused the MKO of committing crimes against Iraqi citizens in collusion with the former dictator Saddam Hussein, in the 1980 and '90s. In Iran, the leaders of the MKO are wanted for bus bombings and assassinations of prominent political figures. However, the Iraqi government is not likely to try the leaders of the group, but rather, to ask them to leave for a third country within two weeks. Iraqi National Security Advisor Mowaffaq al-Rubaie, in his visit to Tehran last week, emphasized that Camp Ashraf will be closed forever in two months, and the members will have to leave the country.

The MKO has called on European governments and the former Bush-Cheney Administration to use military force to overthrow the Iranian government, and has been a source of disinformation on the Iranian nuclear program, used by Israeli, British, and Bush Administra-



Maryam Rajavi may have a pleasant smile, but she is, in fact, the exiled leader of the terrorist People's Mujahideen of Iran, which has just been removed, by the EU foreign ministers, from the terrorist watchlist. Rajavi has a permanent residence in France.

tion chickenhawks to justify a war against Iran. It also served as an asset for the Bush Administration's and the British government's irregular warfare operations deep inside Iranian territory, since the invasion of Iraq in 2003.

Practically, what the EU decision means is that the member countries will have to take the 3,500 terrorists into Europe as "political refugees," with everything that implies, especially for France, where the leader of the group, Maryam Rajavi, has had a residence permit.

Interestingly, Egypt's foreign ministry officials and members of parliament refused to meet MKO representatives who arrived in Cairo yesterday to negotiate relocation of MKO members to Cairo. The MKO believed that Egypt, which has had a tense political relationship with Iran recently, would welcome its members, but it seems that the reality on the ground has changed since Dick Cheney rolled his wheelchair out of the White House, once and for all. The Egyptian officials instead referred the MKO delegation to the offices of the United Nations High Commission for Refugees (UNHCR) to arrange the relocation of the terrorists to other countries.

Politically, this will increase tension between the EU and Iran, as Iranian lawmakers are preparing legislation to try the leaders of the MKO. This could lead to a stiff Iranian position towards the upcoming 5+1 group meeting on the Iranian nuclear program.

Last week, Russia's ambassador to Britain said that representatives from the United States, Britain, France, Germany, China, and Russia—the so-called

5+1 Group—would meet in Berlin next month. The group has previously attempted to push a British line, promoted by former British Prime Minister Tony Blair, to persuade Iran to suspend its uranium enrichment activities, in return for "some incentives," an offer, which the British knew well the Iranians would not accept.

Iran's Majlis (parliament) Speaker Ali Larijani said yesterday that Washington's actions during the upcoming 5+1 meeting would demonstrate whether the U.S. had adopted a change of policy toward Iran. "America's conduct in the 5+1 meeting on the nuclear issue is another test which can show Iran more clearly the reality of the 'change' approach by American politicians," Larijani told the Majlis. The major question is how the Obama Administration will react to this development. The MKO has been on the U.S. State Department's list of international terrorist groups for more than two decades.

Iranian representatives to the UN have filed a complaint on the EU decision. "The European Union must realize that a political approach to terrorism, which threatens the lives and security of people around the world, is totally unacceptable for the global public opinion," Iran's permanent envoy to the United Nations, Mohammad Khazaei, wrote in a Jan. 28 letter to UN Secretary General Ban Ki-moon. "The EU's politically motivated decision will not change the terrorist nature of the group. It will not 'turn the page' of history on the cult's terrorist activities and massacre of innocent civilians, nor will it cleanse the terrorist group of its criminal past," he added.

U.S. and France Oppose EU Position

On Jan. 26, the same day that the EU was removing the MKO from its terror blacklist, the U.S. State Department reasserted the previous U.S. position that the MKO will remain on its terror list. In the daily press briefing, Robert Wood, acting spokesman for the State Department, answered reporters' questions about the EU foreign ministers' decision. Replying to a question on whether there is "any similar action being considered here at the State Department," Wood replied: "We've already done a review, and it was determined that there would not be a revocation of that status for the Mujahedin-e Khalq, so nothing has changed from our standpoint."

Wood stressed that the decision was taken in the

State Department “just a week ago,” and that “there has not been any change at this point,” with regards to the Obama Administration’s policy.

The French government has, for some time, clearly showed its opposition to removing the MKO from the EU blacklist, and in 2006, even arrested and investigated leaders of the group residing in France for suspected plans of using violence and terror tactics on French territory.

On Jan. 21, the French government filed an appeal to the European Court to argue against the ruling that was the basis for the EU Council of Ministers’ removal of the MKO from the terrorist list. The French government said it still believed that the organization merited its terrorist status.

In a discussion with *EIR*, a French diplomatic source reasserted the French position, and strongly denied reports that France would accept taking people from the MKO. “There has never been any intention of bringing anybody from the MKO to France. The MKO is considered in France a terrorist organization as per the lists established by French Tribunals,” he emphasized.

It is crucial for other European governments to understand what type of political debacle this sort of irresponsible British-inspired gimmick implies.

President Barack Obama himself, in his first television interview Jan. 27, with the Dubai-based Al-Arabiya satellite channel, expressed his keenness for opening a constructive dialogue with Iran. U.S. Joint Chiefs chairman Adm. Michael Mullen followed the President’s statement by asserting that U.S. positive cooperation with Iran would help in stabilizing the situation in Afghanistan and the region, which is one of the most important priorities of the new administration.

With the threat of war from their allies Bush and Cheney now eliminated, the British are laying new landmines all the way to Southwest Asia, in the path of the new U.S. Administration. Recently, the British government decided to finance a Persian-language BBC satellite television channel, sending live provocations daily into Iran. The Iranian government responded by banning BBC reporters from Iran. However, the classical mistake usually made by Iranian leaders is that they blame the “West” as a whole, and especially the United States for crimes committed by the British Empire. Will they change profile this time and target the real enemy?

Bangladesh

In the Midst of Global Crisis, an Opportunity

by Ramtanu Maitra

As a new U.S. President, Barack Obama, moves into the White House, he inherits a financial system in rubble, and a worst-ever explosion of violence and drugs in the Afghanistan-Pakistan region, where almost 50,000 U.S. troops are fighting a seemingly lost war. At the same time, the latest election results in Bangladesh have given the new American administration an opportunity, which must not be squandered at this crucial juncture.

In Bangladesh, the Awami League-led alliance, led by former Premier Sheikh Hasina Wazed, won a landslide victory Dec. 29, garnering 262 out of 299 seats in the parliamentary elections held in late December. The election victory indicates that the 140 million Bangladeshis, represented in this poll, have rejected the violence-ridden Islamic movement which was exploited by any number of outsiders.

However, the door that has been opened will not remain open for long, especially if Washington continues to look at Bangladesh as nothing more than a “geopolitical entity,” and if U.S. policies are run through the overused bureaucrats, whose “viceregal” attitudes in a Third World country undermine the United States and overall stability.

The Opportunity

In dealing with a Bangladesh led by Sheikh Hasina, Washington must keep two things in mind. First, it is not good enough to have good relations with India in the Subcontinent. Neither India, nor the region as a whole, will be able to function ably unless all the nations in the region come to respect the strength and the benefits that can be accrued by all from the recently improved India-U.S. relations. The second thing that the Obama Administration must understand quickly, is that the world has changed significantly, and the only way Washington can earn back respect, is by listening patiently to what Dhaka needs. It is neither possible, nor imperative, for Washington to meet all of Dhaka’s needs, but what is impor-

tant, is to help move Bangladesh's physical economy quickly. That will not only strengthen Hasina's hands politically, but would help millions of poverty-stricken Bangladeshis. While the Prime Minister and her colleagues would be the best judge of where, and how, to begin such a process, it is evident that Bangladesh needs vast improvement of its agro-industries, and development of all basic physical infrastructure that supports that sector. This includes power, water, flood control, mass transportation, health care, education, small industries, and a bank credit system.

