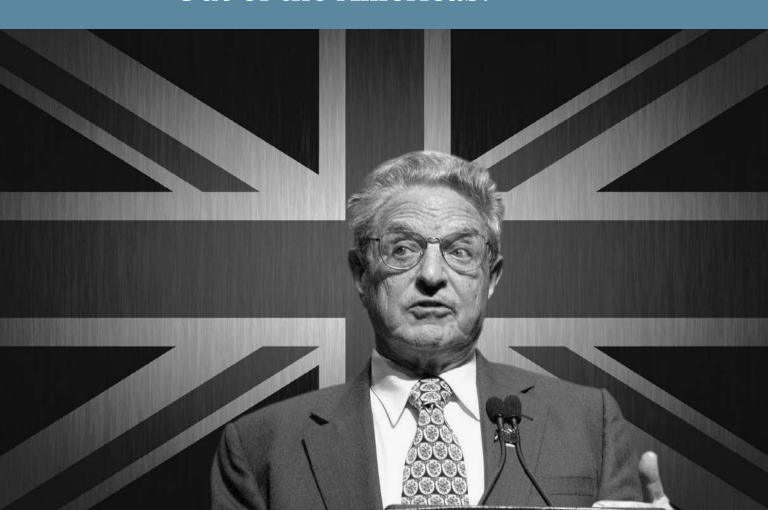


Only Bankruptcy Reorganization Will Revive the Economy What a New 'Pecora Commission' Must Do Gaza: Anglo-Saudi Manipulations Could Expand the War

Drive the Narcos Out of the Americas!





An EIR special report

The true story of SOROS THE GOLEM

A profile of megaspeculator George Soros.'

- Soros promotes drug legalization
- Soros, the drug cartels, and narcoterrorism
- The secret of the Quantum Fund
- Union Bancaire Privée and the 'Swiss connection'
- The Rothschild connection
- Marc Rich, Reichmann, and Israeli links
- Savaging Eastern Europe

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From the Assistant Managing Editor

As our *Feature* this week makes clear, the number one issue facing the United States, is the grave threat posed by the growing power of the international drug mafias, backed by the world's leading drug-promoter, George Soros.

"What?" you exclaim. How can we claim that narcoterrorism is a greater menace to civilization at this time than the cascading collapse of the global economy? Or the wars in Iraq, Afghanistan, and now, the holocaust underway in Gaza (see *International*). Because, without a full-blown commitment on the part of the U.S. government, to shut down the dope trade, no nation-state on the planet can survive.

In fact, there is a direct link between Britain's Opium War against the Americas and the disintegration of the Anglo-Dutch Liberal financial system, which has, since the takedown of the Bretton Woods System in 1971, depended, more and more, on the flows of drug monies into and through its offshore banking havens. The chief "fixer" for the British Empire's Dope, Inc., is Soros himself, the leading funder of drug legalization efforts worldwide.

But: Soros's days, and those of his imperial managers, are numbered. Like King Canute, they cannot hold back the tide of resistance which has already begun to form. As Lyndon LaRouche noted in discussions with the *EIR* staff, Soros & Co. *will not be tolerated* because the empire's drug operations have created an impossible situation. It will be dealt with. And therefore, this issue of *EIR*, with the program that can wipe out drugs, totally, must find its way into the hands of every policymaker both North and South of the Rio Grande.

Two elements that will be central to this process are, one, the bank-ruptcy reorganization of the financial system which can reveal and dry up the dirty-money side of Dope, Inc.; and two, the creation of a new Pecora Commission to investigate the crimes of those international bankers who are up to their necks in drug-money laundering (see *Economics*).

This week we celebrate the 200th birthday of our national poet Edgar Allan Poe (*American History*).

Best of all, we remind you that LaRouche will give an international webcast Jan. 22, two days following the hopeful inauguration of President Barack Obama.

Ponnie Jame

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legalization campaign.



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Excerpted from an article first published by Allen Salisbury in July 1981.

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Feature

Drive the Narcos Out of the Americas!

by Gretchen Small

Jan. 9—As President-elect Barack Obama prepares to assume office, another explosive, cannot-wait crisis has been dropped on his doorstep: an all-out political and military assault, of a particularly satanic character, by London's Dope, Inc., against the United States' southern neighbor and historic friend, Mexico. Should proper coordinated action against Dope, Inc. not be undertaken by both nations, quickly, proud Mexico, with its shared anti-oligarchic republican culture and history with the United States, could be reduced to a no-man's land run by warring narcoterrorist paramilitaries.

Britain's Opium War against the Americas began after the introduction in 1971 of the floating-exchange-rate international monetary system, claiming ever more territory with each takedown of domestic economies and defense capabilities under British free trade. When resisted, it was beaten back locally, as Colombia and Peru, at differing points, attest; but in Mexico, the tipping point came with the implementation of George H.W. Bush's North American Free Trade Accord (NAFTA), as U.S. drug enforcement agents bitterly complained at the time.

Dope, Inc. has now launched its endgame on the U.S.-Mexico border. After a year which saw deaths from drug-related violence more than double, to over 5,700 people, with decapitations a favored method of murder, terror is spreading across Mexico, and into the United States.

Nothing and no one remains untouched in Mexico: Independence Day celebrations in the President's home town are bombed; the leading television station in the northern industrial city of Monterrey is assaulted during a primetime evening news broadcast; the nation's top national security official and a key anti-drug official die in a fiery plane crash no one believes is an accident. Cartel operatives move into town after town already decimated by the collapse of the global economy, threatening local officials and businessmen to "play ball" or be killed.

The news reports coming out of Mexico read like stories plagiarized from articles filed from Colombia in the 1980s and 1990s, except that the level of firepower employed by the cartels in Mexico today is far greater. As a Colombian police general now advising the Mexican government, Luis Enrique Montenegro Rincón, put it in a December interview with Colombia's *El País*: Whereas Colombia faced assassins on motorcycles in the hellish heyday of kingpin Pablo Escobar, Mexico faces people armed with AK 47s firing from four vehicle conveys.

Meanwhile, the world's leading drug-pusher, Dope, Inc. speculator George Soros, is orchestrating a campaign on both sides of the border, with one grisly message: Submit! Capitulate! Legalize dope! Codify into law that the drug trade is king, and that no one dare touch it, and then, maybe, we'll call off our killers.



EIRNS/Stuart Lewis

Hand-in-hand with the narcoterrorists, the world's leading drug-pusher, George Soros, is orchestrating a campaign on both sides of the U.S.-Mexico border, with one grisly message: Submit! Capitulate! Legalize dope! It's time to jail Soros and crush the drug trade.

The report that the current drug kingpin of the Mexican cartels practices cannibalism, adds to the grotesque picture of a Soros who still savors his adolescent days working for Adolf Eichmann's Nazi regime in Hungary against his fellow Jews, as he bludgeons nations today to bow before the menticide of their peoples.

There Will Be a War on Drugs

Such a man, like the empire he serves, cannot understand that the essential goodness and intelligence of the human being constitutes sufficient power to defeat that bestial empire, for all its rampaging, highly armed cannibals. Endgame, after all, cuts both ways.

There *will* be a war on drugs, U.S. statesman Lyndon LaRouche stated on Jan. 8, because any society that capitulates to Soros and the British-controlled drug mafia will cease to exist; society and drug-pushers cannot coexist. Anyone who aspires to be head of state must be opposed to drugs. He or she will have no choice.

Reality, therefore, despite the denial on the part of Baby Boomers insisting on their "right to their weed," dictates that there is going to be a war on drugs. Younger people, looking to the future, will realize that Soros must be defeated, and they will support a fight. We may have to wait a little while, but there will be a real reaction on this, LaRouche forecast.

And while military capabilities will be a component of the war, because the drug-pushers are waging their own war *for* drugs, the decisive margin for defeating them will come from non-lethal measures, LaRouche emphasized.

Use science, especially spacebased scientific capabilities, against the global drug trade, LaRouche said. We have technological superiority, with satellites and other advanced technologies, many of which are "quasi-military."

Shut down the drug-money flows, as an integral part of the reorganization of the world financial system. Use the occasion of the establishment of a global treaty for a credit system, on the U.S. Constitutional model, to audit all financial holdings, to account for their origins, LaRouche demanded. Ask the financiers: "Where

did you get the money, buddy?"

Likewise, it is necessary to expose and politically destroy that despicable agent of the cartels, George Soros. Combine these elements, and major capabilities of this enemy will be neutralized. It is to inform this fight, that *EIR* has prepared the package we present here, outlining the essential tools required to defeat London's war against the Americas.

McCaffrey Sounds the Alarm

The entry of former President Bill Clinton's antidrug czar, Gen. Barry McCaffrey (ret.), into the fight to save Mexico and the United States, signals that forces within the U.S. institutions are prepared to join the battle, as LaRouche forecast. McCaffrey issued a warning on Dec. 29, that the United States must quickly and fully come to the aid of Mexico, which is now "fighting for survival against narcoterrorism.... Mexico is on the edge of the abyss—it could become a narco-state in the coming decade."

Given its institutional importance, *EIR* here publishes major excerpts of McCaffrey's Dec. 29 memorandum, prepared for West Point Military Academy, where he is now a professor, with recommendations for the incoming Obama Administration, following Mc-

Caffrey's Dec. 5-7 visit to Mexico, where he participated in a meeting of the International Forum of Intelligence and Security Specialists which advises the Mexican government.

The memorandum has either gone largely unnoticed in the U.S. media, or has been so wildly distorted by the Soros drug-legalization crowd as to be unrecognizable. Such was the case with the *El Paso Times*, which made a lying attempt to portray McCaffrey's memorandum as a variant of the lunatic "prepare to invade Mexico!" scenarios concocted in and around the Bush/Cheney Administration.

McCaffrey repeatedly emphasizes that any successful operation requires absolute respect for Mexico's sovereignty, and demands U.S. action to clean up *its* side of the border, declaring U.S. inaction up until now, as constituting almost an act of war against a friendly neighbor.

McCaffrey points his finger at the shocking fact that perhaps 90% of the high-powered military weaponry used by the cartels to impose their reign of terror comes from the United States. He charges:

"The confiscation rates by Mexican law enforcement of hand grenades, PGSs, and AK-47s are at the level of wartime battlefield seizures. It is hard to understand the seeming indifference and incompetence of U.S. authorities at the state and Federal level to such callous disregard for a national security threat to a neighboring democratic state. We would consider it an act of warfare from a sanctuary state if we were the victim."

U.S. citizens are paying the price for this negligence. The National Drug Intelligence Center (NDIC)/U.S. Justice Department issued a report in April 2008, "Cities in Which Drug Trafficking Organizations Operate in the United States," reporting that Mexican cartels operate in at least 195 U.S. cities, and in every state except Montana and Vermont. By the time the National Drug Threat Assessment 2009 report was released in mid-December, that number had risen to 230. Meanwhile, President Bush had been trying to shut down the NDIC since 2005, including in his 2009 budget.

Try Jailing Soros!

Soros's minions were *not* happy to see McCaffrey enter the fray. As head of President Clinton's Office on National Drug Control Policy, McCaffrey had mobilized the U.S. public and institutions against the threat to the republic represented by the campaign for drug

legalization, singling out Soros by name as the key figure leading that assault.

Legalization champion Jorge Castañeda of Mexico took the point for the Soros crowd in attacking McCaffrey's call for U.S.-Mexican cooperation. Castañeda sputtered in the Jan. 7 Reforma daily that McCaffrey was exaggerating (!) the threat and probably had "other motives," hinting at U.S. military action against Mexicans. Castañeda, certainly, cannot claim defense of Mexico's sovereignty as one of his motives. As foreign minister under fellow legalization supporter President Vicente Fox (2000-06), Castañeda invited Soros's top drug strategist, Drug Policy Alliance chief Ethan Nadelmann, to lead a two-day, closed-door strategy session on legalization at the Foreign Ministry itself. (Castañeda was later named to the executive board of the Soros-financed Human Rights Watch, specifically to honor his role in moving Mexico away from its "mistaken concept of sovereignty.")

The point has been reached, where Soros and the legalization drive must be ruthlessly rooted out, if civilization is to survive. The campaign to make it socially and politically acceptable to "debate" whether governments have the right to defend the minds of their nation's people, has become a weapon in the arsenal of the cartel enemy, as important as the crates of sophisticated battlefield weapons being smuggled across the border, precisely as LaRouche warned in his 1985 proposed 15-Point War Plan against drugs (see p. 21).

The depth of corruption on both sides of the border on this issue has reached crisis proportions. Soros, the number one financier of legalization globally (see p. 24), is received with respect in the U.S. Congress. Wall Street's demand that the Americas adopt legalization is now the fashion, as virtually every U.S. policy-making institution for the Americas puts out studies demanding it be taken up (e.g., the Brookings Institution, the Americas Society, the Inter-American Dialogue). So many drug promotionals have poured out of Harvard University, that a study is in order to determine if there is *any* professor left there who's not on Soros's cartel payroll!

Inside Mexico, leading figures of every party have come out for legalization, including the ruling PAN party. There is a ferocious battle in the Calderón government itself over legalization, with the government submitting a bill to Congress last Fall which included legalization of "personal" consumption, which the government attempts to sell as merely "decriminalization."

Reflecting the British Empire's decision to go for endgame, the Soros forces are now openly promoting not "mere" decriminalization of personal consumption, but legalization of the dope trade and cartels as a whole.

Inside the United States, the watchword has become that President Obama must regulate and tax drugs, and thus create a "billion-dollar industry."

The Mexican side of this argument was offered on Dec. 18, when Rubén Aguilar, the former press spokesman for President Calderón's predecessor, Vicente Fox, told the *Frontera de Tijuana* daily, that Calderón must make unofficial deals with the drug lords to attain a "peace," based on respecting their routes, markets, the areas through which trafficking occurs, and their zones of influence, including border crossings into the United States.

Calderón responded sharply and immediately that "my government doesn't negotiate, nor will it ever negotiate, with criminal organizations." Adding that he will deploy the full force of the State against "the enemies of Mexico," Calderón made a thinly disguised reference to the Soros-penetrated Fox government, that Mexico is paying the price for the inaction of previous governments, whose policy was to "manage" the drug problem, rather than fight it.

Then, the Social Democratic Party (PSD) stepped forward as the vehicle to make legalization of the cartels *the* issue in the July 9 midterm elections. PSD president Jorge Carlos Díaz Cuervo was asked on Jan. 5, if the party were proposing to negotiate with the cartels. His answer was yes. "We are opting for an alternative, intermediate position, which is that we regulate the market.... Establish clear rules for who produces, where they produce, what they produce; who transports it and how they transport it; who sells it and to whom they can sell, and how they can sell that drug; and who can consume it and where they can consume."

The PSD is a minuscule party on Mexico's political scene, but its proposal has already been endorsed by another minor Soros lackey, Harvard's Jason Lakin, who wrote that the PSD dope plan was the "glimmer of hope" for resolving Mexico's economic crisis. Lakin's gibberish was then played up by the Rockefeller family's Council of the Americas—a typical case of how Soros's propaganda machine works.

Jail Soros for his crimes against humanity, and the political will to crush the drug trade would appear as if from nowhere.

Gen. Barry McCaffrey (ret.)

Call for U.S.-Mexico Anti-Drug Fight

Below you will find extensive excerpts from a December 2008 memo by Gen. Barry McCaffrey (USA-ret.), prepared for West Point, on a recent fact-finding trip to Mexico. General McCaffrey, who was the White House drug czar under President Bill Clinton, after a distinguished career as a U.S. Army commander, blew the lid off a narco-insurgency, targeting both Mexico and the United States, and highlighted the cross-border armsfor-drugs trafficking that poses an existential threat to both nations.

The McCaffrey memo is important in two regards. First, McCaffrey's frank and well-documented assessment of a grave national security crisis, which has been allowed to build up during the eight years of the Bush-Cheney Administration, is a call to action—before it is too late. EIR's own inquiries with relevant anti-drug officials on both sides of the border fully corroborate all of the critical facts, presented by McCaffrey below. Among these facts: Mexican drug cartels have been responsible for 80-95% of all illegal drugs entering the United States from abroad; and the cartels have been armed, principally from weapons smuggling capabilities inside the United States. A recent study by the Justice Department's National Drug Intelligence Center identified over 200 U.S. cities, where Mexican drugtrafficking organizations have a dominant presence, a picture that fully corroborates the McCaffrey map of the cross-border operations of the Mexican cartels.

Second, McCaffrey's report is part of an ongoing series of fact-finding reports that he has submitted to the U.S. Military Academy. Beginning in 2003, McCaffrey made well over a dozen field trips to Iraq and Afghanistan, where he had access to American, NATO, Iraqi, and Afghan military and political leaders. His trip reports have informed the U.S. military and the population at large (posted on mccaffreyassociates. com) about the deteriorating situations in both war fronts, and have been an important factor in cutting through the propaganda fog, built up around the disas-

trous Iraq and Afghan wars.

In particular, McCaffrey's frank reporting from onthe-ground commanders, and his own assessments, have underscored the extent to which the Bush-Cheney preventive wars have gutted the U.S. military and created a serious national security dilemma that requires urgent attention. In 2007, McCaffrey made fact-finding trips to Colombia and Mexico to assess the security threat to the United States.

McCaffrey has special credentials in both the Afghan-Iraq theater and in the Mexico-Colombia narco-war theater. As a military commander during Operation Desert Storm, and as a U.S. Army flag officer, McCaffrey is one of the most respected military thinkers today. And as Clinton's head of the White House Office of National Drug Control Policy, ONDCP, Mc-Caffrey was a high-visibility leader of the War on Drugs, and a major opponent of drug legalization. In that capacity, McCaffrey targeted George Soros, by name, as an architect of the drive to legalize drugs, and create the kind of social catastrophe that he has now highlighted in his Mexico report. At one point, McCaffrey publicly challenged Soros to debate him on the issue of drug legalization. Needless to say, Soros refused.

