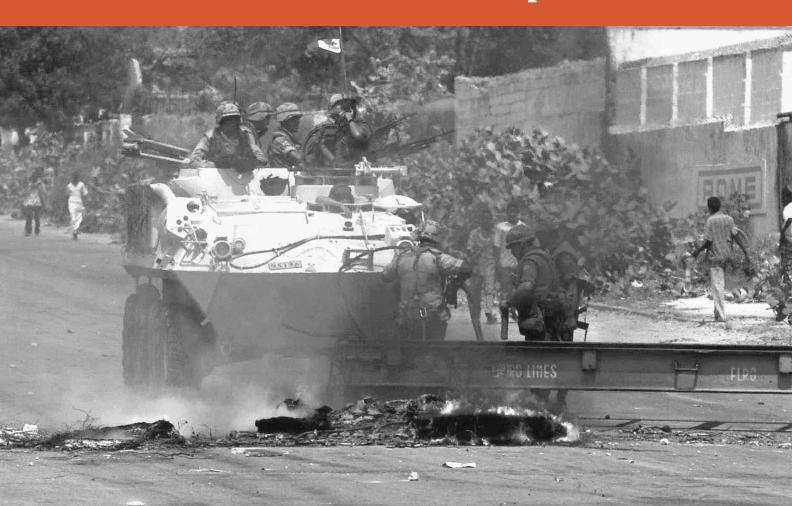
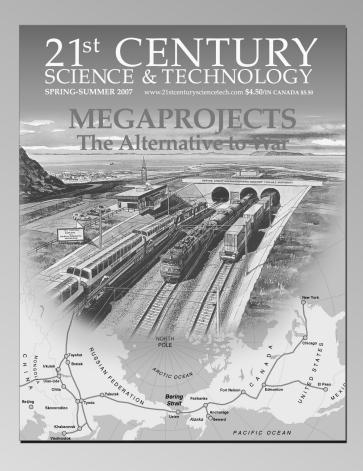


Life Within the Noösphere: What Is the Human Mind? LaRouche on 'The Hand Behind the Tragedy' The Debt Crisis Moves to Center Stage

# British Spark Global Mayhem As Financial Crash Deepens



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by Zbigniew Jaworowski, M.D., Ph.D., D.Sc. A senior multidisciplinary scientist reviews the political agenda of the Intergovernmental Panel on Climate Change and documents the fraud of its global warming science.

# Mankind Is Going Back To the Moon!

by Marsha Freeman

China, Russia, India, Japan, and newer spacefaring nations are planning multigenerational great projects to go to the Moon and beyond. Will the United States join them?

# **Bering Strait Tunnel Back on** World Agenda!

by Rachel Douglas

The megaproject to link Eurasia and America, as part of the World Land-Bridge, was propelled to center stage by an international conference in Moscow.

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# From the Managing Editor

As our *Editorial* lays out, the U.S. Presidential contenders have so far distinguished themselves mainly by their inadequacy, their need of strategic direction from Lyndon LaRouche, who will deliver a webcast address to the world on Jan. 17.

The problem is highlighted by news reports after the Iowa caucuses, that candidates, moving on to New Hampshire, were breathing a sigh of relief that they "no longer had to talk about ethanol" (Iowa's big cash crop). That obsession with "local hot-button issues" and "positions" on this, that, and the other, makes it impossible for any person—whether a Presidential candidate or not—to think.

To that, we counterpose a *Feature* that provides a *global strategic overview*, with regional intelligence analyses situated within the context of the collapse of the world banking system, a collapse which has already occurred, and whose effects will get much, much worse, if people don't wake up fast. We are not taking "positions" on Iraq, Pakistan, or Kenya. Our intelligence team, headed by Jeffrey Steinberg, assembled this report by looking at the globe as if from above, to discover the bigger picture in which these national tragedies are occurring.

Complementing the *Feature* are two short pieces by LaRouche, in *International*, one identifying the British hand in the assassination of Benazir Bhutto; the other briefly encapsulating the epistemological (Riemannian) vantage point required to solve the manifold crises facing the world today. In *Economics*, John Hoefle takes up everybody's "favorite" subject—debt—and shows how the financier oligarchy is determined to protect itself, even if it has to impose fascism to do it.

In our *Science* feature, LaRouche takes off from the complementary articles written by two members of the LaRouche Youth Movement, Cody Creighton Jones and Sky Shields, in last week's *EIR*, on the subject of Norbert Wiener's cybernetics, as opposed to human creativity. LaRouche takes the discussion a step farther, with a discussion of the nature of the developed human individual, as distinct from the beasts; and of the nature of the organization of the universe, such that it "accepts the guidance of successfully willful interventions" from the human individual mind.

Susan Welsh

# **EXECUTE** Contents

Cover This Week

Political unrest in Mogadishu, Somalia, in 1993. The situation there has deteriorated dramatically since that time.



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# 4 British Trigger Global Mayhem as Financial Crash Accelerates

Leading establishment figures are now admitting that the system is finished, echoing Lyndon LaRouche's July 25 webcast. It is only in this context that the global pattern of assassinations, ethnic and religious eruptions, and chaos, can be understood. They are all part of an Anglo-Dutch financier strategy of perpetual conflict, allowing them to gain control over the strategic raw materials wealth of the planet.

6 Strategic Map

### **SOUTH ASIA**

8 British Take Aim To Break Up Pakistan

### **SOUTHWEST ASIA**

9 Iraq: Calming Down or Priming for Blowup?

## **SOUTHEAST ASIA**

- 11 Thailand's Thaksin Threatened with Bhutto Treatment
- 12 Are Britain's 'Tigers' Threatening Malaysia?

## **EURASIA**

- 13 Britain Aims To Stop U.S.-Russia Partnership
- 14 Russian Media: 'The Empire Comes Out of the Shadows'

## **AFRICA**

- 15 London Promotes Genocide—Again
- 15 British Empire Targets Kenya
- 17 Mbeki Defeat Threatens All African Nations
- 19 LaRouches Led Fight for Development of Africa

#### **AMERICAS**

- 20 New Opium War To Balkanize Continent
- 22 NAFTA Final Stage Blows Up U.S.-Mexican Border
- 23 Budget Crises Explode Across the U.S.A.
- 25 It's the British Empire, Stupid!

EIR's 1997 report The True Story Behind the Fall of the House of Windsor documented the continuing role of the Empire that most people think disappeared at the end of the 19th Century.

# International

# 28 The Dynamics of This Crisis: The Hand Behind the Tragedy

By Lyndon H. LaRouche, Jr. analyzes the forces behind the assassination of former Pakistani Prime Minister Benazir Bhutto. He focusses attention on the "geopolitical playwrights," centered in London.

# 31 The Bhutto Family, EIR, and the Right to Economic Development

# 32 The One Is the Origin of Its Parts

By Lyndon H. LaRouche, Jr. The present, global storm is to be seen in physical (i.e., Riemannian) terms. To get the world out of the crisis mode now enveloping it, the U.S. economy must no longer function as an extension of a globalized Anglo-Dutch Liberal imperium, but rather as part of a new, "American System"-oriented core group composed of that U.S.A., Russia, China, and India.

# 33 BüSo Brings Reality to Hesse Campaign

An interview with Alexander Hartmann.

## 35 International Intelligence

# **Economics**

# 36 The Debt Crisis Moves to Center Stage

Debt, its issuance and management, has become perhaps the biggest business in the United States, and it is a business that has died.

# 38 There's No Relation Between CO<sub>2</sub> and Climate Change

An interview with Dr. R. Timothy Patterson.

# 42 Malthusian Claims Pandemic Disease Will Stop Warming

# 43 Scientists: Fight Warming with Growth

One hundred scientists sent this open letter to UN Secretary-General Ban Ki-Moon, under the title, "UN Climate Conference Taking the World in Entirely the Wrong Direction."

# **Departments**

## **45 Report From Germany**

FDR Impulse Emerges in Labor Movement

# **Interviews**

## 33 Alexander Hartmann

The state chairman of the Civil Rights Solidarity Movement (BüSo) in Germany, Hartmann heads a slate in the Jan. 27 elections for the state legislature in Hesse.

## 38 Dr. R. Timothy Patterson

A Carleton University professor of geology and director of the Ottawa-Carleton Geo-Science Center in Ottawa, Canada, Dr. Patterson was a chief collaborator with Martin Durkin in the 2007 documentary for Britain's independent Channel 4 TV, "The Great Global Warming Swindle."

# Science

# 46 Life Within the Noösphere: What Is the Human Mind?

Lyndon H. LaRouche, Jr. takes up from the discussion initiated in last week's *EIR* by LaRouche Youth Movement members Cody Creighton Jones and Sky Shields, on what it is that makes us human. How is the universe organized, such that it accepts the power of creative interventions by the individual human mind?

## The American Patriot

# 56 The Legacy of Friedrich List: The American System's Battle Against British Free Trade

This 19th-Century German-American lived and worked as part of three republican networks that were at political war with the British Empire: the Prussian Reformers movement in Germany, the Ecole Polytechnique of France, and the heirs of the American Revolution.

# 60 The British East India Company's War Against the United States

From a dramatic presentation entitled "Lord Palmerston's Multicultural Human Zoo," performed at a Feb. 19-20, 1994 conference of the Schiller Institute and the International Caucus of Labor Committees in Washington, D.C.

## **Editorial**

### 64 Listen to LaRouche

# **Feature**

# British Trigger Global Mayhem As Financial Crash Accelerates

by Jeffrey Steinberg

Sir Alan Greenspan, the octogenarian one-time paramour of hedonist philosopher-author Ayn Rand, and the former chairman of the U.S. Federal Reserve Bank, delivered a frantic confession on Dec. 27, 2007, in an interview with National Public Radio. Sir Alan candidly admitted that the world financial and monetary system, which he helped to shape during his 20-year tenure at the Fed, is finished. "What I have to forecast," he told NPR, "is that something will happen which is unexpected, which will knock us down.... The odds of that happening, I think, are rising, because we are getting into vulnerable areas." Elsewhere in the brief interview, Greenspan reiterated, "We're in a turning phase, and the extraordinary improvements that have occurred in the world economy in the last 15 years are transitory, and they're about to change.... So, I think this whole process will begin to reverse."

Greenspan's words hardly capture the magnitude of the financial crash that has been onrushing for the past six months, and that has now entered a new, even more volatile phase, as of Jan. 1, 2008 (see *Economics* lead article). As Lyndon LaRouche announced in a July 25, 2007 international webcast from Washington, the system is doomed, there are no "monetary" solutions to the crisis; and higher-ups in the City of London financial oligarchy are fully aware of the accelerating, irreversible crash of the whole global financial system.

Greenspan is but one among a number of City of London parrots who have been squawking doom and gloom in recent weeks and months. The London *Daily Telegraph*'s Ambrose Evans-Pritchard, a British intelligence asset, who led London's campaign to destroy the Bill Clinton Presidency, and who now resides in Brussels as the "Torygraph's" financial correspondent, has been pouring out a steady stream of remarkably accurate accounts of the financial crash process for

months. The "Torygraph" is leading a campaign to bring down the weak-kneed Fabian Prime Minister Gordon Brown, and replace him with a "tough-guy" Conservative, who can better steer Britain into austerity dictatorship at home, and imperial provocations abroad.

And in his weekly column in the French financial weekly *L'Express*, on Jan. 3, London Warburg asset Jacques Attali was far more shrill than Sir Alan or Ambrose: "It is the whole world which seems to be going over the precipice," he wrote, "As if a collision of trains going at full speed was being prepared. As if, in a vortex emptying the bottom of a bathtub.... [T]here is no stability in sight for the global economy."

Attali also spilled the beans on the vital link between the financial collapse process and the eruption of chaos around the planet, writing, "That the murder of an opposition leader of a country of the South [Pakistan—ed.] would so gravely shake the Asian financial markets, and with them those of the entire world, reveals the extreme fragility of the planet."

Returning again to the details of the escalating financial disintegration, Attali warned, "Beyond the subprimes, many other debts are circulating and no one knows how the banks will be able to honor them: those of hedge funds, of monoline insurers, of LBO funds, and of holders of credit cards, which form a pyramid amounting to much more than the bank's own funds, which would have been closed a long time ago, had the central banks not agreed to refinance them all without restraint." Attali concluded by returning to the situation in Euroland, predicting that the very future of the single European currency is in jeopardy, "with an Italy going financially adrift, to such an extent that the very existence of the euro could be put into question by speculators attacking the Rome Treasury."

Indeed, in the past months, an estimated \$1.5 trillion in bank assets have been wiped off the books, and an equal

amount of equity has evaporated on world stock markets. The idea that central banks could "solve" this crisis by a hyperinflationary flow of new money, is clinically insane. Crises set to blow during the first quarter of 2008, including a blowout of the insurance sector and a looming derivatives explosion, make the disasters of 2007, like the wipeout of the U.S. mortgage bubble, seem small in comparison.

## What Does It Mean?

It is in this context, and only this context, that the global pattern of assassinations, ethnic, religious and tribal eruptions, and all-around chaos, can be understood. None of these are local or regional events. They are all part of a single British strategy—aimed at one, single global objective: The destruction of nation-states, the launching of worldwide asymmetric warfare—to last for generations, and the consolidation of a vise-grip control over the strategic raw materials wealth of the planet, in Anglo-Dutch private cartel hands.

Students of history will recognize the pattern. It is the model of global oligarchical warfare, devised in modern times by Venice, utilizing private mercenary armies, like the Norman conquerers and crusaders, to eliminate any and all pockets of humanist resistance.

By now, some readers of this report are no doubt squirming over the idea that London is any longer a center of imperial power, capable of unleashing global chaos. Indeed, the British, themselves, have championed the idea that the Sun long ago set on the British Empire, and that the United States, not Great Britain, is now the reigning world imperial power. At best, a new "Anglo-American" consort, led by Washington, with London as its junior partner, is the epicenter of global power. But a more careful look reveals a very different picture. There is no "Anglo-American" consort. There is London, the British System of Empire, and a collection of wanna-be British assets and agents, who reside in Washington, on Wall Street, and around the globe.

The purpose of the British promotion of the "Anglo-American" partnership is to conceal the historic fault-lines between the American republican system, and the British empire. The distinction was most starkly clear during the Franklin Roosevelt Presidency, when the American leader vowed to bring an end to the European colonial system, at the end of World War II. FDR's premature death in April 1945 prevented the full realization of that goal, but the differences in principle remain, and leading American statesmen, like Lyndon La-Rouche, today carry forward the American republican animus toward British-led European imperialism.

From an historical vantage point, the current shape of the "invisible" British empire is not hard to fathom.

First off, virtually all of the offshore financial centers that dominate the globalized, deregulated financial system today, are located in British or Dutch colonies, like the Cayman Islands, the Dutch Antilles, the Isle of Man, the Grand Bahamas, etc.

Second, for decades the British have dominated the private mercenary industry, through outfits like Executive Outcomes, Sandline, Defence Systems Ltd.—working hand-inglove with Britain's major strategic raw materials cartels, that already own the lion's share of the precious metal wealth of Africa, Australia, and South America. British counterinsurgency methods, pioneered during the 18th-19th Century heyday of the British East India Company, are still practiced on a global scale, by British intelligence operatives and "former" officers, now operating under private cover. British imperial agents like George P. Shultz and Felix Rohatyn have promoted the privatization of national security inside the U.S. establishment, but these East India Company schemes are alien to the American outlook and tradition—despite Dick Cheney's Halliburton.

Third, the Commonwealth of Nations, headed by Queen Elizabeth II, is made up of 53 nations, spanning the globe, accounting for one-fifth of the land mass of the Earth, and a very high percentage of its strategic resources and population. Though nominally an alliance of independent states, the Commonwealth was itself founded, in the late 19th Century, as a perpetuation of the British Empire.

It is this British apparatus that has been unleashed, all around the globe, to foment chaos and provoke warfare. Since there is no way that the present global financial system can be "reformed," and since London will never voluntarily submit to a bankruptcy reorganization and allow nations to return to sovereign control over credit and currency—as proposed by LaRouche, and earlier implemented through FDR's Bretton Woods System—they resort, instead, to chaos.

At all costs, London and the extended Anglo-Dutch financial oligarchy, are committed to the provocation of conflict among the world's leading powers—the United States, Russia, China, and India. A coordinated effort on the part of those four great sovereign powers, with the enthusiastic support of many smaller nations around the globe, could impose a new, just financial order, and eliminate the power of Anglo-Dutch offshore finance.

It was under far less severe conditions of global financial and monetary breakdown in the late 1920s and 1930s that the Anglo-Dutch financial oligarchy bankrolled Fascism and Nazism in Europe, and provoked world war. Today's circumstances are, in fact, far more desperate. At all costs, London is committed to preventing the emergence of a new "FDR paradigm" in Washington, one that would win the immediate backing of Moscow, Beijing, and New Delhi. Global chaos is its weapon of choice.

It is in this context, that the Dec. 27, 2007 assassination of Benazir Bhutto must be viewed. It is also for this reason, that this *EIR* strategic study begins with a world map, which shows the total picture of British-orchestrated instability. Consider the global breadth and scope of the actions, first. Then visit the internal details of each hot-spot. The persistent hand of London will then be visible.

# Strategic Map

See www.larouchepac.com/go/crisismap for a color version of this map.

# East Asia

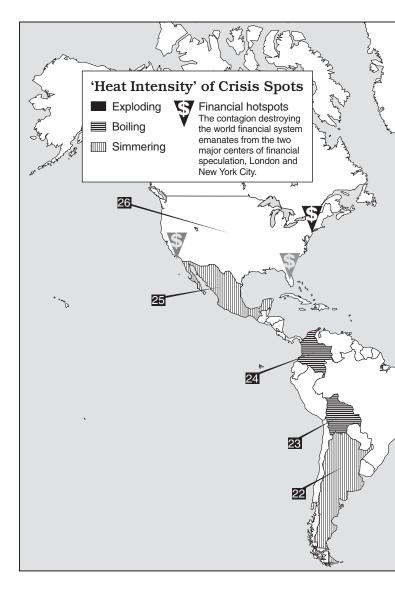
- **1. Malaysia:** British-backed activists are attempting to instigate conflict between the Hindu minority and the government. (See article.)
- **2. Thailand:** The newly elected government of supporters of former Prime Minister Thaksin Shinawatra, has been threatened with the "Benazir" treatment. (See article.)
- **3. Sri Lanka:** Recent abandonment of a cease-fire between the Tamil Tigers, a London-sponsored terror group, and the government signals broader destabilization of the region.
- **4. Taiwan:** The government of Chen Shui-bian is holding a March 2008 referendum for separate United Nations membership from China could spark a cross-Strait conflict.

# Southwest Asia

- **5. Pakistan:** The nation is threatened with breakup following the assassination of Benazir Bhutto Dec. 27. (See article.)
- **6. Afghanistan:** The U.S. invasion and NATO occupation have led to a deteriorating, more violent situation.
- **7. Iran:** While plans for U.S. attack have gone onto the back burner, British assets inside and outside of the country keep it as a danger spot.
- **8. Iraq:** The slight reduction in violence has not produced a political or military solution. (See article.)
- **9. Israel-Palestine:** There are reports of Israeli plans for a massive invastion of Gaza to wipe out Hamas.
- **10. Lebanon:** Anglo-French interference has prevented the consensus between Hezbollah and the government coalition, which could permit formation of a government.

## **Africa**

- **11. Somalia:** In the year since the Ethiopian invasion, conditions have qualitatively worsened, with more than 1.5 million people displaced.
- **12. Kenya:** Chaos and civil war are threatened in the aftermath of contested elections. (See article.)
- **13. Sudan:** The integrity of the nation, long a target of British imperial design, is under concerted attack, not only

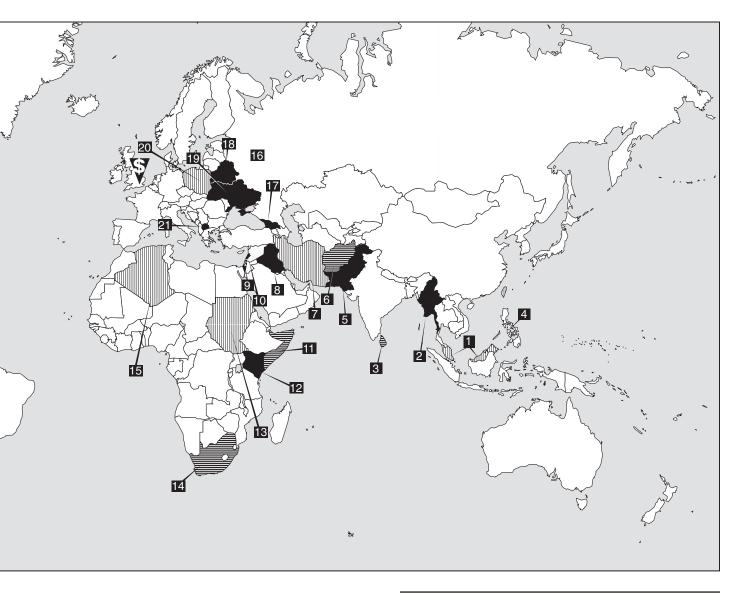


through the Darfur operation, but because of unresolved issues with the Southern provinces.

- **14. South Africa:** Thabo Mbeki's defeat as head of the African National Congress is a threat to the nation and the continent. (See article.)
- **15. Algeria:** Mass terror incidents make this nation a target for destabilizing the region.

# Eastern Europe

- **16. Moscow:** The pro-FDR policies of President Vladimir Putin, and the desire for an alliance with a pro-FDR Washington, are the primary targets of the British "cold war." (See article.)
- **17. Georgia:** If Kosovo declares independence, it would trigger declarations of independence by autonomous



regions in this nation. The government is already under attack by "popular" demonstrations, and Mikhail Saakavishi is holding snap elections Jan. 5. (See article.)

- **18. Belarus:** New U.S. sanctions against this Russian ally follow the British script. (See article.)
- **19. Ukraine:** A new Cheney-backed government in this nation could return it to the threshhold of civil war. (See article.)
- **20. Poland:** U.S. plans to place ten missile interceptors in this nation put it on the hotseat in relations with Moscow. The new President has declared his intent to ensure that this measure would be 100% in Poland's security interests, before carrying it out.
- **21. Kosovo:** Britain is the key instigator of a declaration of independence by this Serbian province, an act intended to provoke Russia. (See article.)

# The Americas

- **22. Argentina:** The incoming government of Cristina Fernández de Kirchner is a target of the British globalists who oppose her continuation of her husband's nationalist policies.
- **23. Bolivia:** Separatist tensions have reached a boiling point, and can only be cooled by continentwide collaboration.
- **24. Colombia:** A FARC/Hugo Chávez hostage release stunt is aimed to further destabilize the Uribe government and could trigger Venezuela-Colombia war.
- **25. Mexico:** New NAFTA measures devasting Mexican agriculture and triggering food price shocks, as drug cartels exert growing clout, with 2,500 narco-assassinations in 2007.
- **26. United States:** State budget implosions in at least 36 of the 50 states are the first stage of huge social and political upheavals, that can be expected as the crash deepens.

# British Take Aim To Break Up Pakistan

by Jeffrey Steinberg

With the Dec. 27, 2007 assassination of former Prime Minister Benazir Bhutto, Pakistan, and, by extension, the entire South and Central Asian region, have been plunged into turmoil—just as British strategists intended. While the Bush Administration demonstrated the same degree of bungling incompetence and shallow thinking towards the unfolding Pakistan crisis, as it showed towards the invasion and occupation of Iraq, Britain has proceeded, step-by-step, towards a strategic goal: the breakup of Pakistan, and the creation of a no-man's-land separatist entity, bordering on Afghanistan and Central Asia, to serve as a long-term source of instability, asymmetric warfare, and black market operations, particularly opium trafficking out of the "Golden Crescent."

Already, the frontier areas of the North West Frontier Province, Waziristan, and the Federally Administered Tribal Areas (FATA), are outside any direct control of the government in Islamabad, or the Pakistani military. Both the Taliban

and al-Qaeda have re-established command, control, and communications in this region, and the Pakistan Army is not prepared to launch military operations against its own people in that area (a sizeable number of rank and file soldiers in the Army come from those regions). The Pakistani Inter-Services Intelligence (ISI) has longstanding ties to the Taliban, dating back to the U.S.- and British-sponsored mujahideen operations of the 1980s, against the Soviet occupation, prior to the Taliban's formal emergence.

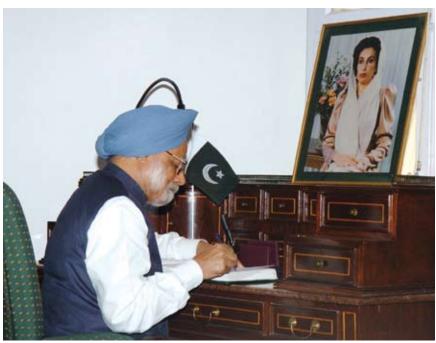
One senior U.S. intelligence source estimates that it would take 100,000 NATO combat troops, and a total of 200-300,000 troops altogether, in Afghanistan, to clear the border area of insurgents, and stabilize the country. And there is zero prospect of any such deployment at this time, or any time in the future. NATO's mission statement for Afghanistan, according to NATO sources, explicitly forbids any anti-narcotics operations, ostensibly due to troop limitations; and an

estimated \$100 million in revenue from the black market opium trade, approximately 10% of the total annual cash flow, goes to the Taliban every year—thus insuring that the organization will continue to build in strength. The Taliban and its warlord allies control an estimated one-third of Afghan territory. British MI6 has been engaged in ongoing negotiations with Taliban commanders, much to the chagrin of the U.S. CIA, which recently pressed the Afghan government to expel two British "diplomats" who were funneling cash to the Taliban, and otherwise facilitating their takeover of key towns and regions.

## The Bhutto Assassination

In much the same way that neoconservatives in the Bush Administration convinced themselves that the invasion of Iraq would be a "cakewalk," and that American soldiers would be greeted as "liberators," Bush Administration strategists concocted a fantasy that "democracy" and stability could be brought to Pakistan, by forging a governing coalition between Benazir Bhutto, President Musharraf, and a new Pakistan Army chief, chosen for his close ties to the Pentagon. Shortly after her return to Pakistan, Mrs. Bhutto reneged on the agreement, and launched an effort to unseat Musharraf altogether, through street demonstrations and her own international media spotlight. According to one senior U.S. intelligence source, Bhutto's British "friends" may have been instrumental in convincing her that she could abandon her deal with "that dictator" and go for direct power—with London's backing.

The wishful delusion on the part of the Bush Administra-



PIB/Government of India

Indian Prime Minister Dr. Manmohan Singh signs the condolence book for Benazir Bhutto at the Pakistan High Commission in New Delhi on Dec. 28.

tion contributed to the circumstances leading to the Bhutto assassination and the chaos that has followed, but was not the cause of her murder. Lyndon LaRouche observed, within hours of the Bhutto assassination, that whoever convinced President Musharraf to take off his military uniform and step down as head of the Armed Forces, was in the middle of the assassination/destabilization scheme. Stripped of the power of the uniform, President Musharraf has been turned into a hostage of circumstances.

#### Londonistan

U.S. and Indian intelligence specialists have emphasized that the investigation into the Bhutto assassination is made more difficult by the fact that the Pakistani People's Party (PPP) leader had many enemies, who wished to see her dead, creating a number of opportunities, and a proliferation of false trails to secure a coverup. They point, however, to a network of Islamist groups, including the Hisbut Tahrir, with international headquarters in London, who have heavily penetrated the ranks of the Pakistani Army in recent years, and who, therefore, had access to the secure, garrison city of Rawalpindi. Such British-intelligence-protected and -sponsored groups offered the perfect cover for a made-in-London assassination.

If there was any remaining doubt about London's drive to spread chaos in South and Central Asia, through the Bhutto assassination and its aftermath, the Jan. 5-11, 2008 edition of The Economist set the record straight, with a lead editorial, "The World's Most Dangerous Place-Nothing else has worked; it is time for Pakistan to try democracy." The City of London mouthpiece demanded that the assassination probe be taken out of the hands of Musharraf, that the Pakistani military and intelligence services be purged, and that "democratic" elections take place right away. The alternative: a "slide into anarchy." "For too long," The Economist concluded, "Mr Musharraf has been allowed to pay lip-service to democratic forms, while the United States has winked at his blatant disdain for the substance. The justification has been the pre-eminent importance of 'stability' in the world's most dangerous place. It is time to impress upon him and the generals still propping him up that democracy is not the alternative to stability. It is Pakistan's only hope."

The International Crisis Group (ICG), normally a respected NGO, in a Jan. 2 report, echoed *The Economist* and went one step further—demanding Musharraf's immediate ouster. The report virtually claimed that Musharraf's remaining in office would lead to the breakup of the country: "Bhutto's death," the ICG claimed, "has drawn the battle lines even more clearly between Musharraf's military-backed regime and Pakistan's moderate majority, which is now unlikely to settle for anything less than genuine parliamentary democracy. Many in Pakistan fear that the federation's very survival could depend on the outcome of this struggle."

The Pakistani government denounced the ICG call as "seditious."

# Southwest Asia

# Iraq: Calming Down or Priming for Blowup?

by Carl Osgood

The Bush Administration and its supporters have been making much out of the substantial reduction in the level of violence in Iraq that has occurred since the Summer of 2007. They declare that the surge strategy, which was hatched at the American Enterprise Institute in response to the Iraq Study Group's critical December 2006 report, has been an unqualified success; that Gen. David Petraeus is a hero for his "brilliant" implementation of a new counterinsurgency strategy; and that anyone on the political scene who still supports an unconditional withdrawal of U.S. troops from Iraq, as quickly as possible, is trying to pull defeat from the jaws of victory.

Competent analyses are more circumspect, however, and go well beyond Petraeus's own warning, in a year-end letter to the troops, that the supposed progress there is still "reversible." Indeed, while the current strategy may have resulted in short-term gains, long-term centrifugal forces that, in certain cases, have been planted by 100 years of British imperial strategy, and exacerbated by the bungled U.S. occupation, may yet pull the country apart.

The reduction in violence has generally been attributed to three factors: the surge, last Spring, of 30,000 additional U.S. troops into Iraq to implement the new strategy; the Anbar "Awakening," in which Sunni tribal chiefs in Anbar, Diyala, and other provinces, in some cases greased with U.S. and Saudi cash, have turned on their al-Qaeda allies; and a ceasefire declared by Shi'ite firebrand cleric Moqtada al-Sadr and his Jaish al-Mahdi militia.

With U.S. military encouragement, Sunni men have flocked to join "concerned local citizens" groups (or CLCs) which are then contracted to provide security in local areas. Sadr's ceasefire, with the exception of some rogue elements said to be outside of his control, has generally been described as holding. The result, according to Petraeus, has been a decline in the level of violence by about 60% over the past year.

Many critics of the Administration have attributed at least part of the reduction in violence to the completion of the ethnic cleansing that has taken place in Baghdad since the February 2006 Samara mosque bombing. The formerly mixed neighborhoods in Baghdad, these critics say, are now either all Sunni or all Shi'ite, lessening the motivation for ethnic violence. Anthony Cordesman, the chief Middle East expert

at the Center for Strategic and International Studies in Washington, D.C., noted in an Oct. 26 report that, indeed, Iraq is dividing along sectarian lines. Cordesman, who is among the more sober analysts of Iraq in Washington, warned that if such divisions continue to the point that Sunnis, Shi'ites, and Kurds cannot function as a nation, "the consequences are likely to be grimmer" than has heretofore been seen.

"Major new displacements of population are almost certain and every step towards further division will come at great economic cost to those involved," Cordesman wrote.

# A Legacy of Weakness and Strife

The weak government in Baghdad has hardly proven to be a unifying factor in the country. Retired Gen. Barry McCaffrey, who makes field trips to

Iraq two or three times a year on behalf of the Department of Social Sciences at the U.S. Military Academy, stated in his latest report, dated Dec. 18, 2007, that there is no functioning central Iraqi government. "The constitution promotes bureaucratic stagnation and factional strife," he wrote. "The budgetary process cannot provide responsive financial support to the military and police nor local government for health, education, governance, reconstruction and transportation."

"reversible."

McCaffrey notes that Prime Minister Nouri al-Maliki has no power base and commands no militias, "making him a non-player in the Iraqi political struggle..." McCaffrey might have added that Iraq got its nonfunctional government from the United States, its constitution having been crafted by Paul Bremer's now-defunct Coalition Provisional Authority in 2004.