In helping Dhaka to formulate such a policy, Washington must bring into consultation India and China, as well as Myanmar—all neighbors. On Jan. 6, the Chinese daily *Xinhua* cited local observers who pointed out that it will not be easy for Hasina's government "to meet voters' expectation as there are some economic challenges awaiting the new government, particularly in the wake of the ongoing global financial crisis."

Prior to the parliamentary elections, a high-level United Nations panel identified the issues of agricultural prices and economy as major challenges for the new government. "At the moment, the world is facing economic downturn. It is going to be extremely difficult" for the government to handle the economic troubles, observed Francesc Vendrell, the head of the three-member panel dispatched by UN Secretary General Ban Ki-moon to follow the polls.

Mustafizur Rahman, the Executive Director of a Dhaka-based think tank, Center for Policy Dialogue (CPD), told *Xinhua* that the government needs to take all-out efforts to upgrade infrastructure and improve the investment climate to achieve higher economic growth and bring down poverty. "The government should immediately form a high-powered taskforce for intensely monitoring the impacts of the global financial tsunami to safeguard the country's economy," Rahman added.



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The landslide victory Dec. 29, of Bangladeshi Prime Minister Sheikh Hasina Wazed, has cracked open the door for urgently needed changes. But that door will soon slam shut, unless Washington begins to help the country address its urgent need for economic development, and assists in crushing London-based Islamic terrorist groups who are wreaking havoc there.

Why Is It Urgent?

The urgency to act in Bangladesh stems from the fact that the western part of the Indian Subcontinent, particularly Afghanistan and the part of Pakistan west of the Indus River, has been ravaged over the decades by a policy, put in place by Washington and London, which saw a huge growth in production of opium, proliferation of jihadis, escalation of violence to an unprecedented level, and the possibility of Pakistan breaking apart. Even if the worst does not occur, to bring back peace and stability in that region will take years. Meanwhile, senseless violence and interference by the old colonial forces will continue.

It would be naive to assume that Bangladesh is free of what is happening in the western part of the Subcontinent. As a poor nation, with an extremely high population density, Bangladesh

is more vulnerable to violent forces than other nations in the region. In fact, Bangladesh is under attack from militants who belong to both East and West.

In 1978, due to widespread arrests and expulsions of Rohingya Muslims by the Myanmar government, about 250,000 fled into Bangladesh, arriving in three waves. Two additional waves of migration took place during 1991-92, and in 1996-97. Bilateral negotiations have so far resulted in the repatriation of some 200,000 Rohingyas to Arakan.

But, the presence of Rohingyas, who are opposed to the Myanmar junta for obvious reasons, provided the Saudis an opportunity to pump in money, and get them to embrace Wahhabism as a counter to "non-Islamic" forces in Yangon. But these rootless Rohingyas are a threat to Bangladesh's security. Gun and drug smuggling are rampant among these "guests" of Bangladesh.

The threat from India's west is much more serious. Over the years, a very strong anti-India, and, in essence, anti-stability force has begun to assert itself in populous Bangladesh, which has a fragile political structure and

is poorly governed. Bangladesh became the target of Wahhabi preaching. The driving force behind militant Islam's spread in Bangladesh is not only receiving financial support from Saudi Arabia and the Arab Emirates, but also the migrant workers—the invisible foot soldiers of globalization. For example, according to the Migration Policy Institute, Saudi Arabia has been one of the largest importers of Bangladeshi laborers, but many Bangladeshi workers have been rendered jobless by Riyadh's desire to "Saudi-ize" its workforce. They return to Bangladesh imbued with Wahhabi/Salafist intolerance; unemployed and with few future prospects. Many of these returnees are ready to promote orthodox Wahhabism at odds with traditional, moderate Bengali practices.

Al-Yamamah Money

In the case of Bangladesh, the Saudis made inroads through the Jamaat-e-Islami (JI) group, which considers most of the Bangladeshi Muslims to be tainted by "Bengali-Hindu" culture. Plenty of money was made available to various orthodox Salafi groups, created by the British-Saudi al-Yamamah contract. As *EIR* has uniquely reported earlier, the real story behind the BAE-Saudi oil-for-weapons barter deal in 1985 is much bigger than the billions of dollars in bribes paid to Prince Bandar and a host of other Saudi officials and princes (See "Scandal of the Century Rocks British Crown and the City," *EIR*, June 22, 2007). The real story is that at least \$100 billion in offshore, off-the-books funds have been accumulated since the original al-Yamamah deal was signed in 1985, and those funds have been used to finance covert intelligence operations around the globe—including the Afghanistan "mujahideen" war against the Soviet Union, the Iran-Contra arms-for-hostages scheme, the channeling of Soviet-made weapons to Africa, etc. In December 2006, then-British Prime Minister Tony Blair ordered the Serious Fraud Office (SFO) to shut down its investigation into the BAE-Saudi al-Yamamah scandal, invoking British national security interests. Just before leaving office, Blair inked another deal between BAE and the Saudi Ministry of Defense, worth an estimated \$8.7 billion.

By 2005, it became evident that Bangladesh was already awash with non-native Islamic charities and banks which are closely associated with the Islamist movement. Deobandi and Wahhabi preachers were also increasing their missionary work in Bangladesh. In 2005, a joint report was compiled by Bangladesh's Spe-

cial Branch, National Security Intelligence (NSI), and Defence Forces Intelligence, which concluded that at least ten Islamic charities and NGOs were helping to promote and finance Islamist militancy in Bangladesh.

The Saudis' British Partner

According to one terrorist-watcher, the Muslim Council of Bangladesh (MCB) in the U.K. is the prime controller of the extremists in Bangladesh. It has gained almost unparalleled political power over British Muslims, with the backing of ministers from the Home Office and Foreign Office. The Islamist movement that MCB represents is reportedly heavily coordinated by the Muslim World League (MWL), which is based in Saudi Arabia. It was set up in 1962 to counter the spread of Egyptian President Nasser's Arab nationalism, and communism.

The League was originally based in Geneva but moved to Jeddah in 1969. The organization helps fund Islamist organizations around the world and often invites Islamist leaders to Saudi Arabia to discuss global strategy for coordinating their activities. The late Maulana al-Maududi, the ideological leader and founder of the Jamaat-i-Islami, was a founding member of the organization. Wael Hamza Jalaidan, a Saudi businessman, who is believed to be a co-founder of al-Qaeda, was also a founding member of the MWL.

Another British-based group that provides physical support to the Bangladeshi extremists is the Muslim Aid U.K. Muslim Aid was founded in 1985, and is the largest Muslim charity in the U.K. Muslim Aid has often been accused of supporting terrorism, but it continues to carry on as before, while it is common knowledge that its leaders work closely with the Jamaat-i-Islami movement in Pakistan and Bangladesh. There also exists a close interwoven relationship between Muslim Aid and the Muslim Council of Britain. For instance, Dr. Muhammed Abdul Bari, the current secretary general of the MCB, is a trustee of Muslim Aid U.K., while Sir Iqbal Sacranie, the former secretary general of the MCB is a trustee and a former chairman of Muslim Aid. The majority of the trustees also worked for the Islamic Foundation U.K., which was founded by Prof. Khurshid Ahmed, the vice president of the Jamaat-i-Islami Pakistan.