After Action Report

Memorandum for: Colonel Michael Meese, Proessor and Head Dept of Social Sciences

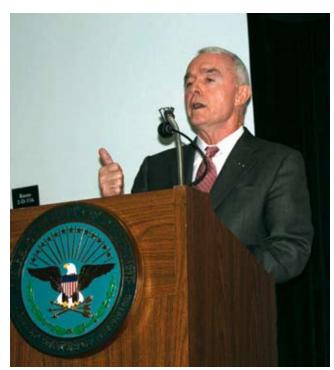
Subject: After Action Report; Visit Mexico; 5-7 December 2008

1. Purpose: This memo provides a strategic and operational assessment of drugs and crime in Mexico.... This paper was based on the first three-day meeting of the International Forum of Intelligence and Securtiy Specialists ... an Advisory Body to the Mexican Federal Law Enforcement leadership....

3. The Situation in Mexico

A. The Mexican State is engaged in an increasingly violent, internal struggle against heavily armed narco-criminal cartels that have intimidated the public, corrupted much of law enforcement, and created an environment of impunity to the law.

• Thousands are being murdered each year. Drug production, addiction, and smuggling are rampant. The



DOD/Sgt. Doug Sample

Former Clinton Administration Drug Policy Advisor Gen. Barry McCaffrey (ret.) warned that the Mexican State "is engaged in an increasingly violent, internal struggle against heavily armed narco-criminal cartels," and urged the incoming Obama Administration to establish a full partnership with Mexico to eliminate this scourge.

struggle for power among drug cartels has resulted in chaos in the Mexican states and cities along the U.S.-Mexico border. Drug-related assassinations and kidnappings are now common-place occurrences throughout the country.

- Squad-sized units of the police and Army have been tortured, murdered, and their decapitated bodies publicly left on display. The malignancy of drug criminality now contaminates not only the 2000 miles of cross-border U.S. communities but stretches throughout the United States in more than 295 U.S. cities.
- B. Mexico's senior leadership—President Felipe Calderón, Attorney General Eduardo Medina Mora, and SSP [Secretariat of Public Security] Secretary of Federal Police leader Genaro Luna are confronting the criminal drug cartels that have subverted state and municipal authorities and present a mortal threat to the rule of law across Mexico. The Mexican Armed Forces are being increasingly relied on by the Federal Government given the shortcomings of civilian law enforcement agencies.

Feature EIR January 16, 2009

- The Calderón Administration took power with a tenuous political legitimacy following their less than 1% victory over the PRD in a bitterly contested election. Senior Mexican political and security officials have showed remarkable leadership, courage, strength, and dedication as they seek to assert the rule of law throughout the state and defeat the drug cartels.
- Senior government officials are taking enormous personal risk; the drug cartels have demonstrated their willingness to murder political leaders and law enforcement officers who threaten their well being. The commitment of these senior Mexican Government officials to reestablish the rule of law will become a matter of historical pride to their nation if they succeed.
- C. The United States has provided only modest support to the Government of Mexico to date. The bold \$400 million/year Merida initiative conceived by President Bush with both Canadian and Mexican Presidential participation was barely approved by the U.S. Congress after a divisive and insulting debate.
- The proposed U.S. Government spending in support of the Government of Mexico is a drop in the bucket compared to what we have spent in Iraq and Afghanistan....
- D. The incoming Obama Administration must immediately focus on the dangerous and worsening problems in Mexico, which fundamentally threaten U.S. national security. Before the next eight years are past the violent, warring collection of criminal drug cartels could overwhelm the institutions of the state and establish de facto control over broad regions of northern Mexico.
- A failure by the Mexican political system to curtail lawlessness and violence could result of a surge of millions of refugees crossing the U.S. border to escape the domestic misery of violence, failed economic policy, poverty, hunger, joblessness, and the mindless cruelty and injustice of a criminal state.

4. The Leadership Context of the Struggle: Mexico Matters

A. Mexico is a huge nation three times the size of massive Texas with a population of a 110 million people. It is the 12th-largest economy in the world and the largest Spanish-speaking nation in the world. Mexico City at 20 million people is one of the largest urban concentrations on the globe. Mexico is the 8th-largest crude oil exporter and has gigantic known reserves of natural gas. It has a GDP of just under a trillion dollars.

- B. Mexico deals historically with crushing U.S. ignorance of their vital economic contributions to the U.S. The U.S. in turn deals historically with a Mexican official political system which has a paranoid fixation on the perceived injustice of U.S. arrogance and imperialism—and animosity toward bi-national cooperation with any policy initiatives dealing with border issues, water, migration, and security or law enforcement cooperation.
- C. Mexico is arguably the most important foreign partner of the United States. The United States is unarguably the most important foreign partner for Mexico. Mexico supplies a third of our imported oil. We account for 47% of all foreign direct investment in Mexico. 18,000 Mexican companies have U.S. investments. 50% of their imports come from the U.S. 82% of their exports go to the United States. Mexican nationals constitute approximately half of the 12 million undocumented aliens in the U.S., many who have found employment in and are critical to our agricultural system, meat packing industry, restaurants, day care centers, and the construction sector. THERE ARE A MILLION LEGAL BORDER CROSSINGS PER DAY along our 2,000-mile shared, and largely unmarked and unfenced frontier. There are probably a million illegal border crossings a year....
- F. President Calderón faces these daunting internal problems with inadequate resources and weak institutions. A general sense of impunity from the law and pervasive corruption remain problems, particularly at state and local levels. There is massive underemployment of 25%-plus—and grossly inequitable distribution of income. Only 3% of the land is both arable and irrigated. Wages are low. There are few opportunities for the largely Amerindian population in the southern states. There is lack of clean water and terrible deforestation. The level of kidnappings and murder has paralyzed the population. There are high levels of violence against women, criminal intimidation of journalists (28 reporters killed since 2001), trafficking in persons, and extensive child labor.
- G. However, based on my years of watching Mexico—the bottom line is this: the population is extremely hard working, humble, gracious, spiritually devout, patriotic, and family-oriented. The culture and art are rich and fiercely admired by the people. The senior elite political and military leadership is world class—broadly educated, sophisticated, multi-lingual, and very easy to deal with. At a people-to-people level

the affection and cooperation between the Mexican and U.S. populations are unbelievably strong. (More than 500,000 Americans live in Mexico.)...

5. The Problem Is Drugs

A. Mexico is on the edge of the abyss—it could become a narco-state in the coming decade. Chronic drug consumption has doubled since 2002 to 500,000 addicts. Possibly 5% or 3.5 million people consume illegal drugs (the U.S. figure is 8.3% or 20.4 million). Since 2002—past month [sic] Mexican national drug consumption has increased by 30% and cocaine use has doubled. The fastest growing addiction rates are among the 12-to-17-year-old population—and the consumption rates among women have doubled.

B. Drug criminal behavior is the central threat to the state. Mexico probably produces 8 metric tons of heroin a year and 10,000 metric tons of marijuana. 90% of all U.S. cocaine transits Mexico. Mexico is also the dominant source of methamphetamine production for the U.S. market. The drug cartels have criminal earnings in excess of \$25 billion per year—and physically repatriate more than \$10 billion a year in bulk cash back into Mexico from the United States.

C. The bottom line—nearly 7,000 people murdered in the internal drug wars since 2006—3,985 murdered this year alone through 25 November. The outgunned Mexican law enforcement authorities face armed criminal attacks from platoon-sized units employing night vision goggles, electronic intercept collection, encrypted communications, fairly sophisticated information operations, sea-going submersibles, helicopters and modern transport aviation, automatic weapons, RPGs, Anti-Tank 66 mm rockets, mines and booby traps, heavy machine guns, 50 cal sniper rifles, massive use of military hand grenades, and the most modern models of 40mm grenade machine guns.

6. Crime and Corruption

A. The crime rate is staggering. The U.S. State Department notes that crime in Mexico continues at high levels particularly in Mexico City. Criminal assaults



The United States has provided only modest support to the government of Mexico to date. Nonetheless, says McCaffrey, President Calderón has taken bold moves to crush the drug cartels. Shown, the kingpin of the Gulf Cartel, Osiel Cardenas-Guillen, captured by the DEA. is extradited to Mexico.

occur on highways throughout Mexico. Armed street crime is a serious problem in all the major cities. Robbery and assault on passengers in taxis are frequent and violent. Mexican authorities have failed to prosecute numerous crimes committed against U.S. citizens, including murder and kidnapping....

B. Kidnappings are the cruelest of all crimes. Official statistics cite 72 kidnappings a month, according to the Mexican Attorney General. However, the Citizens Institute for Crime Studies estimates more than 500 kidnappings a month, with the overwhelming majority not reported, largely because of lack of trust in the police—or the reality of police involvement in the crime. Kidnappings are not just targeted on the rich who live behind a wall of protection. Now even poor Mexicans present a target for ATM extortion or even death because of non-payment of small ransoms. (The rates of kidnappings in Latin-America in general are astronomical ... the hemisphere represents 8% of the global population but accounts for 75% of the total kidnappings.)

• Law enforcement authorities under President Calderón have fought back with extraordinary measures. More than 7,500 individuals are now in state or Federal prison. 51 kidnapping bands have been dismantled and 377 victims released. However, the crime wave goes on with many vulnerable families now seeking

sanctuary in U.S. cross-border communities.

C. Corruption is pervasive and ruins the trust among Mexican law enforcement institutions at local, state, and Federal level. Corruption reaches into the U.S. Embassy with a DEA Mexican national employee recently arrested for being an agent of the Sinaloa Cartel. He was corrupted by a \$450,000.00 bribe. Six high-ranking law enforcement officials have recently been arrested and the current and former Director of the Interpol Office in Mexico indicted....

D. Mexican law enforcement authorities and soldiers face heavily armed drug gangs with high-powered military automatic weapons. Perhaps 90% of these weapons are smuggled across the U.S. border. They are frequently purchased from licensed U.S. gun dealers in Texas, Arizona, and California. AK-47 assault rifles are literally bought a hundred at a time and illegally brought into Mexico. Mexican authorities routinely seize BOXES of unopened automatic military weapons. The confiscation rates by Mexican law enforcement of hand grenades, RPGs, and AK-47s are at the level of wartime battlefield seizures. It is hard to understand the seeming indifference and incompetence of U.S. authorities at state and Federal level to such callous disregard for a national security threat to a neighboring democratic state. We would consider it an act of warfare from a sanctuary state if we were the victim.

The bottom line—the U.S. is ineffective and unresponsive to Mexican concerns about weapons, bulk cash, and precursor chemicals flowing south into Mexico from the United States—with a blow-torch effect on the security of the Mexican people.

E. The Council on Hemispheric Affairs states that: "Due to pervasive corruption at the highest levels of the Mexican Government, and the almost effortless infiltration of the porous security forces by the cartel, an ultimate victory by the state is uncertain."

7. The Security Forces

A. There is no shortage of courage among Mexican Security Forces. More than 475 police and soldiers have been murdered during the President Calderón offensive to reclaim the streets and rural areas. More than 218,000 prisoners crowd the 455 penal facilities. Of Mexico's 390,000 police, only 26,000 or 6.8% are Federal. The 39.8% of the force who are Municipal Police (more than 2,600 separate police forces) are badly trained, poorly equipped and frequently corrupt or intimidated. Essential law enforcement tools are lacking.

For example, there is no national registry of police officers nor is there a national registry of vehicle registrations or license plates.

B. The Mexican people believe the justice system is corrupt and ineffective. Mexican police regularly obtain information through torture and prosecutors use this evidence in courts. The suspect is deemed guilty until proven innocent. Most ominously—the Mexican people are losing faith in the system. . . . There is increasing discussion of legalization of drugs—or acquiescence in the drug trade, which used to be presumed to be a U.S., not Mexican, problem.

C. The Mexican Armed Forces (225,000 personnel) are one of the most trusted institutions in the nation. In a general sense they are disciplined, reliable, courageous, and responsive to civilian leadership. Clearly the Armed Forces are also subject to penetration—and also subject to individual intimidation or corruption....

D. The bottom line—the drug cartels cannot defeat the government through direct violent confrontation. The Armed Forces in particular can at any point on the ground or at sea confront and dismantle a direct threat to the security forces. The most effective tool of the criminal cartels is narco-terrorism—and corruption and intimidation of the populace to convince the political authorities to remain passive in the face of criminal behavior.

8. The Strategy—The Way Ahead

A. President Calderón has charted a bold and heroic path for the state. His senior law enforcement officer Secretary Genaro García Luna, has placed his life on the line. The Federal police motto is *Ni un paso atras* (Not one step back). Hundreds of law enforcement officers have been murdered. They have seized massive quantities of contraband from these criminal threat forces. (70,000 kilograms of cocaine, 3,700 tons of marijuana, \$304 million, 28,000 weapons, 2000 hand grenades, 3 million rounds of ammo.) President Calderón has for the first time in Mexican history boldly used the tool of extradition to the U.S. (83 major drug criminals sent North.)

B. The strategy articulated by Mexican Attorney General Eduardo Medina Mora is to break up the four major drug cartels into 50 smaller entities and take away their firepower and huge financial resources. The senior Mexican leadership have tried to organize the ten U.S. and Mexican Border States to form active

cross-border partnerships for law enforcement and drug prevention cooperation....

C. Finally—we have the promising U.S.-Mexican Merida Initiative. However, this vital program is underfunded and slow to be implemented. Significant cross-border law enforcement and justice system cooperation remains inadequate.

9. Summary

A. Much is at stake for future U.S. economic and national security policy from 2009 through 2017. A stable, economically healthy, and law-based Mexican neighbor is fundamental to U.S. expectations of prosperity and peace within North America. The drug menace and drug addiction is central to much of the U.S. criminal and social malignancy that has put more than 2 million Americans behind bars, clogged our courts, and placed enormous burdens on our health system.

B. Now is the time, during the opening months of a new U.S. Administration, to jointly commit to a fully resourced major partnership as political equals of the Mexican government. We must jointly and respectfully cooperate to address the broad challenges our two nations face. Specifically, we must support the Government of Mexico's efforts to confront the ultra-violent drug cartels. We must do so in ways that are acceptable to the Mexican polity and that take into account Mexican sensitivities to sovereignty. The United States Government cannot impose a solution. The political will is present in Mexico to make the tough decisions that are required to confront a severe menace to the rule of law and the authority of the Mexican state. Where our assistance can be helpful, we must provide it. The challenge is so complex that it will require sustained commitment and attention at the highest levels of our two governments. We cannot afford to fail.

Nation of Colombia Nearly Disappeared By Negotiating with Narcoterrorists

by Maximiliano Londoño Penilla, President, Lyndon LaRouche Association of Colombia

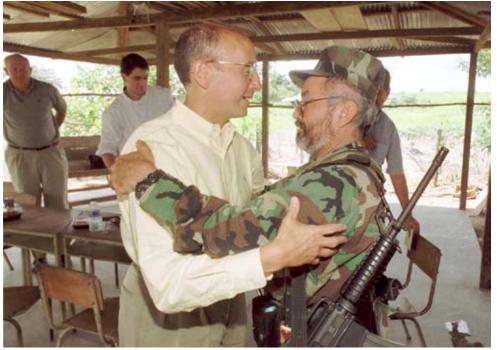
Emerging out of the environment of intimidation and terror caused by decapitations and other atrocities perpetrated by Mexico's drug traffickers, is a proposal for that nation's government to negotiate with the narcos, supposedly to reduce the violence and "humanize" the conflict. Arising at the same time is the idea of legalizing the drug trade as the final solution to the thus far "fruitless" war on drugs.

This is a bloody farce, and not a debate of ideas at all. Behind all this criminal paraphernalia is narco-financier George Soros and his imperial British masters, who sponsor certain renowned Harvard academics who, not accidentally, also favor drug legalization. In their zeal to turn millions of people into drug addicts, these criminals have even discovered so-called medicinal and nutritional properties of illegal drugs. If drugs are legalized—in effect lowering their price—the market will expand. The creative mental capacities of those turned into addicts will be destroyed, and this

mental genocide will yield profits, just as did the Opium Wars launched by the British Empire against the Chinese people. Once more, this strategy of British cultural warfare is being applied, only this time, against Mexico and the United States, in particular.

Colombia has a lesson to teach the United States, Mexico, and all nations in general: do not negotiate with the drug trade. The only choice is to confront and defeat it. To consolidate this victory, the monetarist economic policies embedded in so-called free-trade agreements must be abandoned. The only efficient antidote to the drug trade is industrial development, the mechanization of agriculture, and the physical integration of nations through great corridors of development and infrastructure.

Thus, the proposal to legalize drugs and negotiate with the narcos, pushed by financier pirate Soros on behalf of Anglo-Dutch financial circles, should not only be rejected, but denounced as a new Opium War through



ANCOL/Fernando Ruiz

Following the hand-over of Colombian territory to the narcoterrorist FARC by President Andrés Pastrana, New York Stock Exchange president Richard Grasso met with FARC boss Raúl Reyes in his jungle base in 1999, where they were photographed in the obscene embrace, known since as the "Grasso Abrazo."

which they hope to prop up the collapsed international financial system, destroying the United States and Mexico in particular along the way.

Colombia negotiated and capitulated to the narcoterrorists' demands, and in that process nearly disappeared as a sovereign nation-state. Wall Street and the City of London supervised and coordinated this process of surrender to the narcoterrorists. President Andrés Pastrana handed over national territory to the FARC (Revolutionary Armed Forces of Colombia), which was demilitarized, supposedly to initiate the "peace process." Then, in June of 1999, the president of the New York Stock Exchange, Richard Grasso, traveled to the Colombian jungles of Caguán, the surrendered territory, to meet with FARC leader Raúl Reyes, and they were photographed in a scandalous embrace that became known ever afterwards as the "Grasso Abrazo."

When then-Presidential candidate Alvaro Uribe promised in 2001-02 to use a firm hand in battling the drug trade, the immense majority of Colombians supported him, to the point of changing the Constitution to permit re-election after his first four-year term.