Both McCaffrey and former Defense Intelligence Agency analyst W. Patrick Lang warn against a permanent U.S. presence in Iraq, and argue instead for staged withdrawal over a period of about three years. In a Dec. 12 posting on his blog, Lang warned that a long-term U.S. presence, à la Korea, "would inevitably lead to continued anti-U.S. warring in the country ... some of those who now have turned against the takfiri jihadis and are fighting as our 'allies' might well go back to fighting us." McCaffrey warns that the United States has decreasing political leverage in Iraq, and that the overstretched U.S. armed forces "cannot for much longer impose an internal skeleton of governance and security on 27 million warring people."

Yet, on Nov. 26, President Bush and Prime Minister Maliki signed an agreement that provides the parameters for establishing a permanent U.S. military presence in Iraq. Lang



DoD/Cherie A. Thurlby Gen. David Petraeus: Iraq progress is still

wrote of this on Dec. 21: "I guess they just don't understand that there will not be a peaceful outcome for any of the parties to such an agreement. There will simply be more war."

Interestingly, Cordesman's report includes a timeline of the history of sectarian division in Iraq that goes back to the British occupation of the 1920s, but he doesn't mention the actions of the British at that time, or since, that have helped foment those divisions, such as the carving up of the disintegrating Ottoman Empire by the Sykes-Picot arrangements that left the Kurdish population spread across four nations. Ever since that time, the Kurds have been used by the British as a lever for destabilization, such as the Kurdish extremist group PKK against Turkey, and the Kurds against the Arabs inside Iraq.

Cordesman notes repeatedly that while polls inside Iraq show that most Arabs consider the American invasion and occupation a disaster, the Kurdish view is almost completely the reverse. Likewise, McCaffrey predicts that the next war in Iraq will be between Arabs and Kurds, once Mosul, Kirkuk, and the giant oil fields of the North are absorbed into the nascent Kurdish state.

In the South, the British turned control of Basra over to Iraqi security forces on Dec. 17 with much fanfare, but who really controls that city and the southern provinces is an open question. Basra has long been a battleground among competing Shi'ite militias fighting for control of the city and the southern oil fields. It appears, in fact, that the British occupation forces actually did very little to curb this conflict, and have now left it to the Iraqis to solve. Maj. Gen. Jalil Khalaf, the Iraqi police commander, said, in a Dec. 17 interview with the London *Guardian*, that the British "left me militia, they left me gangsters, and they left me all the troubles in the world."

Khalaf said, naively, that while he thought the British intentions were good, they "trained and armed these people in the extremist groups and now we are faced with a situation where these police are loyal to their parties, not the country."

Basra is also important for another reason: The major U.S. military supply route runs through Basra on its way from Kuwait to Baghdad. Khalaf's assessment of the consequences of the British machinations in the Shi'ite south of Iraq are correct. But his notion that the British had any intention, other than to foment Shi'ite versus Shi'ite war, ethnic cleansing, and the breakup of the unified Iraqi state, is dead wrong.

# Thailand's Thaksin Threatened with Bhutto Treatment

by Mike Billington

On the eve of the Dec. 23 election in Thailand, *The Economist*, the journal of the liberal-fascist Fabians in the City of London, published a warning to the deposed Prime Minister of Thailand, Thaksin Shinawatra, that he can expect the "Benazir Bhutto" treatment if he proceeds with his plans to return to Thailand. In an article titled "Thailand's Election: Southeast Asia's Pakistan?," *The Economist* of Dec. 19 wrote: "Pakistan is not the only Asian country where a dodgy military regime is running a general election under dubious electoral rules in the hope of keeping out a similarly dodgy civilian whom it overthrew." This was just one week before the British-orchestrated assassination of Benazir Bhutto on Dec. 27 (see www.larouchepub.com/other/2008/3501bhutto\_killing.html).

Although the situations are different in character, the intention behind the British policy of maximum chaos, and the undermining of sovereignty, driven by the reality of the global financial collapse, is the same—as it is for crises being created and fanned by the British empire throughout the world.

Despite extensive efforts by the Thai military junta to fix the election, the newly established People's Power Party (PPP) in Thailand, founded by Thaksin's supporters to replace the former prime minister's Thai Rak Thai Party (which had been dissolved by the military junta that deposed him), swept the election handily, and quickly formed a coalition with several smaller parties, giving it a strong majority in the parliament.

The implications of the Bhutto assasination, and *The Economist* warning, were not lost on Thaksin and his supporters in Thailand, nor on the junta. Thaksin, who announced that he would return from exile sometime after the new parliament is seated in February, took the opportunity of a New Year's Day interview with the Thai newspaper *Matichon*, to discuss the several assassination attempts against him during the period leading up to the coup in September 2006. As to the junta which ran the coup, Gen. Surayud Chulanont, the junta's appointed prime minister, tried to assure the nation, which had just shown its continuing support for Thaksin in the election, that there would be no repeat of Pakistan in Thailand. "Naturally we are not violent people, so we should not copy that. We

should not resort to violence," said General Surayud.

Whatever the intentions of the junta, the situation is not under its control. A primary target of London's "Operation Chaos" is the disruption of the growing alliance between Russia, India, and China, as reflected in Southeast Asia policy, and, in particular, the orientation of that alliance toward the historical policies of Franklin Roosevelt, and the representation of that orientation today by Lyndon LaRouche.

## Chaos vs. the General Welfare

Thailand, and its neighbor Myanmar, serve as a vital crossroads, both geographically and politically, between India and China, while also maintaining increasing relations with Russia. The hysteria in London and Washington against Myanmar's sovereignty stems from this reality, and both have held Thailand largely responsible for the fact that Myanmar's Asian neighbors have refused to participate in the hypocritical Western human rights diatribes against Yangon. A massive destabilization of Thailand, such as an assassination of Thaksin, would spread the intended chaos throughout South and Southeast Asia, with repercussions in China.

There are other factors at play in Thailand, in addition to the global economic crisis plaguing all nations. The King of Thailand, now 80 years old and in the 60th year of his reign, has undergone several serious operations, and may be close to death. This has sent the various military factions, which have been held together to some extent by official loyalty to the King, scurrying to establish their positions for the impending crisis. The crisis is greatly exacerbated by a general distaste for the Crown Prince. Despite extremely strict *lèse majesté* laws in Thailand, which prevent any public criticism of the King, the dislike for the Crown Prince, and a widely held belief that the dynasty should end with this King's death, is hardly a secret in Thailand.

Thaksin's huge support in Thailand's rural communities and among the urban poor stems from his dedication to the general welfare—which has also won him the enmity of the financial elite at home and abroad. He was the first Thai prime minister to serve out a four-year term, and the first to be reelected (by an overwhelming margin). Thaksin implemented a policy of universal access to hospital care for about \$0.75 per visit, and gave access to cheap credit to farmers and other rural poor. His opponents' accusations regarding Thaksin's alleged personal corruption have little impact on the poor who have benefitted from his policies.

However, the middle class mobs which were mobilized by the Wall Street-linked media and NGOs have been forced to swallow the fact that their support for overthrowing Thaksin in the name of democracy, actually brought on the extremely unpopular military junta, which has left the country with a military-imposed constitution and a repressive new internal security act. Also, the fact that Gen. Prem Tinsulalonda, the head of the Privy Council, is recognized as the coupmaster who brought on the military junta, makes it difficult

for those who try to discredit Thaksin by labelling him as antimonarchist.

The head of the PPP and the likely next prime minister, Samak Sundaravej, is an old political warhorse, who was most recently the governor of Bangkok and a popular radio/TV talk show host. (Samak, the Communications Minister in 1983, was the welcoming speaker at a conference sponsored by Lyndon LaRouche and *EIR* in Bangkok that year, promoting the building of the Kra Canal in southern Thailand as a major regional infrastructure project).

Samak has pledged to lift the five-year ban on political activity, imposed by the junta on Thaksin and 110 of his Thai Rak Thai associates, and to revive the popular policies of Thaksin.

The reign of the junta has had some achievements, as it appointed established professionals to several leading positions. The governor of the Bank of Thailand, Tarisa Watanagase, imposed currency restrictions to halt the manipulation of the currency by speculators. Although the economy (as measured by GDP) has not grown at the pace of several of its Southeast Asian neighbors, the growth in those countries is largely hot money fleeing the collapsing dollar and investing in speculative markets, not real development. This is the kind of "growth" that Thailand is better off without.

Also, the Health Ministry, under Dr. Mongkol Na Songkhla, led a courageous and successful fight against the international pharmaceutical companies, and their genocidal sponsor Al Gore, in demanding the right to produce generic drugs to save their populations from death by AIDS and other diseases (see www.larouchepub.com/eiw/public/ 2007/2007\_20-29/2007\_20-29/2007-22/pdf/36-38\_722.pdf).

These and other beneficial policies of the past year should be sustained by the new government. Whether it will be prepared to cope with the global financial collapse by joining in the growing momentum for a new world financial system, a new Bretton Woods-style agreement, is yet to be seen. However, if Britain's "Operation Chaos" is allowed to unsheathe its sword in Thailand, it will soon be prey to the Four Horsemen of the new Apocalypse.

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# Are Britain's 'Tigers' Threatening Malaysia?

by Mike Billington

A small radical faction of the Indian minority in Malaysia has unleashed a blatantly British-instigated destabilization of this Southeast Asian nation, with evidence that the group is working with the Tamil Tigers (LTTE)—the Sri Lankan ter-

rorist group which gave birth to the "suicide bomber" phenomenon over the past decades, including the suicide bomber assassination of Indian President Rajiv Ghandi in 1991, and several assassinations of Sri Lankan officials since then.

The Hindu Rights Action Group (Hindraf) led demonstrations in November against alleged "ethnic cleansing" by the Malaysian government of the Indian minority (which makes up 8% of the population), and in particular, against the destruction of Hindu temples on land which was being cleared for development. The government arrested several demonstrators, and announced that there were links to the Tigers. Malay sources told *EIR* that some of those arrested are LTTE members. Five members of Hindraf are now being held under Malaysia's stringent Internal Security Act.

In Sri Lanka, meanwhile, the government this week broke its ceasefire with the LTTE, set in 2002, reporting that the Tigers had used the ceasefire for a significant rearmament. LTTE chief Velupillai Prabhakaran reportedly delivered a speech in November stating: "Now, with abundant monetary and military aid from several countries, it has rehabilitated its destroyed military and has prepared itself for war again."

## **British Provocations**

One of the leaders of Malaysia's Hindraf, the lawyer P. Uthayakumar, was charged with writing seditious letters to British Prime Minister Gordon Brown, accusing the government of attacks against Indian-Malays by "Government-backed Islamic extremist violent armed terrorists," destruction of Hindu temples, and ethnic cleansing, while calling on the British to "refer Malaysia to the World Court and International Criminal Court."

Also, the neocon's favorite Malaysian dissident, Anwar Ibrahim, close friend and ally of fascists Paul Wolfowitz and Al Gore, flew off to India to call on the Indian government to take action against Malaysia's "repression" against the Indian minority.

The provocations have all the telltale signs of British intelligence destabilizations, with neither the Hindu radicals nor Anwar attempting to hide their loyalties to the British and the neoconservatives. The charge of Tamil Tiger connections has been denied by the Hindraf, however.

Malaysian Works Minister Samy Vellu, who is of Indian origin, has strongly rejected the claims of the Hindraf, and is travelling to India, where he is expected to meet Prime Minister Manmohan Singh and others on the sidelines of an annual gathering of the Indian diaspora, beginning in New Delhi on Jan. 7, and to counter the Hindraf charges. The Indians are equally concerned about the LTTE terrorists, but are also expecting Malaysia to address grievances of the Indian minority with increased care while dealing strictly with the Hindraf.

# Eurasia

# Britain Aims To Stop U.S.-Russia Partnership

by Michele Steinberg and EIR Staff

For the British Empire, it is an existential issue to prevent a U.S.-Russia partnership, and the Anglo-Dutch oligarchy will go to any lengths to stop that cooperation. Especially after the July 2007 talks that Russian President Vladimir Putin held with President George W. Bush and his father at Kennebunkport, Maine, the Empire faction has been hell-bent on driving a wedge between the two countries. And as the global financial collapse puts the power of the Anglo-Dutch financier oligarchy in jeopardy, they are going all out with a new "Cold War" offensive, with constant references to Putin as a new dictator, running a "KGB State."

This is not a new strategy of evil intent by the British oligarchy; as far back as November 1999, the Russian Foreign Ministry filed a diplomatic demarché over the recruitment and training of Osama bin Laden-linked terrorists in London, to be sent to Chechnya to fight the Russian Army, and carry out terrorist actions. The British government refused to shut down the operation, and continues to shelter Chechen rebel leaders accused by Moscow of masterminding terrorism.

As the new year begins, destabilizations of nations ringing Russia—Georgia, Belarus, and Ukraine—are in full swing. But the threat that would put a match to the powder keg is promotion of the independence of the Kosovo province of Serbia—which Russia adamantly opposes.

Delayed since early December, when an attempt by the United Kingdom—with U.S. support—to have a Kosovo independence resolution at the UN Security Council, failed for lack of support, the separatist leadership in Kosovo claims that it will unilaterally declare independence, at some point, since it already has assurances from individual countries in the European Union to recognize it. The EU has sent an 1,800-person police and security mission to Kosovo. According to diplomatic sources, Kosovo independence would turn the tensions between Georgia and Russia from a "Cold War" to a hot one.

On Dec. 21, Russian Foreign Minister Sergei Lavrov put a sharp point on the Kosovo crisis, when he told *Vremya Novostei*, "If NATO and the EU now state, after ignoring all legitimate legal mechanisms that exist in the United Nations, that they will decide on how to divide Serbia, how to bite Kosovo off from it ... they will put themselves above international law." On Dec. 24, Lavrov warned that Kosovo independence would be taken as a precedent by the administrations of Abkhazia and south Ossetia, autonomous regions within Geor-

gia—though he said, it is not Russia's policy to promote this.

The Kosovo battle at the UN was occurring at the same time that news media were humming over a provocative "scenario," for Russia, in a report by the Center for Strategic and International Studies in Washingon, released on Dec. 17, called "Alternative Futures for Russia," by Andrew Kuchins. In a fantasia which mixes Sergei Eisenstein's *Ivan the Terrible* with *Boris Gudonov* by way of Harry Potter and James Bond, Putin is assassinated on leaving midnight mass at Christ the Savior Cathedral in Moscow on Jan. 7, 2008. He is replaced by Russian Railways CEO Vladimir Yakunin, who shoots down striking miners and kills political opponents. Yakunin's tyranny uses a highly nationalist and religious secret service, combined with the most advanced technology ... and so on.

## **Blunt Talk**

The global chaos scenario is not unnoticed by the leadership of Russia at the highest levels. On Dec. 31, Lavrov issued a year-end statement, warning that 2008 could see "breakdowns in world affairs ... which might be provoked by unilateral actions of some states or groups of states and their attempts to operate outside international law in violation of the principle of equal security." In his year-end interview published on Dec. 26 by Vremya Novostei, Lavrov advised looking back to Putin's Feb. 10, 2007 speech at the Munich Conference on Security Policy, which was the opening of a year of "blunt talk." Speaking to officials from more than 40 countries, Putin said, "The conference format allows me to avoid excessive politeness and the need to speak in roundabout, pleasant, but empty diplomatic terms." Lavrov said about this speech, "The main purpose of Munich was to put the matter of mutual understanding into focus," to call for "honest, open dialogue ... without hidden agendas."

What Putin said at Munich was misrepresented throughout the world as marking a return to the Cold War, but *EIR*'s Feb. 23, 2007 issue documented that Putin was not attacking the United States—indeed it was the first of several occasions in 2007 in which he invoked the policies of Franklin Delano Roosevelt—but rather the perversions of American policy by traitors to the real identity of the U.S.A. Lavrov then noted the follow-up to Munich was the "unprecedented proposal Putin made at Kennebunkport ... a qualitatively new approach, implying mutual trust and complete openness." He added, however, "We have not lost hope, that this approach will be accepted, though the chances of that are declining."

As Russia heads into its own presidential elections in March 2008, the Russian media is full of warnings about London's dirty operations (see box). And three of the most important of Russia's neighbors are facing new crises—all derivative of the insane, phony "democracy" issue that has been used to assault national sovereignty.

In Georgia, early elections were held on Jan. 5, after mass demonstrations in November against "Rose Revolution" poster boy, President Michael Saakashvili, who attempted to de-

fuse the crisis by calling the early Presidential vote. Now, Saa-kashvili is getting a taste of his own medicine, with accusations, prominently carried by the likes of the *Financial Times* of London, that the results are rigged in his favor. Ten days before the elections, the Saakashvili government accused one opposition candidate, Badri Patarkatsishvili, of plotting a post-election coup that would take place through protests over vote fraud, by buying the security services for \$100 million. Tapes of Patarkatsishvili in London negotiating this payoff were released by the government on Dec. 26.

In Belarus, the United States imposed draconian sanctions on the small country—which voluntarily signed the treaty giving up its nuclear arsenal at the end of the Soviet Union, in return for good relations with the U.S. and West. In a Treasury Department decision, and a Presidential order in mid-December, Washington banned President Alexander Lukashenka from visiting the U.S., prohibited Americans from doing business with the Belarusian oil refiner Belneftekhim, and froze the assets that the company had under U.S. jurisdiction. On Dec. 30, President Lukashenka threatened to expel the U.S. ambassador to Belarus, and the Administration may impose

even more sanctions. The ostensible issue is Belarus's violations of human rights.

Ukraine, which was described as close to civil war in May 2007, has just experienced the return to power of Yulia Tymoshenko, the "Orange Coalition" demagogue who kept in close touch with Dick Cheney while organizing her comeback. She became Prime Minister on Dec. 18, with a one-seat majority in Parliament, and phoned Cheney first thing.

"Instability and leadership conflict" were forecast immediately by Victor Yanukovych, leader of the Party of Regions (POR) and outgoing Prime Minister. His party was the highest vote-getter in Ukraine's fifth Parliamentary election within three years, but—after another two months of maneuvering—the renewed "Orange" coalition was formed without the POR. Tymoshenko told her Cabinet that Ukraine is facing the highest inflation in seven years, and that the country's energy firm Naftohaz was "bankrupt" due to mismanagement. She tried to blame these problems on Yanukovych's government. Naftohaz is in technical default on a \$500 million Eurobond. Some analysts say that the factionalization is so severe, that the eventual splitting of the country is inevitable.

# Russian Media: 'The Empire Comes Out of the Shadows'

Russian political analyst Boris Mezhuyev contributed an article titled "The Empire Comes Out of the Shadows," to the year-end issue of *Smysl* magazine, describing how Great Britain was viewed in Russia during 2007. It includes a discussion of Lyndon LaRouche's writings as a source used by Russians on the historical and current role of the British.

Mezhuyev singles out a series by Mikhail Leontyev on his Channel 1 TV show, under the title "The Great Game." Here, "viewers learned many new things about the Anglo-Russian confrontation of the 19th-20th centuries." The anti-British campaign in the Russian press, Leontyev said, is, in some cases motivated by "the British track in North Caucasus events, discovered by Russian counterintelligence." He added, "The British lion, after the American eagle broke its talons in Iraq, is once again returning to Asia and the Caucasus, step by step trying to push aside not only Russia and China, but also its own NATO allies."

Mezhuyev presents "three versions" of the British story. LaRouche's "version" is excerpted here:

"LaRouche rejected Marxism and became a defender of the so-called American System in economics, meaning the dirigist model in the spirit of President Roosevelt's New Deal. This state-oriented model is opposed by a different model—the liberal-oligarchical one, rooted in British economic liberalism and the philosophy of Thomas Hobbes, who is held responsible for all the sins of the modern era, colonial slavery above all.

"These quite sympathetic 'left-conservative' views, LaRouche spikes with a good-sized dose of fantastical conspirology. It turns out that the roots of today's financial globalization go back to Venice, which used Great Britain, which had come under its sway in the late Tudor period, to destroy the ideal model of an interrelationship of state and society, developed by the best minds of the Renaissance. Coming under the influence of the merchants of Venice, Britain began to promote economic liberalism, with which the colonial trade in human beings was closely associated. Continental Europe was unable to resist Britain effectively, leaving Lincoln's America as the main adversary of Britain. But Britain's allies in America itself were the Confederates, whose elite was closely linked with the British aristocracy through the Scottish Rite freemasonic network.

"The formal collapse of the Empire in the 20th century simply withdrew British colonial rule into the shadows: Now, they started ruling the world through the financial institutions they control. LaRouche sees his main objective as being to free the American Republic from domination by the British Empire and its henchmen in both American parties, like both Bushes or, for example, Al Gore."

# London Promotes Genocide—Again

by Lawrence K. Freeman

The recent eruption of major crises in Kenya and South Africa has all the earmarks of a classic British campaign to blow up the entire continent. South Africa and Kenya, each in its own way, are relative anchors of stability, and prolonged crises, or worse, in these two countries means the spread of chaos and genocide everywhere on the continent.

The Horn of Africa is in a state of crisis, with Sudan and Somalia destabilized. Zimbabwe remains a target of British schemes to overthrow the government of President Robert Mugabe. Both Kenya and South Africa have played crucial roles in countering these instabilities, most of which are being manipulated and exploited from outside the African continent, through American bungling and British-led European colonialist interference.

The post-election eruption of violence in Kenya has evoked images of the mid-1990s genocidal Great Lakes wars, which themselves were instigated by British covert operations, including the double assassination of the Presidents of Rwanda and Burundi in 1994.

When Salva Kiir, Vice President of Sudan's Unity Government and President of Southern Sudan, was in Washington last November, he spoke truthfully when he said that if the Comprehensive Peace Agreement (CPA), which ended 20 years of civil war, were to fail, and the North and the South were to return to war, then all of Africa would bleed. Today, if Kenya were to continue to devolve, we would face the same horrific consequences.

# Fragility in the Horn of Africa

As Ethiopia now enters its 13th month of occupation of Somalia, conditions there have qualitatively worsened. In the capital of Mogadishu, the largest city in Somalia, 6,501 civilians were killed and 8,516 wounded, and 1.5 million Somalians were displaced from their homes in 2007.

Somalia's Transitional Federal Government, which nominally rules the nation, has the mandate to govern until 2009, but it is well known that the Transitional Government lacks any significant constituency support, and holds onto power solely by the presence of thousands of Ethiopian troops. Conditions in Somalia are reverting back to the period of 1991-94, when there was no central government, and competing warlords ruled the country with their private militias.

# British Empire Targets Kenya

by Dean Andromidas

The bloodletting in Kenya following the Dec. 27 elections marks a British-orchestrated operation for chaos and destruction targeting all of Africa. Already, the Kenyan Red Cross is reporting that 300 Kenyans have lost their lives, and another 100,000 are homeless, while over 5,000 have fled to neighboring Uganda.

The director of of the Kenyan Red Cross, Abbas Gullet, after visiting several violence-struck regions, told the *Mail & Guardian* of Johannesburg: "What I saw was unimaginable and indescribable. This is a national disaster."

The disputed election results between Mwai Kibaki and his Party of National Unity (PNU), and opposition candidate Raila Odinga and his Orange Democratic Movement (ODM) serve as a pretext for throwing Kenya into chaos and destruction, with the purpose of securing the rich resources of Africa for Anglo-Dutch financial interests.

The "former" British colony, strategically located in the center of East Africa, Kenya possesses rich agricultural lands whose plantations, producing tea, coffee, and other important agricultural products, are fully controlled by British and other European companies, as are its tourist industry and other sections of the economy. These interests are buttressed by a large British military presence, including one of Britain's largest overseas bases. Its location is a gateway to the rest of the region, including war-torn Sudan, Ethiopia, and Somalia in the North, while to its west is the Great Lakes region, which includes Uganda, Rwanda, Burundi, and the great prize of Central Africa, the Democratic Republic of the Congo. The grab for this region's rich resources turned it into a war zone in the 1990s, whose killing fields took the lives of 6 million people. To the south is Tanzania and the outlying nations of southern Africa, including Mozambique, Zambia, and the British-targeted Zimbabwe and South Africa. Kenya has served as a base of operations for British-linked arms traders and mercenaries for operations in all the war zones in the region.

The gamemasters of this operation do not reside in Nairobi or Washington, but in London. One of the key controllers is Lord David Steele of Aikwood, member of the House Lords, and Her Majesty's Privy Council. On Dec. 29, he issued a statement questioning the election results in Kenya, claiming he had warned earlier this year, that the election





The disputed results in the Dec. 27 elections between President Mwai Kibaki (left) and opposition leader Raila Odinga (above), have provided the British with a pretext for formenting chaos and destruction in Kenya.

commission was open to fraud since it was nominated by President Mwai Kibaki. He warned, "The situation in the country is potentially extremely dangerous because of the tribal rivalries in the election. The international community must make it clear they will not accept a fraudulent result."

No sooner had he issued this statement, than Washington, following the British lead, began to shift its policy. The United States officially recognized Kibaki's victory on Dec. 27; two days later, Secretary of State Condoleezza Rice issued a joint statement with British Foreign Secretary David Miliband that, while calling for an end to the violence and for "engage[ment] in a political and legal process to resolve the crisis," noted "serious irregularities" in the vote-counting process. This shift only served to further fan the flames of violence.

## Who Is Lord David Steele?

David Steele is a key British gamemaster throughout Africa. The son of a Church of Scotland minister who served in Kenya, Steele is a "child of the British Empire." The former leader of Britain's Liberal Democratic party, he plays a key role in the Liberal International. His German Liberal colleague Alexander Graff Lambsdorff headed the European Union's election monitoring team that observed the elections and declared them irregular. Steele has been deeply involved in Kenyan politics for decades, and knows both Kibaki and opposition leader Raila Odinga. Steele has said he has known

Kibaki for 25 years, noting with fulsome approval that the Kenyan President is a graduate of the London School of Economics. He supported Kibaki's opposition activities against former President Daniel Arap Moi. Steele's relationship with Raila Odinga goes even deeper. His Orange Democratic Movement is a coalition of opposition parties which includes the Liberal Democratic Party of which Odinga is chairman. This is part of the same Liberal International movement in which Steele is a key figure.

While Steele profiles himself as a great liberal concerned with building democratic institutions, this hasn't prevented him from becoming business partners with the likes of Tony Buckingham, the founder of the notorious mercenary company, Executive Outcomes. In the 1990s, Steele served as a board member of Buckingham's Heritage Oil and Gas company. Steele is also involved in South Africa, where he led the election observer team that oversaw South Africa's first post-Apartheid

election in 1994; he is deeply involved with that country's Liberal party, the Democratic Alliance, which has repeatedly attacked the African National Conference for being a corrupt and undemocratic.

Steele is also a leading board member of the Royal African Society, whose patron is Her Majesty Queen Elizabeth II. Serving as a key center for Africa policy, the Society is financed by elite British corporations including Rio Tinto PLC, Anglo American PLC, and De Beers, three of the world's largest mining companies, exercising dominant control of mining throughout Africa; other corporate members include British American Tobacco and Standard Chartered Bank. Lord Holme of Cheltenham, a close colleague of Steele in the Liberal Democratic Party and fellow Privy Council member, is its chairman; he served as an officer in Her Majesty's Gurkha regiment of Nepalese soldiers. His varied career saw him holding posts at Rio Tinto, and Unilever. The latter is one of the leading plantation owners in Kenya. Another old Kenya hand is Michael McWilliam, director of the London School of Oriental and African Studies, whose roots go back over 200 years ago as the training center for the British East India Company; McWilliam is also a leading member of the infamous Round Table group founded by Lord Milner.

## **Inciting Conflicts**

The violence following the elections is characterized by ethnic clashes between supporters of President Kibaki, pri-

marily of the Kikuyu tribe, and those of opposition leader Odinga, from the Luo tribe. This is classic British colonial *modus operandi*, and a dark reminder of how the British crushed the insurgent Mau Mau movement in the 1950s. Under Col. Frank Kitson, the British were able to manipulate tribal tensions so that by 1956, the movement was crushed, with a loss of 11,000 Mau Maus and 2,000 other Africans, while only 32 Britons were killed.

It is not certain that Kenya's population will gratify the new British gamemasters by slaughtering each other. One voice of reason was heard from the leading Kenya daily, *The Standard*, which on Jan. 3, published an editorial, entitled, "Save our Beloved Country," calling on all sides to "put the General Election behind it and return to normalcy." They propose that, "President Kibaki and Mr Raila Odinga talk to each other; that they agree to take an active part in stopping the violence gripping the country; and that they find a way to share power."

The editorial stated, "The nation has argued at length since last week about who won and who did not win; who stole and who did not steal the vote and whether or not the presidential poll should be repeated or not. We are nowhere near an answer. What appears certain is death and destruction will continue. That is why we need to move ahead with a solution that brings the chaos to an end...."

The Standard calls on Kibaki to make a strong public call for "reconciliation and patriotism" in an effort to stop the "death and destruction," and for Raila and the ODM to drop preconditions including "that the President resigns and declares that he did not win the presidential poll." The editors call for an international mediator, "not to determine who won the election, but to work out a road map that will bring Kenya back from the brink and a mutually acceptable proposition of sharing power. Then through the parliament the details of power sharing should be worked out."

The editorial notes that the voting, which experienced fraud by both Kibaki's PNU party and Odinga's OMD, nonetheless demonstrated that the country is "split right down the middle." The editorial adds that, "The position of President is not vacant. Kibaki was declared President whether or not the presidential ballot was flawed." After outlining the disasters the country is facing, it calls on both leaders "to demonstrate humility, care for the citizenry, selflessness and an ability and judgment to place the interest of the country above that of respective ambitions or actualisation.... Therefore, in order to ensure this demonstrated leadership, the two must show courage to free themselves from any vested interests and handlers acting as political advisers or strategists and appeal to their inner conscience to save this country from plunging further into anarchy.... But over and above all this, we believe the President and Raila must act first and fast to save this our beloved country."

# Mbeki Defeat Threatens All African Nations

by Douglas DeGroot

The ouster of South African President Thabo Mbeki as president of the ruling African National Congress Party (ANC) in an ANC leadership election on Dec. 20, by his former Vice President, Jacob Zuma, and the subsequent indictment of Zuma on racketeering charges stemming from illegal payoffs connected to South African arms purchases, are setting up South Africa for ungovernability.

As long as South Africa is paralyzed by this crisis, it will be unable to continue its activist policy of intervening throughout the African continent, to fight orchestrated destabilizations. Thus, the Anglo-Dutch Liberal financier oligarchy which considers itself the real emperor of not only the British Empire, but the whole world, will be able to launch campaigns, at will, to destroy nations and spread genocide throughout Africa by maximizing available options for spreading the internal conflicts within nations.

This financier oligarchy, operating primarily through London via British Empire and British Commonwealth networks, orchestrated Mbeki's ouster to ensure—just as the collapse of the monetary system is becoming obvious—that Africa's wealth of raw materials will be available to them, while other trading partners, not hostile to national development, such as China, will be locked out under conditions of chaos.

Why was Mbeki and his slate at the ANC leadership election subjected to the raucous treatment they got, instead of having the expected political debate? Because of the strategic role that the Mbeki-led government has been playing in Africa. Mbeki and his allies, despite being unable to foster the rapid infrastructural development of the South African economy as they desired—which would have required them to challenge the globalization constraints and other issues that ANC negotiators agreed to during the negotiations that led to the formal end of the apartheid regime—nonetheless have acted throughout Africa to settle local conflicts.

The interventionist approach has included: using negotiations to settle conflicts, aid in organizing elections, sending peacekeeping forces, and publicly urging countries not to use British colonial methods in conducting their internal affairs.

The latest example of this role was at the European Union-African summit held in Lisbon, Portugal Dec. 8-9, where President Mbeki was widely recognized for playing a critical role in preventing the EU from getting African nations to agree to a continent-wide free-trade agreement that would

have opened them up to more looting. Peter Mandelson, the EU Trade Chief who was trying to force through the free-trade agreement, singled out Mbeki for influencing other African nations to oppose the EU plan.

## Globalization Is the Problem

While the ANC under Nelson Mandela and Mbeki has made mistakes, and not been able to overcome limitations, what will ultimately replace these two administrations will be far worse. In addition, Mandela and Mbeki were from the Xhosa ethnic grouping which was predominant in the ANC leadership. Zuma has a Zulu ethnic background. The financier oligarchy can be expected to play classic colonialist dirty tricks to foster ethnic conflict, to create conditions of instability.

The London-vectored financier cartel was able to engineer Mbeki's defeat, because he has been unable to engender confidence among the South African population that his policies of going along with globalization, and appeasing the financial markets, could rapidly lift them out of poverty and improve their lives. The agreements the ANC negotiated with the former apartheid government in 1993-94, before Mandela was elected the first President of an apartheid-free South Africa, put South Africa under the thumb of International Monetary Fund and World Bank policies, the conditionalities of the General Agreement on Tariff and Trade which led to the World Trade Organization, in addition to taking on substantial debt from the apartheid government. These institutions enforced the the rules of globalization, which strictly limit the role a government can play in national development. They call instead for privatization—selling off state-owned industry and infrastructure for the benefit of mainly foreign financial "locusts."