Three Terrorist Groups

On the ground, the British-Saudi-led efforts are carried out by three major terrorist groups, although there are other local operations, also availing themselves of

the generous funding. The three are: Jamaatul Mujahideen Bangladesh (JMB), Harkatul Jihadi al-Islami (HUJI), and the ostensibly peaceful Hizb ut-Tahrir (HT) Bangladesh.

JMB has a clear political agenda: It aims to capture power through armed revolution and run the country by a Majlis-e-Shur (Central Committee) under Islamic law. JMB came into the limelight in 2005, when the group fired off a series of explosions in 63 out of 64 districts across Bangladesh, planting 458 locally made bombs. It distributed leaflets which declared, "We're the soldiers of Allah. We've taken up arms for the implementation of Allah's law the way the Prophet, Sahabis [companions of the Prophet] and heroic Mujahideen have done for centuries. . . . [I]t is time to implement Islamic law in Bangladesh" (*Bangladesh Observer*, Aug. 18, 2005).

On the other hand, HUJI was founded in Pakistan in 1980, at the time that President Zia ul-Haq sought MI6 and CIA's help to recruit Mujahideen to fight the invading Soviet forces in Afghanistan. From the outset, HUJI members were trained in arms. Two of the Pakistani Wahhabi groups, Jamiatul Ulema-e-Islam (JUI) and the Britain-headquartered Tablighi Jamaat, set up this organization. Reports indicate that HUJI was later recognized by al-Qaeda and Osama bin Laden. With blessings from JI and the British-Saudi nexus, HUJI began its activities in Bangladesh in 1992. Of all the militant outfits in the country, HUJI is the strongest and best organized.

The third terrorist group, Hizb ut-Tahrir, is headquartered in Britain, and operates in more than 100 countries. Its Bangladeshi arm operated for a while under the name of East London Youth Forum. According to one British undercover journalist, HT is spending considerable sums of money recruiting Bangladeshi Muslims in the area; taking out full-page, cash-paid recruitment ads in Bangladeshi newspapers.

Hizb ut-Tahrir Bangladesh is reportedly focussed primarily on a takeover of Bangladesh from within, using the financial and political muscle of the Bangladeshi population living abroad.

Threat to the Region

If Bangladesh slips into an ungovernable state, as has happened to much of Pakistan, it would be foolish to assume that India-U.S. relations would be able to benefit either India or the United States. The November attack on Mumbai shows clearly the interest of the old Anglo-Dutch Liberal establishment, using a section of



Dawood Ibrahim, one of the orchestrators of the Mumbai terror attack, is reported to have met in the international money-laundering capital Dubai, with Tarique Rahman. Tarique made several deals with Ibrahim, involving arms smuggling into Bangladesh.

the corrupted security apparatus of Pakistan, the drug money, and gun runners, to create a chaotic situation within India. An attack of a similar kind on India's major cities in the East, such as Kolkata, would weaken India's security further.

In March 2007, a Bangladeshi journalist, Hasibul Haque, pointed out that Tarique Rahman, the son of former Bangladeshi Prime Minister Begum Khaleda Zia, had been to Dubai and met with Dawood Ibrahim, one of the orchestrators of the Mumbai attack, and an asset of the Dubai-based drug-trafficking and money-laundering network. Tarique was also a senior official in the Begum Zia-led Bangladesh Nationalist Party (BNP).

Haque reported that the former Bangladesh army intelligence chief, Maj. Gen. Rezzakul Haider Chowdhury, had accompanied Tarique to Dubai. Rezzakul Haider was fired from his job after Dr. Fakhruddin Ahmed took office in January 2007, as chief advisor to the caretaker government head.

According to those reports, Tarique made several deals with Dawood in this meeting. "As per the deals, Dawood would smuggle huge caches of arms into Bangladesh for the BNP cadres for the now-postponed Bangladesh parliament elections and run Tarique's business interests in Dubai." The report also claimed that Tarique bought a property in Dubai for \$60 million, and had developed links with money-laundering operations with Dawood. The caretaker government has since put Tarique Rahman behind bars.

These realities suggest that forces within Bangladesh have set up instruments that could lead the country toward lawlessness within a very short period of time. And, if that happens, it could well turn out to be a haven for terrorists and religious zealots.

The Case for Nancy Pelosi's Immediate Forced Resignation

by Jeff Steinberg and Nancy Spannaus

Jan. 27—Lyndon LaRouche today called for Nancy Pelosi to immediately resign her post as Speaker of the House, because of her role in the bank bailout swindle, “which was nothing less than highway robbery of the American people on behalf of special interests.

“At a moment when our newly inaugurated President Barack Obama is enjoying 74% support among the American people,” LaRouche declared, “our Congress, under the mis-leadership of Speaker Nancy Pelosi, has the support of less than 20% of the people. This abysmal level of support is well-deserved. The moral authority of Congress is in question, rightfully so, because Nancy Pelosi sold out to the likes of George Soros, the biggest dope pusher in the world, and Felix Rohatyn, to ram through the bailout, which has been a total failure, as I knew it would be, from the very beginning.”

LaRouche cited his own July 25, 2007 international webcast, where he spelled out the specifics of a bankruptcy reorganization and freeze on foreclosures, which came to be known as his Homeowners and Bank Protection Act (HBPA). “I provided the solution, to get the United States safely out of the very crisis that we are now in. Those allied with Rohatyn and Soros—led by Nancy Pelosi—sabotaged that effort, just as Pelosi earlier sabotaged my proposals for saving what was left of the machine-tool and productive capacity of our auto sector.

“In the case of auto, Pelosi committed a flagrant conflict of interest, because she was working directly with Felix Rohatyn who, at the time, was working to

take down the auto sector, and turn it over to a bunch of hedge fund predators. That conflict of interest, alone, warrants Nancy Pelosi's immediate resignation as Speaker of the House.”

Bailout, versus the HBPA

However, LaRouche continued, “the greatest crime that Pelosi committed was her role in sabotaging the HBPA and ramming through the bailout, which was highway robbery against the American people. This is one crime that you cannot blame on former President George W. Bush, or on his Treasury Secretary Hank Paulson, alone. Pelosi was the engineer of the bailout bill's passage. It would never have passed the House were it not for Pelosi.

“We had the solution on the table, as of July 2007. We had the backing of state legislatures and city councils all over the United States. We could have avoided the disaster we are now facing, if the HBPA had been passed in September 2007. But, Pelosi, and others in Congress, like Barney Frank, sabotaged it. Pelosi and company were in bed with a class of special interests, personified by Soros and Rohatyn, and instead of protecting the American people and protecting the legitimate chartered commercial banks, through a bankruptcy reorganization, Pelosi presided over the robbery of trillions of dollars in taxpayers' money.

“Now, Congress must right all the wrongs that they have done since July 2007. And the first step must be for

Pelosi to be forced to step down as Speaker. Congress will never restore its credibility with the American people until she is gone. She must be removed from a position of control, because she betrayed the American people. We certainly need a new Pecora Commission, to investigate this greatest bank robbery in American history, but do not kid yourself. No competent Pecora Commission probe can take place, so long as Pelosi is in the leadership of the House.”