Under the pretext of pacifying the country, the governments of, in particular, Alfonso López Michelsen (1974-78), César Gaviria Trujillo (1990-94), Ernesto Samper Pizano (1994-98), and Andrés Pastrana Arango (1998-2002) both directly and indirectly promoted and carried out political negotiations and agreements with the drug lords, while at the same time dismantling the nation's precarious physical economy. The institutions and legitimacy of the country-already weakened by the narcoterrorists' cruel assaults-began to crumble.

Colombia has still not recovered from the combined devastating effects of free-trade policies and tol-

erance of the drug trade. The infamous and feared Cali and Medellin Cartels—run by the Rodríguez Orejuela brothers and Pablo Escobar respectively—were dismantled, but have been replaced de facto by new cartels which operate on a lower profile. The production and trade of marijuana, coca, opium, and their respective derivatives, has not decreased.

It is true that the drug cartels can no longer boast of controlling the Executive branch, beginning with the President and his ministers, as was once the case. However, the mistaken policy of laying the economy open to free-trade policies has devastated Colombia's incipient agriculture and industry, such that—despite the Uribe government's best intentions and actions to dismantle narcoterrorism—the Colombian state is still facing that thousand-headed Hydra.

As is clear in the case of Mexico, as NAFTA's (North American Free Trade Agreement) policy of eliminating protective tariffs advanced, so too did the scope and magnitude of the drug trade, replacing agricultural and industrial activities as they disappeared, due to the national economy's inability to compete with cheaper imports from foreign markets.

The Godfather in Action

Former President Alfonso López Michelsen, also known as the Godfather of the Colombian drug trade, imposed the first economic opening through his Finance Minister Rodrigo Botero Montoya, whose lowering of tariffs led, in particular, to the bankruptcy of many agricultural activities. Marijuana replaced cotton and other agricultural products, thus creating the so-called *bonanza marimbera*. López Michelsen established what

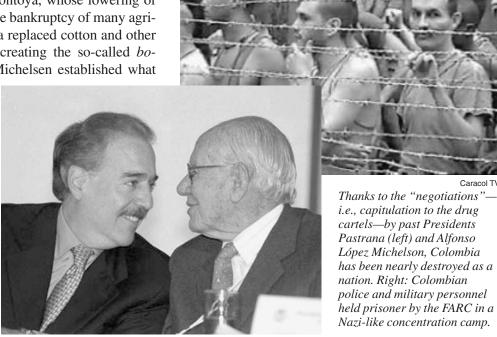
came to be known as the "sinister window" at the Central Bank, which basically institutionalized the acceptance of dollar deposits "no questions asked," with the result that the Central Bank itself became the drug trade's premier money launderer.

Later, during the Belisario Betancur government (1982-1986), in the midst of the most brutal of the offensives of

druglord Pablo Escobar, and just a few days after the 1984 assassination of then-Justice Mininster Rodrigo Lara Bonilla, ex-president López Michelsen traveled to Panama to meet with all the top leadership of Colombia's drug trade. In his capacity as messenger of the drug mafia, López reported to President Betancur and to the nation that the druglords were supposedly ready to lay down their arms and even to pay off the country's foreign debt, in exchange for a pledge of no extradition to the United States. Otherwise, he warned, they would launch bloody warfare to wipe out what remained of the country's institutions.

Thanks, in part, to the widely circulated denunciations by Lyndon LaRouche's associates in Colombia, López Michelsen failed to re-capture the Presidency in 1987, as he had hoped. Nor was he successful in pulling off the blackmail of the drug traffickers with whom he met in Panama in 1985.

President César Gaviria Trujillo, through his Finance Minister Rudolf Hommes, once more bankrupted Colombia's precarious economy, by imposing the so-called "economic opening" (drastic reduction of tariffs on imports). Hectares under cultivation fell from



4 to 3 million. Gaviria formally eliminated the exchange controls that existed in the country at the time; and Colombia's fragile industrial sector (primarily textiles, leather, and food processing) was practically annhilated.

Supposedly to eliminate the narcoterrorist wave, Gaviria forged a pact with Pablo Escobar and the other drug lords, according to which, they would surrender to authorities and do their time—not to exceed seven to eight years. Escobar was allowed to build his own prison, from which he continued to coordinate his criminal activities. It was later discovered that several people who had been summoned before him were assassinated at The Cathedral, as Escobar's five star "prison" was known. The criminal extravagances at The Cathedral were such, that Escobar eventually became paranoid that he could be stripped of some of his privileges, and decided to engineer his own escape. With the help of the United States government, the Colombian police conducted a diligent search for Escobar, and were able to locate his hideout. The mafioso was eventually killed in a shoot-out.

As part of his agreements with the drug mob, Ga-

viria convened a Constituent Assembly, with delegates named by the narcos themselves, to write a new Constitution, on the pretext of consolidating a peace agreement with the M-19 terrorists, who had accepted a government amnesty offer. The 1991 Gaviria Constitution formally eliminated extradition as a weapon against the narcoterrorists and other criminals. Subsequently, the Congress succeeded in restoring the Colombian-U.S. Extradition Treaty.

This same César Gaviria is currently one of the codirectors of the Latin American Commission on Drugs and Democracy, financed by mega-speculator and drug legalization advocate George Soros. Former Mexican President Ernesto Zedillo and Fernando Henrique Cardoso of Brazil are also co-directors of this Soros outfit, which hopes to intervene in the United Nations March 2009 meeting, scheduled to evaluate the last decade of the war on drugs, to force a shift toward a more "humanitarian" strategy, by which they mean legalization of illicit drugs.

Former President Ernesto Samper Pizano is a true prophet of narcoterrorism. When he began his political career as director of Colombia's National Association of Financial Institutions (ANIF) in 1978, Samper organized a world summit in Bogota, which pulled together all the legalizers of the planet, where it was predicted that if drugs were not legalized—starting with marijuana—then the most violent drug war against Colombian society would be launched to convince people of the "virtues" of drug legalization. Things occurred just as Samper predicted: thousands of police and soldiers, hundreds of political figures, judges, magistrates, presidential candidates, and others, were murdered by the cartels.

At the time, Samper argued that it would be very difficult to get all the nations of the world to reach a consensus on the legalization of drugs, but that what could happen is that one country—for example, Colombia, after being subjected to a horrific narcoterrorist offensive—could unilaterally opt for legalization, creating a breach in the world juridical order that would lead to the eventual legalization of drugs worldwide. Today, after having supposedly demonstrated the futility of the war on drugs, Soros—on behalf of the Anglo-Dutch Liberal financial system—seeks to convince the world community gathered at the UN meeting in March, that the alleged panacea is drug legalization.

In view of his stated principles and practices, it came

as no surprise that the narcos would buy the Colombian presidency for Samper. Millions of dollars entered the coffers of the Samper for President campaign, and Samper was later absolved by the Chamber of Representatives in a hearing in which he shamelessly admitted that drug money had financed his campaign, but that it had been done behind his back.

Meanwhile, to soften up the Mexican population, it is being subjected to the same torture that the Colombian people lived through under the dominion of the narcoterrorists. Mexico and the United States are thus warned of the tragic implications of being tolerant toward narcoterror. Soros must be confronted and defeated, along with his Anglo-Dutch imperial puppetmasters who seek to destroy our people with modern-day opium wars.

Quo Vadis, Domine?

It is said that when the Apostle Peter fled Rome during the persecution of the Christians by the Emperor Nero, he asked Jesus, "Where are you going, Lord?" To which Jesus replied, "I am going to be crucified in Rome a second time, because my disciples are abandoning me." In response, Peter decided to return to Rome to continue his organizing, knowing that he faced the threat of crucifiction himself, which in fact occurred.

With that brave act to defend the truth, nascent Christianity was consolidated. What would have happened had Peter chosen instead to ingratiate himself with the enemies of the human race, or had simply fled, without facing the problem? This is the dilemma that the drug trade poses for us today: Do we legalize it to "humanize the conflict," or do we confront it at its source? As Lyndon LaRouche has explained, one must enable and create the conditions of physical economy so that human beings can reach the full potential of that creative spark with which God has endowed us. Soros and his Anglo-Dutch imperial bosses fear that explosion of human creativity, and therefore seek to stupefy and erase it with their Opium Wars. We can and must defeat this evil.

The horrors that countries such as Afghanistan, Colombia, and others have suffered, under the Opium Wars imposed by the Anglo-Dutch imperialists, do not have to become the fate of Mexico and the United States, in particular. We can learn from Colombia's tragic lessons: There is no substitute for victory.

How Drugs Can Be Wiped Out, Totally

by Dennis Small

This article is reprinted from EIR, July 26, 1996. The technological capabilities it documents for wiping out drugs non-lethally, are obviously much greater today.

Outside of moral indifferentism and the overt promotion of every-man-for-himself hedonism, there are two recurring arguments wielded in defense of the legalization of drugs. The first, is that legalization will cut drug prices drastically, and thereby take the high profitability (and concomitant violence) out of the trade. We addressed that false argument in the opening section of this report, where we proved that Dope, Inc. has itself deliberately lowered the prices of cocaine and heroin over the last two decades, as a classic marketing technique designed to increase the market for their "product." Their strategy succeeded. To do more of the same, under the guise of legalization, would only ensure a vast new increase of drug consumption.

The second argument is pure, cultural pessimism: Drugs cannot be stopped, so we may as well learn to live with them. Many then go on to cite the experience of the last decade—but especially of George Bush [Sr.]'s phony "War on Drugs"—as "proof" that you just can't win. Even the well-intentioned Clinton Administration is promoting the pathetic formulation that "this is not a war" to be won or lost, but rather it is like "fighting cancer"—which presumably means that we are destined to lose the battle.

However, a proper review of the last decade's antidrug efforts—both the successes and the failures points to a different set of conclusions:

- 1. **Crop eradication** is effective. Even with primitive technologies, upwards of 25% of the world's marijuana crop is being eradicated.
- 2. **Seizures** and drug interdiction can also do serious damage. Again with poor equipment and resources, more than 25% of world cocaine production was seized over the last ten years.
- 3. **Stopping drug money laundering** will never work ... if it isn't tried. The story here is that a serious



NASA

More than a decade ago, technologies such as Landsat satellites, were already in use to monitor agricultural crops. Today, far more sophisticated technologies are available to detect drug crops, and, combined with law enforcement methods, could wipe out drugs altogether. Shown, a view of the planet's surface from a NASA Landsat spacecraft.

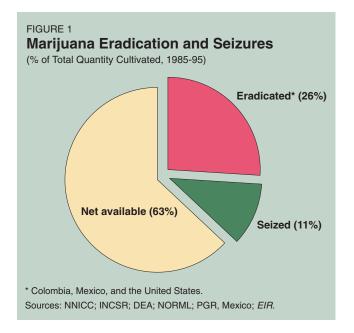
effort has yet to be made, by any country anywhere in the world, on this, the most decisive front in the war on drugs.

To effectively dismantle Dope, Inc., it is necessary to act in a coordinated fashion on all three of these fronts. They are the three legs of the stool; without all three, the policy will not stand up.

The final, related consideration, is that the drug trade has to be fought simultaneously, in a coordinated fashion, on a global scale. Since Dope, Inc. is a multinational enterprise with operations in dozens of nations, it does little good to shut it down in one country only: It will simply move its operations to a more favorable environment.

Eradication

Figure 1 shows the disposition of the total quantity of marijuana cultivated worldwide, over the ten-year period 1985-95. Most noteworthy is that a full 26% of what was planted, was eradicated. The United States, the largest producer in the world, eradicates an estimated one-third of its crop (the DEA claims it destroys one-half, but a review of the literature indicates this is overly optimistic).



Mexico, however, is the world leader on the eradication front: In 1995, it eliminated 11,800 hectares of marijuana, out of a total of 18,700 cultivated; that is, about two-thirds of the total. How do they do it, with almost no resources, and less in the way of technology? In general, thousands upon thousands of Mexican soldiers are deployed into the drug-producing zones to chop down marijuana plants with machetes and other rudimentary equipment. Aerial surveillance and spraying with defoliants occurs in some cases, but is by no means the rule. As U.S. anti-drug director Gen. Barry McCaffrey reported on April 8, 1996: "The Mexican Army has eradicated more illegal drugs in the last year than any other nation on the face of the Earth. And they did this at the risk of their own lives, and [there was] a lot of hard work and sweat and blood involved in that."

If Mexico is able, with such methods, to knock out two-thirds of its marijuana before it is ever harvested, imagine what could be done with the application of serious resources and technologies. Satellite mapping and sophisticated aerial photography are capable of pinpointing every hectare cultivated, by crop type, on the face of the earth. Such capabilities have existed for almost *two decades*. As 21st Century Science & Technology magazine explained in its January-February 1990 issue, a 1978 joint study by NASA and the Mexican government proved the case:

"The remote sensing techniques developed at NASA's Earth Resources Laboratory to monitor agricultural crops from Landsat satellites [can] be used to

detect cannabis. The particular radiation reflectance signature for the marijuana crop was determined to be in the 1.55 to 1.75 micron band, in the infrared part of the electromagnetic spectrum.

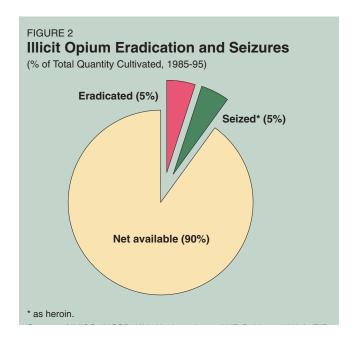
"With this knowledge, NASA analysts could find the cannabis fields from the air. A multispectrum scanning instrument (MSS) from NASA, mounted under the wing of a Lear 35 jet, could cover 12,000 square miles of Mexico per day. The entire country could be mapped every 15 days, to allow crops to be targeted for destruction almost as soon as they started growing."

Once the drug crops are detected, highly effective herbicides, such as glysophate, can then be applied massively, using virtual air flotillas protected by the respective national air forces, if necessary. For hard-to-reach mountainous areas and deep valleys, modern, armored helicopters can be equipped for the task.

Environmentalist arguments against such spraying are specious. Herbicides have been designed that are damaging only to the drug crops, and not to other plants. As for the purported harmful effect on the poor, unsuspecting consumers, they should protect themselves by simply not consuming the illegal substances in the first place. In any event, there is some question whether the herbicide does more damage, or the pot or cocaine does.

Marijuana cultivation in the United States poses a greater challenge to eradication, but it is far from an impossible task. The first problem is a political one: Much of the marijuana cultivation occurs on national parks land, and the environmentalist lobby is a powerful obstacle to serious eradication. Secondly, over recent years, much of domestic production has been moved indoors or underground, into vast, technologically sophisticated plantations which are not detectable with standard aerial surveillance. Here, however, infrared photography, which is heat sensitive, is very useful. So, too, is the measurement of unusually high rates of water and electricity consumption in areas where they are not warranted. Similarly, the discharge of unauthorized chemical effluents can be readily detected, and point to probable indoor drug facilities. In fact, the Environmental Protection Agency is reportedly already providing the DEA with useful assistance in this regard.

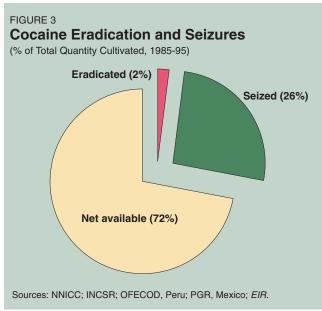
The same basic approach can and must be applied to other drugs, including opium and coca. Today, only 5% of the opium crop is eradicated (see **Figure 2**), while less than 2% of the total coca crop is eradicated.



Eradicating a quarter of a drug crop, as currently occurs with marijuana, is not enough to seriously dent the supply. In fact, it may only serve to maintain market control and weed out the competition. However, what if 90% were to be eradicated? If there is sufficient political will from the national governments in question, and adequate technology and other resources provided by the more affluent nations (the United States in particular), it is not unreasonable to suggest that as much as 90% of all three major illicit drug crops—marijuana, opium, and coca—could be eradicated on the spot.

Seizures

Figure 3 shows what has happened with coca and cocaine over the past decade. Here the level of eradication is pathetically low—2%. There is organized political resistance to such programs in all three producer nations-Peru, Bolivia, and Colombia-by "peasant" associations financed by the drug cartels and their allied UN-based non-governmental organizations (see EIR, Nov. 10, 1995, "New Terror International Targets the Americas"). Furthermore, there are major problems at the level of the respective governments: President Samper Pizano of Colombia is owned, lock, stock, and barrel, by the Cali Cartel; President Sánchez de Lozada of Bolivia is a member of the pro-drug Inter-American Dialogue, and has himself openly advocated drug legalization; and President Alberto Fujimori of Peru has staunchly refused to eradicate, for fear of driving mil-



lions of Andean peasants into the arms of the Shining Path narcoterrorists, and for fear of losing the hundreds of millions of drug dollars which enter the Peruvian economy every year, and without which Peru could not service its foreign debt.

Cocaine seizures, however, are a somewhat brighter picture, with 26% of everything produced between 1985-95 having been intercepted and seized by various national authorities. The United States makes about 40% of the total worldwide seizures, but even here, the resources deployed are woefully inadequate to the task.

First, there is the question of aerial and maritime detection and interception. Cooperation between the United States and various Ibero-American governments has improved somewhat over the recent period, with some U.S. radar equipment and technical support being provided to Peru, Colombia, Mexico, and other countries. But it is far less than what is needed to really dent the trafficking. A full complement of ground radar and linked AWAC capabilities needs to be deployed, which would detect all unregistered flights and immediately transmit the information to national military units each assigned to patrol their own territory and air space. Indepth technical cooperation and intelligence sharing, with strict respect for national sovereignty, is called for in such efforts.