Mandela later admitted that fear of a market collapse played a big role in the ANC's acceptance of this deal: "The very mobility of capital and the globalisation of the capital and other markets," he told the ANC national conference in 1997, "make it impossible for countries, for instance, to decide national economic policy without regard to the likely response of these markets."

At the time Mandela said this, Malaysian Prime Minister Mahathir bin Mohamad did successfully defy the IMF and the markets, by imposing capital controls and exchange controls.

Mbeki also accepted the globalization framework: While Mandela was still President, Mbeki in 1996 revealed a new economic plan which called for more privatization, cutbacks to government spending, labor "flexibility," freer trade, and even looser controls on money flows, as a signal to potential investors. During these negotations, a strong nationalist ANC leader Chris Hani, who some wanted to follow Mandela as President, was assassinated, an obvious move to intimidate those who wanted to follow a more in-

dependent economic policy framework for post-apartheid South Africa.

As a result, although South Africa has the most advanced industrial sector in Africa, by accepting the globalization framework, Mbeki was not able to use this capability to develop the country. The industrial capacity remains primarily oriented to the huge mining sector, which dominates the economy. Four megaconglomerates account for 80% of the Johannesburg Stock Exchange. For example, three of the world's largest mining companies, Rio Tinto PLC, Anglo American PLC, and DeBeers operate extensively in southern Africa.

### **London Calls the Shots**

The ouster of Mbeki and his allies from the leadership of the ANC has nothing to do with local South African political rivalries. They were targetted by the predominantly London-centered financier cartel which controls the mining conglomerates, and hence much of the economy of South Africa. Continuing poverty was the lever used by the Congress of South African Trade Unions and the South African Communist Party, which supported the Zuma slate, to manipulate the ANC rank and file against Mbeki's slate. "We've got political freedom. Where is the development to get us out of this poverty?" is a common sentiment in South Africa.

The rank and file didn't know that shortly before the ANC election, Zuma went to India, Britain, and the United States to assure the financier cartel that there would be no change in South African economic policy if he ousted Mbeki, and ultimately became head of the ANC, and President of South Africa in 2009 (the head of the ANC has always been its Presidential candidate). In other words, South Africa would still be a source of wealth for mining cartels, using cheap South African labor, or cheap migrant labor of desperate job-seekers from neighboring countries.

The Anglo-Dutch cartel revealed their real intentions in an editorial in the London *Economist* on Dec. 15, before the election, which stated that both candidates, Mbeki and Zuma, were deeply flawed, and that neither should be running the ANC, or the country. "A split in the movement might be welcome," wrote the *Economist*, "because the country should be moving to a new era of pluralist democracy." The editorial complained that many in the ANC do not see Mbeki's alleged autocracy as bad, and lamented that their favorite candidates, Tokyo Sexwale and Cyril Ramaphosa, didn't have a chance, because the ANC's authoritarian traditions prevented them from even being considered as candidates.

Ramaphosa and Sexwale have been long-time bitter foes of Mbeki, and darlings of the financier oligarchy. They both played critical roles in the negotiations that determined the path that South Africa would take in the post-apartheid era. When it was clear that Mbeki was going to get the nod

to succeed Mandela, they both left politics, and were made multi-millionaires by the predominantly British-based mining and financial comglomerates, under the cover of the Black Economic Empowerment (BEE) program. This is a kind of affirmative action program in which companies have been selling off chunks of their businesses to black Africans. Special deals are offered on favorable terms, supposedly to compensate for the fact that, under apartheid, black Africans were excluded from the economy. This is really a corrupting game that is played with politicians, whereby white-owned companies hope to get government contracts.

According to one account about Sexwale: "He found one of the leading banks in South Africa, which has virtually given him an open checkbook. And as a consequence of that, he's been able to put together a number of deals—many, many deals in many different areas of the economy." Now he is referred to as "Deal-A-Minute" Sexwale, and today his companies are worth about \$500 million. He has become a mining mogul in gold, platinum, and diamonds; but he also has significant interests in banking, engineering, and health care.

The story of Ramaphosa, a labor organizer in the apartheid era, who reportedly became Mandela's closest advisor during the transition period, is similar.

### **Stormclouds of Chaos**

The situation in South Africa is now becoming chaotic. Even though he is President until 2009, it will now be next to impossible for Mbeki to continue his continental interventionist policy. There are already calls from the new ANC leadership that he and his Cabinet be recalled, if they don't toe the line of the new party leadership.

The crisis will be fueled by an 84-page indictment that has been handed down against Zuma, charging him with racketeering in connection with payoffs for an arms deal involving one of his business partners, Shabir Shaik, who was convicted. Following this conviction, Zuma was removed from his position as Vice President by Mbeki in June 2005. Zuma has also been linked to the corrupt British arms manufacturer BAE Systems, with payoffs for procuring arms deals, which connects him to the London financial networks that wanted to put a stop Mbeki from messing up their African "plantation."

Among the general population, Zuma is not so popular. A poll cited by the *Economist* indicates that half the people in the big cities in South Africa think that Zuma as President of South Africa would be disastrous. In this context, the Anglo-Dutch financiers, in their scramble to come out on top after the ongoing financial blowout, seem to be angling for one of their favorites, Sexwale or Ramaphosa, to become the next President of South Africa.

# LaRouches Led Fight for Development of Africa

The role of Lyndon LaRouche and Helga Zepp-LaRouche in promoting African economic development goes back more than three decades, beginning in 1974, when LaRouche convened a task force to study the genocidal effects of International Monetary Fund policies on Africa.

Over those years, the LaRouches have put forward development programs for the nations of Africa numerous times, including at conferences in Sudan and elsewhere.

Here is a partial bibliography of their speeches and writings:

• "Critique of the Lagos Plan: Stop Club of Rome Genocide in Africa," from a book-length memorandum by Lyndon LaRouche, circulated in response to the Organization of African Unity's April 1980 "Lagos Plan of Action" (*EIR*, Jan. 1, 1993).

- LaRouche's keynote address to a conference, cosponsored by *EIR*, held in Walluf, Germany, April 1997, on "Peace Through Development in the Great Lakes Region." LaRouche's speech was titled, "Viewing Africa's Current Crisis From the Vantage Point of Universal History" (*EIR*, May 23, 1997).
- Helga Zepp-LaRouche's speech at the same conference was titled, "By Saving Africa, We Can Save the World (*EIR*, May 23, 1997).
- The LaRouches visited Khartoum, Sudan in January 2001, one of several trips they have made over the years to the African nation, to address a symposium, co-sponsored by *EIR*, titled "Peace Through Development along the Nile Valley in the Framework of a New, Just World Economic Order. LaRouche gave the keynote on "The New Bretton Woods System: Framework for a New, Just World Economic Order" (*EIR*, Feb. 23, 2001). LaRouche gave a second speech to the concluding panel, headlined, "Dialogue Among Cultures: The Road To Peace" (*EIR*, Feb. 9, 2001).
- Helga Zepp-LaRouche also spoke at the January 2001 Sudan conference on "The Cultural Basis for a Peace Policy (*EIR*, Feb. 9, 2001).

# The Americas

# New Opium War To Balkanize Continent

# by Gretchen Small

South America enters 2008 closer to national fragmentation, "regime change," fratricidal, war and/or multinational intervention than ever in recent history, after the Dec. 31 collapse of the multinational "humanitarian" operation mounted by Venezuelan President Hugo Chávez for the release of three hostages held by the Revolutionary Armed Forces of Colombia (FARC).

That is not what the governments of South America had planned, when they jumped head-first into the Chávez-led operation which aimed to foster conditions for de facto regional negotiations with the FARC, with the delusion that by so doing, they could secure peace in terrorist-torn Colombia, cool out the historic Venezuelan-Colombian conflict, and thereby cut off one of the Bush-Cheney Administration's footholds for war on the continent.

That the operation would fail was foreseeable. The FARC is the largest cocaine cartel in South America, and the drug trade is run, top-down, from the City of London, as it has been since Britain's 19th-Century Opium Wars against China and India. The leaders of the nations of South America walked, in other words, straight into a British trap.

Back in the 1970s, Britain's Dope, Inc. established Colombia, situated at the entrance to South America through which any transcontinental railroad uniting the Americas with Eurasia must pass, as a center for its vastly expanded global drug empire. Precisely ten years ago, in its Jan. 23, 1998 issue, *EIR* exposed the British oligarchy's plans to use what they themselves had imposed on Colombia, to fragment this nation, and create in the region a conflict as enormous as that between the Israelis and Palestinians, as Viscount Waverly so baldly put it at the time. Colombia still stands, as *EIR* wrote then, as "a classic case of how London manufactures 'failed states,' assaulting the institutions of a nation until they disintegrate, and then demanding that supranational institutions move in to pick up the pieces."

Should the FARC "humanitarian" trap not be recognized for what it is, and flanked, Colombia could be rapidly driven into generalized war again. Under current global breakdown conditions, any expansion of conflict in any part of the continent, can rapidly spread into generalized left-vs.-right conflagration.

The trap worked—thus far—because key leaders in the region are blindsided by the prevalent romanticism that Jaco-

binism is an "anti-imperialist" social force, rather than the anti-nation-state head-chopping operation it actually is, descended from the Dantons and Robespierres created and deployed in France by the British East India Company's Lord Shelburne and Jeremy Bentham, to stop the spread of the American Revolution into Europe.

## The 'Club of Presidents'

The British imperial strategy is to break Ibero-America's historic and deeply embedded commitment to the principle of national sovereignty, which has kept the nations of the region intact, despite assault by successive waves of horror under more than three decades of globalization. Once that principle is eliminated, the nation-states can be broken up and eliminated with dispatch.

The principle of national sovereignty is, however, still an effective force in South America. On Dec. 9, in Buenos Aires, seven South American Presidents signed the founding document for the Bank of the South, an independent regional bank under the control of sovereign nations, conceived as an instrument for integration and the development of their peoples. Argentina, Bolivia, Brazil, Ecuador, Paraguay, Uruguay, and Venezuela initiated the bank, with Colombia hesitating, but expressing interest in joining down the line, and Chile participating as an observer.

The Presidents of the seven initiating countries, plus those of Colombia and Chile, were in Argentina for the Dec. 10 inauguration of Cristina Fernández de Kirchner, who succeeded her husband, Néstor Kirchner, as President of that nation.

Neither the founding of the bank nor Fernández's inauguration pleased London. Labeling the Bank of the South potentially "the biggest threat" since the 1980s debt defaults, London's *Financial Times* had admitted on March 23, 2007 that "with the money of Venezuela and political will of Argentina and Brazil, this is a bank that could have lots of money and a different political approach. No one will say this publicly, but we don't like it."

Two days before the Financial Times' declaration, then-First Lady Fernández had given a detailed address to 300 government officials and policymakers in Quito, Ecuador, on how her husband's government revived an economy that had imploded in 2001, by repudiating the International Monetary Fund's "system of ideas" in favor of a policy modeled on Franklin Delano Roosevelt's New Deal and public works projects. Ecuadorian President Rafael Correa met with Fernández during that visit, and declared afterwards that their governments saw eye-to-eye on many issues of economic policy. What made this remark all the more interesting, was that theneconomist Correa had detailed in an article published before he became President, how the United States developed under a protectionist system, and Americans historically understood that free trade is "part of the British imperialist system." In that same article, he forecast that U.S. submission to neoliberal globalization, will not last forever (EIR, April 13, 2007).



Foto ANCOL/Fernando Ruiz

As the FARC hostage release farce played itself out, a soapopera sub-plot was covered widely in the media, with calls for DNA testing to establish the true identity of a child, also scheduled to be released, who had been born to hostage Clara Rojas and purportedly fathered by a FARC guerrilla. Perhaps the DNA testing should be done on FARC top commander Raul Reyes and Richard Grasso, then the head of the New York Stock exchange, here pictured in their June 1999 "Grasso Abrazo" in the steamy jungles of Colombia, where the strategic alliance between the FARC and Britishdirected Wall Street financial interests was on public display.

Typically in recent years, South American summits and Presidential inaugurations have functioned as an informal "Presidents' Club," where the principles for resolving regional problems are hashed out among the sovereign nations. Thus, the Dec. 9-10 Buenos Aires meetings took up the two then-hottest conflicts with the potential to blow up the region: the threat of separatism and civil and race war in Bolivia, and the nasty brawl between Venezuelan President Chávez and Colombia's Alvaro Uribe, over incidents during Chávez's first attempts at mediating a hostage release with the FARC. Chávez had gone so far as to talk about breaking diplomatic relations with Colombia.

The nine Presidents present offered their support to the people and government of Bolivia, urging dialogue. Five days later, Brazilian President Lula da Silva and Chile's Michelle Bachelet travelled to Bolivia, to meet with President Evo Morales, and sign an agreement to build a bi-oceanic corridor through all three countries, to foster economic development.

Chávez would have nothing to do with efforts to mediate between himself and Uribe, declaring that he would hear nothing of Colombia's President. Under particular pressure from French President Nicolas Sarkozy's representative, various governments then committed themselves to trying to secure the release of at least some of the hundreds of hostages held by the FARC cartel, particularly the French-Colombian former Presidential candidate Ingrid Betancourt, whom the FARC had kidnapped, along with her Vice Presidential candidate Clara Rojas, in 2002, as they headed to the demilitarized zone then controlled by the FARC, with the idea of furthering negotiations.

# Who Pulled Chávez's String?

For at least six years, the British-run Bush-Cheney regime has tried to force Ibero-America to line up in support of efforts to impose "regime change"—that is, coups and chaos—upon Venezuela, with the argument that the Chávez regime was a destablizing force in the region.

Repeatedly, South American leaders rejected the pressure, responding with cooperation on economic integration. Exemplary of the effectiveness of this approach, was the March 29, 2005 summit in Venezuela of Chávez, Uribe, Lula da Silva, and Spain's José Luis Rodríguez Zapatero, organized when Colombia and Venezuela were then, too, heading towards the point of war. At that summit, Uribe, the supposed "Washington man" in the region, and Washington's "bogeyman" Chávez, put aside mutual recriminations, and agreed upon an infrastructure integration strategy, centered on opening bioceanic corridors which would permit South American participation in Eurasia's vast economic development.

Now, however, at the point of decision over whether sovereign governments or private interests determine who controls the post-crash world, the British managed to pull the string on the volatile Chávez.

Chávez should beware: This is the quickest route to setting himself up for assassination, by the British chaos strategists who often view their assets as more useful dead than alive. His assassination is a surefire way to set off mass upheaval and killings across the continent, all under the political cover of it being carried out by his "regional" opponents.

The Venezuelan President and his allies have gone into flight-forward, pushing precisely the British-Cheney strategy

# NAFTA Final Stage Blows Up U.S.-Mexican Border

On Jan. 1, 2008, the final stage of the 1994 North American Free Trade Agreement (NAFTA)—the flagship agreement of British free-trade policies among the United States, Mexico, and Canada—went into effect. As of that date, Mexico was forced to end all tariff protection of its most essential food production, including corn, beans, sugar, and powdered milk.

This will lead to mass unemployment and starvation in a country already ravaged by globalization and free-trade economics; and it will drive millions more Mexicans to attempt to cross the U.S. border in desperation, at exactly the time that about a million per year are now being *expelled* from the U.S. back to Mexico, and anti-Mexican hysteria and even lynch mobs are being whipped up in U.S. border states.

Six million Mexicans left the countryside in the first 14 years of NAFTA's implementation, as 5 million jobs in agriculture were wiped out, even before this final blow. Poverty became concentrated in communities where only the elderly, women, and children now live, since the men went to the United States in search of jobs. One peasant a day loses his life trying to cross the border. And hundreds of thousands of others are being driven into the waiting arms of the drug cartels, which today control entire sections of the country, especially along the border.

Starvation is looming, because Mexico already imports 40% of the food its people eat. In 1997, Mexico produced 250,000 tons of beans, but only 50,000 in 2007. And in 2008, the prices of basic necessities are expected to rise by at least 30%, because of the scheduled increase in diesel fuel, gasoline, and electricity rates.—*Dennis Small* 

of "regime change"—this time, against his neighbor Colombia. Compare three statements issued on Dec. 18:

- As the Heads of State of the Southern Cone Market of the South (Mercosur) meeting in Montevideo issued a measured statement urging calm in Bolivia, rejecting "all violent actions, which seek to harm the stability of the government and other entities elected by the people," Chávez declared that the United States should not force "us" [!] to make a "violent revolution" in Bolivia.
- The FARC issued a communiqué declaring the Uribe government "illegitimate," and stating their willingness to reach a humanitarian agreement to release hostages—whom they have held for years in concentration camp-like conditions in the jungle—on the condition that the government pull out of two municipalities in Colombia, and if negotiations center on the dismantling of the current regime—i.e., regime change. The same communiqué stated that the FARC would free Clara Rojas and her son, Emmanuel, conceived with a FARC guerrilla and born in captivity, and former Senator Consuelo González Perdomo, who had been held even longer than Rojas, if they would be received by Chávez or his representative.
- Lining up with Chávez, Nicaraguan President Daniel Ortega called FARC chief Manuel Marulanda his "brother," and declared Colombia to be an "occupied" country, and the Uribe government to be "neo-imperialist."

That was followed by Chávez's Dec. 26 press conference announcing that his government had worked out elaborate arrangements with the FARC for the release of the three specified hostages by the end of the year: Venezuelan aircraft, painted with Red Cross insignia for the occasion, would fly representatives of the Red Cross and seven countries serving as "guarantors," plus media, into Colombia. The FARC would then provide the coordinates of where in the jungle the hostages would be released, to be flown to Venezuela, and received by Chavez, personally.

The guarantors for the operation assembled, with Argentina's ex-President Néstor Kirchner at the head of the delegation. Others included a top aide of Brazil's Lula da Silva, Marco Aurelio Garcia; Bolivia's Vice Minister of Coordination with Social Movements, Sacha Llorenti; a former minister sent by Ecuador's Rafael Correa; the ambassadors of France and Cuba to Venezuela; and a former interior minister of Venezuela. Switzerland joined the operation later. The Colombian government was represented by its Peace Coordinator.

After four days of such theater, the FARC conveyed to Chávez the news that the release was off. Chávez echoed the FARC's charge that the Colombian government was responsible for the failure, and the international guarantors traipsed back to their respective countries, attempting to put a good spin on their participation in the farce, as recriminations between Colombia and Venezuela rose to new heights.

Only a few days later, was the Dec. 24 letter from commander Marulanda to the FARC made public, telling his troops to prepare for a general offensive, and confidently asserting that soon, Uribe would have an even harder time preventing "certain governments" from recognizing the FARC as a legitimate belligerent force—thus triggering the long-sought formal division of Colombia.

# Budget Crises Explode Across the U.S.A.

by Mary Jane Freeman

"This year is unlike any other since the early 1990s. House prices across America are falling. Foreclosures and bankruptcies are up, fuel and food prices are rising," said Maine Senate president Beth Edmonds as she gavelled into session the state's Senate on Jan. 2. Even before the first of 44 states to hold legislative sessions this New Year opened their doors, more than \$25 billion in state revenue shortfalls were announced. Over 20 states and hundreds of localities will scramble to plug revenue gaps as the housing market crashes all around, gashing surpluses and earlier rosy revenue forecasts. Of the 44 states, 36 will be in session by mid-January, while another 4 states with no scheduled legislative session have looming budget deficits. Thus nearly all state legislatures this year will confront economic depression conditions deepened by the Bush years.

*EIR*, in November 2007, forecast, "As [bank] loan losses pile up, foreclosures accelerate, employment in the manufacturing-productive sectors declines, energy prices climb, and



Beshear/Mongiardo campaign

No sooner was Kentucky's new Governor, Steve Beshear, sworn into office, than he was forced to announce a \$434 million revenue shortfall. He attributed his state's problems to the national economic "downturn."

tax revenues shrink, legislators and elected officials will be in constant special session." Every tax revenue component—sales, personal income, corporate, and property—has been hit by the bursting of Alan Greenspan's housing bubble. On Dec. 31, in a widely reported New Year's eve National Public Radio interview, Greenspan admitted that the bubble is burst, saying, "something unexpected" will happen soon, which will "knock us all down."

Earlier, *EIR*'s March 23, 2007 issue showed that this knockdown is not "unexpected," but rather would be a consequence of Greenspan and his Anglo-Dutch financier masters' intention to bankrupt America. At least one-half of the U.S. commercial banking system's assets of \$11.73 trillion, at that time, were invested in real estate—a blowout ready to happen.

# **Foreclosure Crisis Impacts Millions**

Numerous policy reports issued in December, all pointing to the downturn in states' and cities' revenues, confirmed *EIR*'s forecast. "Twenty-four states and Puerto Rico reported state revenues have been hurt by the housing sector slump," began the National Conference of State Legislatures' (NCSL) "State Budget Update: November 2007," issued on Dec. 10. Using data from the first four months of states' 2008 fiscal year—July 1 to Oct. 30—only nine of those 24 states reported that revenues had fallen short. But now, those nine states have grown to 20 with reported revenue shortfalls, either for the current fiscal year or FY 2009, which begins July 1, 2008 in most states

A U.S. Conference of Mayors (USCM) report issued Nov. 27 likewise showed the impact of the foreclosure crisis. This crisis "will result in 524,000 fewer jobs created next year and a potential loss of \$6.6 billion in tax revenues in ten states," it stated. Combined economic output losses in the top ten metro areas "exceeds \$45 billion," or \$166 billion for all 361 metro areas, Global Insight's data analysis found for the mayors.

USCM president Douglas Palmer, who is the mayor of Trenton, N.J., quipped, "Not long ago economists said housing was the backbone of our economy. Today the foreclosure crisis has the potential to break the back of our economy, as well as the backs of millions of American families, if we don't do something soon."

That "something," as more and more legislatures and cities are recognizing, can only be Lyndon LaRouche's Homeowners and Bank Protection Act (HBPA). To protect the millions of homeowners, in or threatened with foreclosure, as well as state and Federally chartered banks, LaRouche's HBPA must be taken up by Congress, since this foreclosure crisis is actually a crisis of the whole economic-financial system, which is precariously perched on a \$20 trillion highly leveraged monetary time bomb.

## **States Scramble To Plug Budget Holes**

When the NCSL report was issued, 18 states reported being "concerned" about their revenue outlook. Indeed, since

then most of them have declared shortfalls for this fiscal year or next. Arizona is a case in point: When *EIR*'s mid-November article appeared, Arizona had a seemingly manageable \$250-500 million shortfall, but now it is nearly \$1 billion. Like many governors faced with bigger than expected budget holes, Arizona Gov. Janet Napolitano has presented a package of cuts, new borrowing, and "rainy day fund" withdrawals. She proposes borrowing \$393 million for school construction, thereby leaving general fund cash for other expenditures.

On Jan. 4, a day after her plan surfaced, a *Bloomberg News* report showed the folly of doing this. Premiums on the yields above the benchmark bond rates issued by California, Florida, Massachusetts, and New York, have doubled since July, causing a hike in the cost of states' borrowing—all to attract investors who, in the midst of the credit markets' freeze-up, sought higher yields on ten-year bonds.

Kentucky is another state newly joining those with declared deficits. On Dec. 27, eleven days after newly elected Gov. Steve Beshear was sworn in, he held an emergency press conference to announce a \$434 million revenue shortfall for this fiscal year, and an additional \$500 million for the next. Revenue, which had been expected to grow by 4.5%, instead was less than 1% for this fiscal year. Beshear insisted that Kentucky's "budgetary crisis" is a result of "a national economic downturn; subprime mortgage difficulties affecting our housing industry and durable goods manufacturing; and

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the lowest employment growth in several years."

LaRouche, referring to California's \$14.5 billion deficit, deemed these revenue failures, proof of the "catastrophic" failure of the Bush Administration's economic policies.

Beshear pointed to a \$389 million shortfall in the state's Medicaid budget, a third of which is paid out of its General Fund revenues. A Kentucky state legislator told *EIR* that the deep unemployment, especially among young workers in the far west of the state and Louisville area, have caused increased demands for Medicaid. Since Bush took office in 2001, the state's unemployment rate grew from 5.2%, peaked at 6.3% in 2003, and has hovered between 5.7% and 6% since 2004.

As EIR showed, both sales tax revenues and real estaterelated taxes have been severely hit by the housing crash. The NCSL's report noted that many states expected a "slowdown" but "the drop [has been] even higher than expected." The Dec. 31 Los Angeles Times gave the example of Greeley: Colorado's finance director Tim Nash "predicted a slowdown," but he expected an inflow of \$2.6 million from sales taxes on new construction. Instead, Greeley will collect \$1.2 million, 54% less than planned, due to fewer new housing starts. The NCSL reported that a dozen-plus states had declines in real estate-related taxes: Nevada reported that property transfer tax collections were 18% down from a year earlier. Minnesota's deed transfer tax was down 24%, and its mortgage tax, down 19%. The real estate transfer tax was down 8.7% in New Hampshire and 6% in New Jersey, as of October. These add up to tens of millions of dollars in lost revenues in these states alone.

The fall in these revenue sources also directly impacts county and local budgets. For example, Massachusetts' projected \$1 billion FY 2009 budget shortfall has nearly 40 mayors of cities and towns preparing to cut services, lay off staff, and curtail other expenditures, according to a Jan. 3 *Boston Globe* report. Already since 2002, the Massachusetts Municipal Association reported, state aid to localities is down \$621 million annually. This led to Saugus town officials cutting \$5 million in services during 2007.

In Maryland, where sales tax revenues began falling in early 2007 due to the housing slump, many counties now expect multi-million-dollar shortfalls by July 1, as a \$1.8 billion budget "fix" of tax hikes and budget cuts, stitched together by state legislators and Gov. Martin O'Malley, curtails state aid to the counties. Montgomery County, the state's most populous county, announced a hiring freeze and \$23 million in mid-year service cuts to stem a \$401 million deficit for fiscal 2009.

Cutting services and workforce, building casinos, axing capital infrastructure projects such as new schools or bridge maintenance, reducing health services, are dead-end austerity measures. Only LaRouche's FDR-style economic recovery measures, starting with the HBPA and followed by infrastructure building projects and a new job corps for youth, will secure a durable tax base for America's state and local governments.

# It's the British Empire, Stupid!

In modern legend, the global British Empire disappeared in the late 19th Century, or at least at the end of World War II. It was replaced by the two superpowers—the Soviet Union and the United States—and now, with the demise of the Soviet Union, with the "hyperpower" the United States.

A more dangerous delusion could not be held. For, as the LaRouche movement has documented extensively, especially in the 1994 to 1997 period, the "new" British Empire has never been so powerful, nor so close to implementing its schemes for global chaos and destruction. This empire is not to be confused with the United Kingdom, nor even the British Monarchy per se. Its model is that of the older Venetian oligarchy, which functions as a financial oligarchic system of families, foundations, and other institutions dedicated to preserving their power in perpetuum, and destroying all systems and forces, most especially the nation-state, which stand in their way.

We summarily provide a review of three major areas of *ongoing* British imperial power here. First, there's the economic/financial role played by leading Anglo-Dutch financial institutions, who exercise an astonishingly substantial control over the physical necessities of life, such as food and energy. Second, there's the military role of British Imperial forces, both visible and invisible, regular and irregular. Third, there's the British Empire's cultural warfare apparatus, the most aggressive force for the destruction of pro-human scientific culture globally.

## The World's Largest Economic Power

"Now, that empire, which the British effectively control, except for dissident nations that don't like it, represents about one-fifth of the world's land area; it represents about 30% of the world's population. It controls 48-50% of the world's financial turnover, including the \$3.5 trillion a day derivatives turnover. It controls the majority of the world's international trade in what are called strategic metals, such as the metals that are required for most industry. It controls the majority of the international trade in petroleum.... These interests, the Anglo-Dutch-Swiss, Cargill et al. complex, control the majority of the international food trade, in a time of grave food crisis worldwide."

That is how Lyndon LaRouche summarized the financial power of the British Empire back in March 1996. If anything,

the share of world power wielded economically by the "Empire" has increased over the last 10 years.

Much of the control is, admittedly, not on the surface. It is exercised through the London Stock Exchange, through the London International Financial Futures Exchange, through the London Metal Exchange, and the International Petroleum Exchange. These are the institutions where the actual disposition of the physical assets being traded is determined, not to mention the layers upon layers of speculative financial instruments created, that are now in full collapse, and threatening to bring the physical economy down with it. Exemplary of the raw material control is the role of two corporations, Anglo-American and Rio Tinto Zinc, which controlled from 10 to 24% of the Western world's crucial minerals output in 1995.

# A British Military Empire

Those forced to admit British imperial power in the financial sphere, would surely object to the assertion that the Empire still wields enormous, often decisive military power today, as it did in launching World War I and II. Again, they would be wrong.

Her Majesty's military forces are not large, but they are strategically placed to control, and instigate, conflicts in dozens of sensitive locations throughout the world. Take the British role in the Iraq wars, for example, or in the Balkan disaster. Look at the disposition of British forces throughout the African continent, or Asia. From these locations the British have let loose with "intelligence," or provocations, that have exacerbated local conflicts, even toward the point of threatening "superpower" confrontation.

Even more significant, as befits the Venetian "East India Company" nature of the modern British Empire, is the role of the "privatized" or irregular forces deployed globally. As EIR's 1997 report The True Story Behind the Fall of the House of Windsor documents, and later EIR feature series further elaborated, London is the home base for dozens, if not hundreds, of private mercenary armies, some of them explicitly terrorist, others simply "contract" employees, who are deployed "in Her Majesty's Service" globally. Utilizing the longstanding ties which the imperial center has with different peoples and tribes around the world, London has created and manipulated ethnic groups, and even small armies, in its own strategic interest of destroying nation-states. It's not for nothing that many nations have dubbed London "Londonistan," for its role in support of Khalistan, Balochistan, Kurdistan, and dozens more breakaway movements.

# **Empire of the Mind**

As *EIR*'s 1997 study emphasized, however, the most dangerous means of control exercised by the new British Empire is not financial, or military, but cultural. It is in this sphere that Britain's "invisible empire" takes the most prisoners of all. The empire works through various media.

Perhaps most ubiquitous is the use of the mass media, epit-

The True Story Behind the Fall of the House of Windsor, Reprints of EIR's 1994-97 groundbreaking exposés, September 1997, available as EIR 97-004



Queen Elizabeth and Prince Philip, shown here on their 2007 visit to the United States, don't command the British Empire, but they are its fitting tools in spreading the evils of globalization and Malthusian genocide.

NASA/Paul E. Alers

omized by the British Broadcasting Company. BBC is by far the most widely disseminated broadcasting network globally, and it is heard in dozens of languages other than English. Touting a reputation as "objective," the service's political role on behalf of the Queen's government, to which it is responsible, can be indicated by its role in such incidents as the misrepresentation and then "suicide" of Dr. David Kelly, critic of the Blair government's lies against Iraq, in the summer of 2003.

More hidden, and equally nefarious, is the role of the British Empire through institutions of the United Nations, including the ever-expanding network of so-called non-governmental organizations. NGOs, chartered by the UN, are often run by wealthy families, and there is an astounding number of them in Great Britain itself (over half a million in 1996). But most destructive is the imperial ideology of the institution, which defines these advocates for "civil society" as ranking *above* governments, and as instruments for destroying governments which do not kowtow to their demands. One need only look at the role of the NGOs rampant in the countries of the former Soviet bloc to see the transparent anti-nation role they are crafted to play.

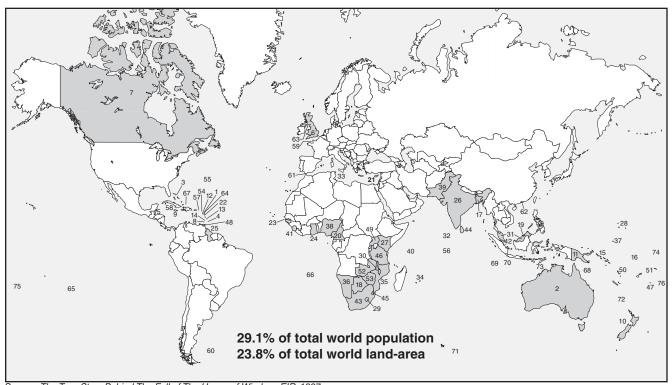
No account of the cultural warfare being run by the British

Empire against the human race would be complete without reference to its role in advancing the genocide movement associated with the World Wildlife Fund's radical population control drive, and its spinoff, the Global Warming movement of today. While Lord Bertrand Russell and other representatives of the "old" British empire carried the flag for this ideology in the 19th Century, the flag was well taken up by Queen Elizabeth's Royal Consort, Prince Philip and his son Charles, in the 20th and now 21st. The totally brutal, and false, idea behind this "environmentalism," was exposed by Philip himself, when he told the Deutsche Press Agentur in August 1988 that "in the event that I am reincarnated, I would like to return as a deadly virus, in order to contribute something to solve overpopulation."