LaRouche called upon all of the state and local elected officials who mobilized, since July 2007, on behalf of the HBPA, to take on the Congress. “The Congress bears the responsibility for sabotaging all of your efforts to win passage of the HBPA, the measure that would have averted the total financial collapse that we are now facing. Almost all of the problems that local and state officials are facing today can be traced to that Congressional betrayal. The Congress must be confronted on this betrayal, and I call on all state and local officials, who have seen their constituents suffer, as the result of the Congressional corruption and cowardice, to take on this problem. And the only appropriate place to start is with the removal of Nancy Pelosi.”

The Bill of Indictment

Pelosi’s list of crimes goes back to the Spring of 2005, when she was still House Democratic Minority Leader. It was then that LaRouche, fresh from leading the Democratic Party’s fight to stop George Bush’s threat to privatize Social Security, called for emergency Federal action to prevent the destruction of the auto industry.

As was soon revealed, LaRouche’s proposal immediately ran into a buzzsaw of opposition, led personally by none other than the “Democratic” (actually fascist) financier Rohatyn. Rohatyn, *EIR* later discovered, had signed on, by no later than May 1, 2005, as an advisor to GM’s machine-tool spinoff, Delphi, in order to dismember it through bankruptcy. No wonder he didn’t like LaRouche’s proposals to save the machine-tool capacity represented by the auto industry.

In fact, LaRouche organizers began to get reports



UN/Mark Garten

Nancy Pelosi, the darling of “Fascist Felix” Rohatyn and George Soros, must be removed as Speaker of the House, if Congress is to enact the legislation needed to reverse the collapse.

that Rohatyn would show up at Congressional offices shortly after they had been there. And by December, the organizers were getting reports that Pelosi was being pressured by Rohatyn to adopt his phony scheme for infrastructure development, rather than LaRouche’s proposal. Rohatyn’s scheme is Mussolini-style PPPs (public-private partnerships), under which predator hedge funds and other speculators would be given control over the nation’s dwindling infrastructure, particularly highways and bridges, to loot the population through exorbitant tolls.

Until the election of 2006, Pelosi and many other Democrats used the excuse that they didn’t have a majority in Congress, to argue that they couldn’t move on LaRouche’s plan to save the machine-tool sector. But, having been elected Speaker of the House, Pelosi immediately showed

her true colors. Despite the voice of the electorate against the Iraq War, she acted consistently to prevent moves for the impeachment of either Dick Cheney or George W. Bush for their violations of the Constitution. By June 25 of that year, LaRouche was training his political fire on her, for protecting Cheney *and* blocking necessary moves on the economy. On Oct. 25, LaRouche issued a call for her to leave her post of mis-leadership.

What was preventing Pelosi from doing her duty? For one thing, in February 2007, she had hired Joseph Onek as her chief counsel, an individual who also served as the chief policy advisor for George Soros’s Open Society Institute. Nor had her collaboration with Rohatyn waned. In early December 2007, she conducted a Washington closed-door session with “Fascist Felix,” and with a number of economists, in an attempt to counter LaRouche’s workable solution which was already on the table.

Given that she was being advised by the likes of Soros *and* Rohatyn, both infamous for their promotion of swindles and fascist austerity, it is no surprise that Pelosi would proceed to support the bankers’ bailout scheme in the Fall of 2008. Pelosi cannot be expected to change—but if constituency leaders get moving the way they should, she can be induced to resign.

A BICENTENNIAL BIRTHDAY

Felix Mendelssohn: Schiller's Aesthetic Soul

by David Shavin

On the occasion of the 200th anniversary of the birth of the Classical composer Felix Mendelssohn, nearly every commemorative article will emit the obligatory characterization, “gentlemanly”—almost as a Pavlovian reflex. However, one might as well praise Martin Luther King, for example, for “speaking like a white man.” It misses the point—and in a rather ugly fashion.

This damning praise of Mendelssohn originated with Richard Wagner’s infamous 1850 article, “Jewishness in Music”—his anonymous attack on the recently deceased Mendelssohn. The English-speaking world would get a version of this from the Wagnerite, George Bernard Shaw. Perhaps, no better honor for Mendelssohn’s 200th birthday could be imagined, than to expunge the besmirching of his name by these white-gloved Nazis.

Felix Mendelssohn was not “gentlemanly”—he was *civilized*. He was perhaps the best example of that which Friedrich Schiller had fought for: a beautiful soul, aesthetically educated. It would enrage Wagner, but Mendelssohn’s music was both elevated and passionate. Felix painted masterfully; he read his Plato in the original Greek; he acted in plays (Shakespeare, being his favorite); he treated his fellow humans with the same grace with which his music was showered; and, reportedly, he could swim faster than any of his peers. Felix shared with Edgar Allan Poe and Abraham Lincoln, his

two bicentennial birthday mates,¹ the quintessentially “American” quality of a human who draws upon the strengths of his heritage, without being defined by that heritage.

His grandfather, Moses Mendelssohn, had risen out of a ghetto to revive Germany’s greatest thinker, Gottfried Leibniz, and (with his collaborator Gotthold Lessing) to breathe depth, irony, and humor into the German language. But frequently overlooked, is Felix’s mother, Lea Salomon, the granddaughter of Moses Mendelssohn’s good friend Daniel Itzig. Lea wrote of her grandfather’s garden, where she grew up: “. . . [H]ere I learned to understand and appreciate the advocates of liberty, justice, and truth; and I even fancy that the weak notes my unskilled fingers produce are here more melodious and pure.”

Several Itzig daughters, including Lea’s mother and two of her aunts, were prominent defenders and promoters of J.S. Bach’s works. Lea herself was raised on Bach’s “Well-Tempered Clavier”—even describing her own first-born infant as having “Bach-fugue fingers.” But Lea was also, at age 22, an astute admirer of Schiller. Writing to a friend, who had objected to Schiller’s “Piccolomini,” from the *Wallenstein* trilogy, she retorted: “According to my imperfect notions, it is a masterpiece. The abundance of thought, the charm of ex-

1. For coverage of Lincoln’s Bicentennial, see *EIR*, Jan. 9, 2009; for Poe’s 200th birthday, see *EIR*, Jan. 16, 2009.



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Felix Mendelssohn shares his birthday bicentennial with the American poet and patriot Edgar Allan Poe, and with our greatest President, Abraham Lincoln; he also shares with them, a quintessentially “American” quality: that of drawing upon the strengths of his heritage, without being defined by that heritage.

pression, the noble simplicity and poetical beauty, added to the interesting subject, will not be equaled nor even imitated for a long time. . . . Thekla. . . . This sublime, heavenly character. . . ! You could not resist this angel of light and human greatness!” Or, again: “Pray do not give me the [public] as an authority against the merits of ‘Wallenstein.’ . . . [I]f [Schiller’s] hero is powerless against his fate, it is in consequence of his own superstition, which lets him see the approaching catastrophe only when it is too late.”

If Felix’s optimism, beauty, and grace reflect an aesthetically educated soul, then Lea must be given more than a little credit for having passionately taken Schiller into her heart. Lea raised her four children on Bach and Schiller. Or, as Sebastian Hensel (Lea’s grandchild) de-

scribed her four children: The “grandchildren of Moses Mendelssohn were well acquainted with Lessing’s writings,” along with those of Goethe, but those of Schiller were “ever present to their minds.”