Second, there is the monumental problem of inspecting all of the cargo which *legally* enters the United States. DEA officials estimate that a mere 3% of the 8-

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9 million containers entering U.S. ports annually are actually inspected today. Similarly, hundreds of millions of passengers cross the borders, as do about 12 million air cargo shipments, and something like 47 million trucks—a mammoth screening challenge. Even in those cases where inspection does occur, the drug traffickers are constantly developing ingenious new ploys to foil existing detection systems: packing cocaine inside concrete posts eludes X-rays; placing packaged cocaine deep inside blocks of frozen shrimp stymies drug-sniffing dogs; hiding cocaine in canned tuna lots, where only one can in a thousand is not legitimate, stands an excellent chance of passing inspection; and so forth.

Only the extensive introduction of new detection technologies will turn the tide. For example, Magnetic Resonance Imaging (MRI) technologies, today applied routinely in the medical field, hold promise for the war on drugs. Here the detection system excites atomic nuclei in the scanned material and, by "reading" the atomic signature of elements, is able to locate the presence of illegal narcotics. Currently, however, only relatively small targets (such as letters or packages) can be effectively scanned this way. Other technologies under development, such as the Explosive/Contraband Detection System (E/CDS) which uses alpha and gamma rays, can handle somewhat larger packages, perhaps $2\times2\times2$ feet—still substantially smaller than standard cargo containers ($8\times8\times40$ feet).

Another promising possibility is to use neutron beam technology, developed in the 1980s to verify nuclear and chemical weapons disarmament accords, in the anti-drug war. The technology was designed to put a Soviet nuclear missile through a screening system and count the number of warheads on it, because existing treaties didn't allow the physical opening of the missile. The converted version of the technology consists of a kind of gantry through which up to 30 containers per hour can be moved, while a neutron beam scans their contents and tells customs agents what chemical elements they contain.

Although much work is still required, it is evident that such an approach is feasible. Once achieved, all containers entering the United States could be subjected to scanning by such detection systems, and there would be a gigantic jump in the amount of drugs seized. This, combined with the aerial interdiction described above, would be capable of seizing not 25% of the drugs shipped—as with cocaine today—but perhaps

75% or more of the amount shipped.

So, if only 10% of the drugs cultivated gets past the eradication stage, and if only 25% of that reduced amount gets past the seizure stage, we are talking about only 2-3% of the total amount initially cultivated actually making it through to the consumer market. That would put a substantial dent in Dope, Inc. But it is still not enough.

Stopping Drug-Money Laundering

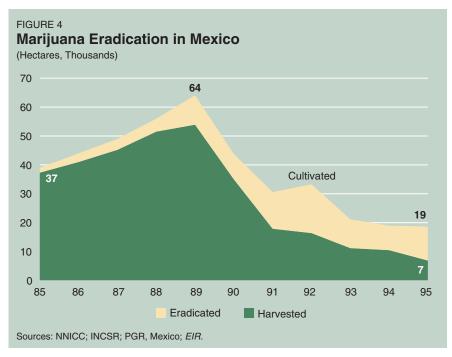
The third leg of the stool, and the key to any successful anti-drug strategy, is to aggressively identify and put out of business any and all financial institutions that engage in drug money laundering—which, after all, is the level from which the drug trade is actually controlled. It is at this point in the discussion that people normally start getting very nervous.

The reason, as we have documented elsewhere in this report, is that global money laundering is run from the top by the most powerful financial interests on the face of the Earth: the City of London, the British Commonwealth, and associated forces.

But once the political will is established to carry out the task, here, too, modern technologies are available. Besides introducing anti-money-laundering legislation in countries where it doesn't now exist, and closing all the obvious loopholes in existing reporting regulations in countries like the United States, real-time computer tracking of even the most sophisticated money-laundering schemes is possible. Coupled with banking transparency—the bane of the free marketeers—such computer monitoring and tracking of suspect transactions can identify the vast majority of money laundering globally.

As important as they are, none of the above measures will be effective, however, unless they are carried out on a global scale by a coordinated effort among sovereign nation-states. The following case study shows why.

In **Figure 4** we see the growing effectiveness of Mexico's marijuana eradication campaign, beginning in 1989. In 1988, only 4,500 hectares were eradicated; but in 1989, according to official statistics, this more than doubled to 10,200 hectares eradicated. In subsequent years, equivalent amounts, and more, were eradicated, reaching a high of 16,900 hectares eradicated in 1992. As the graph shows, the effect of that campaign was not only to eliminate the specific hectares in question, but it also significantly discouraged cultivation in



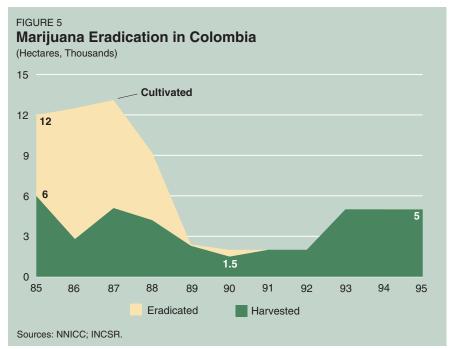
general, which, as a result, dropped from over 64,000 hectares planted in 1989, to less than 19,000 in 1995—a 70% decline in only six years. The area harvested dropped during that same period by an even greater 87%—from 53,900 hectares in 1989 to 6,900 in 1995. In terms of marijuana output, Mexico went from producing an astonishing 30,200 tons in 1989, to "only" 3,650 tons in 1995.

Was Dope, Inc. concerned? Not particularly.

At precisely the point that Mexico began to put a dent in its marijuana output, Dope, Inc. took steps to make sure that another major producer, Colombia-which itself had been successfully eradicating in the mid-1980s—was brought back on line as a major source. As **Figure 5** shows, in 1985, under the government of Virgilio Barco, Colombia was eradicating half of its cultivated marijuana: 6,000 of 12,000 hectares. Over the subsequent four years, the eradication campaign, which made very successful use of glysophate herbicide, in particular, forced the total amount cultivated and harvested to

drop drastically, down to a low point of 1,500 hectares harvested in 1990—a 75% drop from five years earlier. But then, under the César Gaviria (1990-94) and Ernesto Samper (1994-98) governments, all marijuana eradication ceased—to the delight of the British-run environmentalists, the British-run legalization lobby, and the British-run drug cartels. Predictably, marijuana production rose back up to nearly the levels it had achieved before the eradication campaign began. Thus, in 1995, Colombia produced 4,133 tons of marijuana, to Mexico's 3,285—beating Mexico out for the dubious distinction of being Ibero-America's biggest pot producer, for the first time since 1982.

The moral of the story is, that Dope, Inc. must be defeated everywhere, if it is to be defeated anywhere. With that in mind, we recall for the reader the prescient remarks by Lyndon LaRouche to an *EIR*-sponsored anti-drug conference in Mexico City, held over ten years ago, on March 13, 1985, just as Dope, Inc.'s "Development Decade" was getting under way:



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"It is clear to the governments fighting the international drug-traffickers, that the drug-traffic could never be defeated if each of our nations tried to fight this evil independently of the other nations of this hemisphere. If the drug-traffickers' laboratories are shut down in Colombia, new laboratories open up in Brazil....

"The greatest political threat to democracy in Venezuela, Colombia, Peru, and other countries, is the use of the billions of revenues held by the drugtraffickers to fund terrorist armies.... It is impossible to break the ominously increasing political power of the drug-traffickers... without capturing the billions of dollars of drug-revenues run through corrupt banking institutions...

"Special attention should be concentrated on those banks, insurance enterprises, and other business institutions which are in fact elements of an international financial cartel coordinating the flow of hundreds of billions annually of revenues from the international drug-traffic. Such entities should be classed as outlaws according to the 'crimes against humanity' doctrine elaborated at the postwar Nuremberg Tribunal' (see below, for LaRouche's 15-point plan for a war on drugs).

LaRouche's 15-Point Plan for a War on Drugs

Advocates of drug legalization claim that the war on drugs has failed; in fact, a serious war has yet to be waged. On March 13, 1985, Lyndon LaRouche sent this message to a Mexico City conference on the drug traffic, laying out a 15-point "war plan."

- 1. What we are fighting, is not only the effects of the use of these drugs on their victims. The international drug traffic has become an evil and powerful government in its own right. It represents today a financial, political, and military power greater than that of entire nations within the Americas. It is a government which is making war against civilized nations, a government upon which we must declare war, a war which we must fight with the weapons of war, and a war which we must win in the same spirit the United States fought for the unconditional defeat of Nazism between 1941 and 1945.
 - 2. Law-enforcement methods must support the mili-

tary side of the War on Drugs. The mandate given to law-enforcement forces deployed in support of this war, must be the principle that collaboration with the drug traffic or with the financier or political forces of the international drug traffickers, is treason in time of war.

- a) Any person caught in trafficking of drugs, is to be classed as either a traitor in time of war, or as the foreign spy of an enemy power.
- **b**) Any person purchasing unlawful substances, or advocating the legalization of traffic in such substances, or advocating leniency in anti-drug military or law-enforcement policy toward the production or trafficking in drugs, is guilty of the crime of giving aid and comfort to the enemy in time of war.
- **3.** A treaty of alliance for conduct of war, should be established between the United States and the governments of Ibero-American states which join the War on Drugs alliance to which the President of Mexico has subscribed. Other states should be encouraged to join that military alliance.
- **4.** Under the auspices of this treaty, provisions for actions of a joint military command should be elaborated. These provisions should define principles of common action, to the effect that necessary forms of joint military and law-enforcement action do not subvert the national sovereignty of any of the allied nations on whose territory military operations are conducted. These provisions should include the following:
- **a)** The establishment of bilateral military task-forces, pairwise, among the allied nations;
- **b)** The establishment of a Common Command, assigned to provide specified classes of assistance, as such may be requested by designated agencies of either of any of the member states, or of the bilateral command of any two states;
- c) Under the Common Command, there should be established a central anti-drug intelligence agency, operating in the mode of the intelligence and planning function of a military general staff, and providing the functions of a combat war-room;
- **d)** Rules governing the activities of foreign nationals assigned to provide technical advice and services on the sovereign territory of members of the alliance.
- **5.** In general, insofar as each member nation has the means to do so, military and related actions of warfare against targets of the War on Drugs, should be conducted by assigned forces of the nation on whose territory the action occurs. It were preferred, where practicable, to provide the member nation essential

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supplementary equipment and support personnel, rather than have foreign technical-assistance personnel engaged in combat-functions. Insofar as possible:

- a) Combat military-type functions of foreign personnel supplied should be restricted to operation of detection systems, and to operation of certain types of aircraft and anti-aircraft systems provided to supplement the capabilities of national forces; and
- **b)** Reasonable extension of intelligence technical advice and services supplied as allied personnel to appropriate elements of field operations.
- **6.** Technologies appropriate to detection and confirmation of growing, processing, and transport of drugs, including satellite-based and aircraft-based systems of detection, should be supplied with assistance of the United

States. As soon as the growing of a relevant crop is confirmed for any area, military airborne assault should be deployed immediately for the destruction of that crop, and military ground-forces with close air-support deployed to inspect the same area and to conduct such supplementary operations as may be required. The object is to eliminate every field of marijuana, opium, and cocaine, in the Americas, excepting those fields properly licensed by governments.

- 7. With aid of the same technologies, processingcenters must be detected and confirmed, and each destroyed promptly in the same manner as fields growing relevant crops.
- **8.** Borders among the allied nations, and borders with other nations, must be virtually hermetically sealed against drug traffic across borders. All unlogged aircraft flying across borders or across the Caribbean waters, which fail to land according to instructions, are to be shot down by military action. A thorough search of all sea, truck, rail, and other transport, including inbound container traffic, is to be effected at all borders and other points of customs-inspection. Massive concentration with aid of military forces must be made in border-crossing areas, and along relevant arteries of internal highway and water-borne transport.
 - 9. A system of total regulation of financial institu-



DEA

The international drug traffic has become an evil and powerful government in its own right, which is making war against civilized nations. We must must declare war against it, LaRouche urges, in the same spirit that the U.S. fought the Nazis in World War II. Here, the U.S. Drug Enforcement Administration takes a Mexican drug kingpin into custody.

tions, to the effect of detecting deposits, outbound transfers, and inbound transfer of funds, which might be reasonably suspected of being funds secured from drug trafficking, must be established and maintained.

- 10. All real estate, business enterprises, financial institutions, and personal funds, shown to be employed in the growing, processing, transport, or sale of unlawful drugs, should be taken into military custody immediately, and confiscated in the manner of military actions in time of war. All business and ownership records of entities used by the drug traffickers, and all persons associated with operations and ownership of such entities, should be classed either as suspects or material witnesses.
- 11. The primary objective of the War on Drugs, is military in nature: to destroy the enemy quasi-state, the international drug trafficking interest, by destroying or confiscating that quasi-state's economic and financial resources, by disbanding business and political associations associated with the drug trafficking interest, by confiscating the wealth accumulated through complicity with the drug traffickers' operations, and by detaining, as "prisoners of war" or as traitors or spies, all persons aiding the drug trafficking interest.
- 12. Special attention should be concentrated on those banks, insurance enterprises, and other business

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Advanced techologies for drug detection, interdiction, and destruction can immediately be deployed. These include satellite-based and aircraft-based systems. Shown: The capture by Project Reckoning, a multi-agency lawenforcement effort led by the DEA, of huge amounts of illegal narcotics from the Gulf Cartel.

institutions which are in fact elements of an international financial cartel coordinating the flow of hundreds of billions annually of revenues from the international drug traffic. Such entities should be classed as outlaws according to the "crimes against humanity" doctrine elaborated at the postwar Nuremberg Tribunal, and all business relations with such entities should be prohibited according to the terms of prohibition against trading with the enemy in time of war.

13. The conduct of the War on Drugs within the Americas has two general phases. The first object is to eradicate all unlicensed growing of marijuana, opium, and cocaine within the Americas, and to destroy at the same time all principal conduits within the Hemisphere for import and distribution of drugs from major drugproducing regions of other parts of the world. These other areas are, in present order of rank:

- **a)** The Southeast Asia Golden Triangle, still the major and growing source of opium and its derivatives:
- **b)** The Golden Crescent, which is a much smaller producer than the Golden Triangle, but which has growing importance as a channel for conduiting Golden Triangle opium into the Mediterranean drug-conduits;
- c) The recently rapid revival of opium production in India and Sri Lanka, a revival of the old British East

India Company opium production;

d) The increase of production of drugs in parts of Africa.

Once all significant production of drugs in the Americas is exterminated, the War on Drugs enters a second phase, in which the war concentrates on combatting the conduiting of drugs from sources outside the Hemisphere.

14. One of the worst problems we continue to face in combatting drug trafficking, especially since political developments of the 1977-81 period, is the increasing corruption of governmental agencies and personnel, as well as influential political factions, by politically powerful financial interests associated with either the drug trafficking as such, or powerful financial and business interests associated with conduiting the revenues of the drug trafficking. For this and related reasons, ordinary law-enforcement methods of combatting the

drug traffic fail. In addition to corruption of governmental agencies, the drug traffickers are protected by the growth of powerful groups which advocate either legalization of the drug traffic, or which campaign more or less efficiently to prevent effective forms of enforcement of laws against the usage and trafficking in drugs. Investigation has shown that the associations engaged in such advocacy are political arms of the financial interests associated with the conduiting of revenues from the drug traffic, and that they are therefore to be treated in the manner Nazi-sympathizer operations were treated in the United States during World War II.

15. The War on Drugs should include agreed provisions for allotment of confiscated billions of dollars of assets of the drug trafficking interests to beneficial purposes of economic development, in basic economic infrastructure, agriculture, and goods-producing industry. These measures should apply the right of sovereign states to taking title of the foreign as well as domestic holdings of their nationals, respecting the lawful obligations of those nationals to the state. The fact that illgotten gains are transferred to accounts in foreign banks, or real estate holdings in foreign nations, does not place those holdings beyond reach of recovery by the state of that national.

George Soros, Britain's Drug Kingpin Waging War Against the Americas

by Nancy Spannaus

Billionaire speculator George Soros began his career in high finance with British money, and remains a British agent today. His pedigree makes it hardly surprising that he would be a prime pusher of the lucrative commodity for which the British Empire is most infamous, mind-destroying drugs.

As Soros has said in response to questions about his murderous work, as a teenager, for the Nazi occupation in Hungary, collecting loot from his fellow Jews, "some one had to do it," and it might as well have been him. Soros also lyingly insists that "the whole idea of eradicating the drug problem is a false idea."

A review of the international apparatus promoting narcotic drug production and consumption, and protecting its criminal activity, supports the stark conclusion that there is no drug-promoting organization anywhere in the world that is not funded, or otherwise supported, by George Soros. He is the kingpin of a global network—and if he is knocked out, that network itself can be easily mopped up.

Soros's funding can be found on both the consumption and production sides of the international drug trade, according to the public record. One can only guess as to how much more activity is going on clandestinely. While he justifies his promotion of drug legalization in the name of "harm reduction," the reality is that his well-funded campaigns to protect and encourage the spread of mind-destroying drugs, and the "debate" about their legalization, make him morally responsible for the death and destruction of millions of people, in body and mind, especially in the Americas. This "debate" has led to an increase in the *use* of these drugs, causing *menticide*, as well as the bloody activities which they fund, ranging from terrorism to gang warfare.

We summarize a portion of his public record in the Americas, to give the idea of the scope of his criminal activity:

Institutions Promoting Drug Legalization

Soros established the Lindesmith Center at his Open Society Institute and the Drug Policy Foundation in 1992-94, spending a reported \$500,000 in doing so. Over the following three years, 1994-97, he both gave directly, and mobilized matching funds, up to the level of \$10.5 million to fund these institutions, and one of their offshoots, the Marijuana Policy Project, which promotes the legalization of marijuana, "medicinal" and recreational.

In 2000, Soros merged these two groups to create the Drug Policy alliance.

Through this structure, including the Open Society Institute, Soros also funds a plethora of other pro-drug-legalization outfits, including NORML (National Organization for Reform of Marijuana Laws), and many others less obvious, like the Transnational Institute. These institutions also lobby with state legislatures and the Federal government, pushing to change drug laws in the direction of legalization.