That may seem extreme, but note that in our daily press, globally, headlines are given to the danger man represents to gorilla species (and others, even bugs!), even as *millions* of children die for lack of clean water, electricity, and sufficient food. British Malthusian ideology is indeed *controlling* our institutions, and behavior, without our even recognizing it.

It's time to unleash those chains!

# The British Commonwealth



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		Land-area			Land-area			Land-area
Country	Population	(km²)	Country	Population	(km²)	Country	Population	(km²)
Where Queen Elizabeth II is Sovereign:			29. Lesotho	1,900,000	30,355	57. British Virgin		
1. Antigua and			30. Malawi	9,500,000	118,484	Islands	16,108	153
Barbuda	65,000	442	31. Malaysia	19,500,000	332,370	58. Cayman Islands	29,700	259
<ol><li>Australia</li></ol>	17,800,000	7,682,300	32. Maldives	200,000	298	59. Channel Islands	142,975	311
3. Bahamas	300,000	13,939	33. Malta	400,000	316	60. Falkland Islands ar	nd	
<ol><li>Barbados</li></ol>	300,000	431	34. Mauritius	1,100,000	2,040	Dependencies	1,900	12,173
<ol><li>Belize</li></ol>	200,000	22,965	35. Mozambique	15,800,000	799,380	61. Gibraltar	28,848	6
<ol><li>United Kingdom</li></ol>	57,649,000	244,100	36. Namibia	1,600,000	824,296	62. Hong Kong	5,800,000	1,077
7. Canada	29,100,000	9,976,186	37. Nauru	9,882	21	63. Isle of Man	69,788	572
8. Grenada	100,000	344	38. Nigeria	98,100,000	923,853	64. Montserrat	12,617	98
9. Jamaica	2,500,000	11,424	39. Pakistan	126,400,000	803,936	<ol><li>65. Pitcairn Island</li></ol>	65	5
10. New Zealand	3,524,800	270,534	40. Seychelles	100,000	453	66. St. Helena and		
<ol> <li>Papua New Guinea</li> </ol>	4,000,000	462,840	41. Sierra Leone	4,600,000	71,740	Dependencies	6,698	310
12. St. Kitts and Nevis	40,000	262	42. Singapore	2,792,000	639	67. Turks and		
13. St. Lucia	100,000	616	43. South Africa	47,966,000	1,317,365	Caicos Islands	12,697	500
14. St. Vincent and			44. Sri Lanka	17,900,000	65,610			
the Grenadines	100,000	389	45. Swaziland	800,000	17,363	Australian:		
15. Solomon Islands	400,000	29,785	46. Tanzania	29,800,000	945,037	68. Coral Sea Islands		
16. Tuvalu	9,666	26	47. Tonga	103,949	751	Territory	0	5
			48. Trinidad and Tob	ago 1,300,000	5,128	69. Cocos Islands	597	50
Where Elizabeth II is r	not formally s	sovereign:	49. Uganda	19,800,000	236,880	<ol><li>70. Christmas Island</li></ol>	929	135
<ol><li>17. Bangladesh</li></ol>	116,600,000	143,998	50. Vanuatu	200,000	14,763	71. Heard Island and		
<ol><li>18. Botswana</li></ol>	1,400,000	600,360	51. Western Samoa	200,000	2,831	McDonald Islands	0	409
<ol><li>19. Brunei Darussalam</li></ol>	300,000	5,765	52. Zambia	9,100,000	752,618	72. Norfolk Island	2,620	36
20. Cameroon	13,100,000	475,442	53. Zimbabwe	11,200,000	390,308	73. Ashmore and		
21. Cyprus	725,000	9,251				Cartier Islands	0	1
22. Dominica	100,000	751	Dependent territorie	es of Britain, Au	ıstralia,			
23. The Gambia	1,100,000	10,600	New Zealand:			New Zealand:		
24. Ghana	16,900,000	238,537	British:			74. Tokelau	1,600	10
25. Guyana	800,000	214,969	54. Anguilla	8,800	91	75. Cook Islands	17,977	241
26. India	911,600,000	3,185,019	55. Bermuda	60,686	52	76. Niue	1,751	259
27. Kenya	27,000,000	582,646	56. British Indian					
28. Kiribati	76,320	726	Ocean Territory	0	220	Total 1,	632,477,973	31,858,455

# **INTERIOR INTERIOR IN**

# The Dynamics of This Crisis: The Hand Behind the Tragedy

by Lyndon H. LaRouche, Jr.

December 29, 2007

On the subject of the Dec. 27 assassination of former Pakistani Prime Minister Benazir Bhutto: The least that the victim of a murder deserves, is that the name of the murderer be truly spoken. That my associates and I have termed Friedrich Schiller's "Ibykus Principle."

During past times, I had been concerned directly, and in a relatively significant way, with justice for members of Benazir Bhutto's family: her father, and her two brothers. Now, all four of them are gone, as if the attempt had been made to wipe their existence from the memories of the surface of our planet.

That Bhutto family is among the heritages which was thus bestowed upon me in the aftermath of the 1976 Non-Aligned Nations conference held in Colombo, Sri Lanka, a cause with which I continue to be associated from the time of the preparations for that conference until the present moment. Prime Minister Indira Gandhi became a person to whose cause I was most closely attached on this same account, as was my late friend and collaborator Foreign Minister Fred Wills who was the sole official voice to speak on behalf of the resolution which had been adopted by the Colombo conference.

Although I was not close to Minister Benazir Bhutto herself personally, or politically, a cry for justice binds together all who have been, or will become victims in the passions of a common cause, especially an historic cause. I am specially concerned, for the sake of all of us, that the evil-doer not triumph through the foolishness of those foolish, perennial blame-fixers who search for a scapegoat.

As ancient Homer's *Iliad* and *Odyssey* were understood by sane and intelligent representatives of ancient Greece, the principle of evil, otherwise identified in real life as typified by the Delphic cult of Apollo-Dionysos, is represented in the personified forms of Zeus's Olympus of Aeschylus' *Prometheus* 

**Bound.** A seemingly invisible hand, beyond the reach of mortal men and women, appears to be a mysterious force compelling those mortals, such as many among our own U.S. citizens, to torment and even destroy themselves, and even destroy their society, by actions which are contrary to all sane judgment of thoughtful, mortal human beings. Read the *Iliad*; it is all there! Or, read the fables of Harry Potter; the same evil is also reigning there.

So, a mystical hand, like the hand of Zeus's own party among the Olympian gods of the *Iliad*, seems to grip the prevailing will of reigning popular opinion in the U.S.A., in western and central Europe, and other places, today. The spread of economic ruin by currently reigning popular opinion in those places, has impelled the reigning popular opinion of these past decades to destroy the civilization on which the very existence of those nations depends.

In short, the common names for Satan in Greek include, chiefly, Zeus, Apollo, and Dionysus.

All that drama which is validly termed Classical tragedy on the stage, as by Aeschylus, Shakespeare, and Schiller, reflects recognition of this same principle.

What I have just summarized in this way, is, unfortunately, rarely understood by even most influential and highly educated people today. I say, "rarely"! There are those, some good, some very bad, who will, more or less readily, understand and agree with the point I have just introduced in these preceding paragraphs. Those who understand that point, and only persons such as that, persons who are the very rare cases of individuals who are exceptionally well-informed in the principles of goodness, or, a relatively more numerous type, but who are essentially evil, will be met as presently capable of understanding the nature of the international agency, the body of the "geopolitical playwrights," centered in London, which is responsible for the pre-calculated and arranged murder of former Prime Minister Benazir Bhutto.

With that said, I explain the points to be considered.

28 International EIR January 11, 2008



playwrights,"
responsible for the "precalculated and arranged
murder" of former Prime
Minister Benazir Bhutto,
are centered in London,
LaRouche charges. Here,
Bhutto is interviewed by
the press upon her
arrival for a state visit,
at Andrews Air Force
Base in Maryland, June
1989.

The "geopolitical

DOD/SRA Gerald B. Johnson

## The Good Prometheus

The essential distinction of the human individual from the beasts, is that the human mind has a defining quality which does not exist as known among any species of beast. In the practice of physical science, this is the quality which distinguishes the Noösphere (mankind) from the Biosphere (lower forms of life). This quality is expressed typically by the centrally underlying principle of physical scientific knowledge, a principle defined for modern science by Nicholas of Cusa's recognition of that scientifically fatal error of Archimedes' mistaken argument in proposing that the principle of the circle could be located in the method of Euclidean quadrature. It was from that point of reference, by Cusa, that followers of Cusa such as Leonardo da Vinci, Johannes Kepler, Fermat, Gottfried Leibniz, and Bernhard Riemann identified the underlying principle of all competent notions of physical science.

The same human faculty is expressed in a developed form only in those methods of Classical poetry, music, and drama which modern European culture associates with the work of such as Shakespeare, Bach, Schiller, Mozart, Beethoven, Keats, and Shelley. I have identified and explained these crucial elements of civilized human behavior in sundry published locations.

It is sufficient, in this location, to point an accusing forefinger at the evil of the character of the Olympian Zeus from Aeschylus' *Prometheus Bound*. The same principle of evil was represented by the modern Malthusians, and the dupes and other followers of the viciously perverted, lying former Vice-President Al Gore today.

This elementary distinction of man from both beasts and bestialized people, is the key to understanding the root of the difference between good and evil. For example, the love for human beings, which Cardinal Mazarin summoned on behalf of the great principle of the 1648 Peace of Westphalia, is rooted in the passion appropriately evoked from recognizing that the person living next door contains that "spark" of humanity which is uniquely specific to the appropriate fostering of the development of the human individual, a potential lacking in the beasts. This is the "spark" which is recognized as the expression of that human soul which distinguishes man from beast; it is the "spark" which generates progress in physical science as physical economy, and produces what is to be recognized as beauty in Classical forms of artistic expression.

It is this quality which distinguishes decent people from such degenerates as Malthusians and the current dupes of former U.S. Vice-President Al Gore. It is the suppression of what we should recognize as both scientific and technological progress in physical economy, and beauty in Classical modalities for art, which is the expression of evil.

In the known aspects of the history and pre-history of societies, forms of evil comparable to the dogma of the Olympian Zeus of Aeschylus, and to the Apollo-Dionysus modalities of Nietzscheans and other existentialists (such as Brecht, Theodor Adorno, Hannah Arendt, et al.), are expressed chiefly as the degradation of large portions of a society's population as virtually the "human cattle" to which the Olympian

January 11, 2008 EIR International 29

Zeus assigns people, as do the Malthusians and followers of Al Gore today.

It is this view of society, which is often referenced in history as "the oligarchical model" of "master versus slave," or the like, which is the common social expression of the principle of evil in practice.

"When Adam delved, and Eve span, who,

then, was nobleman?"

If you submit to the doctrines of Malthus, or the Prince of Wales' crony Al Gore, you are either a slave-master, or a slave

# The Force of Tragedy

The conflict between good and evil, which I have just illustrated summarily, is the basis for recognizing the principle of tragedy.

Human nature requires a form of society in which the fostering of the specifically human quality of the individual is the constitutional motive of that society. This is, for example, Gottfried Leibniz's use of the term "the pursuit of happiness" as that denunciation of the essential inhumanity of John Locke's English philosophical Liberalism which Benjamin Franklin et al. supplied as the central principle of natural law in the U.S. Declaration of Independence, the same principle expressed by the fundamental principle of constitutional law of the U.S. Federal Constitution, as the Preamble of that Constitution.

The difficulty is that society as far back as we know it, was dominated by the same oligarchical principle as the ancient Asian empires and their European expression, as typified by the Roman, Byzantine, medieval Venetian-Norman, and modern Anglo-Dutch Liberal system and that Liberal (e.g. Lockean) system's use of a system of chattel slavery, or earlier European serfdom.

President Franklin Roosevelt's intention to shut down the British empire's system once Hitler were gone, as compared to President Harry Truman's support for Britain on this issue, typifies the principle of tragedy.

Had Roosevelt lived out his fourth term, that change would have occurred. So, according to my friend's eyewitness account, as OSS head General William Donovan left the office of the visibly dying President Franklin Roosevelt, he exclaimed to my friend: "It's over!" Without President Franklin Roosevelt, there was no one capable of filling his Presidential shoes, even among the President's loyal associates.

Since that moment, even some months earlier, once the Normandy breakthrough had occurred, the same British and other circles which had originally put both Mussolini and Hitler into power, and had backed off only because of U.S. pressure by Franklin Roosevelt, were determined, as frankly fascist Felix Rohatyn has expressed this view, that another FDR shall not exist! Already, as Churchill's hack, Field Marshal Montgomery, wasted the Allied First Army in a venture

of incompetence beyond belief, Churchill & company were determined that "Hitler should not be defeated too soon." From the Summer and Autumn of 1944 onwards, the relevant elements of the British empire and its U.S. accomplices have been dedicated to eradicating the sovereign nation-state institution, that for motives coinciding to all practical ends, with the doctrine of the Olympian Zeus.

It is the crafting, under the direction of Anglo-Dutch Liberal financier forces, that the trends in the molding of international culture shall be toward a destruction of science-driven economic progress, and an accompanying, radically-neomalthusian, Al Gore-like reduction of the world's population shall occur, through induced famines and disease of the type Gore is fostering. The aim is world population-levels reduced from over six billions persons, to less than one, as quickly as manageable.

This is the force of tragedy, a form worse than Hitler's, and globally.

You see it in the instances of the poor fools who are shameless, or simply stupid enough to avow themselves co-thinkers of the genocidal policies of Al Gore et al.

#### The War Risk

Nonetheless, the victory of such fellow-travelers of Al Gore's policies as Felix Rohatyn is not assured. The cultural impetus for a desired economic recovery through technological progress is strong in the world's population. The enemies of mankind must therefore fear that a reaction like that which President Franklin Roosevelt's election produced would spoil the Anglo-Dutch Liberal fanatics' plans today as during the middle to late 1930s.

At this moment, and as early as sometime after January 3, 2008, the fact of the presently ongoing world monetary-financial breakdown crisis, that the present Anglo-Dutch Liberal policies are insane, will sweep through the world's population.

The plan for a London-steered, Dick Cheney bombing of Iran is in trouble. A certain part of the Liberal financial-political elite is desperate. What has just occurred during recent weeks, in Pakistan and nearby, reflects the actions of a faction within the Anglo-Dutch Liberal apparatus which is now lurching into forms of desperate action not seen up to the present time.

The obvious character of this desperate action is an impulsion to shatter existing nation-state institutions throughout crucial areas of the world at large. The most recent actions against Pakistan, actions obviously run by some distinct factional element within the Anglo-Dutch Liberal establishment is the only circumstance under which what happened to Benazir Bhutto would have been risked in the specific location (Rawalpindi) where that operation occurred. The only relevant capability for that is British assets deployed throughout the Southwest Asia/South Asia theaters of operations.

# The Bhutto Family, EIR, and the Right to Economic Development

Going back 30 years and more, the LaRouche movement has fought for the right of Third World nations to economic development and justice, a right murderously opposed by the international financial oligarchy. Pakistan is a case in point.

Two years after the 1976 Non-Aligned Movement's con-

ference in Sri Lanka, which endorsed Lyndon LaRouche's call for a new, just world financial system, the democratically elected pro-development Prime Minister of Pakistan, Zulfikar Ali Bhutto, was behind bars, overthrown by a military coup. He was Benazir Bhutto's father.

In January 1979, *EIR* published a special report, *The Pakistan Papers*, some of which was smuggled from Bhutto's cell, along with his appeal to the Supreme Court of Pakistan, and a letter to UN Secretary General Kurt Waldheim.

In his September 1978 letter to Waldheim, Bhutto wrote: "The conscience of the world community gets aroused when the representative of a firm is arrested for alleged blackmarketing of currency, but what happens to the same

world community when the undisputed leader of his people is subjected to physical cruelty and mental torture for inter-alia waging a dauntless struggle against oppression, for valiantly upholding the banner of justice for the Third World and for equipping an Islamic state with a nuclear [reprocessing] capability."

# **Clash With Kissinger**

In his appeal, Bhutto wrote of the pressure he came under from Henry Kissinger, to stop Pakistan's nuclear program. "After three years of intense negotiations, the Nuclear Plant Reprocessing Agreement was signed between France and Pakistan in March 1976," he wrote. "France was fully satisfied on the *safeguards...*. The International Atomic Energy Commission at Vienna *confirmed* the Agreement....

"Dr. Henry Kissinger, the Secretary of State for the United States, has a brilliant mind. He told me that I should not insult

the intelligence of the United States by saying that Pakistan needs the Reprocessing Plant for her energy needs. In reply, I told him that I will not insult the intelligence of the United States by discussing the energy needs of Pakistan, but in the same token, he should not insult the sovereignty and self-respect of Pakistan by discussing the plant at all."

What kind of threat was Bhutto under? Statements elsewhere in his appeal are suggestive. He described his meeting early in January 1977 with Rafi Raza, a friend and advisor who was in charge of Pakistan People's Party affairs. Characterizing Raza's remarks as the beginning of "reports on the hidden hands" steering operations against him, Bhutto went on: "He told me that the Pakistan National Alliance (PNA) was coming into being [in opposition to Bhutto's Pakistan

People's Party, PPP], he told me who would be the President of the PNA and who would be the other office bearers. He gave me the reasons for the design, the strategy, and the aim. At the end of his exposition, he told me that I had three alternatives:

"(a) Forget the Nuclear Reprocessing Plant, and the immiment unity of the Opposition will not materialize.

"(b) Postpone the elections, or.

"(c) Face very grave consequences.

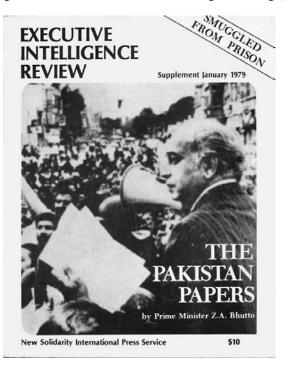
"He kept emphasizing that I should not press him to reveal his sources, but that he was speaking with full knowledge of what was taking place. I asked him to make his suggestion. He advised me to forget the Reprocessing Plant....

Rafi Raza said he had no doubt that we would win the elections in a fair contest, but that he had considerble doubt if we would be allowed to reap the benefits of the victory."

When Bhutto reaffirmed that he was unwilling to abandon Pakistan's nuclear technology, even if it meant losing the election, Raza said, "But, Sir, I am trying to tell you that more than an election or an Office is at stake." Bhutto wrote, "I replied cryptically, 'I got your point, and you got my answer."

Bhutto ended his appeal with a quote from Jawaharlal Nehru's *The Discovery of India*, written from prison: "Man's dearest possession is his life, and since it is given to him to live but once, he must so live as not to be seared with the shame of a cowardly and trivial past, so live as not to be tortured for years without purpose, that dying he can say, 'All my life and my strength were given to the first cause in the world—the liberation of mankind."

Zulfikar Ali Bhutto was hanged on April 4, 1979.



January 11, 2008 EIR International 31

# The One Is the Origin of Its Parts

by Lyndon H. LaRouche, Jr.

The present, global storm is to be seen in physical (i.e., Riemannian) terms, as a product of the conjunction of two contrary wholes: a.) The present state of the world's direction as a whole (e.g., "the short-cut to Hell,"), "A"; and, b.) the alternate state, "B," which must be brought into being. Both states of the system as a whole must be seen as respectively dynamic, and that, also, in collision and separately. They must each be viewed, or, in combination, as a dynamic (i.e., Riemannian-Vernadskyian) mode of interaction, rather than as a statistical mode. The interaction must be defined in terms of a transition from state "A" into state "B."

The unit of action is a relative rise, or lowering, of the potential relative population-density of the respective, or combined systems as interacting wholes. The unit of action is essentially "Vernadskyian," which is to say both a cultural and physical increase, or decrease of the potential relative population-density, as per capita and per square kilometer of the relevant national, continental, or global systems as wholes. The relevant mode of action is the quality of the individual human mind which distinguishes the human mind from the beasts, and places mankind categorically as acting, primarily, in terms of the Noösphere, rather than merely the Biosphere.

This signifies that the required mode of action is to be primarily anti-entropic, that within the scope of those terms of reference.

The issues now before humanity, so located, must be defined as follows.

# **Planetary Action**

In terms of fair approximations, we must locate all nations and continents of our planet (and, now, somewhat beyond that) as integrally dynamic systems, rather than as a conventional, or quasi-conventional, statistical array of interacting parts.

To accomplish the needed change in the dynamic of the planetary society as a whole, from the present, radically entropic, collapse-crisis mode, to a viable planetary system, the economy of the U.S.A. must be removed, radically, from its presently doomed mode as an extension of a globalized Anglo-Dutch Liberal imperium, to become an integral part of a dynamically defined global system, one based upon an "American System" orientation among a group of sovereign nation-state powers assembled around

a core group composed of that U.S.A., Russia, China, and India.

Unless that change is effected, the disintegration of the present planetary society is inevitable for the currently short-to medium-term.

Without the initiating role of such a group of sovereign nation-state powers, we would lack the quality of impetus needed to overcome the otherwise inevitable present doom of planetary society as a whole.

The needed planetary action, so identified, has certain required characteristics, all of which must be defined as, individually and combined, expressing an anti-entropic characteristic of a supra-planetary Noösphere and its subsumed Biosphere.

This means a general, continuing increase of the "energy-flux density" of the sources and applications of power, per capita and per square kilometer. This means, presently, massive emphasis on both nuclear-fission power-sources, and on modalities of higher energy-flux density than that.

This means a massive increase in emphasis upon capitalintensive modes of investment in basic economic infrastructure broadly developed over the entire territory of nations

This means an uprooting of educational programs and related ideologies which tend, as empiricism does, to suppress the development of those creative mental powers associated with the Cusa-Kepler-Leibniz modality in science and the related, implicitly anti-entropic modalities of Classical artistic culture.

This means the uprooting of the habits of individual mental and social life and practice associated with both ancient and medieval, and reductionist modalities.

#### The Transition

The pending adoption of the Federal Homeowners and Bank Protection Act, points up the road of transitions, away from the presently accelerating rate of disintegration of the world's physical political-economies, toward the highly antientropic global orientation which must be established now as the only possible alternative to the presently oncoming plunge into a planetary new dark age. Such a dark age would mean a collapse of the planet's potential relative population-density to the order of less than one billions persons (chiefly dwelling in virtually unbelievable misery and depravity) from about six and a half billions now.

Such a needed change could not be accomplished by any less drastic means than the use of the principle of national sovereignties, as a mode of political protection employed by perfectly sovereign nation-states, to pass safely from the presently doomed systems, into a sustainable system of recovery and progress.

We require leaders among nations who will accept the loving regard for humanity's sense of security and freedom of individual development which that implies.

32 International EIR January 11, 2008

## Interview: Alexander Hartmann

# BüSo Brings Reality To Hesse Campaign

On Jan. 27, elections for the state legislature (Landtag) will be held in the German state of Hesse, whose capital is Frankfurt. The LaRoucheaffiliated party, BüSo (Civil Rights Solidarity Movement), is running a slate in this election, led by its state chairman Alexander Hartmann. Here are excerpts from an interview with Hartmann conducted by Andreas Weber and Xenia Biereichelt of the LaRouche Youth



Movement, which is campaigning for the BüSo in Hesse. The interview was translated from German.

**Andreas Weber:** How do you see the political situation here?

Hartmann: The most obvious fact, which dominates this election campaign, is that the world's financial system has been collapsing, ever since August of last year. And if you look more closely at the situation, here in Hesse, you will recognize one thing: In the major parties, no one is talking about this financial crash. People talk about a lot of things, be it bio-energy or problems with foreigners, but not this very acute problem, that the financial system is evaporating, which will of course massively affect Frankfurt as a financial center.

In Frankfurt, 70,000 people work in the financial sector, out of 450,000 people employed in the city. In Wiesbaden [also in Hesse], there are as many people working in the insurance sector, which has become part of the financial speculation, as in the productive sector—15,000 in each of them....

We all are affected by the financial collapse, by the attempts of the central banks, to keep up the impression of bank solvency, by pumping billions of dollars into the financial system: At the gas pumps, or the prices in the supermarkets, we can see a sharp inflation.

And to all of this, the leading politicians say—nothing.

On the one hand, in the SPD [Social Democratic Party], we have state chairwoman Andrea Ypsilanti, and her economic advisor Hermann Scheer, who say, we want an "ecological

reconstruction": We want to get out of nuclear power; we want bio-energies, instead.

But, that would not solve the problems; indeed, it would exacerbate them. For, part of the inflation of food prices comes from the fact that we are putting some of our food in our gas tanks, and burning it, instead of using corn as food. For us, this is expensive; for the so-called Third World, it is brutal. This is genocide. And this is what the SPD has written on its banners.

On the other side, we have Hesse Prime Minister Roland Koch, who apparently has difficulties in reading the German Constitution, because many of the proposals coming from his side would infringe on the constitutional rights of the citizens.

I believe that this is related to the fact, that beyond the public sphere, behind closed doors, these parties know very well, that we are confronted with a crisis, of which we have warned for a long time. We call ourselves a civil rights movement, and we always said: When the crisis comes to a head, the citizens have to move, to protect their rights. But, the other side will, in this crisis, try to protect their own interests, and that can be done only by taking away rights from the citizens....

## **Effects on Industry**

**Weber:** What will the consequences of the crisis be for the medium-sized and larger companies, which still exist here in Hesse?

**Hartmann:** ... When banks have to eat massive losses, they cannot issue new credit. And our *Mittlestand*, middlesized industries, are already having difficulties in getting credit. One of the banks that has been granting credits to *Mittelstand* companies is the Deutsche Industriebank, IKB, which, since August of last year, has been massively involved in speculation, and is having great difficulty keeping its doors open. We have to expect more bad news on this front, which will mean, fewer places for *Mittelstand* companies to get credits.

At the same time, our region's productive sector is oriented toward exports, and the crisis threatens to disrupt our foreign trade relations. It is not clear at all, anymore, what the currencies are worth....

There is a dislocation of the exchange rate, to the dollar: Everything billed in euros is becoming ever more expensive, relative to the dollar. That means, we are threatened by disruptions in our foreign trade. And that means, that our productive sector will shrink even more, and that affects its ability to fund and support the service sector, which, in Wiesbaden and Frankfurt, includes up to 80% of the labor force....

Weber: How can we get out of this mess?

**Hartmann:** We are calling for a "firewall" between the real economic functions of the banks, which must be pre-

served and have to continue, and the whole speculative sector. This goes beyond the authority of the Hesse state government, but it is our function to raise this issue and force a debate on it, not only in the parliaments, or the banks' back rooms, but in the population in general.

Second, we must rebuild and enlarge the productive sector, the physical economy. And in the north of the state, in Kassel, we have the center where the maglev train Transrapid has been developed and built. The BüSo has proposed that we develop and expand the inadequate infrastructure in the transportation sector, building a network of maglev lines, and in Hesse, two lines to begin with ... to connect all the cities with more than 50,000 inhabitants, making it possible to travel between cities within one hour.

Building these 500 km of Transrapid lines will create some 250,000 jobs, across all sectors of the economy—half of them in construction, but also in chemistry, electronics, etc. There is a lot of technology in these trains and in these tracks. Presently, we have 235,000 people in Hesse unemployed. So, this single project alone would create full employment, and it is only a beginning.

The other area is, of course, the issue of energy production. Our nuclear power plants, especially here in Hesse, are nearly 40 years old. We need to go into the next generation of nuclear technologies. We cannot run an industrial country based on manure and windmills. We need to start up the fourth generation of nuclear plants, high temperature reactors. This would be a giant construction project, which will create plenty of work.... The whole economy would be geared up around this massive engine.

### **Another America**

**Xenia Biereichelt:** ... How can these giant projects be started from such a small state?

**Hartmann:** ... We will be able to move things in Hesse only as far as we can move things on the federal level. But German politics is bound by the international situation, where it does make a big difference, for example, what kind of policies America is following.... We know, that there is Bush and his backers, people like Felix Rohatyn or George Shultz. These are the people who say: We will save the financial system at the expense of the people.

But, there is another America, the LaRouche wing of the Democratic Party, that we of the BüSo are working with closely. And there are people in other countries, too, who say: We want a solution for this crisis, which is productive, we want a new financial system.

You can see this in the fact that Russia's President Vladimir Putin has given a number of speeches, where he explicitly referred to President Franklin Roosevelt, and that is what we are aiming for: These forces have to get the upper hand in the United States, and we must achieve an alliance between them and the related forces in Russia, China, and India. And then, it will be very easy for Hesse and Germany, to hook up to this train, so to speak, and to deliver the technologies needed for the reconstruction of the world.

We still have a base for that. We have Opel, we have, the European Space Center, so we can do quite a lot of things, and make some contributions. But we must set the direction for this course....

**Biereichelt:** ... What can we do, for the young generation, so that it can join industry later, and get the needed education and culture now?

Hartmann: I believe, that even the decision to build such projects would effect a dramatic change of our youths' situation. For, presently ... they lack a sense of direction for what they are going to do with their lives.... What would be very important for this generation, is what I call the "Kennedy effect." At the moment in 1961 that Kennedy said that we will put a man on the Moon, before the decade is over, this created an impulse, not only for the American people, but for the whole world. The world became better, because the people became better, because they became more optimistic. And that is, I am convinced, the most important point.

Of course, this has concrete ramifications. How must the education system work, so that we have the engineers and the scientists needed for such projects. There is also the area of thermonuclear fusion. The energy future of humanity does not lie in nuclear fission, it lies in thermonuclear fusion. But is has not yet been developed to a point where we can actually deploy it. So, we need young people to qualify themselves as scientists, to master these things.

There are other areas, that need solutions, for example, diseases like AIDS. In fact, we would need a lot of young people, to say: Okay, I will go into science, and I will make sure humanity is liberated from such diseases.

And of course, our education system must be organized differently.... We need to use as a model, what Alexander Humboldt did 200 years ago. His conception of schools was not, "What will people learn for their jobs," but, "How can we help the pupils to become real human beings?"

We will not help them achieve this by putting a computer on every school desk, telling the pupils: Go look for information on the Internet. The task of schools is, first of all: Learn how to think, to use your mind, to find the questions that help you forward.

And that means, that the whole area of creativity must be built up, including Classical music....

I expect, that after the election, the result will be, that there probably won't be a clear majority that is able to govern. And the only chance, to pull together a combination that can govern, is the reality principle. We are the only ones, who confront the population and the parties with reality, and who present proposals to get out of the crisis, instead of running away from it.

# **International Intelligence**

#### Velikhov: ITER Tokamak Main Event of 2007

Academician Yevgeny Velikhov, scientific advisor to the Russian government, head of the Kurchatov Institute, and long-time innovator in scientific projects, told Itar-Tass Jan. 2 that he considers the beginning of official work on the International Thermonuclear Experimental Reactor (ITER), the main event of the year 2007.

Thermonuclear fusion power would provide an almost unlimited source of electrical power and high-energy-density process heat, using the deuterium present in ordinary seawater as fuel.

Velikhov somewhat modestly noted that he "cannot be unbiased," as he has devoted "at least the past 30 years" of his life to the project, starting in 1985 when he first proposed the idea of an international fusion experiment. During 2007, the ITER Council of Governors was set up, and construction began on the ITER tokamak in Cadarache, France. Velikhov was elected as Deputy Chairman of the ITER Council.

"Work has begun on the construction of the reactor itself, which means ideas are being translated into life," Velkohov said. "This is a great thing, as it releases creative energy. Now everybody is sure that the reactor will be built, and creative potentials are being released for different kinds of offers, modernizations, and inventions not only on the reactor, but also on the whole thermonuclear problem."

Ironically, just as the ITER project is finally getting off the ground, the U.S. 2008 budget passed by Congress eliminated all Department of Energy funding for the pledged U.S. contribution to the ITER program.

As for fission energy, Velikhov said that he believes that "very important decisions on the reorganization and the final organization of the atomic industry [in Russia] will be reached" this year. He said medium-sized reactors (300 to 400 megawatts) are seen as most attractive in the world, "and a lot has to be done" in that sector. "Major breakthroughs must take place there," he stated.