Missionaries for Bach

Felix and his older sister Fanny, she of the Bach-fugue fingers, were missionaries, even as teenagers, for the scientific art of Bach, especially as developed by Beethoven. At 13, Fanny played the “Well-Tempered Clavier,” by heart, “as a surprise for her father.” By the time Felix was 13, he was educating the poet Goethe on Beethoven’s music. At 16, Felix visited Paris, and wrote to Fanny about the lack of musical culture there: “You say I should try and convert the people here, and teach Onslow and Reicha to love Beethoven and Sebastian Bach. That is just what I am endeavoring to do. But remember, my dear child, that these people do not know a single note of *Fidelio*, and believe Bach to be a mere old-fashioned wig stuffed with learning. . . . I played the organ preludes in E minor and B minor. My audience pronounced them both ‘wonderfully pretty,’ and one of them remarked that the beginning of the prelude in A minor was very much like a favorite duet in an opera by Monsigny. Anybody might have knocked me down with a feather.”

A few months later, Felix presented Fanny, for her 20th birthday, with Beethoven’s notoriously challenging “Hammerklavier” Sonata (Opus 106). One can glimpse from their private humor how they viewed their too lonely task. Felix composed a letter to accompany his gift, writing as if it were Beethoven addressing Fanny: “Most respected young lady! News of the service you have done me has redounded as far as Vienna. . . . When I encounter people who embrace this music of mine, and thus the utmost secrets of my soul; when such persons treat the solitary old man I am in a friendly manner, they render me a service for which I am most grateful. Such people are my true friends. . . . On account of this friendship I am taking the liberty of sending you my Sonata in B-flat Major Opus 106, for your birthday, with my sincere congratulations. I did not create it to throw dust in people’s eyes: play it only when you have sufficient time, for it needs time, it is not one of the shortest!—but I had much to say. . . . Moreover, it is a particular pleasure for me to offer a sonata written not for pianoforte [the Italian term for the instrument], but for the Hammerklavier [the German term that Beethoven insisted upon using] to a lady as German

as you have been described to me.”

It was a completely natural outgrowth for the two Mendelssohn siblings that developing the powers of mind and of beauty was a process integral to developing the culture and the nation as a whole. The two were quite sure that they recognized in Beethoven the same intelligent patriotism. In 1827, when Beethoven died at age 56, Felix’s mature reflections can be heard in his first string quartet (Opus 13)—based on an intense study of Beethoven’s late string quartets. The remarkable fugal treatment in the “Adagio non lento” by the 18-year-old is all Bach, but heard through ears cultivated by Beethoven.

Fanny’s son, Sebastian Hensel, would describe the situation: “The profound masterpieces Bach and Beethoven had bequeathed to posterity were a treasure hardly known at the time [1828]. Only just then, the most intelligent musical people began to comprehend that something must be done to bring this treasure [Bach’s “St. Matthew Passion”] to daylight, and that this was, in a musical point of view, the greatest task of the period.... Felix has devoted to it, alongside of his own compositions, a life-long, earnest, and conscientious pursuit, and the fact that Bach and Beethoven are now [1869] known and appreciated by the German nation is in a great degree his merit.”

Bach: Intellect or Passion?

The centenary of Bach’s “St. Matthew Passion” would occur in 1829; it was also the centenary year of the birth of both Felix’s grandfather, Moses Mendelssohn, and of his colleague, Lessing. In 1828, the 19-year-old Felix, along with Fanny, spent Saturdays rehearsing a group of their friends to become the core of the revival of Bach’s work. In April, in the midst of this project, Felix also composed and conducted a 75-minute Grand Cantata, for the 300th anniversary of the death of the great German artist, Albrecht Dürer. Then, Alexander von Humboldt commissioned Felix to compose a cantata for the scientific congress in Berlin, in September of that same year.

Humboldt was a regular visitor to the Mendelssohn household, and Felix’s father Abraham set up in their garden a non-ferrous laboratory for magnetic measurements, part of the famous Gauss-Humboldt project to map the geomagnetic world. Over 40 years earlier, Humboldt, his brother, Wilhelm, and Abraham’s brother, Joseph, had studied Leibniz at the feet of Moses Mendelssohn—studies written up as *Morgenstunden*.

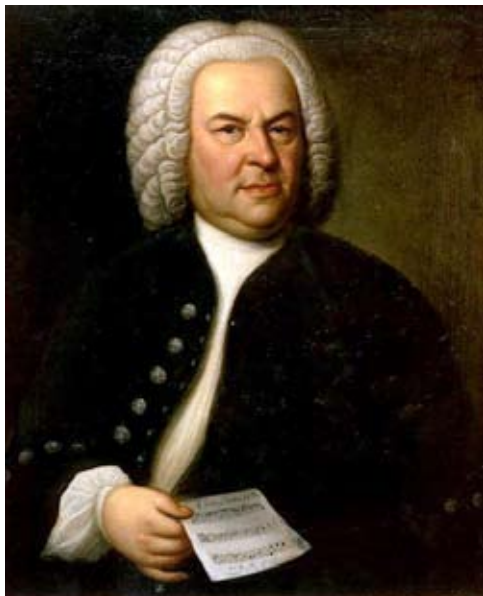
(Abraham, who was only nine years old at the time, was absent.) Now, Felix attended Humboldt’s lectures on physical geography at the university, Fanny was also able to hear them at “a second course of lectures in the hall of the Singakademie, attended by everybody who lays any claim to good breeding and fashion, from the king and the whole court, ministers, generals, officers, artists, authors ... students, and ladies, down to your unworthy correspondent. ... [T]he lectures are very interesting indeed. Gentlemen may laugh as much as they like, but it is delightful that we too have the opportunity given us of listening to clever men. We fully enjoy this happiness.... [W]e are hearing another course of lectures ... about experimental physics. These lectures are likewise attended by ladies chiefly.”

Fanny summarized her brother’s progress at the end of his busy 19th year, just before his revolutionary performance of Bach’s “St. Matthew Passion”—as she watched her brother and student move beyond her:

“On the whole, I feel no doubt that with every new work, he makes an advance in clearness and depth. His ideas take more and more a fixed direction, and he steadily advances towards the aim he has set himself, and of which he is clearly conscious. I know not how to define this aim ... perhaps also because I can only watch his progress with loving eyes, and not on the wings of thought lead the way and foresee his aim. He has full command over all his talents, and, day by day, enlarges his domain, ruling like a general over all the means of development art can offer him.”

And then, the famous March 1829 performances of Bach’s “St Matthew Passion,” led by Felix—again related by Fanny:

“What used to appear to us as a dream, to be realized in far-off future times, has now become real.... The people were astonished, stared, admired, and when, after a few weeks, the rehearsals [of Felix’s handful of friends grew to rehearsals of the full Singakademie, and rehearsals of hundreds] in the Academy itself commenced, their faces became very long with surprise at the existence of such a work, about which they, the members of the Berlin Academy, knew nothing. After having got over their astonishment, they began to study with true, warm interest. The thing itself, the novelty and originality of the form, took hold of them, the subject was universally comprehensible and engaging, and [Felix’s actor friend, Eduard] Devrient sang the recitatives most beautifully. The genial spirit and enthusiasm evinced by all the singers during the very first rehears-



Mendelssohn's mother, Lea Solomon, the granddaughter of Moses Mendelssohn, gave her four children an aesthetical education, based on Bach and Schiller. Clockwise from top left: Johann Sebastian Bach, Moses Mendelssohn, Friedrich Schiller.

als, and which each new rehearsal kindled to ever-increasing love and ardor; the delight and surprise created by each new element—the solos, the orchestra, Felix's splendid interpretation and his accompanying the first rehearsals at the piano from beginning to end *by heart*, all these were moments never to be forgotten. . . . And now, the members of the academy themselves spread such a favorable report about the music, and such a general and vivid interest was created in all classes, that on the very day after the first advertisement of the concert, all the tickets were taken, and during the latter days upwards of a thousand people applied in vain."