Ballot Initiatives

Both through his organizations and individually, Soros has been the leading funder, and sometimes the only funder (!), of the dozens of ballot referenda in the United States over the past 15 years, all aimed at legalizing narcotic drugs. Rather than reflecting the "will of the people," these initiatives reflect the passion of Soros and his crowd of drug legalizers to promote drug use. Soros is said to have spent \$30 million on drug initiatives between 1993 and 1999, according to a 1999 report, "The Long Strange Trip of George Soros," published in *The Nation*. But that is merely the tip of the iceberg. Some examples of his "work" follow:

1996: Soros personally poured \$550,000 into pro-

motion of a California referendum for the so-called medical use of marijuana, a favorite pathway toward legalization. On top of that, his Drug Policy Foundation is documented to have spent \$200,000 for the referendum, which passed.

The same year, Soros directly spent \$440,000 for passage of Arizona's Proposition 200, which called for decriminalizing marijuana, and automatic parole for drug offenders.

2000: Soros spurred a Nevada referendum for legalizing retail distribution of drugs.

2004: That year, there were 17 dope-related initiatives on state ballots, primarily throughout the western states. Assuming a modest level of support, say \$500,000 for each referendum, means that Soros and friends spent \$8.5 million in that election cycle.

2008: Soros is documented to have spent heavily in California, Michigan, and Massachusetts for pro-drug legalization referenda, which passed in Michigan and Massachusetts.

Aiding Producers, Terrorists, and Pushers

While working for legalization of drugs in the United States, Soros has not neglected the other nations in the Americas. Through a number of organizations operating under the rubric of "human rights," led by Human Rights Watch and Americas Watch, the pro-Nazi billionaire has fought tooth-and-nail against any crackdown on illegal drugs, and the terrorist armies which serve the cartels. It would be no exaggeration to hold Soros responsible for thousands of deaths in the nation of Colombia, among others, because of his sustained campaign against the provision of military and intelligence support to that nation, in its war on drugs.

Simultaneously, Soros has funded a drive to legalize drugs, including cocaine, heroin, marijuana, and synthetics. In the mid-'90s, two Soros-funded organizations, the Andean Council of Coca Leaf Producers and the Andean Commission of Jurists, came together to form "Coca 95," which, in the name of supporting the poor peasant farmers who produce coca and other narcotic drugs in South America, advocates changes in international law to promote drug production and trafficking, instead of much-needed agricultural development.

On Jan. 9, 2009, the Transnational Institute (TNI), a leading Soros outfit (with official funding from the EU,

the Dutch Foreign Ministry, and dozens of other "respectable organizations"), released a doozy, which underscores what Soros's campaign is all about. The TNI report, "Withdrawal Symptoms in the Golden Triangle: A Drugs Market in Disarray," screams out to end the war on drugs, to stop preventing poor farmers from growing poppy, to stop denying high-quality and low-priced heroin to the poor users. The report demonstrates the absolute rage of Soros and the Anglo-Dutch drug bankers that they lost their precious "Golden Triangle" drug haven.

The TNI report says that the near-elimination of opium in Myanmar, Thailand, and Laos—part of the "Golden Triangle" which once supplied the majority of the world's opium—is responsible for "driving hundreds of thousands of families into poverty.... The rapid decline in production has caused major suffering among former poppy-growing communities in Burma and Laos"—as if the poppy producers were once prosperous. The TNI reporter's trip through the Triangle by mule in 1973 revealed the deadly, stone-age conditions of the opium farmers.

The report continues that "repressive drug control policies and criminalisation of users has caused increased health risks amongst consumers," requiring legalization and drug distribution to cure them of their ills.

TNI denounces the Association of Southeast Asian Nations (ASEAN) for declaring the goal of a drug-free Asia by 2015, calling this "unrealistic and counter-productive," arguing that "it would be wise not to enforce the 2015 deadline. It would be far better to take a longer-term perspective."

What we need, says TNI, is better and cheaper dope: "Higher prices and lower quality heroin are leading to shifts in consumer behaviour which create serious problems. While total numbers of opium and heroin users may be going down, more people have started to inject (the most cost-effective means of administration) and many have turned to a cocktail of pharmaceutical replacements with largely unknown health risks."

Their conclusion: "Countries in the region and the international community should not abandon former and current opium growing communities and drugs users in this delicate phase of transformation of the Golden Triangle."

New Opium War, anyone?

Example Economics

ITALY'S TREMONTI AND FRANCE'S ROCARD:

Only Bankruptcy Reorganization Will Revive the World Economy

by Helga Zepp-LaRouche

Jan. 9—If governments continue their attempts to rescue all banks and hedge funds, and to honor all demands from private financiers for ever greater sums of taxpayers' money, then we can be certain that we will see an even more dramatic collapse of the real economy, an explosion of hyperinflation in the near term, and a descent into a new Dark Age. Europe's nations, and especially Germany, must support a full bankruptcy reorganization, along the lines of bankruptcy laws of the United States. Public and commercial banks, and the assets invested in them, must be put under protection, whereas, like it or not, financial institutions and investment funds that are more engaged in speculative activity, will have to take their losses on the chin.

The fact that Berlin still has not managed to recognize this, was most recently shown by the "partial nationalization" of Commerzbank, whereby the government paid Eur10 billion in tax revenues out of the Financial Market Stabilization Fund (SoFFin), in order to take 25% control of Commerzbank, so that in turn it can takeover Dresdner Bank, which is still sitting on billions in toxic financial paper. In addition, according to *Der Spiegel*, Allianz will "doll up" its daughter Dresdner Bank with a silent Eur750 million deposit, and will pay Eur2 billion in order to take over Eur1.1 billion worth of securitized paper. Already in late 2008, Commerzbank had promises from SoFFin for Eur8.2 billion of loans and Eur15 billion in credit guarantees—all from taxpayers' money, of course.

Meanwhile, more banks are lining up at the public trough. But the situation continues to grow worse; the interbank market is stagnant, credit supply to small and medium-sized firms is drying up, the collapse of the real economy is deepening, and exports and orders are plummeting. Obviously, the "instruments" that have been pulled out of the wonderful toolbox of which Mrs. Merkel has spoken—all the rescue packages, stabilization funds, and economic stimulus programs—are completely ineffective.

Tremonti, Rocard Speak Out

Italy's Finance Minster Giulio Tremonti and former French Prime Minister Michel Rocard, on the other hand, were right on the mark at the colloquium on "New World, New Capitalism" in Paris on Jan. 8-9, with participants including French President Nicolas Sarkozy, German Chancellor Angela Merkel, and former British Prime Minister Tony Blair. Tremonti called for separating the healthy activities of banks from the toxic waste. He compared the financial crisis to a video game in which the player is confronted with one monster after another; but the biggest monster of them all is still ahead: the derivatives crisis. Outstanding derivatives obligations are currently 12.5 times larger than the GDP of all the world's countries, and therefore, according to Tremonti, they must be frozen for 50 years. It is simply impossible to finance this mountain of private debt through public funding. Far more important, is saving

families and businesses. As for the offshore tax havens, the burden of proof of residence should lie not with the state, but with the citizens. At the colloquium, Rocard likewise said that in view of the magnitude of outstanding debt, he favors a full bankruptcy reorganization.

But Chancellor Merkel appears still not to have grasped the gravity of the situation. True, she has made some progress: Back in 2007, she was stressing that there would be no "state orgy of re-regulation of the hedge funds," whereas in her speech at the colloquium, she vowed that in the future she would not allow the movers in the financial markets to prevent politicians from imposing rules. But her reference to "the moment when everything's going to get better," shows that she still completely underestimates the crisis.

If people continue to attempt to finance the toxic waste with quadrillions (!) of taxpayers' money, the collapse will continue its course, and Germany will not survive as an industrialized nation, and perhaps not as a nation at all.

In Great Britain, the international capital of hedge funds, and a country with a budget deficit of over 8% for 2009, and a collapsing pound, the Bank of England has reduced its interest rates to their lowest level in 300 years. Chancellor of the Exchequer Alistair Darling is considering an emergency plan: The Bank of England should simply print more money—so-called "quantitative easing." George Osborne, the shadow Chancellor of the Exchequer, commented that "the very fact that the Treasury is speculating about printing money shows that Gordon Brown has led Britain to the brink of bankruptcy. Printing money is the last resort of desperate governments when all other policies have failed. It can't be ruled out as a last resort, but risks losing control of inflation and all the economic problems that high inflation brings."

In her speech, Mrs. Merkel said that to deal with the crisis, there is no alternative to piling up mountains of debt. Yet in her very next sentence, she stressed that she wants to remain within the framework of the EU's Maastricht Treaty. The one statement is just as catastrophic and unrealizable, as the other.

A New Pecora Commission

It is therefore all the more urgent that an investigative commission be convened, on the model of the Pecora Commission in the United States in the 1930s. Because the fact that the agreement adopted by the Grand Coalition in 2005 incorporates an institution expressly cre-

ated so that Germany could enter into the international securitization market—True Sale International (TSI)—obviously puts a damper on hopes that that the government will voluntarily admit to a gigantic mistake. All it takes is a glance at the list of TSI's founders and shareholders—Commerzbank, Deutsche Bank, Dresdner Bank, DZ Bank, HVB Group, Kreditanstalt für Wiederaufbau, Bayerische Landesbank, Citigroup, Deka-Bank, Eurohypo, NSH Nordbank, Landesbank Hessen-Thüringen, and West LB—to see the intermingling of government policy and private financial institutions.

But the wind could quickly shift with the incoming U.S. administration. The *New York Times* ran an op-ed on Jan. 6 by historian Ron Chernow titled "Where Is Our Ferdinand Pecora?" calling for Obama to set into motion a far-reaching investigation of the collapse of the financial markets, and, just as Pecora did, in 1932-34, to lay the groundwork for new laws forbidding these abuses. (See accompanying article.)

Pecora Commissions are needed today in every country in the West, since the financial regulatory agencies have all failed miserably. Under the supposedly watchful eyes of these institutions, firms such as World-Com, Enron, Parmalat, Madoff, and most recently Joseph Forte, have operated freely. In the United States, preliminary hearings are already under way in the House Financial Services Committee on the need to reorganize these agencies.

One direct result of opening the financial markets to the machinations of predatory capitalism, was the recent tragic suicide of Adolf Merckle, a entrepreneur, who was valued for his concern for the general welfare, but who apparently was unable to resist the temptations of high-risk speculation. There are also some unsettled questions on the role of banks, competitors, media campaigns, and hypocritical politicians.

If Germany is to survive, we require immediate measures to protect public and commercial banks, while the banks involved in speculative dealings must write off their bad paper and take the consequences. Our industry, farming, and public service industries must be protected, and we must return to the kind of industrial banks that were the norm before the paradigm shift into globalization. And the bailout packages for the toxic waste of speculators who have lost, big-time, must stop this very instant.

This is a question of life and death for the world's nations. Unless this scandalous and ruinous policy is corrected, all that will be left, will be "failed states."

The Defense of National Sovereignty: What a New Pecora Commission Must Do

by John Hoefle

Jan. 9—The crucial battle facing the United States is the need to re-establish its national sovereignty in the face of an all-out push by the Anglo-Dutch Liberal/Saudi empire to destroy the nation-state system in favor of a new global empire. It is in this context that Lyndon LaRouche has called for a new Pecora Commission.

The original Pecora Commission, an investigation into the financial machinations which led to the Great Depression, conducted by the Senate Banking and Currency Committee from 1932 to 1934, exposed the way in which a cabal of powerful bankers dominated the U.S. economy, and manipulated it to suit their own goals. The investigation was run by Ferdinand Pecora, a former prosecutor who hauled some of the most prominent bankers in the nation before the committee and revealed them to be, under their pompous, selfrighteous veneer, a pack of self-serving, arrogant, and corrupt hyenas who had little regard for the interests of the nation and its people. In doing so, Pecora smashed the myth of public service the bankers and their publicists had so carefully crafted, and helped build the public support President Franklin Roosevelt required to force Congress to pass tough regulatory reforms.

The situation today is even worse than the one faced by FDR. Then, the U.S. still had a strong agroindustrial base and a citizenry which understood that infrastructure and production were the pillars upon which the economy stood. Today, those pillars have been severely weakened by deindustrialization and globalization, and our people blinded by the myth that economics is based upon finance. Rather than hauling the hyenas before Congress to demand answers, our Federal government is lavishing them with money, saving the banks while selling the nation down the river.

If this bailout continues, the United States will cease to exist as a sovereign nation, and become just another satrapy in the imperium. We will have abandoned the promise of the American Revolution, which lifted mankind to a new level of freedom and prosperity, and have fallen back into that against which we fought.

We must once again expose the nature of the financier parasites which infest our economy, so that our people will understand the need to cast them off. To that end, we need a new Pecora Commission.

The Nature of Empire

The most pernicious myth about the financial system is that it is basically honest, if corrupted here and there by a few bad apples. The truth is just the opposite: The system itself is corrupt—corruption is the way the empire works, and the empire is what runs the global financial system.

In a recent discussion with his staff, LaRouche stated that "an empire is not based on a nation. An empire is based on being *atop* of a number of nations. That's an empire. All other uses of the term 'empire' are nonsensical. So now we're dealing with the British Empire, which is a *Venetian* empire, an Anglo-Dutch Liberal/Saudi empire, and these forces, which are the central political elements in there, coordinate all these banking forces.... The empire is this system."

The operational center of this empire, as LaRouche has defined it, is the City of London, but the empire itself is stateless, with operations in every part of the world, in every financial and political center. LaRouche describes it as a slime-mold which constantly adapts to changes, creating new structures and shedding others to maintain its power.

"The essential slime-mold is the idea of *money as having an intrinsic value*, either by dictate or by approximation, by evolution. And that you run economies based on money," LaRouche said. "Thus, you set up the financial systems, and the financial system has always been the core of every empire from Babylon to

the present time. That's the thing that has to be understood—you have to *destroy* the slime-mold."

Get Serious

After every financial crisis there are investigations and prosecutions of high-profile people, designed to persuade the population that the laws are being enforced and the crooks punished, when they are not. Such investigations tend to occur well after the fact, when the activity being investigated has ceased to be profitable, and often involve individuals who are prominent but not particularly important to the empire.

Perhaps the best example of the latter is the prosecution of Martha Stewart for insider trading, in the wake of the stock market crash of 2000. The case garnered huge publicity, allowed for much posturing on the part of regulators, but accomplished little else. It was a classic show trial.

Another good example is the case of Enron, the energy-trading scam which collapsed in 2001. A number of top Enron officials were sent to prison—and rightly so—but the overall investigation and prosecution into the activities of the company was run as a cover-up, to protect those who steered Enron from behind the scenes. This cover-up began with the initial revelations of trouble at the company, through a press campaign which effectively focussed public attention on one area of the company's operations, and continued with a special internal company investigation of just that area; that investigation, in turn, became the basis for the Congressional hearings and the Federal prosecutions of company officials. The officials who went to jail were expendable, but so in fact was Enron, which had served much of its purpose.

What Enron really was, was a battering ram to force a deregulation of the electric-power industry, to allow for the creation of a spot-market pricing structure similar to the spot market in crude oil. Enron was largely steered in this imperial endeavor by two banks, Lazard and Rothschild, which had also played major roles in the creation of the oil spot market. Rothschild had a man on Enron's board at the time of the collapse, and one of the two men brought in to handle the company's internal investigation was a former Lazard banker, while the company itself was a long-time Lazard client. With the cover-up in place, the allegations of widespread bribery of public officials to grease the skids for deregulation and other crimes were never investigated, and the controllers of the operation

walked away, leaving the insiders to twist in the wind.

Already, we see signs that a similar cover-up is in the works. Lists of targets are appearing in the press, along with sanitized exposés of "what really happened" at places like Bear Stearns, Lehman Brothers, and AIG, all of which have the characteristic of blaming forces inside the companies, while hiding the way these companies were operating as creatures of the larger system. The puppets are being thrown to the wolves, while the puppetmasters are protected. If we are to save this nation, it is imperative that the puppetmasters also be exposed.

As LaRouche said, "You don't destroy the empire, by putting some of its members in jail. You destroy the empire, by putting the whole oligarchy in prison!"

Targets

One of the prime targets of the Pecora hearings was J.P. Morgan, both the man and the bank. Through its direct and interlocking directorships, Pecora said, Morgan had "incomparably the greatest reach of power in private hands in our entire history." The hearings revealed that Morgan maintained what it called "preferred lists" of powerful men in finance, business, politics, and public life, to whom he would offer securities at less than market value and provide other favors. Morgan insisted that these were simple business transactions, for which he expected nothing in return!

The House of Morgan was, in truth, a British operation from its inception. It began life as George Peabody & Co., a bank founded in London in 1851 by American George Peabody. A few years later, another American, Junius S. Morgan, joined the firm, and upon Peabody's death the firm became J.S. Morgan & Co. Junius Morgan brought in his son, J. Pierpont Morgan, to head the New York office of J.S. Morgan, and the New York office became J.P. Morgan & Co. From its original role in helping the British gain control of American railroads, the Morgan bank became a leading force in the oligarchy's war against the American System, using the deep pockets of its imperial masters to become a powerhouse in not only finance but steel, automobiles, railroads, electricity generation, and other industries.

In taking on Morgan, along with Kuhn Loeb, Chase, National City Bank, and others, Pecora was serving notice to the empire that, in the United States at least, its activities would be subject to the laws of the nation. Pecora's efforts were rewarded with the passage of the Banking Act of 1933, commonly known as Glass-Steagall, which founded the FDIC, and prohibited the mixing of commercial and investment banking. Glass-Steagall forced J.P. Morgan & Co. to break up into two separate companies, the commercial bank J.P. Morgan and the investment bank Morgan Stanley.

Glass-Steagall helped keep the bankers in check, until the 1980s, when its restrictions began to be eroded; by 1999, when the commercial bank-investment bank prohibition was repealed, it was already being ignored. Today, the top U.S. commercial banks are all part of financial conglomerates with heavy investment-banking and related speculative activity. Pulling the proper banking functions out of these monstrosities will require considerable effort.