### Olmert Admits Israel Has Expanded Settlements

In a step forward in the Annapolis peace process, Israeli Prime Minister Ehud Olmert admitted, apparently for the first time, that Israel has not honored its commitments to stop expansion of Jewish settlements in the West Bank. "There is a certain contradiction in this, between what we're actually seeing and what we ourselves promised," he said in an interview with the *Jerusalem Post* Jan. 4.

"Obligations are not only to be demanded of others, but they must also be honored by ourselves. So there is a certain problem here."

Olmert's remarks followed, perhaps only by hours, comments by President Bush on Jan. 3 that settlement expansion is "an impediment to the peace process." Bush told Reuter, "The unauthorized outposts for example need to be dismantled, like the Israelis said they would do." Israeli Vice Prime Minister Haim Ramon also said, on Jan. 4, that Israel would soon begin to dismantle about two dozen illegal settler outposts.

On Dec. 31, any new building, planning, or land expropriation for settlements in the West Bank would require his and the Defense Minister's authorization.

#### Mukherjee: India Wants Strong, Stable Pakistan

India wants a "strong, stable and prosperous" Pakistan, also in its own interests, Indian External Affairs Minister Pranab Mukherjee said in New Delhi Jan. 4. Asked about Western media reports on the potential for Pakistani nuclear weapons falling into "jihadi hands"—a scenario posed by the British and the neoconservatives in the United States in order to promote a Western military intervention—Mukherjee asserted that Pakistani President Pervez Musharraf is "in command" of Pakistan's nuclear arsenal. "Everybody will have concerns if they [nuclear weapons] fall into wrong hands, or if

non-state actors have access to them. But, perhaps now President Musharraf is in command of the situation, and I think he is also the civilian head of the command of the nuclear system."

Pakistan has gone through many difficult situations in its history, said Mukherjee, but, at the same time, it has shown that there was "strength and resilience in the system to overcome them." On the Jammu and Kashmir controversies, he said that India is "engaged in a composite dialogue with Pakistan. We are pinning hopes on the assurances in the Joint Statement of Jan. 6, 2004 that Pakistan's territory will not be allowed to be used by terrorists. We are hoping that they will adhere to the commitments and that the [terrorist] infrastructure which are there will be destroyed."

# Speculators Profit in Food Hyperinflation Crisis

"A new crisis is emerging, a global food catastrophe that will reach further and be more crippling than anything the world has ever seen," Donald Coxe, a financial analyst, told a Toronto meeting of the Empire Club Jan. 3. "The credit crunch and the reverberations of soaring oil prices around the world will pale in comparison to what is about to transpire," Coxe is quoted as saying in the Jan. 4 *Financial Post* of Canada.

Food commodities prices are reaching an all-time high as a result of central banks' hyperinflationary money pumping. On Jan. 3, wheat surged 30 cents, to \$9.45 a bushel (March contract). Corn for March delivery rose 5.25 cents, to \$4.67 in after-hours trading on the Chicago Board of Trade, an 11-year high. Soybeans for March delivery gained 11.25 cents, to \$12.60 a bushel, a 34-year record. Also rice touched an all-time record.

Meanwhile, as consumers were hit with spiralling price increases, the London *Financial Times*, reported that the Standard & Poor's GSCI agricultural commodities index (which measures speculation in agricultural commodities) returned 31% to the speculators in 2007!

# **Exercise** Economics

# The Debt Crisis Moves To Center Stage

by John Hoefle

The demise of Wall Street's securitization machine will impact the economy and the lives of people in ways that few have considered. Debt lies at the very heart of our economy; for households, businesses, and government, borrowing has become a fact of life, a way to subsidize normal operations for some, a lifeline for others. Debt, its issuance and management, has become perhaps the biggest business in the country, and it is a business that has died.

It is not the need to borrow that has died: The need for borrowing is bigger than ever, given the bankruptcy of the banking system, the soaring prices on food and energy and the like, and the falling incomes of the lower 80% of the population. What has died, is the mechanism which enabled the issue of vast amounts of debt, the ability to convert that debt into securities, and move it off into the nether world of off-balance-sheet finance. The debt machine itself has broken.

#### **Debts as Assets**

The way the debt machine worked can be seen in the case of mortgage-backed securities (MBS). Mortgage lenders would make loans to people to buy homes, then sell those loans to larger financial institutions, which would consolidate them into pools, and issue securities whose value was said to be derived from the value of the underlying mortgages. The mortgage-backed security itself is a new debt, whose repayment is said to be backed by the income stream from the payments on the mortgages in the pool. But that is not quite true, since the mortgage payments are already spoken for, as the repayment with interest of the original mortgage loan. All the buyer of the MBS really owns is a bond backed by the company which issued it.

This securitization process is presented as a way to pro-

vide more money for mortgage loans, and it does do that, but that is only the beginning, as the debt from the mortgages is used to fuel the securities machine. The relationship between the mortgages and the securities can be easily seen by comparing the volumes of each. In 2003, for example, there were just shy of \$1 trillion in new mortgages issued, while just over \$3 trillion in mortgage-related securities were issued. Mortgage-related securities, as defined by the Securities and Financial Markets Association trade group which provided the securities statistics, include mortgage-backed securities and collateralized mortgage obligations (CMOs) issued by both government agencies such as Ginny Mae, Fannie Mae, and Freddie Mac, and by private sector institutions such as Bear Stearns, Lehman Brothers, and Goldman Sachs.

The ability to turn \$1 in mortgage debt into \$3 in securities explains why residential real estate became such a speculative bubble. The name of the game was not selling houses, but selling mortgages to fuel the securities business. The real money was not in the loans themselves, but in the speculation which they enabled. With the connivance of the ratings agencies—which are actually just private companies which get paid for the ratings they issue—these mortgagebacked securities were broken up into slices, or tranches, with the top tranche often having a higher credit rating than the mortgages upon which is was nominally based. Pools of subprime mortgages were thus transformed into securities with triple-A ratings which could be sold to pension funds, money market funds, and others, as supposedly safe investments. The tranches that did not qualify as triple-A were then often pooled and resecuritized into collateralized debt obligations (CDOs), producing yet more triple-A tranches,

36 Economics EIR January 11, 2008

and some of these CDOs were resecuritized into CDOssquared, or CDOs containing other CDOs, which naturally had their own triple-A tranches. This process of turning sows' ears into silk purses produced a string of securities whose value began to vaporize at the first hint of trouble in the real estate markets.

This scam was repeated with all sorts of debt, from credit cards to corporate loans, creating a giant pyramid scheme of "assets" which could be bought and sold as if they had value. This securitization scheme allowed the debt in the economy to rise rapidly, and was the reason why individuals were able to get their credit limits raised when they maxed out their credit cards, and borrow the money to buy cars; the reason why private equity firms were able to borrow billions of dollars for takeovers; and the reason corporations were able to borrow billions of dollars to finance their operations. While the details vary, the overall process of the securitization of debt—the conversion of debts into assets—is what provided the illusion that the economy still functioned.

#### Save the Paper

With the market for MBS, CDOs, and other paper drying up, the question of rolling over the mountain of existing debt now moves to center stage. Without new credit, the debts cannot be rolled over, and thus defaults will soar, blowing out not only the debt markets but also the credit derivatives market.

The central banks are desperately trying to buy time to figure out what to do. The rescue operations so far, including the injection of \$500 billion into the banking system by the European Central Bank in December, seem mainly designed to preserve the fictitious values of mortgage-related securities by reducing the need for the holders of such instruments to sell them.

The nature of this problem was revealed last Summer when Merrill Lynch and Lehman Brothers tried to sell the collateral they seized from the troubled Bear Stearns hedge funds, only to find themselves getting offers as low as 20 cents per dollar of book value. By establishing such a low market price, the banks effectively undercut the valuations of all similar instruments, triggering a vicious cycle of writedowns. As the holders of these securities write them down, their own net worth drops, prompting their creditors to issue margin calls—which in turn, prompts another round of asset sales to raise the money to pay creditors.

It appears that the central banks are trying to alleviate this problem by taking in much of this bad paper as collateral for loans, and there is talk of the central banks becoming buyers of last resort in order to protect the banks. The insolvency of the banking system is being openly discussed in the media, reflecting discussions underway between financial and political circles, with notable British spokesmen publicly floating the idea that the governments will have to step in and bail out the banks.

"Governments will almost certainly have to intervene directly to put a floor under mortgage values, thereby underwriting the solvency, as well as the liquidity, of banks.... Government intervention will become inevitable to underwrite the solvency, as well as the liquidity, of the banks," the London *Times*' Anatole Kaletsky wrote Dec. 17.

Kaletsky's comments came the day after former Fed chairman Sir Alan Greenspan told ABC's "This Week" that the Federal government should provide direct help to homeowners threatened by foreclosure.

John Dizard of the *Financial Times* noted on Dec. 17, that one of the key features of the Term Auction Facility set up by the Fed was the creation of inter-bank swap lines which allow the European Central Bank and other central banks to draw dollars from the Fed. Dizard suggested that as the ECB is not as restricted as the Fed in the types of collateral it could accept for loans, that the intent is to allow the central banks to buy up worthless dollar-denominated securities, to obviate the need to sell them on the open market.

The *Washington Post's* Steven Pearlstein said much the same thing Dec. 19, writing that the ECB's injection was "not only \$500 billion, but \$500 billion lent against almost any collateral, including a handwritten IOU from Uncle Ludwig in Dusseldorf."

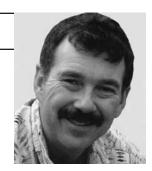
The problem of preventing this vicious spiral of asset writedowns was also addressed by Bank of England markets director Paul Tucker, who called it a "vicious circle," and by New York Fed chief Tim Geithner, who warned of an "adverse self-reinforcing dynamic." These comments were reported by Ambrose Evans-Pritchard in the Dec. 23 *Sunday Telegraph*. Evans-Pritchard also said that the Fed is looking at provisions in the Federal Reserve Act which would enable it to act as a lender of last resort.

According to a 2004 Fed study, the Federal Reserve Act allows for the Fed to "lend directly to individuals, partnerships and corporations" in "unusual and exigent circumstances," when adequate credit is not available from other banking institutions.

#### Time for the Firewalls

The meaning of these statements is clear: the people running the financial system intend to protect their own power and as much of their money as they can, by dumping the losses on the taxpayers. Rather than admit that their system has died and take their losses—both in terms of money and power—the bankers are determined to hold on, to bankrupt the government and impose savage austerity upon the population, choosing their fictitious values over the future of humanity. The real tragedy here is not that they would make such a choice, but that the citizens would let them get away with it. They are what they are. The real question is, what will we do?

# There's No Relation Between CO<sub>2</sub> and Climate Change



Timothy Patterson, Ph.D., is a Carleton University professor of geology and director of the Ottawa-Carleton Geo-Science Center in Ottawa, Canada, and a chief collaborator with Martin Durkin in the 2007 documentary for Britain's independent Channel 4 TV, "The Great Global Warming Swindle." He describes himself as "half a biologist, half a geologist, sort of in between. But luckily a biologist with a long view, looking at deep time, which is what you need if you're looking at this problem." Gregory Murphy interviewed him on Dec. 28, 2007. Their discussion has been abridged for publication.

**EIR:** We are interested in interviewing people like yourself who have done research, and who may at one time thought that CO<sub>2</sub> drove climate, but found that this was not the case.

**Patterson:** Well, to be truthful, I didn't think about it all that much, because it's not really what my research was about; I worked on paleo-oceanographic projects.

How it all started was, I got a pretty large grant from the Natural Sciences and Engineering Research Council of Canada. The reason I got this grant, was that British Columbia hasn't been settled all that long, like lots of places in North America, and there are major fisheries out there—not just salmon that you always hear about from the West Coast, but they had anchovy fisheries, sardine fisheries, herring fisheries, and so on. But their problem was that periodically, these fisheries would just crash. They'd have a great fleet one year, going after these fish, and the next year, nothing! And so, fisheries managers were pulling their hair out; but the problem was, their records were very, very short, so they had *nothing* to go on. They just didn't really understand what was going on with the system.

So I got this funding, to go in and try to assess fish records over thousands of years, because the sort of research I was doing means I can track that. We knew that there were certain inlets in the West Coast that didn't have any oxygen in them, so that various sorts of fish remains, like their scales, would be very, very well preserved. Our idea was to look at very high resolution, to see if there was any pattern with the fish, to see if we could figure out what was going on.

We started to do that in 1998. We looked at the fish records, and the microfossils, and the sediments themselves—they were beautiful sediments. What goes on in these inlets, is that basically there's no oxygen; anything that falls into these inlets, just stays there, preserved. The Aleutian Low domi-

nates climate in the Wintertime, and results in a lot of rain, and you end up with a lot of sloughing off of material into inlets, and that forms a dark layer; and then in the Summertime, there's upwelling going on, which is related to the North Pacific High at this time of year, and you get sink layers and phytoplankton, and so on. The fish like that, and so you get a layer of these things. So you get a light layer and a dark layer.

And so, we were able to go in and get something like a 6,000-year record of these laminated sediments, year- in, year-out. And when you start to pull the cores out, after you X-ray them, right away you see patterns: Some years are thick; you can see it's a great year for upwelling, because the light layer will be thicker, and then other years the dark layers will thicker.

And so, we deployed computers that would go in, and we X-rayed the samples, and then we scanned them, and we began to pull patterns out, using "time-series analysis," various sorts of techniques. And we started to look at the fish records with very high resolution, which resolves phytoplankton and everything else there. [Figures 1 and 2]

#### The Impact of Sunspot Cycles

The interesting thing that was starting to pop out for us, was that we began to see sunspot cycles. There are different "flavors" of sunspot cycles: There are the 11-year sunspot cycles, and the 88-year sunspot cycles, and the 200-year cycles, called the Gleissberg Cycle. And we were also recognizing, that no one big climate event was popping up. That was kind of causing us to pull our hair out, because, looking at the literature, there is a correlation between sunspots and climate, but no one had a driver for it, because there's not enough energy across the sunspot cycle.

But luckily, as a lot of this work was coming to fruition, Jan Veizer from Ottawa and Nir Shaviv from Israel published their paper. Since Jan Veizer's right here in Ottawa, I went to a couple of talks that he was giving, and the light bulbs began to go off. He explained about cosmic ray amplifiers and so on, and how that could amplify the solar effect, with the clouds and so on. And that gave us our amplifier.

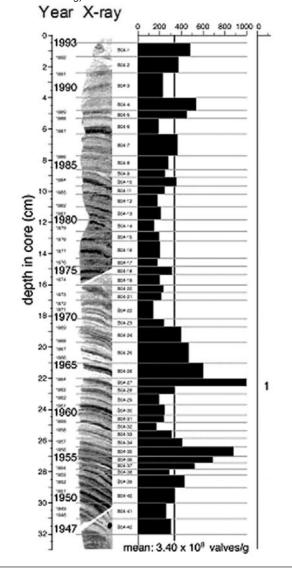
And so, I began to look more closely at it, and our model

38 Economics EIR January 11, 2008

<sup>1.</sup> N. Shaviv and J. Veizer, "Celestial driver of Phanerozoic climate?" *GSA Today*, July 2003.

# FIGURE 1 Diatom Concentration

(millions of valves/g)



Source: R.T. Patterson, A. Prokoph, C. Wright, A.S. Chang, R.E. Thomson, D.M. Ware, "Holocene Solar Variability and Pelagic Fish Productivity in the NE Pacific," *Palaeontologia Electronica*, Vol. 6, No. 1, 2004.

The dark layers are formed in cold, rainy weather, when mud falls into the basin; the light layers are formed in the Summer, when there is greater upwelling of nutrients from the sea floor, and hence a greater growth of the diatom population.

is much, much more mature now—we've looked at more inlets, we've got more data—and we know now that on the West Coast, it's this combination of the clouds that Jan Veizer and Svensmark and some of these people talk about; but there's also an impact, across the sunspot cycle, of changes in UV radiation at low latitudes: There's something like a 0.4% variation. And that has an impact upon the jet stream; the jet stream

is like a rope that whips around the world, and causes the movement of the North Pacific High and the Aleutian Low. And they move according to the 11-year sunspot cycle as well—move north and south, east and west. And, that movement controls the upwelling and the winds and so on in the region, and that is what impacts the upwelling and the rainfall and so on in my inlets. That's what I see.

It's a perfect match! And it's not just the inlets we started on, in the southwestern part of British Columbia, but the ones in the north now, show the same sorts of patterns.

It's been very exciting to see this sort of thing. This is how I got really interested in looking at the sunspots, because the impact upon climate in the West Coast is very, very clear, and it shows in our records, right up to the present time.

So, at that point you have to say, "Well, it's not really my area of research," but you start to think about carbon dioxide. And this is again due very heavily to Jan Veizer at the University of Ottawa. He won a top science award from Germany in the 1990s, and he got something like \$2 million that he could spend any way he wanted to. So he wanted to look at the record of carbon dioxide through all the phanerozoic, at very, very high resolution. And this is where the work he did with Shaviv came in, and they found that *there was no statistical correlation between CO*, and climate.

And in my research, I didn't really see any  $CO_2$  impact at all; there was nothing changing in more recent times that didn't correlate well with the sunspot cycle. So, that's how I got where I am.

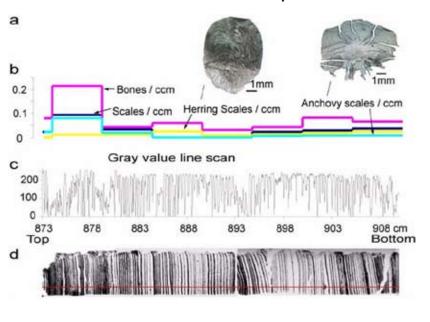
#### Paradoxes Ignored by Al Gore

**EIR:** When you testified at the Commons Committee on Environment and Sustainability [in Canada in 2005], you pointed out the real paradox in geological time, is that  $CO_2$  hasn't driven climate at all.

**Patterson:** Yes, it doesn't correlate, on any scale that you want to look at. Again, that's not my research; that was based on a literature survey. It's very, very clear, when you go through any of the literature—not just looking at Veizer's, but any of the research that's done on carbon dioxide—there's not a good correlation. And the ice core records that Al Gore shows up in his "An Inconvenient Truth," he misconstrues, in that, the CO<sub>2</sub> lags behind the temperature—that's just objective! That's just what is reported in the literature. To claim otherwise, is ridiculous.

And what sort of gets me, is that when people can see this sort of data out there, why would they think that today, carbon dioxide would behave any differently than it did in the geologic past? Which is 99.999% of the time? When carbon dioxide has been up to 16 times higher than it is at the present time, the temperatures—the Earth was once, in the Ordovician, in an ice age! And through most of geologic time, except for in the Permian, the CO<sub>2</sub> levels have always been much, much higher than the present time. So, there's just really no correlation between climate and carbon dioxide.

FIGURE 2
Fish Scales and Bones From Core Sample



Source: Patterson et al., op cit.

Herring (light bands) thrive during the Summer, when there is greater upwelling of nutrients, and the diatoms that they eat are plentiful; anchovies (dark bands) prefer colder, rainier weather, when there is more mud at the sea bottom.

That's basically what I testified, and I showed them some graphs and so on, and everybody nodded appreciatively. And we all had a little bowl of soup after—they serve nice lunches at these Commons hearings—and chatted about it, and everybody said platitudes about that wasn't going to change anything, so thanks for coming, and that was it!

**EIR:** What you said at the Commons hearing really highlighted the paradox, that 450 million years ago, CO<sub>2</sub> was 10 times higher—

**Patterson:** More like 16 times higher, which is way higher! But anyway, no matter whether it was 10 or 16, it was an ice age, and so that's some of the paradox. But again, as you move on up into the glacial—you know, we're an icehouse world right now. CO<sub>2</sub> levels are low for a reason, and they are low, geologically speaking, mainly because we have hardly any time to warm up between glacials. The way it runs right now, you get about a 15,000-year interglacial, which we're in right now, we're near the end of it, and then you go into about 100,000 years of glaciation. And the problem with that is, a lot of CO<sub>2</sub> gets sequestered in the oceans, and it gets very cold, and the CO, doesn't—it just gets sequestered in these oceans, and then when it warms up again, it really doesn't start to come out again until it's time to go back into the next ice age! So, just in the last couple million years, CO<sub>2</sub> levels have been really, really low for just that reason: It's cold most of the time, and because the oceans are deep and wide, and they sequester an enormous amount of carbon dioxide.

Why would you say that a correlation in temperature and  $\mathrm{CO}_2$  has occurred since the late 1980s, why would you throw out the correlation with the solar cycles, which match not only now, since the 1980s, but all the way back through the records that we have? I think it's a very, very clear case.

I just can't see how people who have jumped on this bandwagon have stayed there! Because from a geological perspective, there's really no reason for them to be there. Maybe that's why, in the geological community, you don't have nearly the same majority of people claiming that human-generated carbon dioxide is driving climate, because we look at a longer record. And if you go to geological meetings, it's a much more interesting debate, because I think the majority of the people are on my side. It's funny how this whole debate has been hijacked, I think by biologists and geographers.

# Models, and Our Understanding of Climate

**EIR:** You said that you got started looking at this, by looking at the effects on fisheries. A

lot of the work that was done on studying the Pacific Decadal Oscillation had to do with the salmon fisheries.

Patterson: Yes. And the funny thing was, it shows how little we understand about the climate system. They didn't even recognize the Pacific Decadal Oscillation until 1996. And now, that's recognized to be a key component of what drives this 22-year drought cycle, in the experience in the western part of North America, and it sometimes reaches even farther afield. Some people are suggesting that is closely linked to sunspot cycles as well.

So, there's all kinds of interesting work. And what I find, and I tell my students often: You think we know everything about climate, but here we are understanding major, major parts of the climate system that nobody even recognized until the late 1990s! And we're still discovering lots of things. So the claims that we understand everything, and that the models are perfect and so on, are just ridiculous. (I'm not a great model fan, either!)

**EIR:** I can see that.

There tends to be a commonality within the geological community, too. They tend to use computers for doing the studies, like breaking down core samples, and showing the layers and how you do time series analysis off that—yes. I interviewed Nils-Axel Mörner,<sup>2</sup> and he told me, they don't un-

40 Economics EIR January 11, 2008

<sup>2.</sup> EIR, June 22, 2007.

derstand sea level rise, because they sit there—a bunch of meteorologists sit around their computers, playing games, and they don't go out and actually muck around and look at things. He identified people who actually do the physical research, as tending to be more on the skeptical side on this whole climate change issue.

**Patterson:** I would think that's entirely true. And the modelling community, they're very smart with math and so on. But I think, at this stage of the game, trying to use these things as predictive tools is very difficult. Mainly because there are major, major parts of the climate system that we just don't quite understand yet. And the models have to be so complex, that basically, I think some of the huge ones spiral out of control, that there are things going on within the models that fall outside all bounds of scientific understanding. And no one who puts these models, understands how they work.

They don't deal with clouds, for example. And so, if you like this galactic-cosmic-ray-driving climate idea, that basically they're causing changes in clouds and that's the amplifier, well, here you have models that can't really even deal with clouds! And the issue, too, of not being able to reproduce climate over the last 60 years, they basically can't reproduce what's happened! So, you're supposed to use that as a predictive tool? I find that that's a real problem.

They're great tools, I think, for understanding a process, if you could look at some little part of it; but the work that's been done, using them as a predictive tool, I think is ridiculous.

I even saw that William Ruddiman wrote a textbook a couple years ago—he's at the University of Virginia, a carbon dioxide guy, who came out with a silly paper a couple of years ago that suggested that early Indians and early Western Europeans lighting campfires, was what staved off the next ice age.<sup>3</sup> He basically made a claim that because the population was growing—it would still be pretty small, several thousand years ago—that they would clear woods, and light fires, and so on, and that basically that's why we aren't in an ice age, because of the carbon dioxide released from the burning of wood. (See box.) I just thought, "One good forest fire in a dry year would probably add up to everything these people would do altogether."

Anyway, he wrote this textbook, and he said, basically, here's the way the process works: The geologists collect data, and then they provide some interpretation, and the modelers take the data, and they run the model. But if the model doesn't correspond to the geology for which it was supposed to be a predictive tool, if it couldn't reproduce it, then perhaps the geologist had collected the data wrong! I was reviewing this textbook, and I made the guy take it out, because it was the silliest statement that was ever made. That basically, if you have real physical data, and someone does a model of it to predict the future, and the model doesn't correspond to the actual col-

lected data, then there's a problem with the actual collected data! It's not the data you throw out, it's the model.

This is the sort of mindset that's in that community. And so, again, they're mathematicians, these people, they're not regular guys, that go around and get their hands dirty.

But the funny thing is, it's the IPCC [Intergovernmental Panel on Climate Change], and every time they come out with these sorts of model projections, that's what they jump on. If you watch the news: "Here's a new model out—this is what it says, it's gonna be even worse than it was before"—and that's what the media reports, and it's just fantasies.

And you know how it all got started: In 1988, [James] Hansen [NASA climatologist and propagandist for anthropogenic global warming] came out with his model, which predicted, what was it?—a 10° Celsius increase in the next 50 years or so? It was like the super-computer equivalent of a Nintendo 64 or something; it was ridiculous! His model was so simplistic, it would be a *joke* today! The grid sizes were huge! Who could put any credence in it? But everybody jumped on it, and they said, "This is it, this is it!"

**EIR:** Did you hear the story about the stagecraft when Al Gore called Hansen to testify to the Senate? Gore, when he was a Senator, brought Hansen to the Senate to testify. It was hot weather, and they turned the air conditioning off in the room, opened the windows, let the hot air in; Hansen is sweating, and he's wiping the sweat off his brow, as he's saying that it's going to rise 10°C in the next 50 years—

**Patterson:** So you think it's hot in here now, just wait till then!

I think parliamentarians and congressmen should be all told that story, and learn a bit of humility around here.

I was reading somewhere, suggestions that this is sort of a Baby-Boomer thing, too, that you have control over everything: The Baby Boomers never age, the Baby Boomers never do this, that, and the other thing. So, the Baby Boomers can control the climate. I think it's ridiculous: How can you possibly legislate that "Climate shall not change 2°C"?

And when I teach my climate class to 500 students next semester, that's the first thing I'll talk about, on Day 1, is that the only constant about climate is change. Because the general public, for the most part, has no inkling that climate has ever been really much different from now. They basically think this is the way the world has been forever!

#### The Next Solar Cycle

**EIR:** You talk about how the next solar cycle, cycle 25, or after cycle 24, is supposed to be very, very weak. Some of the solar people I talked to are saying that some of this temperature drop will start a little sooner than you're saying, but around the same time frame.

**Patterson:** Yes, I just read that the first inkling of a sunspot of this cycle may have appeared—no sunspot yet, but there was a magnetic reversal the other day. I haven't fol-

January 11, 2008 EIR Economics 41

<sup>3.</sup> William F. Ruddiman, "The Anthropogenic Greenhouse Era Began Thousands of Years Ago," *Climatic Change*, Vol. 61, No. 3, December 2003.

lowed up on that closely, but it's quite interesting, that we've been sitting around with nothing. I guess that every day it gets delayed, shortens it a little bit, and it will make the cycle a bit weaker. So it's going to be interesting to see what happens as we get through this supposedly "big one," and then on to the smaller one after that.

But from a strategic point of view, from this country's point of view-because there's a very good match-up between climate and these solar cycles—if the pattern holds, the last time that there was a cycle that was like what cycle 25 is supposedly going to be like, was during the Dalton Minimum. And during that time, a lot of wheat agriculture was affected. As you know, the Canadian breadbasket is an enormous producer of wheat-in Saskatchewan alone, I think it's something like 22 million bushels of grain every year. You look at what the impact might be, not only of a delayed harvest, but also early frost, and lower temperatures out there, which influences how the wheat heads. I was talking to somebody who suggested that wheat production could fall from 22 million bushels down to 10 million bushels, if you had like a 1-2°C drop in temperature in that region. Agriculture will be very, very seriously curtailed out there.

So from a strategic point of view, that's bad news! And North America is a relatively small continent; you think of Eurasia, which has vast areas that are in grain production—if it's bad here, it's magnified when you get to those places. So, there could be very, very serious agricultural issues when we arrive at the 20-teens.

**EIR:** I've talked to guys who actually believe that an increase in CO<sub>2</sub> will actually be beneficial to agriculture. If you

look at an increase in CO<sub>2</sub>, in, say, an area that has more drought conditions, like in Australia, the wheat down would actually benefit from a higher CO<sub>2</sub>, because they would use less water, and they wouldn't be so water-stressed.

**Patterson:** That's right, but I refer to it from the Canadian perspective, where basically it's a frost issue in the West. And so, if the seasons are shorter and it's not very warm, the CO<sub>2</sub> fertilization certainly is going to help some, but it's not going to offset things all that much. Maybe in parts of the U.S.—okay, the U.S. has great climate variation, all the way from like what it would be in Saskatchewan, in northern North Dakota and so on, right down to places where they'd love it probably a little bit cooler! So, it would probably be better production for them....

#### The Challenge for Scientists

I think that the biggest problem, is that there's a *real* lack of communication amongst the various sorts of disciplines and sub-disciplines. I wasn't kidding when I said, you go to the earth science community, and you'll find that the overall consensus in our community is much different than you'd see in the biological community, and for some reason, we don't speak out too much, in the earth science community. And so, I think that people don't quite appreciate that scientists in this community are not quite as excited about the global warming doom, as some of the other community, like the modelers, who are able to somehow get their point across much more effectively. And my hat's off to them, in that regard, I guess. Because we've been failures in the earth science community. Maybe we wouldn't have been in this mess, if we'd been more vocal earlier on.

# Malthusian Claims Pandemic Disease Will Stop Warming

William F. Ruddiman of the University of Virginia argues that man-made global warming began thousands of years ago, as a result of the production of CO<sub>2</sub> caused by the discovery of agriculture and subsequent technological innovations in the practice of farming ("The Anthropogenic Greenhouse Era Began Thousands of Years Ago," *Climatic Change*, December 2003). He claims that the other main source of CO<sub>2</sub> was the cutting of forests and burning of wood and peat to heat homes in Eurasia and North America, which he maintains is why glaciers didn't advance farther south from the Arctic, as they did in previous glacial advances. Ruddiman bases this bizarre hypothesis on fraud-

ulent ice core data and computer modeling of the extent of deforestation in Europe and North America over the past 8,000 years.

Ruddiman is a neo-malthusian and a follower of "population bomb" hoaxster Paul Ehrlich (see "Where the Global Warming Hoax Was Born," *EIR*, June 8, 2007). Ruddiman repeatedly asserts that man created climate problems by developing new technologies which caused a slight rise in CO<sub>2</sub>. (The amount of emissions was barely above the level of natural variation from outgassing from the oceans.)

One might laugh at the notion that early Europeans burning wood staved off the worst effects of the last ice age—which was the response among most scientists to Ruddiman's paper. But his more important point is more blood-curdling: that pandemic diseases such as the Black Death of the 14th Century cause a decrease in CO<sub>2</sub> and a decrease in temperature. In other words, such diseases will reduce the population, thereby creating a cooler world.

—Gregory Murphy

42 Economics EIR January 11, 2008

# Scientists: Fight Global Warming With Growth

One hundred scientists sent this open letter Dec. 13 to UN Secretary-General Ban Ki-Moon, titled, "UN Climate Conference Taking the World in Entirely the Wrong Direction":

It is not possible to stop climate change, a natural phenomenon that has affected humanity through the ages. Geological, archaeological, oral, and written histories all attest to the dramatic challenges posed to past societies from unanticipated changes in temperature, precipitation, winds, and other climatic variables. We therefore need to equip nations to become resilient to the full range of these natural phenomena by promoting economic growth and wealth generation.

The United Nations Intergovernmental Panel on Climate Change (IPCC) has issued increasingly alarming conclusions about the climatic influences of human-produced carbon dioxide (CO<sub>2</sub>), a non-polluting gas that is essential to plant photosynthesis. While we understand the evidence that has led them to view CO<sub>2</sub> emissions as harmful, the IPCC's conclusions are quite inadequate as justification for implementing policies that will markedly diminish future prosperity. In particular, it is not established that it is possible to significantly alter global climate through cuts in human greenhouse gas emissions. On top of which, because attempts to cut emissions will slow development, the current UN approach of CO<sub>2</sub> reduction is likely to increase human suffering from future climate change rather than to decrease it.