At the performance, where Fanny sang alto:

"I sat at the corner, where I could see Felix very well, and had gathered the strongest alto voices around me. The choruses were sung with a fire, a striking

power, and also with a touching delicacy and softness the like of which I have never heard, except at the second concert, when they surpassed themselves. . . . The room was crowded, and had all the air of a church: the deepest quiet and most solemn devotion pervaded the whole, only now and then involuntary utterances of intense emotion were heard. What is so often erroneously maintained of such like undertakings, truly and fully applies to this one, that a peculiar spirit and general higher interest pervaded the concert, that everybody did his duty to the best of his powers, and many did more."

Indeed, as Schiller might have said, they had surpassed their destiny.

This revival of Bach and of the Singakademie should have led to the choice of Felix to become its new leader. He had had to challenge and fight for this revolutionary new direction for the Singakademie just to perform the Bach "Passion." The rejection of Felix, and the choice of a relative mediocrity, must have struck him as an ugly sign of an irrational immaturity still in the culture—whether it be called anti-Semitism or a fear of progress and happiness is not the issue. Felix noted the ugliness and retrenched for a longer fight.

Jew or Christian?

It should be mentioned at this point that the tired canard—"Did the Mendelssohns betray their heritage by conversion to Christianity?"—is yet another ugly piece of misdirection. In fact, they represented the best of both religions. Moses Mendelssohn remained a shining example of Judaism, at a time that he judged it was no impediment to bringing an "American Revolution" process to Europe. (See his 1783 *Jerusalem*.) After the medievalist reaction of the 1815 Congress of Vienna, and, in particular, the 1819 Carlsbad Decrees, new barriers were erected against a Jew functioning as an actual citizen, including the practice of most professions. The ten-year-old Felix was even subjected to vile epithets accompanied by spitting.

Abraham Mendelssohn was clear to his daughter, Fanny, in explaining why he remained Jewish, while he chose to have his children baptized. In 1819, he provided this Socratic advice to his 13-year-old daughter: "There are in all religions only one God, one virtue, one

truth, one happiness. You will find all this, if you follow the voice of your heart; live so that it be ever in harmony with the voice of your reason.” The next year, he wrote to Fanny upon her confirmation:

“I know that there exists in me and in you and in all human beings an everlasting inclination towards all that is good, true, and right, and a conscience which warns and guides us when we go astray. I know it, I believe it, I live in this faith, and this is my religion. This I could not teach you, and nobody can learn it; but everybody has it who does not intentionally and knowingly cast it away.

“We have educated you and your brothers and sister in the Christian faith, because it is the creed of most civilized people, and contains nothing that can lead you away from what is good, and much that guides you to love, obedience, tolerance, and resignation, even if it offered nothing but the example of its Founder, understood by so few, and followed by still fewer.”

You have the “name of a Christian,” Abraham wrote to Fanny. “Now be what your duty as a human being demands of you, true, faithful, good ... and you will gain the highest happiness that is to be found on earth, harmony and contentedness with yourself.”

What did his children understand of their new religion? Fanny explains to Felix: “My favorite motet, ‘Gottes Zeit’ [the Leibnizian ‘God’s time is the very best time’].... Ah! How it makes a person feel good again! I know no preacher who is more insistent than old Bach, especially when he ascends the pulpit in an aria and holds on to his theme until he has utterly moved, or edified and convinced his congregation.” Anyone wishing to further evaluate whether his children took his advice to heart can explore Felix’s “St. Paul” or “Elijah” oratorios.

The point is that there is much heat and little light coming from the reductionist rants on both sides of the religious divide. The Mendelssohns’ methods and accomplishments do not truthfully allow for such reductionist assaults. However, the “Jew vs. Christian” word-strife (as Moses Mendelssohn loved to call such episodes) was replayed and amplified by Richard Wagner two years after Felix’s death.

Mendelssohns and Schumanns

Felix Mendelssohn was 20 when he left his Berlin home. In his remaining 18 years, he repeatedly turned to Bach as the richest vein of truth to make German culture flourish; to make a German nation possible.



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Felix Mendelssohn and his older sister and soulmate Fanny were missionaries for the scientific art of Bach and Beethoven. Fanny hosted Sunday musikabends for their circle of young musical friends, like the Robert and Clara Schumann.

More and more, over those years, a deep collaboration developed with Clara Wieck and her future husband, Robert Schumann. Felix knew each of them well before they became a couple. In Leipzig, in 1835, Felix and Clara performed Bach’s “Triple Concerto” (along with Ignaz Moscheles)—a concert attended by Felix’s new brother-in-law, the mathematics genius Lejeune Dirichlet. A few weeks later, Felix heard Clara perform his “B-minor Capriccio,” which he “liked ... very well.”

In 1837, Felix reports to Fanny that he is dining at the same hotel as Robert Schumann, and he “is quite enthusiastic about” Fanny’s lieder compositions. In 1843, after the marriage of Clara and Robert, Clara joined Felix for the season premiere concert at the Leipzig Gewandhaus, where they performed Robert’s “Variations for Two Pianos.” (On the same program, Felix accompanied his 13-year-old student, the violinist Joseph Joachim, who had been trained by Beethoven’s violinist, Josef Bohm.)

And, finally, the Schumanns made an extensive visit to Berlin, where Clara joined Fanny in her Sunday musicales. Clara wanted to move to Berlin, in part to work with Fanny. “Fanny Hensel’s interpretive skills im-

pressed me even more than the great voices I heard at her house [alluding to Henriette Sontag and Pauline Viardot]. . . . The spirit of a work was grasped in its most intimate texture, pouring forth to fill the souls of listeners and singers alike. A *sforzando* from her little finger would flash across our souls like an electric discharge.”

Schumann enrolled Felix into his *Davidsbündler* (League of David), a fictional music society, as the character “Felix Meritus.” And in his private diaries, Schumann noted of Felix: “His judgments in musical matters—especially on composition—the most trenchant imaginable, go straight to the innermost core.—He instantly and everywhere recognized flaws and their cause. . . . I always considered his praise the highest—he was the highest authority, the court of last appeal. . . . The exaltation of associating with him. . . . It was as if every day he had been born anew. . . .”

Reaction to Mendelssohn and Schumann: Hegelian Racism

Given this brief sketch, what should we make of the 1845 attack, “Robert Schumann mit Rücksicht auf Mendelssohn-Bartholdy und die Entwicklung der modernen Tonkunst überhaupt” (Robert Schumann with regard to Mendelssohn-Bartholdy and the development of modern musical art as a whole), by one Franz Brendel? This proud Hegelian opposes the “formalist” Mendelssohn, too bound to Bach, against the “free spirit” of Schumann who had truly “deep inner feeling.” (Brendel may have been echoing a line from Wagner. Two years earlier, at a festival where both Wagner and Mendelssohn had offered compositions, Wagner had bragged that my “simple, heartfelt composition had entirely eclipsed the complex artificialities of Mendelssohn.”)