The activities of Morgan Chase, as the leading British bank based in the U.S., should be at the top of the investigators' list, along with Citigroup, Bank of America, Wells Fargo, and the American arms of Britain's HSBC and the Royal Bank of Scotland. Add to the list, the activities of those investment banks turned bank holding companies, Goldman Sachs and Morgan Stanley, and their departed brethren Bear Stearns, Lehman Brothers, and Merrill Lynch.

Special attention should also be paid to the activities of Lazard and Rothschild, with their long histories of subversion. Though much smaller than the giants, these two banks are in many ways far more powerful, and played a critical role in the creation and steering of the speculative bubble. Lazard's longtime banker Felix Rohatyn has made a career of aiding the empire's takeover of the United States, and virtually everything he's touched should be examined. Rohatyn's board positions and merger deals provide a road map to guide investigators.

Other targets of a new Pecora-style investigation should include the hedge funds and private equity funds, the derivatives trade, and the "structured finance" instruments—the collateralized debt obligations and such—which have proved such a disaster. How did these operations come into being, who protected them, and why did the regulatory and ratings systems fail so spectacularly?

Among the hedge funds, special attention should be given to the activities, political as well as financial, of George Soros, the Rothschild-connected drugpusher whose specialty is undermining nations through political and financial warfare. Pulling the Soros thread will do much to expose how our nation has been destroyed.

The relationship between the illegal drug trade and the financial system should be thoroughly investigated. It is widely known that the dope trade would choke on its own cash were not a significant portion of the international banking system devoted to laundering drug money. And here the list of suspects reads like a Who's Who of International Finance. Who's laundering the money? In whose pockets does it wind up, and what do they do with it?

We know that drugs and the drug money have played major roles in the imperial assault on the nation-state. Shutting down the drug trade is a necessary part of defending our sovereignty. A new Pecora Commission could easily pay for itself out of the illegal drug profits that could be confiscated as a result of such investigations.

Then, there is the way in which the oil markets have been rigged via the spot market, which created a huge pool of dollars in Europe, which the empire also used to fund its assault on our nation, and the concept of nation-states in general. This petrodollar market has allowed the empire to not only flood the U.S. with speculative money, but also to extert considerable control over the dollar itself. We must protect ourselves from this predatory apparatus.

An included aspect of this, perhaps better left to law enforcement agencies, should be a thorough investigation into the British-Saudi arms-for-oil deals, the slush funds spawned in those deals, and the role of British arms company BAE Systems.

Just as the original Pecora Commission paved the way for reform by showing the American people the nature of the financial system which triggered the Great Depression, a new Pecora Commission must show the public how the empire foisted deregulation and globalization upon the nation, with the collusion of a corrupted political class. It must show that the so-called "free market" system is actually a corrupt looting operation which has bankrupted our nation and our people; that the highly touted "financial innovation" was a fraud; and that only a return to the American System of sovereign credit, regulation, infrastructure, and production can lead us out of this new Dark Age. It won't solve all our problems, but it is a necessary step in the right direction.

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World Wheat, Rice Crops Imperilled; Government Inaction Is Famine Policy

by Marcia Merry Baker

Jan. 9—In late 2008, the International Grains Council forecast the possibility that world wheat production in 2009-10 will drop below that of 2008-09, which is already far below need. Given that the IGC, which originated in the 1940s, is made up of representatives of leading grain-producing and -importing nations, the Grains Council projection should have been a call to action for governments to collaborate on interventions to maintain and expand wheat and other grains output.

But so far, collective *inaction by governments* has been the policy response. Individually, certain nations are taking significant measures to increase domestic grains production for food security and potential export, including Russia, China, the Philippines, India, and others. However, the United States, and therefore many other nations, are refraining from taking either national or concerted international action. In a food-short world, not acting on advance knowledge of declining harvests is insane. Wheat is the staff of life for over a billion people. Other grains are similarly imperilled.

On Jan. 8, a grim warning was issued for rice "production uncertainty" in 2009, by the world's premier rice R&D center, the International Rice Research Institute (IRRI), located in the Philippines. Rice is the staple food for 3 billion people, including hundreds of millions of the world's poorest in Asia and Africa.

From Germany on Dec. 29, came a press release by the head of the German Farmers Union, Gerd Sonnleitner, warning of a shortage of grains and a "cost explosion" of grain prices in the new year.

The bad advance outlook for grains is carried even in the U.S. farm media. The Dec. 29 *Southeast Farm Press* in the state of Georgia, pointed out that, "On a global basis, grain production has been on a downward spiral in seven of the past nine years—2008 being one of the exceptions."

Double Food Production!

What is necessary, is to work for a *doubling of world food production* at the earliest possible time, to adequately provide for all the world's 6.6+ billion people, for future population growth, and to lay up reserve stocks for natural disasters. In terms of tonnage of basic grains, this implies action to raise annual global production (of all kinds) from the 2 billion ton range to 4 billion tons.

In turn, this mission demands an emergency reorganization of the world's collapsed financial system, with a new credit and fixed currency system designed to help build up agro-industrial functioning of sovereign nations, after decades of destructive globalization. Lyndon LaRouche is working with co-thinkers in the United States and others of the critical Four Powers—India, China and Russia, to bring this about.

In 2008, his wife, Helga Zepp-LaRouche, founder of the Schiller Institute, led two mobilizations—first, focussed on the June UN Food and Agriculture Organization Summit in Rome, and then, on the September UN General Assembly session in New York, to force the issue of world financial reorganization to launch food production expansion and other vital tasks.

But these mobilizations were stymied by the entrenched figures and bureaucracies who have been serving the interests behind globalization—the agro-food cartels, and others of the neo-British Empire demanding so-called free trade. For example, such persons as Josette Sheeran, head of the World Food Program, and Sir John Holmes, head of the Ad Hoc Food Aid Task Force for UN Secetary General Ban Ki-Moon, call only for more food hand-outs, free trade, and more research and help for poor farmers, as long as it it doesn't impinge on Cargill/Monsanto/ADM and others of the agro-food control network. Even in its own terms, the food aid drive is a bust. Of over \$12 billion in new relief promised for food-short nations at the Rome FAO con-



Rice farming in China. Price swings are forcing rice farmers worldwide to reduce their inputs for their 2009 crops.

ference last June, only \$1 billion had come through as of October.

A Billion People Hungry

Worldwide wheat production in 2009-10 is mooted by the Grains Council to possibly drop to 648 million metric tons, a fall from 684 mmt in 2008-09. Therefore, total global grains production (of all kinds) in 2009-10—if humanity is "lucky"—would stay in the same range as the last crop year, only if rice, corn, barley, and other grains increase, which is a groundless hope.

Grain reserve stocks are at historic lows. But demand for scarce grain is intensifying, as millions more poor people fall back on rice, who were once eating more varied and more costly foods. Meantime, the non-food use of grains is continuing to take up critical volumes of wheat as well as massive amounts of corn for ethanol.

World per-capita grains production has been falling for years. The FAO estimates that nearly 1 billion people are malnourished today. Last October, a warning was given by Abdolreza Abbassian, Secretary of the FAO Intergovernmental Group on Grains, that "the net effect of the financial crisis may end up being lower planting, lower production, [and] more people going hungry."

This is the nub of the matter. The chaos of the collapsed financial system and highly cartelized agriculture/food control, is simply undermining the already inadequate farming and food supply lines of the world.

The destructive dynamic is simple and twofold:

First, all the world's crop regions are being slammed by high input costs, plunging commodity prices, and collapse of credit for both farming and consumer purchases. Secondly, there is *uncertainty itself*. Traditionally, farmers hope and pray about what Mother Nature will or won't do this year. But now, everything is as unpredictable as the weather.

The FAO's *Food Outlook* periodical reported in November: "Under the gloomy prospects for agricultural prices, high input costs and more difficult access to credit, farmers may cut their plantings, which might again result in a tightening of world food supplies.... Riots and instability could again capture the headlines."

Price Chaos, Credit Collapse

Grain prices to the farmer have fallen almost half in less than a year. In March 2008,

wheat futures prices peaked on the Chicago Board of Trade (CBOT) at \$10.50 a bushel due to uncontrolled speculation (up from \$5.03 in June 2007). In November, wheat had fallen to \$6.13 a bushel. Last Summer, corn hit a speculative \$7.9925 a bushel on the CBOT futures exchange, and has now fallen to \$4.16 and below. Last April, world rice prices spiked to \$1,080 a ton (Thai Grade B), then fell to \$575 six months later.

Many farmers are reducing the area sown to wheat in some of the leading grainbelts. Internationally, land sown to wheat could fall at least 1.6% in the coming crop seasons, according to the International Wheat Council.

Farmers cannot get credit for their production expenses—e.g., fertilizer and seeds—or are hit because the buyers of their grain and livestock can't get credit.

In the case of Brazil, the cartel giants Cargill and ADM are unilaterally denying credit to farmers (mostly those who produce corn and soybeans), going against their practice of recent years when they provided financing, taking a portion of the expected crop as collateral. The Brazilian Ministry of Agriculture projects that next year will be the first time in five years that the output of the world's No. 1 national producer of soybeans will see a reduced crop from one year to the next. This is directly attributable to uncertainty from the international crisis, and lack of credit.

Input costs remain high. German farm leader Sonnleitner singled out fertilizer expenses as a worldwide crisis for farmers. The IRRI's Jan. 8 warning noted that rice farmers, burned by price swings, "will likely play safe and reduce input for their 2009 crops."

Farmers in the U.S. Midwest (mostly corn farmers) are holding off as long as possible, to purchase nitrogen, phosphorous, and potassium fertilizers (known as NPK). The prices of these soared for the past six years, then, in the recent months of commodity deflation, wholesale fertilizer prices dropped, but the price to the farmer remains high. The wholesale price of anhydrous ammonia in the U.S. grainbelt fell from \$1,000 a ton, down to \$500 or less, but not the retail price to the enduser. Farmers are holding off lining up purchases for Spring fertilization.

Seed prices are likewise high. The University of Illinois estimates that the non-land, per-acre costs of producing a corn crop in the state on fertile ground, will be 43% higher this coming year than in 2008. This cost level will be double the annual average over the five-year period, 2003-07.

Production Principles, Precedents

There are principles, and no lack of precedents for what governments ought to be doing to change this. In brief, these involve restoring fixed and fair exchange rates, ending "outsourcing" and cartelization of foods, fertilizers, and other necessities; outlawing commodity speculation; launching needed infrastructure programs of rail, water management, soil improvement; and busting up the seed and genetics cartels.

For farm support measures, look to the United States in the 1930s and '40s. The FDR Administration initiated such actions as setting floor prices for farm commodities—based on what was necessary for farmers to have an income on a par with others in the economy, so they could stay in farming, and provide national food security. This was called, a "parity pricing" policy. By the 1980s, it was phased out, when globalization was imposed.

The early years of the European Community's Common Agriculture Policy likewise provide precedents for dealing with today's emergency.

The most fundamental principle, is that nations have a sovereign right and responsibility to provide for domestic food security through building up productive capacity, and not be forced into dependence on globalization. Now that world markets—evil from the onset—are collapsing anyway, there is nothing except principle that should guide government intervention.

400 Million Indians Still Lack Electricity

by Ramtanu Maitra

India's major business magazine, *Business India*, reported on July 29, 2008 that over 78 million Indian households, or roughly 390 million people, lack access to electricity. On Aug. 13, the news daily *The Hindu* carried an article by S.K.N. Nair, a former member of the Central Electricity Authority and a former consultant to the National Council of Applied Economic Research (NCAER), New Delhi, pointing out that "power shortages are worsening, hardly an encouraging sign for a country aiming to take electricity within reach of over 80 million more households (40 per cent of total) within the next four years. The all-India energy and 'peak power' shortages increased by a percentage point each in April-May this year compared to the corresponding period in 2007."

For a while now, the Indian business community has been complaining of the decreased interest of foreign investors due to the lack of electricity, among other industrial infrastructure requirements. According to a study by an industry body, Assocham, the power available for industrial production in April-July 2008 was reduced by 25%, due to the extremely erratic supply in February and March 2008, while power stations on the premises of industrial companies were running at half-capacity because of the soaring cost of fuels such as diesel and gasoline.

"The industrial production suffered heavily in winter of 2007 as the power deficit had remained within the range of 18-20%. However, between the month of February and March 2008, the deficit went up to around 25%, causing industrial production to fall steeply," said Assocham President Venugopal N. Dhoot.

A Solution or a 'Trophy'?

New Delhi is not wholly unaware of these facts. Prime Minister Manmohan Singh's "brain truster," Montek Singh Ahluwalia, deputy chairman of the Planning Commission, told *Business India* recently

that "India must grow at a faster rate to catch up with the advanced economies. Improvements and enhancements of our infrastructure are a prerequisite for this objective."

But no one in power has ever been held responsible for not providing such basic necessities as water, power, education, and health care to the hundreds of millions of rural and urban poor. Why is that?

With respect to nuclear power development, since 2005, the Manmohan Singh government left very few stones unturned to push through the U.S.-India nuclear deal. By September 2008, this objective was achieved; but it is not clear whether the Indian Prime Minister was more interested in using this as a "trophy," to be shown in the general elections in May, or to alleviate the power shortages that keep 400 million Indians poor and helpless. This question arises because of the past record of Indian political leaders, including that of Singh himself.

Some people claim, for reasons which make sense, that India was able to maintain its sovereignty and non-aligned identity, despite the political and economic pressures that it experienced during the four decades of Cold War, because of its ability to push through a Green Revolution,1 which provided it with food security; a nuclear power program, which enabled it to develop the entire nuclear fuel cycle, including the capability to develop nuclear weapons; a space program, which provided new technologies for use in industry, as well as an indigenous rocket program that complements its security and defense; and a nationalized banking system, which prevented it from integrating more deeply with the globalization scams that have plunged the global financial system into a black hole.

Unfortunately, very few in power today in India would agree with this observation. Why not?

Because they do not value these achievements of the past, and they have no understanding of nationbuilding. They have consistently promoted the integration of the Indian economy with the global financial system, under the rubric of the sacred word "reform." They promoted liberalization and privati-

Economics

zation as dictated from abroad.

The power sector is a case in point. Over the decades, India's Five-Year Plans projected new power generation and distribution targets, which were never met, except in the Seventh Plan (1984-89), which achieved a modest target of adding 20,000 MW.

Sabotage of the Power Sector

The power sector's performance in the Eighth and Ninth Five-Year Plans (1992-2002) was atrocious. This was the period when India was identified as the "shining" and "rising" star. There are reasons to believe that the power sector at the time was sabotaged by Manmohan Singh, who was then Finance Minister.

Singh, like his alter ego Ahluwalia, had worked for the International Monetary Fund and was a strong proponent of reduction of the IMF's standard prescription for lower fiscal deficits, and more privatization, liberalization, and globalization.

In 1991, when he took over as Finance Minister under Prime Minister P.V. Narasimha Rao, Singh had a very difficult task before him. The country had a significant foreign debt, but very little foreign exchange reserves. It was having great difficulty meeting its external debt payments and conducting trade. So, it called in the IMF for help.

Prior to 1991, economic thinking in India was straitjacketed by a chronic shortage of foreign exchange reserves. In the name of conserving scarce foreign exchange, high tariff walls had been built up. The architect of the post-1991 economic reforms, Manmohan Singh, was instrumental in ending of the acute dollar shortages; but poverty remained.

But, there exists another side to this reform which needs to be looked at carefully. At the commencement of the Eighth Five-Year Plan, the gap between demand for electrical power and its supply was estimated at 85,000 MW. Since resources to produce this quantum of power were not available through budgetary means, an expert committee of the Planning Commission decided that about 45,000 MW had to be generated during the Eighth Plan period. Eventually, that figure was whittled down to only 31,000 MW.

Singh announced before the Indian Parliament, in 1991, that the previously state-controlled power sector would be opened up for private investments, and that

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^{1.} The Green Revolution refers to the program after World War II which transformed agriculture with new technologies in the developing world, making it possible to feed a growing population. This is not to be confused with the anti-progress "green" agenda today.

the private sector would generate approximately 14,000 MW during the Eighth Plan period. The announcement was a stunner, since India's private sector had not previously contributed any substantial amount of power to the national grid, and was in no position to generate anything close to 14,000 MW over the next five years.

IMF Ideology Rules the Roost

When the dust eventually settled at the end of the Eighth Plan, the private sector's contribution was a paltry 1,423 MW, while the public sector's contribution was close to 15,000 MW—less than half what was projected in the Eighth Plan, and about 4,000 MW less than the Seventh Plan.

It becomes evident how ridiculous was Manmohan Singh's projection of what the private sector would deliver, when one considers that in the Ninth Plan (1997-2002), the private sector, which had developed some muscle by then, could deliver only 4,800-odd megawatts.

The problems continued through the Ninth Plan. To cover up some of the backlog left from the Eighth Plan, an "ambitious" target of 50,000 MW new power generation was initially set—and then reduced to 35,000 MW. Ultimately, only a 20,000-MW increase was achieved.

Was this a miscalculation on Singh's part, or was it pure fraud? Most likely, the major factor was Singh's ideological affinity with the IMF. By taking out 14,000 MW from the government's expenditures, the the fiscal deficit was reduced, to please the IMF—thereby causing serious long-term problems for the Indian economy, in which hundreds of millions still live in darkness.

At the time, with India bereft of foreign exchange reserves, the IMF and its proponents in India were dishing out orders about what India must do to pay the foreign debts and expand foreign trade. The IMF pushed the only "medicine" in its cabinet, ordering the Indians to forget the poor, forget the future of the country, and just cut back on expenditures. Privatization was identified as a way to rein in inflation by reducing the fiscal deficits (thereby limiting the monetization of the deficit), and a convenient way to raise foreign exchange—e.g., by selling state enterprises to foreign investors—and to attract larger foreign direct investments (FDIs).