The IPCC Summaries for Policy Makers are the most widely read IPCC reports amongst politicians and non-scientists, and are the basis for most climate change policy formulation. Yet these Summaries are prepared by a relatively small core writing team with the final drafts approved line-by-line by government representatives. The great majority of IPCC contributors and reviewers, and the tens of thousands of other scientists who are qualified to comment on these matters, are not involved in the preparation of these documents. The summaries therefore cannot properly be represented as a consensus view among experts.

Contrary to the impression left by the IPCC Summary reports:

• Recent observations of phenomena such as glacial retreats, sea-level rise and the migration of temperature-sensitive species are not evidence for abnormal climate change, for none of these changes has been shown to lie outside the bounds of known natural variability.

- The average rate of warming of 0.1 to 0.2 degrees Celsius per decade recorded by satellites during the late 20th century falls within known natural rates of warming and cooling over the last 10,000 years.
- Leading scientists, including some senior IPCC representatives, acknowledge that today's computer models cannot predict climate. Consistent with this, and despite computer projections of temperature rises, there has been no net global warming since 1998. That the current temperature plateau follows a late 20th-century period of warming is consistent with the continuation today of natural multi-decadal or millennial climate cycling.

In stark contrast to the often repeated assertion that the science of climate change is "settled," significant new peer-reviewed research has cast even more doubt on the hypothesis of dangerous human-caused global warming. But because IPCC working groups were generally instructed (see http://ipcc-wg1.ucar.edu/wg1/docs/wg1\_timetable\_2006-08-14.pdf) to consider work published only through May 2005, these important findings are not included in their reports; i.e., the IPCC assessment reports are already materially outdated

The UN climate conference in Bali has been planned to take the world along a path of severe CO2 restrictions, ignoring the lessons apparent from the failure of the Kyoto Protocol, the chaotic nature of the European CO2 trading market, and the ineffectiveness of other costly initiatives to curb greenhouse gas emissions. Balanced cost/benefit analyses provide no support for the introduction of global measures to cap and reduce energy consumption for the purpose of restricting CO, emissions. Furthermore, it is irrational to apply the "precautionary principle" because many scientists recognize that both climatic coolings and warmings are realistic possibilities over the medium-term future.

The current UN focus on "fighting climate change," as illustrated in the Nov. 27 UN Development Programme's Human Development Report, is distracting governments from adapting to the threat of inevitable natural climate changes, whatever forms they may take. National and international planning for such changes is needed, with a focus on helping our most vulnerable citizens

adapt to conditions that lie ahead. Attempts to prevent global climate change from occurring are ultimately futile, and constitute a tragic misallocation of resources that would be better spent on humanity's real and pressing problems.

Yours faithfully,

Don Aitkin, PhD, Professor, social scientist, retired vice-chancellor and president, University of Canberra, Australia

William J.R. Alexander, PhD, Professor Emeritus, Dept. of Civil and Biosystems Engineering, University of Pretoria, South Africa; Member, UN Scientific and Technical Committee on Natural Disasters, 1994-2000

Bjarne Andresen, PhD, physicist, Professor, The Niels Bohr Institute, University of Copenhagen, Denmark Geoff L. Austin, PhD, FNZIP, FRSNZ, Professor, Dept. of Physics, University of Auckland, New Zealand

Timothy F. Ball, PhD, environmental consultant, former climatology professor, University of Winnipeg Ernst-Georg Beck, Dipl. Biol., Biologist, Merian-Schule Freiburg, Germany

Sonja A. Boehmer-Christiansen, PhD, Reader, Dept. of Geography, Hull University, U.K.; Editor, Energy & Environment journal

Chris C. Borel, PhD, remote sensing scientist, U.S.

Reid A. Bryson, PhD, DSc, DEngr, UNE P. Global 500 Laureate; Senior Scientist, Center for Climatic Research; Emeritus Professor of Meteorology, of Geography, and of Environmental Studies, University of Wisconsin

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Ian D. Clark, PhD, Professor, isotope hydrogeology and paleoclimatology, Dept. of Earth Sciences, University of Ottawa

Richard S. Courtney, PhD, climate and atmospheric science consultant, IPCC expert reviewer, U.K.

Willem de Lange, PhD, Dept. of Earth and Ocean Sciences, School of Science and Engineering, Waikato University, New Zealand

David Deming, PhD (Geophysics), Associate Professor, College of Arts and Sciences, University of Oklahoma

Freeman J. Dyson, PhD, Emeritus Professor of Physics, Institute for Advanced Studies, Princeton, N.J. Don J. Easterbrook, PhD, Emeritus Professor of Geology, Western Washington University

Lance Endersbee, Emeritus Professor, former dean of Engineering and Pro-Vice Chancellor of Monasy University, Australia

Hans Erren, Doctorandus, geophysicist and climate specialist, Sittard, The Netherlands

Robert H. Essenhigh, PhD, E.G. Bailey Professor of Energy Conversion, Dept. of Mechanical Engineering, The Ohio State University

Christopher Essex, PhD, Professor of Applied Mathematics and Associate Director of the Program in Theoretical Physics, University of Western Ontario David Evans, PhD, mathematician, carbon accoun-

January 11, 2008 EIR Economics 43

- tant, computer and electrical engineer and head of "Science Speak," Australia
- William Evans, PhD, editor, American Midland Naturalist; Dept. of Biological Sciences, University of Notre Dame
- Stewart Franks, PhD, Professor, Hydroclimatologist, University of Newcastle, Australia
- R. W. Gauldie, PhD, Research Professor, Hawaii Institute of Geophysics and Planetology, School of Ocean Earth Sciences and Technology, University of Hawai'i at Manoa
- Lee C. Gerhard, PhD, Senior Scientist Emeritus, University of Kansas; former director and state geologist, Kansas Geological Survey
- Gerhard Gerlich, Professor for Mathematical and Theoretical Physics, Institut für Mathematische Physik der TU Braunschweig, Germany
- Albrecht Glatzle, PhD, sc. agr., Agro-Biologist and Gerente ejecutivo, INTTAS, Paraguay
- Fred Goldberg, PhD, Adjunct Professor, Royal Institute of Technology, Mechanical Engineering, Stockholm, Sweden
- Vincent Gray, PhD, expert reviewer for the IPCC and author of The Greenhouse Delusion: A Critique of Climate Change 2001, Wellington, New Zealand
- William M. Gray, Professor Emeritus, Dept. of Atmospheric Science, Colorado State University and Head of the Tropical Meteorology Project
- Howard Hayden, PhD, Emeritus Professor of Physics, University of Connecticut
- Louis Hissink MSc, M.A.I.G., editor, AIG News, and consulting geologist, Perth, Western Australia
- Craig D. Idso, PhD, Chairman, Center for the Study of Carbon Dioxide and Global Change, Arizona
- Sherwood B. Idso, PhD, President, Center for the Study of Carbon Dioxide and Global Change, AZ, USA
- Andrei Illarionov, PhD, Senior Fellow, Center for Global Liberty and Prosperity; founder and director of the Institute of Economic Analysis
- Zbigniew Jaworowski, PhD, physicist, Chairman, Scientific Council of Central Laboratory for Radiological Protection, Warsaw, Poland
- Jon Jenkins, PhD, MD, computer modelling-virology, NSW, Australia
- Wibjorn Karlen, PhD, Emeritus Professor, Dept. of Physical Geography and Quaternary Geology, Stockholm University, Sweden
- Olavi Kärner, Ph.D., Research Associate, Dept. of Atmospheric Physics, Institute of Astrophysics and Atmospheric Physics, Toravere, Estonia
- Joel M. Kauffman, PhD, Emeritus Professor of Chemistry, University of the Sciences in Philadelphia
- David Kear, PhD, FRSNZ, CMG, geologist, former Director-General of NZ Dept. of Scientific & Industrial Research, New Zealand
- Madhav Khandekar, PhD, former research scientist, Environment Canada; editor, Climate Research (2003-05); editorial board member, Natural Hazards; IPCC expert reviewer 2007
- William Kininmonth M.Sc., M.Admin., former head of Australia's National Climate Centre and a consultant to the World Meteorological Organization's Commission for Climatology Jan J.H. Kop, MSc Ceng FICE (Civil Engineer Fellow of the Institution of Civil Engineers), Emeritus Prof. of Public Health Engineering, Technical University Delft, The Netherlands
- Prof. R.W.J. Kouffeld, Emeritus Professor, Energy Conversion, Delft University of Technology, The Netherlands
- Salomon Kroonenberg, PhD, Professor, Dept. of Geotechnology, Delft University of Technology, The Netherlands
- Hans H.J. Labohm, PhD, economist, former advisor

- to the executive board, Clingendael Institute (The Netherlands Institute of International Relations), The Netherlands
- The Rt. Hon. Lord Lawson of Blaby, economist; Chairman of the Central Europe Trust; former Chancellor of the Exchequer, U.K.
- Douglas Leahey, PhD, meteorologist and air-quality consultant, Calgary
- David R. Legates, PhD, Director, Center for Climatic Research, University of Delaware
- Marcel Leroux, PhD, Professor Emeritus of Climatology, University of Lyon, France; former director of Laboratory of Climatology, Risks and Environment, CNRS
- Bryan Leyland, International Climate Science Coalition, consultant and power engineer, Auckland, New Zealand
- William Lindqvist, PhD, independent consulting geologist, Calif.
- Richard S. Lindzen, PhD, Alfred P. Sloan Professor of Meteorology, Dept. of Earth, Atmospheric and Planetary Sciences, Massachusetts Institute of Technology
- A.J. Tom van Loon, PhD, Professor of Geology (Quaternary Geology), Adam Mickiewicz University, Poznan, Poland; former President of the European Association of Science Editors
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- John Maunder, PhD, Climatologist, former President of the Commission for Climatology of the World Meteorological Organization (89-97), New Zealand
- Alister McFarquhar, PhD, international economy, Downing College, Cambridge, U.K.
- Ross McKitrick, PhD, Associate Professor, Dept. of Economics, University of Guelph
- John McLean, PhD, climate data analyst, computer scientist, Australia
- Owen McShane, PhD, economist, head of the International Climate Science Coalition; Director, Centre for Resource Management Studies, New Zealand
- Fred Michel, PhD, Director, Institute of Environmental Sciences and Associate Professor of Earth Sciences, Carleton University
- Frank Milne, PhD, Professor, Dept. of Economics, Queen's University
- Asmunn Moene, PhD, former head of the Forecasting Centre, Meteorological Institute, Norway
- Alan Moran, PhD, Energy Economist, Director of the IPA's Deregulation Unit, Australia
- Nils-Axel Morner, PhD, Emeritus Professor of Paleogeophysics & Geodynamics, Stockholm University, Sweden
- Lubos Motl, PhD, Physicist, former Harvard string theorist, Charles University, Prague, Czech Republic
- John Nicol, PhD, Professor Emeritus of Physics, James Cook University, Australia
- David Nowell, M.Sc., Fellow of the Royal Meteorological Society, former chairman of the NATO Meteorological Group, Ottawa
- James J. O'Brien, PhD, Professor Emeritus, Meteorology and Oceanography, Florida State University
- Cliff Ollier, PhD, Professor Emeritus (Geology), Research Fellow, University of Western Australia
- Garth W. Paltridge, PhD, atmospheric physicist, Emeritus Professor and former Director of the Institute of Antarctic and Southern Ocean Studies, University of Tasmania, Australia
- R. Timothy Patterson, PhD, Professor, Dept. of Earth Sciences (paleoclimatology), Carleton University

- Al Pekarek, PhD, Associate Professor of Geology, Earth and Atmospheric Sciences Dept., St. Cloud State University, Minnesota
- Ian Plimer, PhD, Professor of Geology, School of Earth and Environmental Sciences, University of Adelaide and Emeritus Professor of Earth Sciences, University of Melbourne, Australia
- Brian Pratt, PhD, Professor of Geology, Sedimentology, University of Saskatchewan
- Harry N.A. Priem, PhD, Emeritus Professor of Planetary Geology and Isotope Geophysics, Utrecht University; former director of the Netherlands Institute for Isotope Geosciences
- Alex Robson, PhD, Economics, Australian National University Colonel F.P.M. Rombouts, Branch Chief - Safety, Quality and Environment, Royal Netherland Air Force
- R.G. Roper, PhD, Professor Emeritus of Atmospheric Sciences, School of Earth and Atmospheric Sciences, Georgia Institute of Technology
- Arthur Rorsch, PhD, Emeritus Professor, Molecular Genetics, Leiden University, The Netherlands
- Rob Scagel, M.Sc., forest microclimate specialist, principal consultant, Pacific Phytometric Consultants, B.C.
- Tom V. Segalstad, PhD, (Geology/Geochemistry), Head of the Geological Museum and Associate Professor of Resource and Environmental Geology, University of Oslo, Norway
- Gary D. Sharp, PhD, Center for Climate/Ocean Resources Study, Salinas, CA
- S. Fred Singer, PhD, Professor Emeritus of Environmental Sciences, University of Virginia and former director Weather Satellite Service
- L. Graham Smith, PhD, Associate Professor, Dept. of Geography, University of Western Ontario
- Roy W. Spencer, PhD, climatologist, Principal Research Scientist, Earth System Science Center, The University of Alabama, Huntsville
- Peter Stilbs, TeknD, Professor of Physical Chemistry, Research Leader, School of Chemical Science and Engineering, KTH (Royal Institute of Technology), Stockholm, Sweden
- Hendrik Tennekes, PhD, former director of research, Royal Netherlands Meteorological Institute
- Dick Thoenes, PhD, Emeritus Professor of Chemical Engineering, Eindhoven University of Technology, The Netherlands
- Brian G. Valentine, PhD, PE (Chem.), Technology
   Manager Industrial Energy Efficiency, Adjunct
   Associate Professor of Engineering Science, University of Maryland at College Park; Dept of Energy, Washington, DC
- Gerrit J. van der Lingen, PhD, geologist and paleoclimatologist, climate change consultant, Geoscience Research and Investigations, New Zealand
- Len Walker, PhD, Power Engineering, Australia
- Edward J. Wegman, PhD, Department of Computational and Data Sciences, George Mason University, Virginia
- Stephan Wilksch, PhD, Professor for Innovation and Technology Management, Production Management and Logistics, University of Technology and Economics Berlin, Germany
- Boris Winterhalter, PhD, senior marine researcher (retired), Geological Survey of Finland, former professor in marine geology, University of Helsinki, Finland
- David E. Wojick, PhD, P.Eng., energy consultant, Virginia
- Raphael Wust, PhD, Lecturer, Marine Geology/Sedimentology, James Cook University, Australia
- A. Zichichi, PhD, President of the World Federation of Scientists, Geneva, Switzerland; Emeritus Professor of Advanced Physics, University of Bologna, Italy

## Report From Germany by Rainer Apel

### FDR Impulse Emerges in Labor Movement

Ferment for a broader strike is building, as unionists invoke the principles of Franklin Roosevelt's New Deal.

I he new year may begin with a broad strike wave in Germany. A months-long conflict over the government's ill-conceived plan for privatization of the railways culminated in November with strikes by railway engineers that paralyzed almost half of the nation's passenger transport, and brought rail freight to a standstill for a few days. To the great shock of the railway management and the government, the strike had the support of a majority of the population, so management agreed to resume negotiations. But it did so without much commitment, mainly because of the government's refusal to declare that privatization was off the agenda for

Should talks break down again and strikes resume, this would instantly affect the public service sector, where the national labor union ver.di has already announced a strike vote, if the government and the other public employers continue stonewalling against any talks on the union's demands for an 8% wage increase and a halt to further extension of working hours with no pay increase. Large sections of the metal and construction workers will also enter wage bargaining talks soon.

The spark of the railway engineers would not have ignited the rest of the labor movement, however, had not the global financial system entered its final collapse phase from late July on. The impact included inflation of prices for basic consumer goods (food, up 40-50% for some categories; gasoline, up 18-20%;

household gas, up 10% and more).

The renewed militance of the labor movement also shows the impact of the LaRouche movement's longstanding campaign for an FDR-style solution to the crisis, for Germany and the world.

In the Spring of 2005, when the Social Democratic Party (SPD) began opposing the hedge funds ("locusts"), some sections of the labor movement began calling for a minimum wage law, using in their literature a picture of Franklin D. Roosevelt and his historic statements in preparation of the U.S. minimum wage and the Fair Labor Act of 1938.

Unfortunately, that momentum slowed down, after the SPD entered Christian Democratic Chancellor Angela Merkel's coalition government in November 2005. Therefore, it is most significant that at the end of 2007, references to FDR resurfaced, for example on a postcard printed for mass circulation by the labor federation of the state of Rhineland Palatinate, as part of a campaign for the minimum wage.

The minimum wage issue places enormous pressure on the Social Democrats to repudiate their Fabian variant of the monetarist policies of budget-balancing, in favor of a more pro-labor posture. The latter current gained an overwhelming majority at the SPD's national convention in Hamburg, in November 2007. The convention also voted against railway privatization. A couple of days later, Labor Minister Franz Müntefering (SPD), a hard-line defender of budget-balancing at the

expense of the lower-income strata of the population, was forced to resign. He was replaced by Olaf Scholz, who is more pro-labor.

Müntefering's demise reflected the fact that the party had continuously lost major constituencies since late 2005, when it entered Merkel's neocon Grand Coalition. The special tragedy of the SPD is that Müntefering, who in April 2005 picked up on a leading campaign item of the La-Rouche movement and initiated the polemic against the locust funds, ended up joining with the Fabian neocons and polemicizing against labor and its justified resistance against the brutal austerity policies of the government.

The LaRouche movement in Germany and its Civil Rights Solidarity Movement (BüSo) have continued to shape this debate. BüSo national chairwoman Helga Zepp-LaRouche wrote an open letter to the railway engineers, and they and the citizens of Germany in general have been addressed by another BüSo statement, "In Defense of the Common Good." both circulated as mass leaflets in many parts of Germany. Both statements emphasized that the global financial system has entered its final collapse phase, and that only a topdown restructuring of the financial and economic system at the level of governments, using the model of the Bretton Woods System, will provide an alternative. The BüSo is also demanding "firewall" legislation, like Lyndon LaRouche's Homeowners and Bank Protection Act in the United States, to protect Germany's productive capacities. With that, the BüSo enters the coming three weeks of a hot election campaign in the state of Hesse, where a new state legislature will be elected on Jan. 27. (See interview with candidate Alexander Hartmann, in *International*.)

# **Science**

#### LIFE WITHIN THE NOÖSPHERE:

# What Is the Human Mind?

by Lyndon H. LaRouche, Jr.

January 1, 2008

The LaRouche Youth Movement (LYM) has just recently published a widely circulated defense of human beings, a defense against what can be fairly portrayed as an intended takeover of the Earth by what are, avowedly, virtually de-humanized, digital "pod people" types, such types as may be found in Silicon Valley. That LYM documentation has been provided in both a mass-circulation pamphlet issued in November, and two complementary articles on the same subject-matter, published in the January 4, 2008 edition of the intelligence news weekly EIR.<sup>2</sup>

The crucial, underlying feature in those published reports, has been the defense of the role of the analog-like functions of the actually creative human mind, against that virtual alien occupation of our planet which is being attempted by digitally motivated creatures who seek to organize a realworld emulation of the infamous Hollywood role played by Arnold Schwarzenegger as "The Terminator." Sky Shields' defense of humanity against this evil, his piece entitled, "What, Exactly, Is A Human Being?," which was published in the January 4 EIR, came directly to the point of this crucial issue of science on which the LYM's published evidence against Silicon Valley robots pivots.

Shields' contribution identified some crucially typical forms of the creative mental processes by means of which we can effectively demonstrate the intrinsic incompetence of the digitalized, "pod-people" mentalities of the same type as Silicon Valley cases. He does this, by demonstrating the ontological actuality of what should be recognized as any true universal physical principle, such as the Leibniz-Bernouilli principle of any competent notion of the mathematical-physical calculus.

What he has accomplished there, has cleared the way for a crucially important, additional step to be taken into still deeper matters, as I specify in this present report. That step now answers two, existential kinds of political questions:

- 1.) What, speaking with an eye on Genesis 1, is the relevant nature of the developed human individual, as absolutely distinct from the beasts, which this kind of potential power of the human mind expresses;
- 2.) What, then, is the nature of the organization of our universe, that it accepts the guidance of successfully willful interventions of this type from the human individual mind?

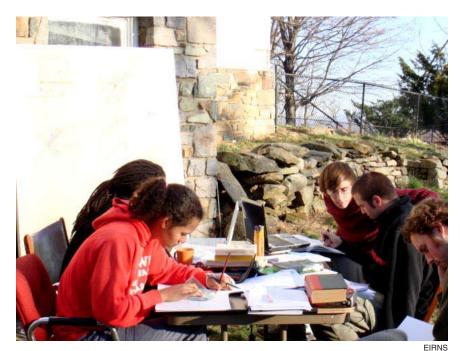
On this account: I, personally, first recognized what human creativity is not, by the time I had left the classroom on the first day of a mid-1930s, secondary-school's introductory class in Euclidean geometry. I knew then, from encounters with construction designs examined during my earlier visits to Boston's Charlestown U.S. Navy Yard, that the only valid geometry is a physically efficient geometry, rather than a merely idealized one, such as that of Euclid.

Therefore, a competent geometry must be a *physical geometry*, which must be defined so, without any Euclidean or other Sophist's *a-prioristic* mumbo-jumbo added. It must be defined, by experimental modes of setting of physical standards of construction and experiment. As part of my own personal revolt against the relevant academic sophistry which I

46 Science EIR January 11, 2008

<sup>1.</sup> Is The Devil in Your Laptop? LaRouche PAC, November 2007.

<sup>2.</sup> Cody Creighton Jones, "How Wiener Attempted To Kill Science"; Sky Shields, "What, Exactly, Is a Human Being? Analog, Digital, and Transcendental" In *EIR* Vol. 35, No. 1, 2008.



A LaRouche Youth Movement "basement" team working outdoors on the Gauss project. The name comes from their basement workplace in Northern Virginia.

encountered at that time, I filled up several notebooks with excerpts from, and notes on my study of those works of Gottfried Leibniz available to me from both my family household's bookshelves and the Lynn, Massachusetts Public Library, as part of my escape from the Sophistry of Euclid and his like.

Back during the U.S.A.'s 1920s and 1930s, the more customary, pathological definition of "true," was "popular." This did not require a believer's copying the particular opinion adopted by this or that person, or grouping. In my observations then, and later, it meant, typically, a commitment to premise whatever one chose to believe, using certain current standards for a usually accepted type of explanation for whatever it were that one chose, liberally, to profess to believe, whether in schoolrooms, or otherwise, or, whether the advocate actually believed his, or her own argument, or not. In other words, it was an echo of the same Sophistry by which the ancient Athens of Pericles had destroyed itself through the Peloponnesian War.

In my experience in this matter, no actual requirement of truthfulness was actually required for such cases, then or in the general practice in our republic today. In place of actual truth, popular convention substituted that slimy word "sincerity," especially when respect for the authority of a usually lying mass-media, or of a high-ranking element of the judiciary might otherwise be in doubt. Even if what were said was an outright lie, "You have to respect the assumption of that man's claim to have spoken with sincerity." It is insisted that if a lie may be caused to appear to be more "plausible" by standards of popular opinion or something like that, we are told that we must show respect for the feelings of the liar, and must thus

embrace the lie, and damn the truth.<sup>3</sup>

Thus, in those past times of my adolescence, and later, still today, the clause, "It is self-evident that...," as might have been borrowed from a Sophist such as Euclid, was among the most popular academic and related hallmarks of the typical popular (and populist) sophistries of those times. Unfortunately, prevalent trends in habits of opinion-shaping among most putatively educated people, have tended to become worse since those times about seventy years ago.

I confess, that I never liked Sophists. From the time which I have referenced, above, as the occasion of the classroom encounter with Euclidean geometry, for example, on to the present day, I have never accepted the ontological presumptions of a Euclidean or related sort of *a-priori* geometry, neither a Cartesian analytical geometry, nor a differential calculus premised on those Sophist's axiomatics typified by what was expressed by

the circles of a Leonhard Euler or an Augustin Cauchy.

That experience of mine acquired new dimensions, by way of my encounter with an advance review copy of Professor Norbert Wiener's *Cybernetics*, approximately sixty years ago, during the first quarter of 1948. This was my first encounter with what I recognized as the pervasive Sophistry in the work of MIT's Professor Norbert Wiener (a personal disciple of Bertrand Russell): Wiener's posing the preposterous assumptions which he and his devotees have called "information theory." By early 1953, these and related experiences with the views of Bertrand Russell, Norbert Wiener, John von Neumann and their devotees, had impelled me to become a persuaded and vigilant follower of the mightily refreshing, central conception of Bernhard Riemann's 1854 habilitation dissertation, a commitment which, it may be fairly said, I have retained to the present time.

Hence, to illustrate the nature of the crucial issue underlying the subject of Sky Shields' presentation, I begin this present report of mine, by pointing to the exemplary case of what Albert Einstein affirmed as having been Kepler's uniquely original discovery of a principle of universal gravitation.<sup>4</sup> I include some repetition of a report which my relevant associ-

January 11, 2008 EIR Science 47

<sup>3.</sup> When the mightily respected parson died, and his tattered old pulpit Bible was examined, it was noted that many passages in the old man's Bible were marked by a scrawled note: "Text unclear; shout like Hell!"

<sup>4.</sup> Better known is Einstein's scientific refutation of the methods of Russell et al., during the proceedings of the Solvay conferences: God does not cast dice in the universe. Einstein's later emphasis on Kepler's role, is less widely circulated today, but was just as firmly, and also more precisely stated.

ates and I have stated, and restated, during a number of scientific meetings and other occasions over the course of the recent three decades; that repetition is still required, as here, today, since the crucial facts of the case are not yet widespread common knowledge, even among those ostensibly trained in physical science.

What Sky accomplished in that *EIR* report, has been to present those immediately most relevant, correct principles of scientific method which prove his Classic case conclusively: the profound incompetence, for all scientific practice, of the practice of substituting linear digital methods for the required analog ones.

That leaves two crucially important, deeper question to be addressed at this juncture: a.) As Leonardo da Vinci overturned the presumed, axiomatic authority of linear perspective, on what basis could we assume that man is capable of actually knowing how the universe is designed, that beyond the scope of a generally accepted description of what most sincere believers do not actually know? b.) How could man prove that we are capable of having practical knowledge, that existing only in domains beyond merely generally accepted opinion, of how the universe actually works.

#### 1. The Birth of Modern Science

Modern science was that born, in fact, during the middle to late Fifteenth Century A.D. It first appeared then, chiefly, as the intersection of the work of the inventor of the modern application of the catenary function to the practice of physical science, the polymath Filippo Brunelleschi, and the founding of the general form of modern physical science by Nicholas of Cusa's *De Docta Ignorantia*. There is a precise connection of this pair of discoveries, by Brunelleschi and Cusa, to the evidence which Sky Shields provides in the pages of the January 4, 2008 *EIR*.

However, in speaking of the founding of modern European science, it would be systemically misleading, to say that this was actually the original founding of what should be recognized as European science for today. The known foundations of competent forms of today's specifically *modern* European science, had been first established as European science, essentially, during Europe's Fifteenth Century; but, this occurred as a revival of what had been already the most essential principles of the ancient European science whose origins are to be traced from ancient Greeks. A European science whose ancient origins are to be traced, specifically, from Thales, and from the practice of the principles of *Sphaerics* among such followers of Thales as the Pythagoreans and Heracleitus, and,

also, from Plato and his personal followers of the Academy, through, and slightly beyond the work of Eratosthenes.<sup>6</sup>

The common feature shared by the ancient European science of the Pythagoreans and Plato, with the modern science of Cusa, Kepler, Fermat, Leibniz, and Riemann, et al., is the same "analog principle" of physical geometry now known as the ontologically *infinitesimal*, best known today as what Shields, among other members of the LYM scientific teams, has pointed out as the catenary-related *analog* principle of the Leibniz-Bernouilli calculus (*universal physical least action*).

The root of Shields' referenced argument is located, for its broader implications, within the historical context of that Classical set of scientific references.

That notion of the physical infinitesimal, itself, as it had been presented in modern physical science by Kepler's successive, uniquely original discoveries of the principle of gravitation,7 had been already introduced to modern physical science, and to Kepler's knowledge of it, by Nicholas of Cusa's exposure of the systemic error of Archimedes' effort to define the generation of the circle by quadrature.8 That is an error which also permeates the utter incompetence of the so-called Newtonian "calculus," an incompetence which continued to be shared, in its most essential features, among the Eighteenth-Century opponents of Leibniz's discovery, such as Leonhard Euler and Joseph Lagrange, as also by such Nineteenth Century hoaxsters as Laplace, Cauchy, and such among those of their followers as the Clausius, Grassmann, Kelvin, et al., who launched the hoax of a so-called "second law of thermodynamics."9

#### Leonhard Euler's Hoax

For example:

Leonhard Euler is the only notable figure among the

48 Science EIR January 11, 2008

<sup>5.</sup> Brunelleschi's use of the catenary (the "hanging chain" principle) for the construction of the cupola of the famous Santa Maria del Fiore Cathedral of Florence. It is the catenary principle which determines the specific form of the cupola.

<sup>6.</sup> Although there were some partial revivals of ancient European science at times prior to the Fifteenth-Century Renaissance, from the time following the deaths of Eratosthenes and Archimedes, there was a general moral and scientific decadence in European culture under the rise of the Roman Empire, Byzantium, and the domination of Europe by the medieval tyranny of Venetian usury and its Norman ruffians.

<sup>7.</sup> The first, was the discovery of the principle of the Earth's orbit, in Kepler's *The New Astronomy*; the second was the measurable principle of gravitation within a harmonically ordered Solar system, in *The Harmony of the Worlds*. The published LYM reports on both of these, are the only known, competently elaborated, current studies of these matters of Kepler's original work. See the LYM site (www.wlym.com) for authentic references.

<sup>8.</sup> The same knowledge from Cusa is implicitly expressed in some of the work of avowed Cusa follower Leonardo da Vinci; but, avowed Cusa follower Kepler was the first to make this the explicit basis for all competent practice of modern physical science. This discovery by Cusa was turned up, from among Cusa's sermons, through the efforts of the Cusanus Gesell-schaft's Fr. Haubst.

<sup>9.</sup> These were notably relevant precedents for the more radical frauds spawned by Ernst Mach, Bertrand Russell, and such followers of these as the Twentieth-Century radical empiricists Norbert Wiener and John von Neumann. Cf. Cody Creighton Jones, op. cit.



Brunelleschi's dome, the cupola of the Santa Maria del Fiore Cathedral in Florence, was constructed using the catenary principle.

Eighteenth-Century opponents of the Leibniz calculus who can be suspected of the competence to know with certainty that what he wrote about the calculus was a willful fraud. <sup>10</sup> Those others also to be regarded customarily as the originators of the hoax, such as Abraham de Moivre and D'Alembert, had shown no relevant competencies in the actual scientific issues, whereas the Euler, who had been a student of Jean Bernouilli, knew that what he wrote on that matter in 1761, and later, was a fraudulent representation of the clearly stated intention of both Leibniz and Bernouilli's statements of the principle of physical least action. <sup>11</sup>

The issue of the calculus, as predefined by Cusa, Kepler, Fermat, and by Leibniz himself, is that a universal physical principle not only bounds the observed events of the universe, but that this occurs in a fashion which *implicitly* defines the thus-bounded universe as finite, as Albert Einstein was to emphasize this implication of Riemannian physics. No part of the action which is effected within the bounds of the subject of that principle, contains, formally, in digital-mathematical terms, the principle which causes it.

No (digital) formal-mathematical description of the trajectory of a principled form of action, such as gravitation, contains the principle itself within it. It is only the replication of the experience of the relevant crucial experiment itself, which proves the validity of a claim for a universal physical principle.<sup>12</sup> Hence the requirement for "analog methods."

Therefore, whereas, the effect of the principle's action is clearly manifest empirically, the principle itself (e.g., gravitation) is a not confined by the subordinated domain (the orbital pathway) upon which it acts. Therefore, as Sky

persists as standard mouthings by the empiricists and positivists, down through Cauchy, Clausius, Grassmann, Kelvin, and by the devotees of Bertrand Russell, Norbert Wiener, John von Neumann, to the present day. The substitution of digital, for analog functions, has been a willfully malicious echo of the fraud of de Moivre et al. The vicious attacks on Kurt Gödel at Princeton, attacks which were motivated as defenses of Bertrand Russell's *Principia Mathematica* against Gödel's 1931 proof that it was a hoax, are highly relevant on this account.