Brendel’s argument: Mendelssohn was a talented artificer with no inner soul. He was a “representative of Classicism in our time,” and so an anachronism, in violation of the new Hegelian age. He achieves “the goals of a bygone age, along with the polemic—expressed most particularly through his creations themselves—against purely romantic music . . . and against artistic tendencies themselves when they serve as an expression of the progressive movements of history. . . . [W]e are also justified in criticizing his lack of modern sensibilities. . . . Mendelssohn creates a stronger impression of the Classical and the perfect, in somewhat the same way as has been observed in the cases of Goethe and Schiller. . . . [H]e is the representative of the Classical in



A deep collaboration developed between Felix and Fanny Mendelssohn, and Robert and Clara Schumann (shown here), both in their love for Bach and Beethoven, and in their fight against the Hegelian nazism of Liszt and Wagner.

the present day, and thus not an expression of the character of the whole period, least of all its future striving.”

After Mendelssohn’s death, this same Brendel would publish Wagner’s continuation of this theme (“Das Judenthum in der Musik,” Jewishness in Music), under an alias, “K. Freigedank” (“K. Freethinker”).

There certainly are differences between Mendelssohn and Schumann, but they completely agreed about Wagner. After both examined “Tannhauser,” Schumann summed up: “[H]e is really incapable of conceiving and writing four beautiful bars, indeed, hardly [any] good ones in succession. . . . What lasting good can come of it?”

Wagner’s Puppetmaster

Richard Wagner was likely recruited to his role by the sophisticated Franz Liszt. In March 1848, Liszt visited Wagner in Dresden. Later that morning, Liszt, quite full of himself, demanded of Clara [Schumann] that she arrange a party for Liszt that very evening, and that he

wanted to hear Schumann's works. Clara hurriedly pulled together performances of Beethoven and Schumann piano trios and quartets. Wagner arrived an hour late, missing the Beethoven completely, and then commented that Schumann's work is "a bit Leipzig-like"—meaning, too much like Mendelssohn. According to Clara, after the meal, Liszt went to the piano, "and proceeded to play so abominably that I felt utterly ashamed at having to stay and listen...."

Even though Liszt must have known that Schumann had been a pallbearer at Mendelssohn's funeral, a mere four months earlier, he proceeded to attack Mendelssohn as not being up to the composer Meyerbeer. Robert Schumann, a quiet observer up to this point, burst out: "Meyerbeer is a nonentity compared with Mendelssohn! Mendelssohn's influence has been felt over the whole world, and you would do better to hold your tongue!" Then he stormed out. (Liszt's insult wasn't really in the not-credible comparison, but in the insinuation that one should only compare Jews with Jews, Meyerbeer having also been Jewish.) Liszt, seeing no support for his views among those in the room, took his leave, telling Clara that her husband was the only man in the world whom he would allow to treat him in such a manner.

The Schumanns weren't impressed by Liszt's playing or by his attacks upon Mendelssohn. Three years later, they heard Liszt perform in Dusseldorf. Clara wrote: "He played with a demonic brilliance, as always, with a mastery like that of the devil himself. (I can think of no better way of putting it.) But oh, what terrible compositions! If a youngster were to write such stuff, one could forgive him on account of age, but what can one say when a full-grown man is so deluded? We both felt very sad—it is so depressing. Liszt himself seemed offended that we did not say anything, but how can one, when one feels so angry?"

The famous Sanskrit scholar, Max Müller, witnessed a telling confrontation between Liszt and Mendelssohn years earlier. Liszt had attempted to take over a Mendelssohn event. "Liszt appeared in his Hungarian cos-



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Richard Wagner's (right) anti-Semitic attacks on Mendelssohn were likely orchestrated by the sophisticated Franz Liszt (left). Clara Schumann wrote of Liszt, "He played with a demonic brilliance, as always, with a mastery like that of the devil himself.... But oh, what terrible compositions!"

tume, wild and magnificent...." He played a Hungarian melody with three or four wild variations, and then pushed Felix to play. Felix said, "Well, I'll play, but you must promise me not to be angry." He proceeded to repeat, from memory, Liszt's whole performance—even "slightly imitating Liszt's movements and raptures." Perhaps Liszt—as Anytus with Socrates—had trouble keeping his promise not to be angry.

Regardless, in 1849, Wagner showed up at the Weimar castle of Liszt's paramour and financial patron, Countess Carolyne von Sayn-Wittgenstein. Wagner was on the run from the law, for his activities in the street demonstrations in Dresden. Liszt and the Countess would play a major role in Wagner's financial support and activities during the next several years of flight. From Paris, in 1850, Wagner submitted to Brendel his attack on Mendelssohn.

Wagner dismisses Mendelssohn as "sweet and tinkling, without depth": "So long as the separate art of music had a real organic life-need in it... there was nowhere to be found a Jewish composer.... Only when a body's inner death is manifest, do outside elements win the power of lodgement in it—yet merely to destroy it. Then, indeed, that body's flesh dissolves into a swarming colony of insect life: but who in looking on that

body's self, would hold it still for living?"

Then, finally, a special poison reserved for "us Germans": Wagner says that his essay was written to "explain to ourselves our involuntary repulsion by the nature and personality of the Jews, so as to vindicate that instinctive dislike which we plainly recognize as stronger and more overpowering than our conscious zeal to rid ourselves thereof." That is, we may feel twinges of a conscience, but it is right that the inner beast emerge, to crush such a weak moral impulse.

Who manipulated this beastman? A bit of their dialogue provides the answer:

Wagner to Liszt: "Whatever my passions demand of me, I become for the time being—musician, poet, director, author, lecturer, or anything else."

Liszt: "Be careful in your articles in the newspapers to omit all political allusions to Germany, and leave royal princes alone. In case there should be an opportunity of paying Weimar a modest compliment *en passant*, give free vent to your reminiscences with the necessary kid gloves." (July 29, 1849)

Wagner: "I herewith send you my last finished work; it is a new version of the original article.... Whether you will be pleased with it I do not know, but I feel certain that your nature is at one with me. I hope you will find in it nothing of the political commonplaces, socialistic balderdash, or personal animosities, against which you warned me.... Whether you ought to show [the Countess] my manuscript I am not quite certain; in it, I am so much of a Greek [read "pagan"] that I have not been able quite to convert myself to Christianity. But what nonsense I talk! As if you were not the right people!" (Aug. 4, 1849)

Poe, Mendelssohn, and Lincoln

Fanny died at age 42, in May 1847, after having suffered a cerebral hemorrhage at the keyboard, rehearsing for another of her Sunday *musikabends*. Felix received the news returning from a concert trip to London, and was crushed. His life-long soulmate was ripped from this world. Felix's stroke followed within five months, his death within six—at the age of 38. As Max Müller testified: "With her [Fanny] he could speak and exchange whatever was uppermost or deepest in his heart. I have heard them extemporize together on the piano-forte, one holding with his little finger the finger of the other." Felix composed for his sister's memory, that last Summer, his last string quartet, Opus 81—a work with the passion and nobility of a human who took his mor-

tality seriously. Robert Schumann wrote in his diary, about the smile of the deceased Felix: "He looked ... like a warrior of God who had conquered."

In conclusion, Martin Luther King didn't "talk like a white man"—rather, he grasped Shelley's "impassioned truths with respect to man and nature," more powerfully than thousands of English professors. Felix Mendelssohn did not "tickle the ivories," or entertain with gentlemanly parlor music—rather, he was the best of German culture, of Schiller's aesthetically educated citizens; and his closest musical associates, the Schumanns and young Joseph Joachim, would respond to the Liszt-Wagner ugliness and recruit a new young genius, Johannes Brahms, into their effort to master Bach and Beethoven.