Undermining the Nuclear Sector

There is more to this sordid story. The Department of Atomic Energy, in 1984, had envisaged 10,000 MW of electricity generation through nuclear power by the year 2000. This was scaled down to 5,700 MW in 1992. In its report to Parliament in December 1995, the parliamentary standing committee on energy pointed out that it had been informed by the government that the target was scaled down because of severe "resource constraints." As a matter of fact, against an outlay of 144 billion rupees proposed in the Eighth Five-Year Plan for the nuclear power sector, the approved outlay was only Rs41.19 billion.

In a memorandum furnished to the committee, expert N. Srinivasan wrote: "Shortage of funds bordering on total neglect has characterized the approach to nuclear power on the part of the government. The stretching of the schedule to match the flow of funds has escalated costs to the extent that they do not reflect the true costs but avoidably inflated ones...." Srinivasan could not have been more right.

More of the Same

In his capacity as Prime Minister since 2004, Manmohan Singh has presided over the implementation of power generation in the last three years of the Tenth Five-Year Plan (2002-07), and also over getting the Eleventh Five-Year Plan off to a start. A large shortfall in the increase of power-generating capacity occurred during the Tenth Plan period: Against a target of 41,000 MW, the net addition has turned out to be around 30,600 MW. This means carrying forward a 25% requirement into the Eleventh Plan. The country is now short by at least 80,000 MW. This happened when foreign exchange reserves were close to \$400 billion. Was this yet another "resource constraint" excuse, or utter disregard for nation-building, which requires providing electricity to industry and 400 million people?

So far, what Indians have heard is not much different from what Manmohan Singh had promised in 1992, when he told them that 14,000 MW would be delivered by the private sector during the Eighth Plan period. This time around, he says he has invited more foreign investment into the infrastructure sector, which was in need of over \$300 billion in funding.

However, he has not told the poor that the investment will be forthcoming.

INTRINTERNATIONAL

EXPANSION OF GAZA CONFLICT?

Anglo-Saudi Manipulations Could Lead to World War

by Hussein Askary

Jan. 9—In a statement on Jan. 7, following the Israeli Defense Forces' massacre of Palestinian children in its ground invasion of the Gaza Strip, Lyndon LaRouche emphasized that "it's no longer a Gaza Strip conflict." LaRouche was responding to wishful commentaries that a ceasefire was around the corner, due to diplomatic efforts at the UN Security Council.

"The key thing we should keep in mind," LaRouche said, "is that this thing is not going to end. The intention was to set a fire that could not be quenched. The parties involved in this are not of that disposition, on the Israeli side or otherwise.... The Israelis were pressed massively to do it." He added: "And of course, Cheney and Company, who are British, are fully guilty in this."

To anyone who knows anything about military strategy, the Israeli attack on Gaza is not intended to achieve results on the ground there, but to create a global crisis, by finding the pretexts to expand the war regionally and moving the forces that would help expand it.

The Anglo-Saudi assets that LaRouche has been warning about, have been right at hand to deliver this service.

A Saudi 'Fatwa'

Leading Saudi Wahhabi clerics moved into place in late December, such as Sheikh Awadh al-Garni, who issued a *fatwa* calling on Muslims "to spill the blood" of Israelis everywhere in the world, as revenge for Israeli attacks against Palestinians in Gaza. "All Israeli

interests, and anything else related to Israel, are a permitted target for Muslims everywhere.... They should become targets. Their blood should be shed as the blood of our brothers in Palestine has been shed. They should feel pain more than our brothers," al-Garni stated. Another Saudi cleric, Salman Fahad al-Oudeh (chairman of the Saudi institution Islamtoday.net), called on Arab countries, especially Saudi Arabia and Egypt, to respond to the Israeli attacks "with actions, not merely words."

These statements should be viewed as signals for Saudi/British-sponsored Salafi terrorist networks to wreak havoc not only against Israeli interests, but even against American or allied interests.

Al-Garni and Odeh are part of a powerful 20-person Wahhabi faction in Saudi Arabia, which has a key role in sending out marching orders and recruits for terrorist operations internationally. In 1994, this grouping was sent to jail by former King Fahd for supporting a call by Osama bin Laden, who was then based in London, for "reform" of the Saudi kingdom. These clerics were later released after cutting a deal with the Saudi royal family, according to which the Saudi government would support some of their demands for *jihad* in the Caucasus, Kashmir, and other targets of British operations, in return for directing their rhetoric away from the royal family, and against the "West," Russia, China, India, or other powers allegedly oppressing Muslim minorities.

In November 2004, following the U.S. invasion of



islamicmajlis.org

Ayatollah Alsayed Mohammad al-Huseini (at microphone), the head of the Arabic Islamic Majlis in Lebanon—a "countergang" against Hezbollah—is backed by Saudi Arabia. Was he behind the firing of rockets from southern Lebanon into Israel on Jan. 8?

Iraq, the two joined a group of 20 Wahhabi clerics who issued a *fatwa* calling for armed resistance against the Americans in Iraq, and anybody who collaborated with them. The "collaborators" category included not only Iraqi government officials, police, or armed forces, but almost every Iraqi who went to his job and did not participate in armed resistance against the U.S. troops. Youth from Saudi Arabia and other Arab countries poured into Iraq after this *fatwa*, to carry out suicide attacks against Iraqi civilians. Al-Qaeda and extreme Sunni militant groups inside Iraq used this and similar *fatwas* to justify the most heinous crimes against Iraqi and foreign civilians.

This is what these clerics are hoping to arouse now, but on a global scale.

This development came amid warnings that "a third force"—neither the Palestinian Hamas or Islamic Jihad, nor the Lebanese Shi'ite group Hezbollah—could expand this conflict into a global one, by targeting other nations with terrorism. The British have mastered the deployment of such third forces—known in counterinsurgency parlance as "countergangs"—during their years of imperial rule.

Did a Countergang Fire the Rockets?

The fears that a third force would provoke Israel, or give it the pretext to expand the Gaza offensive, were made real on Jan. 8, when rockets fired from southern

Lebanon hit Israel. Hezbollah denied any involvement in the attack, and indeed it has practiced enormous restraint in order not to be drawn into the conflict.

A new Lebanese Shi'ite countergang, opposed to Hezbollah and calling itself the Arabic Islamic Majlis of Lebanon, announced its formation of a militant resistance group on Jan. 7. The next day—the day on which the rockets were launched against Israel—its leader issued an alert for his militia to get ready to resist an invasion of Lebanon by Israel.

The group, which is sponsored by London and has offices only in Lebanon, Saudi Arabia, and Great Britain, claimed to have recruited 3,000 resistance fighters against Israel.

The Arabic Islamic Majlis (with the emphasis on "Arabic" to distinguish itself, its leader says, from the pro-Iranian Hez-

bollah) is headed by Ayatollah Alsayed Mohammad al-Huseini, and was founded in October 2006, after the Israeli invasion of Lebanon, when Hezbollah defeated the Israeli army.

Al-Huseini toured continental Europe and Britain, according to the group's website, and held meetings with political personalities in London in February 2008. In a Sept. 15, 2008 report posted on its website, al-Huseini is pictured in front of a banner stating, "Thank you Saudi Arabia, Kingdom of goodness and humanity." The context of the photo is a letter sent by al-Huseini to Prince Nayef bin Sultan, Interior Minister of Saudi Arabia, thanking him for the support he has given to the "charities" run by Majlis.

Prince Nayef is a generous donor to Lebanese Sunni groups. He was especially generous after the arrest of Saudi terrorists who had joined the Palestinian Salafi/Wahhabi group Fatah al-Islam, in fighting against the Lebanese Army in the Palestinian refugee camp Nahrel Bared in northern Lebanon in May 2007. Nayef negotiated the release and transfer of the Saudi terrorists to Saudi Arabia.

Al-Huseini is based in the city of Tyre and other southern Lebanese towns, with a perfect position and infrastructural capabilities to act against northern Israel.

What leads us further to suspect the Majlis of involvement in the provocative rocket attack against

Israel, is an interview which al-Huseini gave to the Saudi TV channel al-Arabiya, which was aired on Jan. 8. Al-Arabiya.net reported that he declared the launching of the Arab Islamic Resistance, "which includes 3,000 mujahideen from all fields of military, logistical, and civil defense." He pointed out that he has received "more than 1,500 requests to join from the Arab Gulf countries, since the announcement of the volunteer process." He further emphasized that the new resistance movement "has members and weapons in quantities that please the friends and brothers and terrify the enemies," warning that there will be many "surprises," especially with regard to weapons, disclosing what he called "the Aloroba rocket, which is a product of the resistance, and it will be exceptional."

Al-Huseini outright accuses Hezbollah's leader Hassan Nasrallah of being an Iranian agent, not a Lebanese patriot. Following the failed Israeli invasion of Lebanon in Summer 2006, U.S. Vice President Dick Cheney visited Saudi Arabia and other predominantly Sunni Arab countries to whip up Shi'a-Sunni confrontation. According to his plan, Saudi Arabia, the Gulf states, Jordan, and Egypt would ally with Israel against Hezbollah, Syria, and Iran, which were considered a Shi'a axis. (Hamas, which is Sunni in origin, has involuntarily become part of the latter axis recently.) In 2007, Cheney's right-hand man in the White House, Elliott Abrams, who had been convicted in the Iran-Contra weapons-fordrugs scandal in 1991, visited Lebanon to devise a method to weaken Hezbollah by entangling it in a civil war-like situation. According to unconfirmed intelligence reports issued at the time, one plan was to create a countergang of Shi'a groups who would be rivals to Hezbollah. The result of that project, which was to be armed by the Lebanese pro-Bush government of Saad Hariri and Fouad Siniora, and financed by Saudi Arabia, is the Arabic Islamic Majlis, as we know it today.

On May 16, 2006, al-Huseini sent a letter to Maryam Rajavi, the leader of the British-controlled, U.S.-protected Iranian terrorist group Mujahideen-e-Khalq, thanking her for her support in the face of Iranian harassment against his group in Lebanon. He called her "jihadist sister Maryam Rajavi," president-elect of the [Iranian] republic, saying that she had been elected by the Iranian resistance to the government in Tehran.

Al-Huseini is also allied with the Druze sect in Lebanon, whose leader, Walid Jumblatt, has been calling for a U.S. war against Hezbollah, Syria, and Iran. Al-Huseini visited the religious leaders of the Druze at the al-Irfan Foundation, on Jan. 7, the day he launched his armed resistance against Israel.

Iran Breaks Profile

Interestingly, Hezbollah, Syria, and Iran are all acting contrary to profile, sitting quietly at the bottom of the proverbial boat. They have realized that the attack on Gaza was aimed at larger strategic global goals than those stated by the Israeli government. Intensive diplomatic moves by Iranian leaders such as Saeed Jalili, head of the Iranian National Security Council, and Speaker of the Iranian Parliament and former National Security chief Ali Larijani, who visited Syria, and met with representatives of Hamas and Islamic Jihad as well as Hezbollah, had a restraining effect on these groups.

One of the most remarkable moves was made by Iranian Supreme Leader Ayatollah Ali Khamenei on Jan. 8. Khamenei, a hardliner and virulent anti-Israeli, anti-American ideologue, made a speech to a large crowd in the city of Qom *banning* any Iranian from carrying out suicide attacks against Israel or Israeli interests. Just one week earlier, he had called on Iranian youth to enlist to go to fight in Gaza. Seventy thousand volunteers were registered by extremist groups that support President Ahmadinejad. The volunteers started pouring out to Iranian airports, demanding to be flown to Syria or Lebanon to fight Israel.

In the face of this pressure, Khamenei, whose word is law, issued his ban. In his speech in Qom, he told the crowd that he "thanked them" a great deal, but that the Palestinians would be better helped by "political and popular pressure on Israel," rather than the power of arms. Khamenei also warned the Iranian people and peoples of the region: "You should be aware of the hidden aspects of the Zionist conspiracy behind creating the tragedy in Gaza. The main objective of international imperialism behind the crimes in Gaza is to put an end to the resistance element in the whole region, and to control the enormous resources of the Middle East." He urged people "to learn about this hidden goal and react to it in the appropriate manner." Khamenei did not state what methods should be used, but unlike on previous occasions, he did not refer to any armed resistance.

The Anglo-Saudi/Israeli/Bush-Cheney provocateurs stand exposed today, but it should not be ruled out that some bloody acts of terrorism, whether in Israel or elsewhere, could still lead to the globalization of the conflict.

Israel's Warsaw Ghetto Campaign in Gaza

by Carl Osgood

Jan. 9—The horrific pictures and accounts of civilian deaths and suffering caused by the Israeli assault in Gaza have evoked comparisons to the Nazi extermination of the Jewish Resistance in the Warsaw Ghetto in 1943. Even though such comparisons ignite red-faced rage from backers of the Israeli policy, it was an Israeli journalist, Amir Oren, who let the cat out of the bag, in 2002. Oren reported that the Israeli Defense Forces (IDF) had studied the methods the Nazis used in Warsaw, not to ensure that it would happen "Never Again," but rather, to use those same methods against the Palestinians. At that time, Israeli Prime Minister Ariel Sharon had embarked on a campaign to eliminate the Palestinian leadership in the West Bank, and make it impossible for the Palestinian Authority (PA), then under Yasser Arafat, to even govern, much less make peace.

Oren's report, in the Jan. 25, 2002 edition of the Israeli daily *Ha'aretz*, came in the form of a confession from an anonymous IDF officer, after the Israeli army had conducted a similar assault on the West Bank town of Jenin. The Bush Administration at the time, refused to address the implications of Oren's revelation, but Sharon's press spokesman, Ra'anan Gissen was unblushing, a few days later, when questioned by EIR about IDF officers studying the Nazi Warsaw Ghetto strategy. "Some officers may have been looking at that," he said. "They thought that it was similar because you would be fighting street-by-street against the Palestinian Authority." What bothered Gissen was not IDF officers studying Nazi methods to use against the Palestinians, but rather the then-burgeoning resistance movement against that by Israeli reservists. "They may have to face a court-martial. They will have to face consequences if they do not serve when they are called up. That is the real problem." (See "Israeli Warsaw Ghetto Methods: U.S., Europe Are Accountable," by Paul Gallagher, *EIR*, Feb. 8, 2002.)

The pictures and accounts, especially those report-

ing the deaths of Palestinian children coming out of Gaza over the past two weeks, confirm that the IDF is still using the same Nazi methods it had previously applied in the West Bank. The targets are much the same: police stations, government buildings, leadership, and anything else that allows a people to govern itself. The party in power may carry a different label, but the strategic logic remains the same: destroy the Palestinians' ability to govern themselves and punish them for daring to choose their own leaders.

Lyndon LaRouche laid this crime at the feet of the Bush-Cheney regime on Jan. 6. "We know that this assault was fully planned a year ago, at the beginning of 2008, with the full backing of Bush and Cheney," La-Rouche declared. "Only a fool like Bush and a sociopath like Cheney could go along with such a murderous scheme, a scheme fully devised by the Anglo-Saudi apparatus of 'Al Yamamah' notoriety."

Horrific Humanitarian Conditions

Samer Badawi, the executive director of the United Palestinian Appeal (UPA), provided an account of the horrific humanitarian conditions imposed on Gaza by the Israeli assault, during Jan. 7 remarks at the Palestine Center in Washington, D.C. Badawi's report, along with those of the UN, the International Red Cross, and other relief agencies working in Gaza, makes a mockery of Israeli claims that they are acting in self defense and with due regard to the humanitarian needs of the Palestinian population.

Everything that Gazans need to survive—food, medical supplies, energy, clothes, and so on-must enter Gaza through crossings that are controlled by Israel. Badawi reported that, based on his own communication with the UN Relief and Works Agency (UNRWA), and other agencies working on the ground in Gaza, almost no relief supplies have been getting in, for a population of 1.5 million people, 80% of whom are dependent on international food aid. According to reports on Jan. 6, fifty truckloads of food were allowed in, following 41.5 truckloads the day before. Depending on the contents of the trucks, this means about enough food for 100 families for three days; in other words, less than the proverbial drop in the bucket. The Karni crossing, where wheat and other bulk commodities would be brought in, near the north end of Gaza, has been closed since the assault began, with the result that only 9 of the 53 known bakeries are operating, which has caused a doubling of bread

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prices. UNRWA and the World Food Program still have food stocks in warehouses throughout Gaza, but are unable to distribute it because of the security situation.

Nearly 14,000 people have taken shelter in 23 UN shelters in Gaza, but this includes the UN school that was bombed by the IDF on Jan. 6, killing 40 people, including many women and children. The shelters are running low on food, have no access to electricity or heat, and freshwater is running dangerously low. Coats, blankets, mattresses, and clothing necessary to protect people from the cold January temperatures are also in short supply.

The medical situation is equally grim. Eleven ambulances and medical vehicles have been damaged or destroyed by Israeli bombs. These include three mobile clinics that were supported by UPA. Only three out of 56 PA medical clinics were functioning. Most of the remaining 53 were closed due to lack of fuel. Al Shifa Hospital in Gaza City, the main hospital for all of Gaza, was down to two days worth of fuel for power, but is also suffering from acute shortages of medical supplies. Physicians and staff have been reduced to depending on hand-operated respirators to keep patients alive for hours on end, because the mechanical ones are no longer usable. It is under those conditions that Gaza's medical system has to handle the dead, now estimated to number nearly 800, and the approximately 3,000 wounded.

Most of Gaza is without electricity because the main power plant has been damaged and, in any case, it isn't receiving enough fuel to continue to operate. All but a few of the lines that carry power from the plant to substations around Gaza have been damaged.

"Who Is Sparking A Religious War In the Mideast?"

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The Israelis have also blocked the shipment of spare parts that are needed to make the plant fully operable again.

Siege Began 18 Months Ago

Badawi reminded his audience that the crisis did not begin on Dec. 19 when Hamas refused to renew the six-month ceasefire with Israel. He pointed out that, in June of 2007, various UN agencies reported that Gaza was receiving only 10% of the supplies it had been receiving one year earlier. "For 18 months," he said, "the people of Gaza have been subjected to a siege unlike anything since the ghettos of Warsaw." This includes food, medical supplies, fuel, repair parts, and so on. Eight months ago, for example, there were 11 incubators for premature babies in Gaza hospitals, but seven did not work, and could not be replaced because of the siege. Even the usefulness of the four remaining incubators was limited to periods when there was power.