12. This is known to the LYM teams as the "Basement" method.

January 11, 2008 EIR Science 49

<sup>10.</sup> See my January 1990 remarks on this subject, as presented, with supplementary documentation in Appendix XI "On Euler's Fallacies," in my *The Science of Christian Economy* (Washington, D.C.: Schiller Institute, 1991), pp. 407-425. The reference there is to letters written by Euler in 1761, and published, in English translation, in a collection by David Brewster (New York: Harper & Bros., 1840).

<sup>11.</sup> The origin of the issues which became the subject of the 18th-Century debate over the calculus, was the ancient solution for the Delian paradox, the successful construction of a doubling of the cube traced to Plato's friend, the Italian Pythagorean Archytas. Modern, Sixteenth-Century attention to this ancient matter, as by Cardano and his followers, introduced the modern issues of cubic and biquadratic algebraic functions in an attempted algebraic form. However, the Eighteenth-Century defenders of the incompetence of both Descartes and Newton, such as de Moivre, D'Alembert, Euler, and Lagrange, claimed to have proven their case against Leibniz, by simply accepting de Moivre's proposal that they agree to denounce what they termed, fraudulently, as "imaginary" roots of the relevant cubic and biquadratic functions. In his doctoral dissertation on the subject of what he later named the Fundamental Theorem of Algebra, Carl F. Gauss actually exposed the swindle by Euler, Lagrange, et al. Despite that, the fraud by Leibniz's adversaries

Shields presents the case, the apparently ontological connection of the principle to the subsumed action, can only be estimated as a point of contact which is ontologically (not spatially) infinitesimal at each and all point-intervals which might be adopted. Ontologically, the principle controls the action, but the action does not control, and does not contain the principle at that, or any other point: hence, gravitation as such is expressed as an absolutely (e.g., inherently) infinitesimal mode of action.

That is the underlying principle of the work of such followers of Cusa and Kepler, as Leibniz and Riemann (for example). It is also, methodologically, the key to the genius of Academician V.I. Vernadsky and Albert Einstein.

Hence, on the basis of such evidence, as Shields illustrates this point, we must go a step further, to say, that no derivatives of digital methods could ever encompass the action which corresponds to a true universal physical principle.

That is the one and only actual meaning of the use of the term *infinitesimal* by Leibniz. Euler knew this fact from Jean Bernouilli's published, well-documented representations of the work of himself and Leibniz. Furthermore, the notion of least-action itself, as proposed by Leibniz, reflected, as by Leibniz's explicit emphasis, the notion of least action introduced by Fermat, as that fact was also well known to Euler. Furthermore, the notion of both the calculus itself, and of the challenge of physical-elliptical functions, had been proposed to future mathematicians by Kepler; there was never any margin of opportunity for a competent scientist of the Seventeenth or Eighteenth centuries, taking these matters of background into account, to make an "honest" mistake in respect to the ontological content of the subjects to which such terms had referred.

#### **How & Why Cauchy Faked the Calculus**

In the method common to the work of the leading Pythagoreans, Plato, Cusa, Leonardo da Vinci, Kepler, Leibniz, and Riemann, the integrable infinitesimal represents the existence of a higher principle of action, as in the case of Kepler's uniquely original discoveries in the matter of gravitation, and Leibniz's defining of the calculus.

The effect of the reductionist's method of cutting away what Leibniz defines as the infinitesimal, transforms the conception of physical space-time to the effect of implying a universe characterized by asymptotic universal entropy. (Like the man who removes his genitals as a way of denying the existence of future generations, and thus employs the ruined organs as tools for other forms of entertainments.)

If one accepts the argument, respecting the calculus and modern algebra generally, which is common to de Moivre, D'Alembert, Euler, Lagrange, Laplace, and Cauchy, the



Library of Congress Nicholas of Cusa (1400-1464)



Johannes Kepler (1571-1630)

outcome must be exactly what we encounter in the dogma of Clausius, Grassmann, Kelvin, Helmholtz, and the curiously disgusting aspects of Maxwell, Ernst Mach, Bertrand Russell, and their devotees. The so-called "Second Law of Thermodynamics," when presented as a universal law, was always a hoax of a literally Napoleonic enormity, which was a spectacular model to be promoted by a man of his

The time came when the Emperor Napoleon Bonaparte, the former protégé of the Robespierre brothers, and a Martinist freemason whose personality had been re-designed for him personally by Savoyard Count Joseph de Maistre, had been shrunken to a chuckle in the throat of the British Foreign Office's Jeremy Bentham. The Duke of Wellington was now the occupying power of France. In this setting, a wretched piece of British property, the Bourbon pretender, was installed as the puppet-King of France, and the followers of Euler's protégé Lagrange, Laplace and Augustin Cauchy, were entrusted by Wellington et al. with ruining, as much as possible, what had been the world's leading center of scientific genius, Gaspard Monge's, Lazare Carnot's, and Alexander von Humboldt's Ecole Polytechnique.

A great scientific genius, Carl F. Gauss, took the precaution of hiding some crucial features of his method of producing some of his most precious innovations in physical science, as if from behind a protective mask.<sup>14</sup> There came

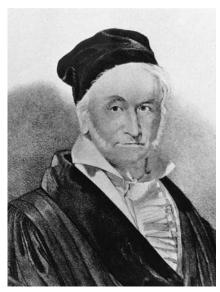
50 Science EIR January 11, 2008

<sup>13.</sup> As I have emphasized in exposing the roots of the model of U.S. Vice-President Dick Cheney, the models which the Martinist master-mason de Maistre promoted as the role of "The Executioner" for the Jacobin Terror and for the design of Bonaparte's change in personality as Emperor, were derived from the satanic image of Spain's Tomas de Torquemada, as the latter would be later presented with notable accuracy by Fyodor Dostoevsky.

<sup>14.</sup> When I outlined the crucial parameters of what would be the basement







Carl Friedrich Gauss (1777-1855)

a brief period in the 1850s, when the genius of such European allies of Gauss as Wilhelm Weber, Alexander von Humboldt's protégé Lejeune Dirichlet, and Bernhard Riemann, with their American friends of the Franklin tradition, carried a revolution in fundamental scientific progress. Then, in the wake of the plagiarist Cauchy, and of Clausius, Grassmann, et al., European and trans-Atlantic science was under increasing attack by what were actually anti-scientific forms of destructive forces, especially in the aftermath of the closely interrelated cases of the ouster of Bismarck, the assassination of France's President Sadi Carnot, and the assassination of U.S. President William McKinley. This accounts for much of the evidence, that, today, there is a line of intellectual degeneracy in the practice of science and technology, leading from the followers of Ernst Mach and Bertrand Russell into the warrens of Silicon Valley. 15

team's Gauss project, I emphasized that Gauss had rarely presented the actual methods by which he had arrived at certain among his most important discoveries. I emphasized Gauss's correspondence with Farkas Bolyai on the subject of Gauss's own discovery of an anti-Euclidean geometry (actually anticipating Riemann's 1854 habilitation dissertation) as an illustration, but also pointed out exactly this kind of challenge in Gauss's discovery, that a series of asteroid orbits had Keplerian orbits of a type foreseen by Kepler himself. They had now virtually completed that specific feature of the assignment.

15. Thus, from Japan's 1894/1895-1945 warfare which was launched against China, the British Empire has spent most of the interval 1894-2008 to date, in promoting warfare as a dominant feature of life on this planet as a whole. This is an echo of the social, economic, and warfare practices which medieval Venice orchestrated through its control over the Norman chivalry, as through the Crusades conducted from the Norman genocide against the Cathars and the crusade commonly referred to as the Norman Conquest. The British Empire of today is an empire of Anglo-Dutch Liberalism, an empire of those Venetian practices set into motion by Paolo Sarpi and his followers, which took

This pattern, so illustrated with a few relevant highlights, is to be traced, and that systemically, throughout European civilization, since the conflict between, on the one side, the Sparta of the law and tradition of Lycurgus, and, in the opposing camp, the contrary legacy of the Athens of Solon. The crucial, central cultural issue of the entire sweep of the history of European civilization since about 700 B.C. has been a result of the influence of the virtually pro-Satanic Delphi Apollo cult in the promotion of Sophistry and other measures, like those of former U.S. Vice-President Al Gore now, intended to destroy the specifically Promethean outlook of the greatest periods of European culture since ancient Classical Greece.

The motive behind that tragedy is that which Aeschylus presents to the audience of *Prometheus* Bound. In that case what I have identified, immediately above, as the physical infinitesimal which is expressed as a principle of physical science, is illustrated as the issue of man's knowledge of the mastery of the use of "fire." What Aeschylus presents to the audience by this device, is the oligarchical systems' keeping the majority of society's members as virtual human cattle: they are forbidden access to knowledge of the use of fire. In modern times, that same oligarchical form of intention, was the issue posed by those modern Anglo-Dutch Liberal forces behind the fraudulent Eighteenth-Century attacks on the work of Leibniz, and the same kind of evil represented by the Malthusian wreckingeffort and its present echo as the scientifically and morally fraudulent campaign conducted by the oligarchical accomplices of the corrupt former U.S. Vice-President Al Gore now.

The object continues to be, to condition society to be dumbed down in ways which blind human beings to that which distinguishes people from beasts: access to usable knowledge of the physical principles which reign in the universe. From Aeschylus' *Prometheus* to the present, the motive behind the attack on the modern science of Cusa, Kepler, Fermat, Leibniz, et al., has been the oligarchical principle, of inducing our fellow human beings to degrade themselves into the bestiality characteristic of the oligarchical traditions of the Roman, Byzantine, medieval Venetian-Norman, and contemporary Anglo-Dutch Liberal form of neo-Venetian forms of financier-oligarchical traditions.

over England during the developments from the accession of James I, but emerged as an imperial force under the British East India Company with 1763 Peace of Paris.

January 11, 2008 EIR Science 51

#### 2. Biosphere & Noösphere

For the purposes of the announced objectives of this report, the best examples to be used in presenting universal gravitation as a boundary condition of the kind described above, are the cases of the Twentieth-Century definitions of *Biosphere* and *Noösphere* by Russia's Academician V.I. Vernadsky.

As far as knowledge of this matter has been presented to me thus far, Vernadsky, circa 1935-1936, found himself in the position of authority from which he, in his official capacity, distinguished the composition of the chemical processes of the Mendeleyev domain of chemistry as divisible into two types, between living and non-living types of products, with emphasis on the evidence that the composition of higher regions of the planet Earth must be divided between compounds which occur only in, or as products of living process, and those which occur as products of non-living matter. 16 Today, this distinction applies not merely to relations among the elements of the original Mendeleyev Periodic Table, but as a distinction among the isotopes of the elements, with increasing attention to the therapeutic or specifically biological significance of newly produced modern types of isotopes which are by-products of nuclear-fission or related actions.

Taking this distinction between the abiotic processes and the Biosphere into account, the composition of the upper regions of our planet's surface, has been shifting to the effect of increasing the ration of the total mass of living processes and their specific products, relative to products of non-living processes.

However, when the relative mass of the total product specific to the Biosphere is itself divided between products, and by-products, specific to human origins (the Noösphere) as distinct from non-human, we are confronted with the fact that the ratio of specifically human, to other by-products of living processes, is increasing in a way comparable to the growth of the Biosphere relative to the inorganic mass of our planet.

However, it is also the case, that the increase of the product associated with human activity, relative to the remainder of the Biosphere, does not necessarily tend to decrease the potential for the further absolute increase of human habitation, but, rather, also increases it as a relative gain of the ratios of the mass and intensity of activity of the Noösphere over the Biosphere.

Contrary to superstitious and reckless opinion today, to the extent that the net physical productivity of mankind increases sufficiently, the increase of population, is not a "threat" to the environment. However, whereas, an implicitly "neocolonialist" shift of production from more developed sectors of "production," to less developed regions of "cheaper production," and less development of basic economic infrastructure, this combination produces a collapse of the planet's conditions of existence as a whole, as we are experiencing this effect under the foolishly imposed conditions of global collapse of the world economy, as by the so-called "environmentalists" and other members of the physical-work-hating ranks of our typical, anti-industry, anti-farmer science-illiterates of the "white-collar Baby Boomer" class of today.

This threefold division of the relevant total mass of our planet (the abiotic, the Biosphere, and the Noösphere), confronts science with a challenge comparable to the relationship of the principle of universal gravitation to the orbital pathway of the planet. Life changes the universe, upward, and the human noëtic activity increases the potential growth and qualitative development of the Biosphere beyond the means of the Biosphere itself.

These considerations are an essential feature of any competent practice of economics today.

#### Life As a Physical Principle

The work of Vernadsky and its outcome have defined the principle of life in manner which is comparable to the distinction between the gravitational determination of a planetary orbit and the orbital pathway in the large. Life is not a product of "inorganic chemistry;" rather, organic chemistry, were to be strictly, broadly defined, as chiefly a product of the principle of life, that in the same sense that the principle of gravitation is a universal physical principle.

Thus, in that way, life is a universal physical principle, as is gravitation as defined by the work of Kepler. Similarly, the principle of cognition, by which discoveries of universal physical principles are made only by human beings, is, like gravitation and life, also a universal physical principle, which changes the subsumed characteristics of the physical universe within which it operates.

I refer emphatically to a change in the composition of the chemistry of our planet which was induced by the action of the principle of life. The same kind of paradoxical challenge is presented as the change effected within the domain of living processes, which we observe as the growth of the Noösphere. Thus, gravitation, living processes, and cognitive processes, typify, in common, the fact of the relationship of superior external boundaries, *boundaries which are expressed experimentally in the ontological form of physically, rather than spatially infinitesimals*. It is upon those premises that the contained domain is thus defined.

A universe so composed of three or more such universal principles, can be only described as Riemannian. No geometry based upon *a-priori* assumptions of definitions, axioms, and postulates, or the like, is to be tolerated. Thus, as Riemann's 1854 habilitation dissertation variously states and implies, no universal principle can be defined either deductively, or inductively.

It is simply demonstrated, as Sky Shields has demonstrated in his *EIR* contribution, that only processes of the mental

<sup>16.</sup> Cf. Lyndon H. LaRouche, Jr., "Vernadsky & Dirichlet's Principle," *EIR*, July 2005.



A Swiss banknote commemorates the swindler Euler as Switzerland's finest mathematician.

quality of an analog function, not a digital one, can represent the relevant model of relationship pertaining to true universal principles as such. Contrary to the intentional fraud by Euler, the existence of the Leibniz infinitesimal, is not that of a small magnitude within the domain of the planet's orbit; it is a principle of change, operating from outside the motion of the planetary body as such, which is acting with "infinite density" on that trajectory, and is, therefore, ontologically, not metrically, infinitesimal in that sense.

Digital computer technology has uses, but not for defining the principles under whose law the universe operates. No mathematical procedure used to calculate a digital form of arithmetic procedure, or used similarly for any other mathematical function, has any subsuming relevance for a competent science respecting matters of physical principle. As Sky Shields implied this with sufficient effectiveness, any civilization which operates under the guidance of a digitalized mentality, is, therefore, strategically inferior, in principle, to a competitor whose approach is coherent with analog functions.

#### 3. Genesis!

The subject of the relative quantity of the Noösphere has two principal aspects. In the large, we have the increasing ration of those components of the Biosphere which are specific to the Noösphere as such, with the resulting increase, a.) of the ratio of these components of the Noösphere to the Biosphere which includes them (quantitatively); b.) of the accumulation of generation of new qualities (e.g., "species") of elements of the Noösphere (qualitatively).

That duly noted, our attention must now focus on the quality of the mode through which those increments are generated. We proceed as follows.

The process needed to replicate Academician V.I. Vernadsky's discovery of the physical existence of the universal phase-space called the Noösphere, might be begun with a few,

deceptively simple steps. First, in the approach outlined here, the student must enjoy the experience of discovering that there exists a problem which requires, what is for that student, a new way of thinking about the difference between beasts (such as, for example, either marsupials or mammals) and the human species.

The terrain which this chapter is now beginning to explore on this account, shows us that human creativity, while expressed for our knowledge through "mechanisms" of our biological existence, is not located within that physiology so defined. Rather, to provide a rele-

vant pedagogical image of our subject at this point, the physical-biological apparatus of the individual mind is fairly described as "tuned into" an agency, the domain of human individual creativity, which is not entirely mortal in the sense that the living human body is. The individualization of that reciprocal interaction between the immortal, higher powers of the universe and ourselves, defines the experience which mankind may recognize as the individual human "soul," that creative aspect of the human mind which partakes of actual participation in the divine. This principle is physically efficient, as the application of fundamental scientific discoveries demonstrates; but, its power does not lie confined within our biological apparatus as such, but is a higher power tapped into by means of the specific appropriateness of the development of the human mind of an individual member of our species.

Such is man and woman of *Genesis* 1. Such is the immortal participation of the human individual soul, so defined, in the mission of the existence and work of humanity. So, humanity may be transformed for the better, and the universe itself improved, through the missions for good in which mankind participates.

The improvements in the powers of the mind of the living person, are dependent on the processes by which the human mind tunes itself to the higher powers of creativity into which it "taps," and through which the sections of populations accepting this process, improve their powers in a way comparable in effect to growing into becoming the likeness of a higher form of living species.

These qualities, which distinguish the human potential from that of the apes, are expressed, most typically, in what is truly to be recognized as Classical, as music from J.S. Bach and such of his followers as Mozart, Beethoven, Schubert, and so on, and in the expression of scientific progress, as by ancient Thales, Pythagoreans, Plato, or the followers of Nicholas of Cusa today. It is a quality otherwise expressed in the form of the love for mankind which is echoed by the great principle, the benefit of the others, of the 1648 Peace of Westphalia.

January 11, 2008 EIR Science 53

There is, in short, a scheme in the universe considered in its totality, a principle to which the human mind may respond as if resonantly. This lies, not within our animal body, but within that to which the animal body of the human individual, among all living species, is exceptionally resonant, with which the resonant qualities of the human mind react reciprocally. What I just said, thus far, is not a guess, a mere speculation; it is my practical experience of knowledge of the matter.

Thus, when we consider the known experience of mankind's development, we are struck by a sense of awesome implications of what is written in *Genesis* 1. The steps by which we are able to express that qualitative distinction of the human individual from the beasts, thus become, for those among us who are witting, the well-springs of our passion for mankind and for what we are able to discover as truth.<sup>17</sup>

We who are witting, therefore have a very low opinion of opinions which are not truthful conceptions. We despise Sophistry and the reign of mere "popular opinion," on that account.

That much said, in preparation, on background, let us now argue that case.

On a first pass, the student should compare the *potential* relative population-densities among animal species. At first, this takes a form which appears to most to be pretty much straight-forward for the cases of several chosen animal species in a relevant, typical environment. Try a well-trodden academic classroom and textbook favorite, the subject of the conjectured interrelationship between populations of rabbits and foxes, for example. Then, the same study restated as adjusted to study the effect of changes in the environment, such as longer term changes in annual weather patterns, on the foxrabbit model.

Such examples might be passable approximations, up to a point.

The second pass involves a qualitative leap, from Cartesian, or kindred models, into recognition that the problem is not one which can be properly understood by reliance on the usual statistical models. It is necessary to abandon the idea of what might be termed "conventional" statistical models (which really never work, anyway), and to bring in Riemannian modes in *dynamic* models, instead.<sup>18</sup>

At that point, a really serious leap must be brought in. Prepare the way for that leap in the following manner.

#### What Glaciers Teach Us

Adopt an "environmental model" known from studies of the span of approximately two millions years associated with recent, primary forms of ice-age cycles. Compare the known samples, and increases of potential relative population density shown for sundry branches of humanity over this period, as this is compared with the population-densities among higher apes.

What that approach accomplishes, is to enable us to smooth out relatively shorter-term variations in the comparison of apes to men and women. The choice of about two millions years has the particular merit of taking into account the several major glaciations of that interval. Notably, the last such great glaciation of about two hundred thousand years, had the effect of forcing the development of human cultures associated with the northern hemisphere into the oceans, as migratory maritime cultures with an inherent reliance on astrogation which we find reflected in remnants of calendars which can be approximately dated from long-ranging astronomical models.<sup>19</sup>

Contrary to popular myths, the development of what became modern civilization were maritime cultures which moved upstream, up large rivers, to relatively remote inland locations, not according to the popularized myths of the riparian models. Not until the development of the continental railway system of the U.S.A., was the relative strategic hegemony of the maritime cultures effectively challenged by inland-based physical-economic and related development. The British Empire's persisting commitment to geopolitical warfare against the challenge of continental economies, has been the characteristic reflection, since 1763, of what had already been the dominant power of maritime cultures during known history since ancient times.

The development of physical science during known times, has always stemmed from the astrophysics associated with maritime navigational characteristics, as the Egyptian origin of the European science of Thales through the Sphaerics of the Pythagoreans and Plato attests.

What is outstanding as ancient knowledge of the crises of civilizations over the lapse of time since emergence from the recent general glaciation, has been the negative role played by

54 Science EIR January 11, 2008

<sup>17.</sup> In what is said here, we presume a qualitative distinction between discovery (as of a physical principle) and animalistic learning. For example, the following. Suppose we decide we can no longer tolerate tigers, elephants, and the like, but, rather "store" genetic material from which we must recreate such a lost species from our zoo. What we would lose would be the learning which the parent animals had formerly transmitted to the young. Some parents and educational systems make the awful mistake of assuming that human culture were merely a copy of transmitted learning among lower forms of life.

<sup>18.</sup> In the use of the term "dynamic," we must convey the impact of the full development of the historical use of that term, from Thales and the Pythagoreans, including Archytas' solution for the purely constructive duplication of the cube, through Plato, Leibniz, Riemann, and the application of a Riemann

nian standpoint by Vernadsky and Einstein. At no point are the methods of quadrature, such as those of Gaileo, Descartes, Newton, Lagrange, Laplace, Cauchy, et al., permitted; rather, we regard them as, ontologically, systemically fraudulent when superimposed on subject-matters of physical science.

<sup>19.</sup> E.g., Bal Gangadhar Tilak, *The Orion: Antiquity of the Vedas* and *Arctic Home in the Vedas: Being Also a New Key to the Interpretation of Many Vedic Texts and Legends*. Tilak made use of chiefly Nineteenth-Century, largely German scientific resources for modern scientific treatment of ancient Asian sources.

oligarchical systems of the type treated by Aeschylus' *Prometheus Bound*. The tragedy of Pericles' Athens is an example of the way in which the influence of the oligarchical trait of Sophistry led to the self-destruction of Greece's civilization in the Peloponnesian War and related developments, as in the fall of the Babylonian and the Achaemenid empires, and also the bow-tenure systems of lower Mesopotamia, earlier.

The subject of Aeschylus' *Prometheus* trilogy is of crucial clinical-historical significance on this account.

The issue of that trilogy is, in fact, that the banning of knowledge of the use of "fire," is, like Malthus' swindle and that of former U.S. Vice-President Gore today, an expression of the characteristic feature of the phenomenon of oligarchism whose destructive effects were experienced in the collapse of ancient and medieval empires, and which are the root-cause of the currently threatened general collapse of civilization being experienced as the onrushing disintegration of the presently hegemonic Anglo-Dutch Liberal financier system.

The suppression of knowledge of that form of the discovery and application of scientific progress in the practice of physical economy, progress through fundamental scientific and related progress toward increasingly power-intensive-driven capital-intensity, is the principal form of expression of evil which has been the leading cause of all great catastrophes of civilizations and cultures through the known past existence of mankind.

At the same time that we point out this fact, we must emphasize that cultural progress of the forms and types cohering with fundamental scientific progress and with Classical artistic progress of comparable qualities, is the only means by which the human population can avoid new dark ages of parts, or even all of mankind. Thus, oligarchism, and cultural expressions such as the existentialism of the doctrine published as *The Authoritarian Personality*, or the moral degenerates' scheme known as the Congress for Cultural Freedom, have been typical of the leading factors of pro-oligarchical cultural warfare which have caused the degeneration of contemporary civilization since the death of President Franklin Roosevelt.

Specifically, in the history of modern civilization, it has been chiefly the rise of what became the Anglo-Dutch Liberalism engendered by Paolo Sarpi and his followers which has been the leading edge of the imperialist factor of oligarchism in modern European history thus far. We have not yet quite degraded the general populations of Europe and North America into the status of serfs or slaves, but we are presently well along the way in that direction.

Thus, the time has come again to us today, that either we restore the kind of commitment to scientific and technological progress we of the U.S.A. and Europe once associated with the impetus of President Franklin Roosevelt's leadership, or civilization as a whole is already doomed to a prolonged new, world-wide dark age, during which the level of the human population might probably decline, rapidly, from about six and a half billions souls now, to significantly less than a bil-

lion, world-wide, in the course of two or so generations immediately ahead.

In effect, digital designs for computer killer games, and the general decadence of the shift into so-called "post-industrial," "globalized" society, have been markers of the process of programmed cultural decadence which has brought today's global society to the already visibly crumbling brink of global chaos. So, looking on the one side, at the emergence of mankind during some part of the recent two millions years of iceage cycles, at a point that a new ice-age is now on the way some time ahead, and also taking into account the known cultural disasters which mankind has, largely, imposed upon itself since about 700 B.C., we must recognize that a policy of dedication to the progress of the Noösphere is the only means by which an immediate new general disaster of mankind could be averted now.

#### Riemann, Again

Within the context of the birth of a modern European civilization to which Cardinal Nicholas of Cusa contributed an essential part, the summation of scientific and related progress is provided by the work of Bernhard Riemann, as typified by the work of Russia's V.I. Vernadsky, and what I have indicated as the relevant comments on the matter of scientific principle by Albert Einstein. The point has been reached to summarize the case for, first, the nature of the power of the human mind to generate discoveries of universal physical principle which increase the power of mankind in the universe absolutely, and, second, the universe's susceptibility to be moved in that way.

Let us refer to that quality of mind required as the type of "the universal genius," such as Plato, Cusa, Kepler, Fermat, Leibniz, J.S. Bach, Ludwig Beethoven, and Bernhard Riemann. The universal mind seems as if to stand outside the known universe, but within the larger, real one. He, or she creates the idea of action by means of which a new state of active being may be introduced to the previously known universe. By such means, as nuclear and thermonuclear scientific practice have shown, mankind is enabled to produce states of being in the universe which had not been known to exist earlier. Through these actions, man's power within the universe is increased. It is a universe in which the fundamental law is a law of universal anti-entropy.

Despite all things tending to the contrary effect, the recent century's developments in physical science as such have demonstrated this to be true.

To accomplish such missions, the individual actor must rise above petty notions of "self-interest." To master the challenge of the universe we must accept it as being organized *dynamically*, as Cusa, Kepler, Leibniz, Riemann, and Vernadsky did, and as Albert Einstein understood to a large degree. What the known such minds of history have done in that respect, demonstrates what the nature of man actually is, and, more important, what it can, and must become.

# The American Patriot

#### THE LEGACY OF FRIEDRICH LIST

# The American System's Battle Against British Free Trade

by Lawrence Freeman and Marsha L. Bowen

This article originally appeared in EIR, Jan. 3, 1992, under the title "The Legacy of List's 'National System of Political Economy.'"

#### What Is an American Patriot?

This article is part of a series aimed at unearthing the real history of the American patriotic tradition, and causing its revival. The purpose is to create the political and intellectual climate in which a genuine American patriotic candidate can emerge for the 2008 elections—a candidacy which does not yet exist.

Of special relevance in this fight is the period of the early 19th Century, when patriots had to fight in the context of series of poor, or even treasonous Presidents (viz. Jackson, Van Buren, Pierce, Polk, Buchanan). The fact that our greatest President, Abraham Lincoln, was produced from this political environment, testifies to the effectiveness of the network of republican forces from this period, many of whom are totally unknown to the American public today. The LaRouche movement has worked for decades to uncover the original writings and other evidence of this network, materials which will form the basis for many of the articles in this series.

This week's installment counterposes the work of German-American economist Friedrich List, a leading opponent of Adam Smith and the British free-trade school, to the operations by Lord Palmerston, Lord Shelburne, Jeremy Bentham, and the British East India Company to destroy America.

Friedrich List (1789-1846) lived and worked as part of three republican networks that three republican networks that were at political war with the British Empire: the Prussian Reformers movement in Germany, the Ecole Polytechnique of France, and the heirs of the American Revolution. After being imprisoned at the behest of Prince Metternich for his attempts at reforms in Württemberg, the German-born List was invited by the French hero of the American Revolution, General Lafayette, to join him on his triumphal tour of the United States in 1824-25. List lived in Pennsylvania for several years, where he worked with the Careys, Henry Clay, and John Quincy Adams to build the fight for protective tariffs for industry. After 1830, he returned to Germany to implement the American System there. Known as the "Father of the German Railways," he was perhaps the most outspoken opponent of free trade in the world. His book The National System of Political Economy, translated into numerous languages, has served since 1841 as a manual on how to fight the evils of the British cosmopolitan "free trade" system of looting to build an empire.

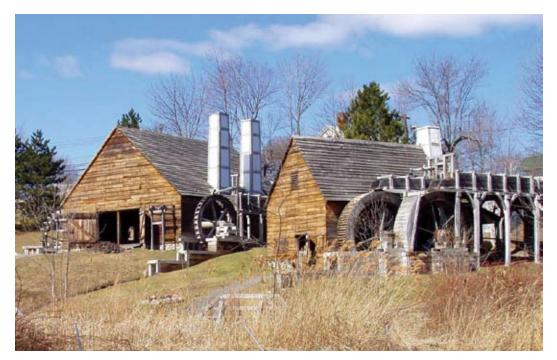
Opposing the physiocratic notion of the landed oligarchy and the British-Swiss-Venetian banking interests, List believed that the creative powers of human mentation were a nation's greatest wealth. When he had returned to Europe, he wrote that the greatest book he had read in America was the book of life: to see the potential of a new republic for growth, if put under proper economic policies.

#### Refutation of Smith

In his first Letter from Reading to the General Convention at Harrisburg, in 1827, List stated that he would concentrate

56 The American Patriot EIR January 11, 2008

<sup>1.</sup> See William Jones, "Rekindling the Spark of Liberty: Lafayette's Visit to the United States, 1824-1825," *EIR*, Nov. 23, 2007—ed.



The Saugus Iron Works, near Boston, was the first integrated ironworks in North America, 1646-68. List emphasizes, "In her North American colonies, England ... [disallowed] the *manufacture* in those colonies of even a single horseshoe nail, and still more, that no horseshoe nails made there should be imported into England." This policy was one of the main factors leading to the American Revolution.

on "the refutation of the theory of Adam Smith and Co., the fundamental errors of which have not yet been understood so clearly as they ought to be.

"It is this theory, sir, which furnishes to the opponents of the American System the intellectual means of their opposition.... Boasting of their imaginary superiority in science and knowledge, these disciples of Smith and Say are treating every defender of common sense like an empiric whose mental power and literary acquirements are not strong enough to conceive the sublime doctrine of their masters." List admonished Americans to stand up in print for the theoretical superiority of their doctrine against the authority of Smith and his French counterpart J.B. Say, pointing out that Smith's *Wealth of Nations* never addresses the issue of national economy at all, but instead puts forward the utopian thesis of a universal republic.

According to the British free-traders, any form of protectionism used by a country to foster the growth of its own agroindustrial sectors is in violation of "pure," unfettered competition. The British themselves never practiced this nonsense. List pointed out that "England was unwilling to found settlements in Asia in order to become subservient to Asia in manufacturing industry. She strove for commercial supremacy, and felt that of the two countries maintaining free trade between one another, that one would be supreme which sold manufacturing goods, while that one would be subservient which could only sell agricultural produce. In her North American colonies, England had already acted on those principles in disallowing the manufacture in those colonies of even a single horseshoe nail, and still more, that no horseshoe nails made there should be imported into England."

But England insisted on free trade for its colonies. List

continued: "Accordingly, England prohibited the import of goods dealt in her own factories, the Indian cotton and silk fabrics.... Not so much as a thread of them would England permit to be used. She would have none of the beautiful and cheap fabrics, but preferred to consume her own inferior and costly stuffs....

"She was, however, quite willing to supply the continental nations with the far finer fabrics of India at lower prices, and willingly yielded to them all the benefit of that cheapness; she herself would have none of it."

In short, free trade was merely a tool to enforce economic backwardness. This practice went to nearly comical lengths, as List reported:

"So late as the year 1750 a hat manufactory in the State of Massachusetts created so great a sensation and jealousy in Parliament, that it declared all kinds of manufactories to be 'common nuisances,' not excepting iron works, not withstanding that the country possessed in the greatest abundance all the requisite material for the manufacture of iron." Ultimately, he continued, "The monopoly of all manufacturing industry by the mother country was one of the chief causes for the American Revolution; the tea duty merely afforded an opportunity for its outbreak."