Years later, Joachim would relate that Brahms had been "quite enraptured" reading *The Mendelssohn Family* by Fanny's son, Sebastian. Brahms' summary: "Those are magnificent people, with whom I would have wanted to mingle."

Felix Mendelssohn was born 200 years ago, Feb. 3, 1809, fifteen days after Edgar Allan Poe, and nine days before Abraham Lincoln. The youngest of the genius-triplets, Lincoln, early in the Civil War was accosted by detractors of General Grant, who charged that Grant was a drunkard; to which Lincoln is reported to have said, "Find out what he's drinking, and send a case to each of my other generals!" One might also ask, back in the Spring of 1808, what were those three mothers drinking?

Of course, Lincoln's joke plays upon the conceit that drink had anything to do with Grant's critical military successes that kept the Union alive. So, while our fancy is drawn to the births of three geniuses in Richmond, Hamburg, and Kentucky, in those 24 days of 1809, hopefully the joke also draws our attention to look elsewhere in our reflections upon the three. Here, we've only covered the commitment and passion of Felix Mendelssohn, in the face of the Philistines, but Poe and Lincoln share in more than their close proximity in birth. They were all talented young people of the 1820s and 1830s, as they fought for truth and beauty, while the rising supremacy of the British Empire attempted to end the American experiment.

Any talented youth who doesn't flinch in the face of evil already has enhanced access to genius. So, perhaps the new question, which would best honor Felix's birthday, is: Couldn't our world do better than having a genius born only once every eight days?

A Worthy Russian Proposal

Victor Ivanov, head of the Russian Federal Narcotics Control Service, said in an interview with the government daily *Rossiyskaya Gazeta* Jan. 30, that Russia wants to work with the new U.S. Administration in Afghanistan to fight drug trafficking. According to RIA Novosti, that was Ivanov's comment on the appointment of a high-ranking U.S. figure, former U.S. Ambassador to the UN Richard Holbrooke, as U.S. special envoy for Pakistan and Afghanistan.

Ivanov is the Russian official who, shortly after the Nov. 26, 2008 terror attack on Mumbai, India, cited intelligence received on its having been financed by the drug-running networks of Dawood Ibrahim.

Ivanov's proposal was heartily endorsed by Lyndon LaRouche, who emphasizes that the only way to stabilize the world strategic situation, is for the U.S. to get out of Afghanistan militarily (except for a presence around the capital), and to wage an all-out war on drugs. Winning that war, he stressed, is essential not only to stopping the narcoterrorist threat being wielded by the British Empire, but also to carrying out the necessary world economic reform.

Russian cooperation with the United States in carrying out a (primarily non-lethal) war on drugs would re-establish relations between the two in a way vital to the interests of both nations.

Noting the spread of drug crops and trafficking from southern Afghanistan to the whole area along the border with the Central Asian countries, Ivanov said, "To reduce this danger, we are vitally interested in working with the new American Administration." Novosti also cited U.S. State Department representative Robert Wood's earlier statement that the Obama Administration considers working with Russia a key component of its Afghanistan strategy.

Ironically, the U.S. will find it much easier to work with Russia against the drug trade, than with many of its NATO allies. The U.S. Commander of NATO, Gen. John Craddock, has long since attempted to get NATO troops in Afghanistan to take on the drug traffickers, only to meet vehement resistance, especially from the British. The leaking this week of the contents of a classified directive from Craddock, giving NATO troops the authority to go after the traffickers, brought the fight among the NATO nations to the public. The British, who "control" the Afghan province where most of the opium is grown, have been steadfastly opposed to targetting the drugs and their pushers.

Ivanov called for convening a conference under UN auspices on Peace and Prosperity in Afghanistan, as a "first step" in such U.S.-Russian collaboration against drugs. "It would be appropriate to hold such a conference in Afghanistan itself, e.g., in Kabul," said Ivanov. All tribes, areas, and political forces "prepared for a constructive dialogue" should be invited, he said, proposing a special role for Russia, as a country "whose forces have not participated in this seven-years-long war." Ivanov said that creation of a "single, independent, and strong nation of Afghanistan" would be the pathway to tackling the explosion of the heroin business.

In addition to Russia, it is also possible that Iran could be brought into such an anti-drug campaign, as that nation is a prime target of the opium scourge.

In supporting Ivanov's proposal, LaRouche added, "The real issue is that the United States and other countries are sending troops in as suckers to get killed for no purpose, while the British are promoting drug trafficking out of the area. That's what's happening. Either we stop the drug trafficking, or we lose civilization."

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Third Demonstration of the Theorem Concerning the

DECOMPOSITION OF INTEGRAL ALGEBRAIC FUNCTIONS INTO REAL FACTORS

by Carl Friedrich Gauss

LETTER FROM CARL GAUSS TO WILHELM BESSEL

December 18, 1811

THE FIRST INTEGRAL CALCULUS

by Johann Bernoulli

Exclusive Interview: René Descartes

WHAT'S THE MATTER WITH DESCARTES?

by Timothy Vance



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- COLD SPRING US Ch. 10: Wed 6 pm
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- MINNEAPOLIS TW Ch.16: Tue 11 pm
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- PROCTOR MC Ch. 12: Tue 5 pm to 1 am
- ST. CLOUD CH Ch.12: Mon 6 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun Midnite, 8 am, 4 pm
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- Windorsors Ch.27: Mon 5:30 pm
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- RCN Ch.83: Mon 10 am
- FIOS Ch.43: Mon 10 am
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- RCN Ch.85: 4th Sat 2 pm
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- ROCKLAND CV Ch.76: Tue 5 pm
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- WEST SENECA TW Ch.20: Thu 10:35 pm

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- FIOS Ch.41: Wed 6 pm
- LOUDOUN COUNTY CC Ch.98 & FIOS Ch.41: Wed 6 pm
- ROANOKE COUNTY CX Ch.78: Tue 7 pm; Thu 2 pm

WASHINGTON

- KING COUNTY CC Ch.77: Mon 11 am, Wed 7 am
- BS Ch.23: Mon 11 am, Wed 7 am
- TRI CITIES CH Ch.13/99: Mon 7 pm; Thu 9 pm

WISCONSIN

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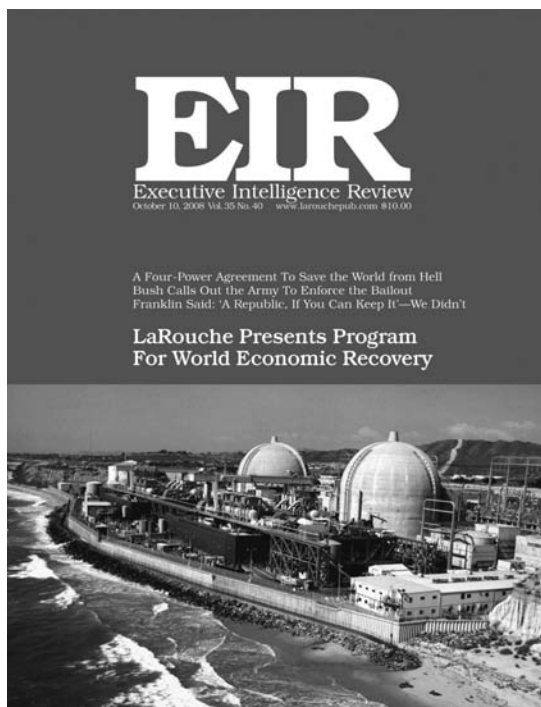
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