#### The Nation-State

List insisted that the sovereign nation-state must be recognized as essential for a healthy economy:

"Between each individual and the entire humanity, however stands *the nation*, with its special language and literature, with its peculiar origin and history, with its special manners and customs, laws and institutions, with the claims of all these for existence, independence, perfection, and continuance for the future, and with its separate territory; a society which, united by a thousand ties of mind and interests, combines itself into one independent whole.... As the individual chiefly obtains by means of the nation and in the nation mental culture, the power of production, security, and prosperity so is the civilization of the human race only conceivable and possible by means of the civilization and development of the individual nations.... A nation in its normal state possesses one common language and literature, a territory endowed with manifold natural resources, extensive and with convenient frontiers and a numerous population."

Protectionism is the battleground where the unity of national sovereignty and economic development becomes most clear. U.S. tariffs were simply necessary to allow the growth of essential industry, like iron production, shipbuilding, etc. If England could use its economic and military muscle to flood the world with cheap products, then how was any nation to develop its own means of production except by protecting and nurturing manufacturing industries? Developing indigenous industry, List argued, provides jobs, stable prices, an expanding home market for goods, protection from foreign manipulation, and the basis for realizing new technologies, which would also lead to increased productivity in the agricultural sector.

#### What Is Wealth?

Adam Smith claimed to believe that each individual, in pursuing his own interest, automatically promotes the interests of all, and therefore, any sovereign effort by the state to ensure the prosperity of its people is wrongful interference. List quoted Smith's dictum that: "Restrictions on trade imposed on behalf of the internal industry of a country, are mere folly; every nation like every individual, ought to buy articles where they can be procured the cheapest; in order to attain to the highest degree of national prosperity, we have simply to follow the maxim of letting things alone (*laisser faire et laisser aller*)."

With the insistence that the *exchange value* of a commodity is its true wealth, the British Liberals return man to a talking animal simply instinctively pursuing pleasure and avoiding pain. List counterposed to this economically empty notion, his superior theory of *productive power*:

"The causes of wealth are something totally different from wealth itself. A person may possess wealth, i.e., exchangeable value; if, however, he does not possess the power of producing objects of more value than he consumes, he will become poorer. A person may be poor; if he, however, possess the power of producing a larger amount of valuable articles than he consumes, he becomes rich. The power of producing wealth is therefore infinitely more important than wealth itself; it insures not only the possession and the increase of what has been gained, but also the replacement of what has been lost. This is still more the case with entire nations (who cannot live out of mere rentals) than with private individuals."

List elaborated three principal components to his theory of the productive power: a) the capital of nature, b) the capital of productive matter, and c) the capital of mind. He placed the greatest importance on the third. The relationship between man's powers of reason, acting on the physical universe through the force of productive manufacturing, is not explainable from the standpoint of simple exchange value.

Adam Smith was a materialist, List explained: "If he had followed up the idea 'productive power,' without allowing his mind to be dominated by the idea of 'value,' 'exchangeable value,' he would have been led to perceive that an independent theory of the 'productive power' must be considered by the side of a 'theory of values' in order to explain the economical phenomena. But he thus fell into the mistake of explaining mental forces from material circumstances and conditions, and thereby laid the foundations for all the absurdities and contradictions from which his school suffers up to the present day."

The mere quantity of labor, or labor time as Marx put it, which corresponds to the notion of exchange value, cannot account for the great historical evolution of mankind, because these constructs are rooted in materialism. List recognized that the creative activity of man is fundamental to the growth of nations:

"If we consider mere bodily labor as the cause of wealth, how can we then explain why modern nations are incomparably richer, more populous, more powerful, and prosperous than the nations of ancient times? The ancient nations employed (in proportion to the whole population) infinitely more hands, the work was much harder, each individual possessed much more land, and yet the masses were much worse fed and clothed than is the case in modern nations. In order to explain these phenomena, we must refer to the progress which has been made in the course of the last thousand years in sciences and arts, domestic, and public regulations, cultivation of the mind and capabilities of production. The present state of the nations is the result of the accumulation of all discoveries, inventions, improvements, perfections, and exertions of all generations which have lived before us; they form the mental capital of the present human race, and every separate nation is productive only in proportion in which it has known how to appropriate these attainments of former generations and to increase them by its own requirements."

List's lifelong dedication to constructing railroads flowed from these principles. First of all, "only by means of thoroughly good transport can every district or province convey the surplus of its peculiar products to all other provinces, even to the most distant ones, and procure in return supplies of the peculiar products of the latter." If there were no roads, canals, and trains, there would be no markets, and without industry, farmers would still be peasants. But railroads and infrastructure also bring the power of science and manufacturing to all parts of the country, breaking up and transforming pastoral modes of existence with the more cultured and educated activities of city life.

58 The American Patriot EIR January 11, 2008

# Manufacturing Powers of the Nation

From List's The National System of Political Economy:

Manufactures are at once the offspring, and at the same time the supporters and nurses, of science and the arts. We may observe how little the condition of raw agriculture puts sciences and arts into requisition, how little of either is necessary to prepare the rude implements which it employs. It is true that agriculture at first had, by yielding rents of land, made it possible for men to devote themselves to science and art; but without manufactures they have always remained private treasures, and have only extended their beneficial effects in a very slight degree to the masses. In the manufacturing state the industry of the masses is enlightened by science, and the sciences and arts are supported by the industry of the masses.

There scarcely exists a manufacturing business which has no relations to physics, mechanics, chemistry, mathematics, or to the art of design, etc. No progress, no new discoveries and inventions, can be made in these sciences by which a hundred industries and processes could not be improved or altered. In the manufacturing state, therefore, sciences and arts must necessarily become popular. The necessity for education and instruction, through writings and lectures by a number of persons who have to bring into practice the results of scientific investigations, induces men of special talents to devote themselves to instruction and authorship. The competition of such talents, owing to the large demand for their efforts, creates both a division and cooperation of scientific activity, which has a most beneficial influence not merely on the further progress of science itself, but also on the further perfection of the arts and industrials. The effects of these improvements are soon afterwards extended even to agriculture. Nowhere can more perfect agricultural machines and implements be found, nowhere is agriculture carried on with so much intelligence, as in countries where industry flourishes. Under the influence of manufactures, agriculture itself is raised to a skilled industry, an art, a science.

The sciences and industry in combination have produced that great material power which in the new state of society has replaced with tenfold benefits the slave labor of ancient times, and which is destined to exercise on the condition of the masses, on the civilization of barbarous countries, on the peopling of uninhabited lands, and on the power of the nations of primitive culture, such an immeasurable influence—namely, *the power of machinery*.

A manufacturing nation has a hundred times more opportunities of applying the power of machinery than an agricultural nation. A cripple can accomplish more by directing a steam engine than the strongest man can with his mere hand.

The power of machinery combined with the perfection of

transport facilities in modern times, affords to the manufacturing state an immense superiority over the mere agricultural state. It is evident that canals, railways, and steam navigation are called into existence only by means of *the manufacturing power*, and can only by means of it be extended over the whole surface of the country. In the mere agricultural state, where everybody produces for himself the greater part of what he requires, and consumes himself the great part of what he produces, where the individuals among themselves can only carry on a small amount of goods and passenger traffic, it is impossible that a sufficiently large traffic in either goods or passengers can take place to defray the costs of the erection and maintenance of the machinery of transport.

New inventions and improvements in the mere agricultural state are of but little value. Those who occupy themselves with such things in such a state fall themselves, as a rule, a sacrifice to their investigations and endeavors, while in the manufacturing state there is no patch which leads more rapidly to wealth and position than that of invention and discovery. Thus, in the manufacturing state genius is valued and rewarded more highly than skill, and skill more highly than mere physical force. In the agricultural state, however, excepting in the public service, the reverse is almost the rule.

## If You Thought Adam Smith Was The Founding Father of America's Economic Strength—



Think Again.

READ Friedrich List: Outlines of American Political Economy

"I confine my exertions solely to the refutation of the theory of Adam Smith and Co. the fundamental errors of which have not yet been understood so clearly as they ought to be. It is this theory, sir, which furnishes to the opponents of the American System the intellectual means of their opposition."

-Friedrich List

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January 11, 2008 EIR The American Patriot 59

# The British East India Company's War Against the United States

by Jeffrey Steinberg

This article first appeared in EIR, April 11, 1994, as part of a dramatic presentation entitled "Lord Palmerston's Multicultural Human Zoo," performed at a Feb. 19-20, 1994 conference of the Schiller Institute and the International Caucus of Labor Committees in Washington, D.C.

In October 1776, a 28-year-old English barrister named Jeremy Bentham wrote contemptuously of the American Declaration of Independence, which had been signed as an Act of the Continental Congress on July 4th of that year: "This," he spewed, "they 'hold to be' a 'truth self-evident.' At the same time, to secure these rights they are satisfied that government should be instituted. They see not ... that nothing that was ever called government ever was or ever could be exercised but at the expense of one or another of those rights, that ... some one or other of those pretended unalienable rights is alienated.... In these tenets they have outdone the extravagance of all former fanatics."

Shortly after penning this venom, Bentham made his philosophical breach with the American republicans all the more clear in a lengthy tract titled *An Introduction to the Principles of Morals and Legislation* (1780). That manuscript would not only prescribe the founding principles of British philosophical radicalism; it would propel Bentham into the very center of a then-emerging new British Foreign Office and British Foreign Intelligence Service, consolidated under the guiding hand of William Petty, Lord Shelburne, a man who at the time was the *de facto*, if not *de jure* doge of Britain.

Bentham categorically rejected any distinction between man and the lower beasts, defining man instead as a creature driven purely by hedonistic impulses. To wit: "Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do.... Every effort we make to throw off our subjection, will serve but to demonstrate and confirm it. The principle of utility—the greatest happiness or greatest felicity principle—recognizes this subjection, and assumes it for the foundation.... Systems which attempt to question it deal ... in caprice instead of reason, in darkness instead of light."

Lord Shelburne was so taken with Bentham that he in-

stalled the writer, who fancied himself alternately as the reincarnation of Sir Francis Bacon and as the "Sir Isaac Newton of the moral sciences," in an apartment at his Bowood estate. Shelburne assigned to Bentham an English and Swiss editor in order to ensure the widest dissemination of Bentham's works in both the English- and French-speaking worlds. Later, Bentham's works would be even more widely circulated throughout Latin America during his years of intimate collaboration with the American traitor Aaron Burr, and with revolutionists Gen. Francisco de Miranda a Venezuelan by birth who played a leading role as a paid agent of the British East India Company in the Jacobin Terror in France—and Simón Bolívar. Burr, fleeing the United States, took up residence at the home of Bentham, and the two men conspired to establish an empire, first in Mexico, and later in Venezuela.

#### **Shelburne's Political Intrigues**

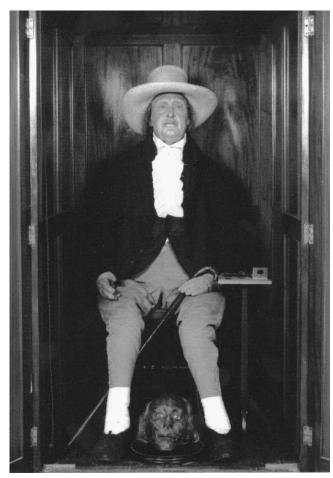
At the very moment of his taking up with Bentham, Lord Shelburne was in the process of launching his most daring political intrigues.

In June 1780, weary of the failed prosecution of the war in North America, and convinced that the ministry of Lord George North would bring eternal ruin to his dreams of permanent empire, Lord Shelburne, through the East India Company and its allied Baring Bank, bankrolled a Jacobin mob to descend upon London, ostensibly in protest over the granting of Irish reforms. The so-called Irish reforms amounted to little more than forced conscription of Irishmen into the British Army to fight in North America—a move Shelburne hoped would also defeat the pro-American republican movement inside Ireland that had nearly launched its own revolt against Britain in 1779.

Led by Lord George Gordon, the Protestant rabble stormed Westminster, sending parliamentarians and lords alike down flights of stairs, out of windows, and to the hospitals. For eight days, London was ransacked, culminating in the storming of the Newgate Prison and the freeing of all the prisoners, who joined in the assault on the Parliament building.

Lord Shelburne, as head of the interior committee of the House of Lords, personally ensured the maximum terror by delaying the reading of the Riot Act (which would have called out the Home Guard) until violence had spread to ev-

60 The American Patriot EIR January 11, 2008



Jeremy Bentham's "auto-icon," his stuffed corpse, with the mummified head removed (and placed between his feet), and a mask affixed in its place. Still on display at London University.

ery corner of the city. When the flames subsided, the ministry of Lord North was in ashes as well. North resigned as prime minister, and within months, Shelburne was himself in the new Rockingham cabinet as foreign secretary for the Northern District, subsuming the North American colonies. From that post, he would be the principal negotiator in Paris across the table from Benjamin Franklin.

By this time also, King George III had declared himself wholly subservient to the Shelburne-led East India Company faction—the Venetian Party.

As the result of these events, the shadow government formally took charge of the official state apparatus. The intelligence operations formerly housed at the East India Company were henceforth run out of the Foreign Ministry and the British Secret Intelligence Services (SIS).

A postscript on Lord Gordon, Shelburne's agent provocateur: After a brief stay in the Tower of London, foreshortened by Shelburne's personal intervention with the crown, Lord Gordon made off to friendlier ground in the Netherlands, where, to the astonishment of his Scottish Presbyterian cronies, he became a convert to Jewish cabbalism, taking the

name Israel Bar Abraham. He shortly thereafter surfaced in Paris as an occult advisor to Marie Antoinette, and from that position participated in Shelburne's intrigues against the French Bourbons.

The Jacobin insurrection in Paris during 1791-93 was a replay on grander scale of the earlier Shelburne-instigated Gordon Riots, down to the storming of the Bastille prison and the unleashing of the criminals.

#### Smith Assigned To Scribble Against America

Lord Shelburne, as foreign minister, took the position that the former colonies in North America must be once again brought under the British yoke, but not through the deployment of military might or through claims of property title. For Shelburne, the battle cry of the New Venice/New Rome was "free trade."

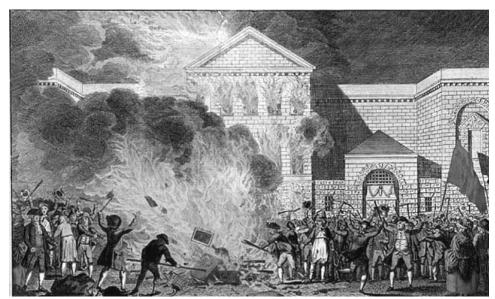
As early as 1763, in a famous carriage ride from Edinburgh to London, Shelburne had commissioned two works from one of his East India Company scribblers, Adam Smith. First, he had commissioned Smith to prepare the research outlines for the study that would be later completed by another India House propagandist, Edward Gibbon, on the decline and fall of the Roman Empire—a study critical to Shelburne's commitment to establish a third Roman Empire headquartered in London. In addition, he ordered the preparation of an apologia for free trade, which Smith completed in 1776 under the title *The Wealth of Nations* 

In 1787, Shelburne's leading intelligence agent, Jeremy Bentham, went one better than Smith by publishing a series of letters from Russia that were assembled in a pamphlet titled *In Defense of Usury*. The final letter, addressed to Smith, chastized the India House economist for not going far enough in his embrace of unbridled monetary dictatorship. Bentham demanded an end to all restrictions on usurious interest rates, employing the liberal argument that suppression of usury stifles invention. Smith immediately wrote of Bentham's *In Defense of Usury*, "The work is one of a superior man."

Shelburne's own most eloquent plea for unbridled free trade and usury came during his brief tenure as prime minister from 1782 to 1783. Although he had formerly preferred to steer British politics from behind the scenes in his capacity as chairman of the three-man "Secret Committee" of the East India Company, Shelburne felt compelled to briefly take the formal reins of government in order to ensure the launching of his new British imperium.

#### 'Destroy America With Free Trade'

On Jan. 27, 1783, Shelburne stood before the House of Lords to argue for ratification of the Treaty of Paris, formally bringing to an end the American Revolution and the conflict with France and Spain. "You have given America, with whom every call under the heaven urges you to stand on the footing



The burning of Newgate Prison in June 1780 was sparked by Lord George Gordon, Shelburne's agent provocateur. All the prisoners were freed, and joined in an assault on the Parliament building. A dress rehearsal for the storming of the Bastille in France nine years later?

of brethren, a share in a trade, the monopoly of which you sordidly preserved to yourselves.... Monopolies, some way or other, are very justly punished. They forbid rivalry, and rivalry is of the very essence of well-being of trade.... I avow that monopoly is always unwise; but if there is any nation under heaven which ought to be the first to reject monopoly, it is the English. Situated as we are between the old world and the new, and between southern and northern Europe, all we ought to covet on Earth is free trade.... With more industry, with more capital, with more enterprise than any trading nation on Earth, it ought to be our constant cry: Let every market be open."

Shelburne's policy of unbridled free trade between Britain and the United States nearly destroyed the American republic in its cradle. Some of the American Founding Fathers clearly understood the danger in Shelburne's free trade ruse. They launched a crucial debate over the need for a strong Federal constitution. But for the *Federalist* debate and the resulting United States Constitution of 1787, Shelburne's scheme for rapidly bankrupting and re-absorbing North America into the British imperial domain, would have probably succeeded.

Alexander Hamilton was blunt in his *Federalist Paper* No. 11, published in November 1787: "The adventurous spirit ... of America has already excited uneasy sensations in several of the maritime powers of Europe.... If we continue united, we may counteract a policy so unfriendly to our prosperity in a variety of ways.... Suppose for instance, we had a government in America, capable of excluding Great Britain from all our ports; what would be the probable operation of this step upon her politics? Would it not enable us to negoti-

ate, with the fairest prospect of success, for commercial privileges of the most valuable and extensive kind in the dominion of that kingdom?"

#### Shelburne Unleashes Jacobins Against France

Even with matters still unresolved in North America, Shelburne and Bentham turned their attention to another critical front across the English Channel in France. The Seven Years' War of 1756-63 had stripped France of its once formidable maritime capacity. Shelburne now sought to destroy France as an economic and military rival on the continent. From the outset, the Jacobin Terror was a British East India Company-, British Foreign

Office-orchestrated affair. The bloody massacre of France's scientific elite was systematically carried out by French hands, manning French guillotines, but guided by British strings.

Jacques Necker, a Geneva-born, Protestant, slavishly pro-British banker, had been installed through the efforts of Shelburne's leading ally in France, Philippe Duke of Orléans, as finance minister. Necker's daughter, the infamous Madame de Staël, would later run one of Shelburne's most important Parisian salons.

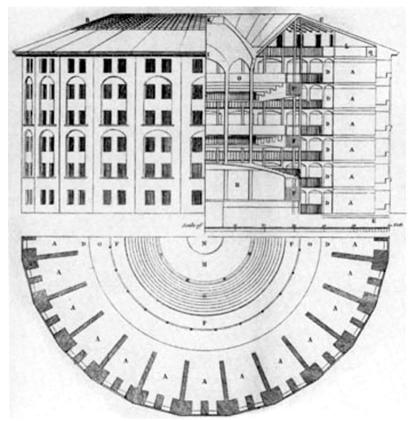
Although Necker had failed to block France from allying with the Americans during the American Revolution, he did succeed in presiding over the depletion of the French treasury and the collapse of its credit system.

Economic crisis across France was the precondition for political chaos and insurrection, and Shelburne readied the projected destabilization by creating a "radical writers' shop" at Bowood staffed by Bentham, the Genevan Etienne Dumont, and the Englishman Samuel Romilly. Speeches were prepared by Bentham and translated and transported by diplomatic pouch and other means to Paris, where leaders of the Jacobin Terror, Jean-Paul Marat, Georges Jacques Danton, and Maximilien de Robespierre delivered the fiery oratories. Records of East India Company payments to these leading Jacobins are still on file at the British Museum.

#### Bentham's Slave Labor Scheme

Bentham was so taken up with the events in France, that on Nov. 25, 1791, he wrote to National Assemblyman J.P. Garran offering to move to Paris to take charge of the penal system. Enclosing a draft of his *Panopticon* proposal, Ben-

62 The American Patriot EIR January 11, 2008



Bentham's "Panopticon," a design for a slave labor prison for criminals, the indigent, the mentally retarded—and their children. The children's play would provide the energy to drive a factory.

tham wrote: "Allow me to construct a prison on this model—I will be the jailer. You will see by the memoire, this jailer will have no salary—will cost nothing to the nation. The more I reflect, the more it appears to me that the execution of the project should be in the hands of the inventor."

At the same time, Bentham was proposing to assume the post of chief jailer of the Jacobin Terror, which sent many of France's greatest scientists and pro-American republicans to the guillotine or to prison. Bentham made no bones about his loyalties: In accepting the honorary title of Citizen of France, Bentham wrote to the Jacobin interior minister in October 1792: "I should think myself a weak reasoner and a bad citizen, were I not, though a royalist in London, a republican in Paris."

Bentham's *Panopticon* scheme was a slave labor camp first designed by him in Russia in 1787 while he was visiting his brother, a Shelburne spy. Asked by Prince Potemkin, the prime minister of Catherine the Great, to help procure a steam engine to build up Russian industry, Bentham argued that human labor—not steam power—ought to be sufficient.

His design, complete with elaborate architectural drawings, called for criminals, the indigent, and the retarded—along with their children—to be placed in jail cells equipped

with primitive machinery run by a central power source, which in turn would be fueled by swings, merry-go-rounds, and see-saws in the children's cellblock. The energy expended by the children playing with the toys would drive the factory. A central guardroom equipped with two-way mirrors would permit one guard to oversee the slave labor of hundreds. Above the main door of the *Panopticon* was to be a sign, reading: "Had they been industrious when free, they need not have drudged here like slaves."

During his tour of Russia and the Ottoman Empire, when he devised his *Panopticon* scheme and wrote *In Defense of Usury*, Bentham wrote in his diary: "It is an old maxim of mine that interest, as love, should be free."

#### 'In Defense of Pederasty'

It is therefore of little shock that we find Bentham also writing in 1785 an essay on the subject of pederasty. He dismissed the harsh penalties then in force against pederasty as the result of irrational religious fears born of the Old Testament destruction of Sodom and perpetuated by society's "irrational antipathy" to pleasure in general and to sexual pleasure in particular. Judeo-Christian morality, like every other expression of natural law, had no place in Bentham's world of pleasure and pain.

In the wake of the initial success in forcing France to its knees with the Jacobin Terror, Bentham sponsored several generations of philosophical radicals, ranging from his closest protégés, James Mill and John Bowring, to Mill's son John Stuart Mill, Thomas Carlyle, and David Urquhart. Carlyle, under the watchful eye of J.S. Mill, penned the official British history of the French Revolution, needless to say, burying the role of the Shelburne-Bentham cabal in that blood-soaked tragedy. Bowring, Bentham's long-suffering personal secretary, would later supervise the publication of Bentham's collected works in an 11-volume series; would serve as Lord Palmerston's agent-handler of the notorious Giuseppe Mazzini; and would instigate the Second Opium War against China from his post as emissary in Canton. Urquhart, one of the youngest of the Benthamites, would later become the agenthandler for Karl Marx.

Upon his death in 1832, Bentham's body was dissected and stuffed; his head was cast in bronze and placed at his feet, with a mask affixed in its place. For years, the mummified Bentham, seated in his favorite chair inside a glass case, was an ever-present participant in meetings of his radical circle. In the 1990s, the mummy would still enjoy a place of prominence at London University.

### **Editorial**

## Listen to LaRouche

The horse-race of the Presidential primaries and caucuses has now begun in earnest, creating a storm of activity of cacophonous proportions. The sad truth is that, as the intensity of the campaign has increased, so has its distance from the reality of the financial and political crisis we face. To deal with that reality, serious patriotic citizens have only one good option: Listen to the wise words of Lyndon LaRouche.

LaRouche will be giving an international webcast on Jan. 17, two days after the return of the U.S. Congress, and right in the midst of the unprecedentedly early Presidential primary season. By that time, there is no telling what damage the international financial crash which hit in July 2007 will have wrought—and what international strategic crises may have erupted. A calm, principled, and no-holds-barred assessment of the options for getting out of a nation-threatening disaster will be called for, and that's what you can expect.

You can't say that LaRouche hasn't warned you about the Presidential campaign. In early August, while prefacing his *Prolegomena to a Democratic Party Platform*, LaRouche bluntly stated that "it were said fairly, that all of the putative candidates, thus far, are treating the future as a continuation of assumed conditions which have ceased to exist, therefore showing little sense of what must be faced, or of what must be done, if our republic is to have a future during even the relatively few years immediately ahead."

Unfortunately, that situation has not changed. But for the one exception of Hillary Clinton's call for a moratorium on home foreclosures, a small nod in the direction of the actions laid out in LaRouche's Homeowners and Bank Protection Act, not a single candidate—Republican or Democrat—has acknowledged the reality of the global financial crash, and the kind of systemic measures required to deal with it. When banks themselves are about to vaporize, just what is the significance of having health insurance?

LaRouche has laid out a precise plan of what needs to be done to rebuild the financial system, and the economy, following the successful FDR approach. The candidates on the stump are still not listening—and they risk facing the utter disgust of the electorate, as reality crashes down around their heads.

There is, however, another force in U.S. politics that is preparing for the collapse of U.S. economic and political life, a force which is almost declaring that it is planning on the chaos which the lack of leadership from the nation's major institutions will create. This force, of suspected British origin, is surfacing around the prospective "independent" Presidential candidacy of billionaire New York City Mayor Michael Bloomberg.

LaRouche had forecast that, with the wane of the Giuliani candidacy, the Bloomberg option would be pushed big-time. It's already happening. On Jan. 7, former Democratic Senator David Boren is holding an all-day event at the University of Oklahoma, which will feature none other than Michael Bloomberg. The subject? According to Boren, it's a "government of national unity."

The meeting will feature a host of former Democratic and Republican Senators, as well as current Republican Senator Chuck Hagel of Nebraska. Also weighing in will be former Iowa GOP Congressman Leach, Susan Eisenhower (the late President's grand-daughter), David Abshire, president of the Center for the Study of the Presidency, and others.

Already, the prospective Oklahoma meeting has called forth an endorsement of a Bloomberg candidacy by Rupert Murdoch's *New York Post*, and a *New York Times* webpage with a collection of its Bloomberg coverage going back to 1995. Also endorsing a prospective Bloomberg candidacy is California's Governator Arnold Schwarzenegger.

There should be no question as to the purpose of such a candidacy. Bloomberg is a political chameleon whose claim to fame is his money, and his economic austerity politics—just the credentials the London-backed financial oligarchy would like in a would-be dictator of the United States. Many of those attending should know better than to be so used.

It's time to kill this scenario before it goes any further. Tune in to www.larouchepub.com or www.larouchepac.com at 1 p.m. Eastern Time on Jan. 17, and listen to LaRouche. We can avoid the onrushing catastrophe—but we have some serious work to do.

64 Editorial EIR January 11, 2008

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- SAN FDO. VALLEY (West) TW Ch.34: Wed 5:30 pm
- SANTA MONICA TW Ch.77: Wed 3-3:30 pm
- WALNUT CREEK CO Ch.6: 2<sup>nd</sup> Tue 7 pm: AS Ch.31: Tue 7:30 pm
- VAN NUYS TW Ch.25: Sun 5:30 pm

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- Wed 3:30 & 11 pm KENT COUNTY (South)
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- CC Ch.16: Fri Noon.
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 5:30 pm; Wed 7 am
- PORTAGE CH Ch.20 Tue/Wed 8:30 am; Thu 1:30 pm
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- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

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- MINNEAPOLIS
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- Sat/Sun/M/T Midnite, 8 am, 4 pm
- ST. PAUL CC Ch.15: Mon 10 pm
- ST. PAUL (S&W Burbs) CC Ch.15: Wed 10:30 am; Fri 7:30 pm
- SAULK CENTRE
- SCTV Ch.19: Sat 5 pm WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

#### MISSOURI

ST. LOUIS CH Ch.22: Wed 5 pm; Thu 12 Noon

#### **NEVADA**

WASHOE COUNTY CH Ch.16: Thu 2 pm

#### **NEW HAMPSHIRE**

MANCHESTER CC Ch.23: Thu 4:30 pm

#### **NEW JERSEY**

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- HADDON TWP CC Ch.9: Sun 10 am
- MERCER COUNTY CC Trenton Ch.26: 3<sup>rd</sup> & 4<sup>th</sup> Fri 6 pm Windsors Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- **PISCATAWAY**
- CV Ch.22: Thu 11:30 pm UNION CC Ch.26: Irregular

#### **NEW MEXICO**

- ALBUQUERQUE CC Ch.27: Thu 4 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE
- CC Ch.8: Thu 9 pm; Sat 6:30 pm SILVER CITY
- CC Ch.17: Daily 8-10 pm

#### **NEW YORK**

- ALBANY TW Ch.18: Wed 5 pm. TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- **BETHLEHEM** TW Ch.18: Thu 9:30 pm
- BRONX CV Ch.70: Wed 7:30 am BROOKLYN TW Ch.572: Mon &
- Thu 11 am; Wed & Fri 10:30 pm CHEMUNG
  - TW Ch.1/99: Tue 7:30 pm
- **ERIE COUNTY** TW Ch.20: Thu 10:35 pm
- **IRONDEQUOIT**
- TW Ch.15: Mon/Thu 7 pm JEFFERSON/LEWIS COUNTIES
- TW Ch.99: Irregular ONEIDA COUNTY
- TW Ch.99: Thu 8 or 9 pm PENFIELD TW Ch.15: Irregular
- QUEENS TW Ch.35: Tue 10:30 am: TW Ch.572: Mon & Thu 11 am: Wed & Fri 10:30 pm
- **QUEENSBURY** TW Ch.71: Mon 7 pm
- ROCHESTER
- TW Ch.15: Sun 9 pm; Thu 8 pm ROCKLAND CV Ch.76: Mon 5 pm
- **SCHENECTADY** TW Ch.16: Fri 1 pm; Sat 1:30 am

- STATEN ISLAND TW Ch.35: Thu Midnite. Ch.34: Sat 8 am. Ch 572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- TOMPKINS COUNTY TW Ch.13: Sun 12:30 pm; Sat 6 pm
- TRI-LAKES TW Ch.2: Sun 7 am, 1 pm, 8 pm

#### WEBSTER TW Ch.12: Wed 9 pm

- **NORTH CAROLINA** HICKORY CH Ch.3: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

#### оню

- AMHERST TW Ch.95: Daily 12 Noon & 10 pm
- **CUYAHOGA COUNTY** TW Ch.21: Wed 3:30 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

#### **OKLAHOMA**

NORMAN CX Ch.20: Wed 9 pm

- LINN/BENTON COUNTIES CC Ch.29: Tue 1 pm; Thu 9 pm
- PORTLAND CC Ch.22: Tue 6 pm. Ch.23: Thu 3 pm

#### RHODE ISLAND

- E. PROVIDENCE CX Ch.18: Tue 6:30 pm
- STATEWIDE RI I CX Ch.13 Tue 10 pm

#### **TEXAS**

- HOUSTON CC Ch.17 & TV Max Ch.95: Wed 5:30 pm; Sat 9 am
- KINGWOOD CB Ch.98: Wed 5:30 pm; Sat 9 am

#### VERMONT

- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm
- MONTPELIER
- CC Ch.15: Tue 9 pm; Wed 3 pm

#### VIRGINIA

- ALBEMARLE COUNTY CC Ch 13: Sun 4 am: Fri 3 pm
- ARLINGTON CC Ch.33 & FIOS Ch.38: Mon 1 pm; Tue 9 am
- CHESTERFIELD COUNTY CC Ch.6: Tue 5 pm FAIRFAX CX Ch.10 & FIOS Ch.10: 1<sup>st</sup> & 2<sup>nd</sup> Wed 1 pm; Sun 4 am.
- 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.29/77: Tue 10 am TRI CITIES CH Ch. 13/99: Mon 7
- pm: Thu 9 pm WENATCHEE

#### CH Ch.98: Thu 1 pm

#### WISCONSIN

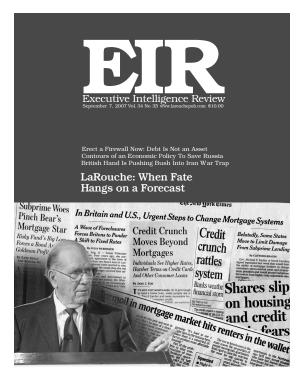
- MARATHON CH Ch.10: Thu 9:30
  - pm; Fri 12 Noon MUSKEGO TW Ch.14: Sat 4 pm;

#### Sun 7 am WYOMING

GILLETTE BR Ch.31: Tue 7

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