Badawi maintains that the Israeli bombing campaign is two to three times deadlier than the U.S. campaigns against Serbia, Afghanistan, and Iraq. In the first two days of the war, over 300 Palestinians were killed by about 100 tons of Israeli bombs, or about 3 deaths per ton of bombs. University of New Hampshire Prof. Marc Herold has calculated that the U.S. bombing campaign in Afghanistan in 2001-02 killed 2,643 Afghan civilians per 10,000 tons of bombs. For comparison, his number for Cambodia (early 1970s) is 1,852; for Serbia, 522; and Iraq, 341. If his calculations are close to accurate, this would make Israel's campaign in Gaza 11 times deadlier, by kill ratio, than the U.S. campaign in Afghanistan. (As the Israelis know, the fact that Gaza is one of the most densely populated areas of the world, with 1.5 million people crowded into concentrationcamp conditions, means that every strike will likely kill many people.) Even if we accept Israeli claims that a high proportion of those killed on the first two days of war were Hamas fighters, and not civilians, then the Israeli bombing campaign is still far deadlier than any previous bombing campaign in recent decades. The civilian casualty rate has climbed even higher now that the Israeli army has entered Gaza.

In his Jan. 6 statement, LaRouche called George Bush's backing of the Israeli assault "an unspeakable crime." He added that "The mass killing of Arab children by the Israeli military cannot be defended. It cannot be tolerated and must be stopped immediately."

Make 2009 the International Year of Victory Against the British Empire

Lyndon LaRouche and Helga Zepp-LaRouche were guests on Dec. 27 on The LaRouche Show, an Internet radio program that airs Saturdays at 3:00 p.m. Eastern Time. Here is an edited transcript of the show, which was hosted by Harley Schlanger. The audio is available at www.larouchepub.com/radio/archive_2008.html.

Schlanger: Over the last 18 months, it has become clear to all but the most delusional people, that Lyndon LaRouche is the most accurate economic forecaster in the world. Since July 25, 2007, when he reported on an international webcast that the financial system had crashed, a growing number of people in governments worldwide have been following his analysis closely, and there are an increasing number of officials, in and around governments, who are studying his proposals for a New Bretton Woods monetary system.

With a new administration coming to power in Washington, D.C., and the global economy disintegrating at an accelerating rate, 2009 will be a year of decision. Will governments, particularly those identified by LaRouche in his Four Power proposal—Russia, India, China, and the United States—establish a New Bretton Woods based on the principles of the American System of physical-economy, and reintroduced by Franklin Roosevelt, with the original Bretton Woods agreement of 1944? Or, will the predatory financial forces allied with the City of London, the old Anglo-Dutch Liberal empire, instead, prevail, ensuring the plunge of humanity into a New Dark Age?

Joining us on the program today will be Lyndon La-Rouche and his wife Helga Zepp-LaRouche, to provide us with both insight and marching orders on what we must do to ensure a victory for humanity in 2009....

Lyn, even the usual end-of-the-year analysis in the financial press is acknowledging that the unending bail-out by Paulson and the 0% interest rates of Bernanke are having no positive effect on the economy. Where do things really stand now, with the global economy?

LaRouche: Well, you've got two things going on: You have hyperinflation, which is continuing, in terms of the magnitude of obligations outstanding, and the bailout, of course, is simply increasing that. On the other hand, you have a collapse of purchasing power at the lower end, by the consumer; so this is causing a deflationary effect, which is temporary in the current market.

Now, what happens, is you will get to a shortage of goods, you will then get a hyperinflationary plunge like Germany in 1923. This is not exactly the same thing as '23, because in '23 Germany was under the absolute control of the treaty agreement of Versailles. And therefore, they had an artificial box around Germany's borders, which caused a somewhat different process than is occurring now. But if you take into account the fact that you have an international system now, across borders, and with a much larger inflation, you have this dualism of a temporary collapse in prices, because of flooding of the market with currency, and the shortage of purchasing power. On the other hand, you have, again, a hyperinflationary process, in terms of outstanding obligations. So you're dealing with this particular form of breakdown, which is like '23, except with this one difference: that you don't have this border circumstance that you had around Germany in 1923.

Schlanger: There have been articles by people such as Ambrose Evans-Pritchard in the *Daily Telegraph*, who say that we are risking hyperinflation, but we have to deal with the deflation. Are they unaware of the dangers of hyperinflation, or are they prepared to deal with that?

LaRouche: They're not prepared to deal with anything; they're simply reacting. Remember, you know, people think that, as in a chess game, or any other kind of competitive game, that if "someone wins, somebody loses." But, reality is not like games: In reality, what you think, is a game, where everybody can lose! There

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EIRNS/James Rea

Lyndon LaRouche and Helga Zepp-LaRouche joined The LaRouche Show to provide insight and marching orders for 2009. Here, they are shown at a celebration of their anniversary, one year ago.

are no winners. And that's the kind of situation. And so, what he's doing is simply playing it out, and waiting for something to happen, that they hope will succeed. But, this particular thing, this game is not a "zero sum game."

Soros and the Obama Presidency

Schlanger: Given that what you've forecast, that this is a Dark Age, a breakdown unlike any since the 14th Century, is it the case that people like George Soros, and people in the City of London, are aware of that, and they're planning to use the breakdown?

LaRouche: I don't think they're that intelligent. They are using the breakdown in their own way, because Soros is essentially a thief, and he keeps stealing; he doesn't worry about what the end-result is, he just keeps stealing. And he's also just an agent of this process. He is not actually the Emperor of the Universe; he's simply an agent of the British interests behind him which are using him.

No, they are not really conscious of what the endresult of this process will be, if it continues.

Schlanger: So this is sort of the pride of oligarchy.

They just assume that they'll be able to maintain control, and with little regard to the consequences.

LaRouche: I don't think they even assume that. I think they're like animals, who are fighting to death, and one will die and the other will bleed to death. They're not really thinking, in a sense. They're reacting. They're acting and reacting, like an animal. This thing makes no sense; from any standpoint of calculation, any calculation you could make, the whole thing makes no sense.

But, you're dealing with a point of a species which rules the planet, which is no longer fit to survive, but it keeps doing—it plays out its death agony, fatefully, not because it's using any kind of reason.

Schlanger: The Soros grouping tried to buy a Presidential cam-

paign, or a Presidential candidate, with tens of millions, if not hundreds of millions of dollars, much of it from the drug-pushing Nazi Soros, but now even Soros's own allies are bemoaning that they may not be in control.

What's your evaluation of the incoming Obama Administration, given the crisis—

LaRouche: I'm hesitant on posing any kind of evaluation. It's obvious that the man is not stupid. He has limitations, but I don't think necessarily he intended to do as *they* intended him to do. I think this is a man who saw he was promoted by a couple of former members of Congress, and he saw a chance to get a nomination; he was backed heavily by international British sources, including Soros, who was a key part of this—and most of this was British money or British orchestration. So, he bought the thing, in a sense; he won the Presidency, in a sense, by this means. And then, suddenly, once he's announced that he's won the Presidency, he changes course! Maybe he's smarter than he appeared to be!

But right now, look what he's got: He's got essentially a Clinton administration. I mean, it's not a Clinton-owned administration, but you have personalities in this, the key personalities, many of them. You have

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the usual clowns—every President has a few clowns they have to put in their Presidency—he has a few of his own. But the key thing is, as Presidencies have gone recently, this is largely a very highly talented composition of what he's selected as a his Presidency so far. Of course this is not confirmed yet; none of these nominations have been confirmed. But otherwise, this is a very sharp bunch of people.

Schlanger: From Nov. 11 to Nov. 19, after the election, you had a very active role in shaping the environment around the incoming President. I know that you're planning a similar series of events—in fact, I should announce that Jan. 22, at 1:00 p.m. Eastern Time, there will be the next international webcast, and there'll be events leading into that. What is your message to this incoming administration?

LaRouche: Well, my concern is, since I do have a unique capability, and since many of these people know me, and many among them have respect for what I've accomplished and what I can accomplish: I think the prospect is, as it stands right now, I have to be prepared to assist this administration on a number of fronts, and I'm prepared and disposed to do so.

Schlanger: And the fronts, primarily, I assume: economics and security.

LaRouche: Yes. Those are things which I'm very much concerned with, and are very obvious. But my technical or scientific skills are the ones which I think are most crucial, you know, and I also catalyze a number of things among various people; people talk to me, and so forth, and I take the product of these discussions into my discussions with other people. So, I am a catalytic factor in the environment, as well as a direct factor.

British Operation Against India

Schlanger: I'd like to get into the catalytic side of things, then, because you and Helga just were in India recently; you had a series of public and private meetings with key people among the Indian political and military elite. What's your sense of the situation in India



Indian Ministry of Information/Asish Maitra

Meeting at the United Nations on Sept. 24, 2008, Indian Prime Minister Manmohan Singh and Pakistani President Asif Ali Zardari were all smiles. The Mumbai terrorist attacks two months later—staged by British assets—brought the two nations to a dangerous point of confrontation.

after the Mumbai attacks? And do the leaders in India accept your idea of their role in a Four-Power agreement?

LaRouche: I would say, there's a question mark there. We'll suppose that what I propose, as being affirmed as a proposal from President-elect Obama, they now have received the message. If they get the actual proposal from him, or from his official representatives, they will probably react favorably to it. Right now, they don't feel they're under pressure to react immediately to it. What was more of concern, than a distraction, at this point, was the fact that the British actually staged this atrocity at Mumbai. And the setup of this, which we tracked out, is the British element: The so-called members of British lodges, or British associations in London and that area—some of these are run directly by Saudi Arabia. And in all the cases of the terrorist-related operations, coming from Saudi and related circles, the Saudi connection is crucial.

So this is not a Pakistan operation against India, even though there were elements of the ISI and so forth—MI6, ISI, and so forth, involved; but the operation was *not* from Pakistan as a nation, as a government. It was from people who, in part, were Pakistani in pedigree. But the operation came from and was directed

from London. Now, the importance of this thing is, that the capability that was set up to run the Mumbai operation is more serious, in one sense, than 9/11. Because 9/11 was a one-shot operation. What was done in Mumbai, could be repeated, again, and again, and again. And it comes from the same source: London.

The problem now, is that India so far has chosen to avoid confronting London, on what everybody involved who's in the intelligence business *knows* was a British operation, run through places like Dubai, against Mumbai. They're now playing it as if it were a Pakistan operation. It is *not* a Pakistani-generated operation; it's a British operation, run by elements in London who have a Saudi pedigree, and who were learning from these religious organizations in London. And it's run under the protection of the Church of England, the Archbishop of Canterbury. That's how the thing is run.

Schlanger: You put out a statement yesterday, warning that these troop movements are very dangerous, because they play into the trap that someone could ignite something bigger. And in the same statement, you said, it's time to go after the British drug networks.

How do these drug networks, under the British domination, how do they fit into the terror?

LaRouche: Again, you're dealing with a terrorist operation, which is running through things like the BAE operation. And the way it works is: When they set up the operation in Afghanistan, which is an Anglo-American operation, they recruited people through various Muslim religious groups, to go into Afghanistan as fighters against the Soviet Union. This is an operation which involved Vice President George H.W. Bush and others, so it was an Anglo-American operation.

Now, what happened, is, the Saudis used their religious training organizations and created a mechanism, which was used to amplify this kind of capability. And you'd have the Saudi donations to charities, Saudi charities, and the charities would go to designated individuals, who then could issue, utter the money to other people they chose, or institutions they chose to give it to. What would happen as a result of this, you would have perfectly legitimate Muslim organizations in London, particularly of Arab-related origin; and these Muslim organizations would then be gradually influenced by the money coming from the Saudi charity channels, so that, gradually, more and more of these religious bodies were taken over by Saudi choices, which were actually part of this terrorist capability. And the

whole thing was protected, in London, by the Archbishop of Canterbury! What they did, is they let the heads of these religious organizations be treated as having diplomatic status under British law. And so, when the British police would catch on to some kind of a reason for criminal investigation, the Archbishop of Canterbury's office would step in: "No! We're protecting these people. These are diplomatic figures, you can not question them." In other words, they were given diplomatic immunity.

A very significant number of these organizations, are of people of Middle East extraction, Muslim extraction, who are perfectly decent people, in London. But a certain part of these guys become, now, a cover for these operations, and they're run by British intelligence services, back and forth across the world. What they've created, is a capability for using this same kind of operation they ran in Mumbai; they could run it again, and again, and again, in various parts of the world: hit-and-run operations. So, we have a new kind of international terrorist threat we have not faced before now.

Schlanger: And a major focus, then, of counterterror, must be to shut down these drug networks?

LaRouche: The only way. Look, the British have been in the drug business in a big way, since the 1790s. At that time, the British had been running the slave trade, including the people in Boston and places like that, were part of the British East India Company operation. These guys discovered that the slave trade was not particularly profitable, for them. So they gave the slave trade, particularly in the period coming out of the Napoleonic Wars, to the new Spanish monarchy. And the Spanish monarchy *ran* the African slave trade, in capturing and transport. But the British, who pretended they had nothing to do with the slave trade, actually ran it; and any time the United States, or some other nation, would interfere with the slave trade, the British diplomatic services would step in, to protect the slave-traders.

In this period, in the 1790s, the British shifted to two kinds of drug trade: One was opium from Turkey at that time; and the second was opium from India. And they destroyed China, in a large degree, through that trade.

Today, the figure that's been given to me, is that—say, go on the border of Afghanistan: A farmer will raise a crop of a certain amount of money, and that will have a thousand times that value, when the proceeds of that crop reach Europe. And this is the same thing that's being run by Soros in the Caribbean; this is the same

kind of operation that's being run in Boston, Massachusetts, with the attempt to legalize the drug trade; and in the United States generally. It's what's being run in every country in South America by Soros, except Colombia, which refuses to cooperate.

Crisis in China

Schlanger: Helga, I'd like to ask you a couple of questions, and I'm very happy to have you joining your husband. I know you'll be soon celebrating an anniversary, so we'd like to give you our congratulations.

But let me ask you about China, because this is a very serious situation now. Lyn was recently interviewed by two major business journals, one from mainland China and one from Taiwan. We hear stories of the collapse of exports and the effect of that. What is the situation in China, right now?

Zepp-LaRouche: Well, I think it's complicated. Because on the one side, we are getting reports of a really massive collapse, of especially smaller and middle-level firms in the coastal area, in Guangdong, in Sichuan, in the South. A lot of the migrant workers who were deployed in the periphery of these firms, have been laid off. And they used to send a lot of money back to their rural families, and that naturally is now stopping. We have heard reports that hotels are offering gigantic rebates, because of a loss of customers all of a sudden. There is potentially a very, very dangerous social situation developing.

So, on the one side, the signs are really in the direction of a tremendous storm. On the other side, we have talked with people who just came back from there, and somehow there is at least a certain portion of the political elite, which says, "Well, we will sit it out together with the United States, and we are not yet willing to look at it."

So I think it's very dangerous. The problem of the Chinese economy has been exactly, that it has been so absolutely based on cheap labor—Wal-Mart, and simi-



Bank of Italy Governor Mario Draghi has been doing his utmost to block the influence of LaRouche's forecasts and policies in Italy, yet he now claims that "nobody knew" we were heading for a crisis.

lar productions—that if the collapse in the United States and in Europe continues, which it is, then China is facing potentially a gigantic political explosion. By the way, the British Sun Times had already an article about in March, basically predicting that the Tibet operation can only really succeed in the context of a widening economic downturn in China, when you would have social unrest in many places, so that the central government would not be able any more to quell unrest in one or two provinces.

So I think this is very bad, it's very dangerous, and I think the only hope is really what Lyn was saying earlier: that the new administration makes a significant shift. Because, we have been told in India by many people, they like what Lyn is saying, they really would like to go with—but it *has* to come from the United States.

A Fight in Europe

Schlanger: Helga, I'd also like to ask you about Europe, because we see a fight emerging there, which is an interesting one. Even though the nations of Europe are not part of the Four Powers identified by Lyn, the fight there seems to be getting more intense. Your friend, the Economics Minister of Italy, Giulio Tremonti, is under tremendous pressure now from the pro-London faction there, the "Britannia Boys," who are trying to have him removed from the government. What do you see coming from Europe, in the new year?

Zepp-LaRouche: I think the fight really involves pragmatists of the European Union Commission. They are totally crazy, in insisting that the Stability Pact of the Maastricht Agreement must be honored. And that naturally means that the new indebtedness of every country must be limited to maximum 3% of GDP, which, give the fact that Greece and other places will probably reach over 100% fairly soon, in terms of total indebtedness compared to the GDP, this is not workable.

The people who are trying to get rid of Tremonti,

who has been an outspoken proponent of a New Bretton Woods policy, of the New Deal, and basically, also of a bankruptcy reorganization of the system—the key person right now is one of the "Britannia Boys," as they are called, because of their meeting on the British royal yacht Britannia, in '92, where the sellout of Italy was basically agreed upon. The leader of that group is presently Mario Draghi, who heads the Financial Stability Forum.

I think we should really ridicule him! Because, he just was in Hong Kong, and there he made a speech—and I actually want to quote you some of it, because I think it's really typical of the insanity of this faction. He said: "One striking aspect of the crisis is precisely how its unfolding has continued to catch both policymakers and private sector players by surprise. It started with defaults in a marginal segment of the financial services industry, then quickly spread to virtually all assets. From being a U.S.only event, it has become global.... None of these steps had been anticipated in a timely way by the relevant actors. And when I say 'in a timely way,' I mean with enough lead-time to permit action that could have affected the outcomes."

Now, I think this is something we should really ridicule, because, first of all, as you mentioned in your introductory remarks, Lyn uniquely has forecast this crisis, and we have the documentation to prove it—we have his webcast from the 25th of July in 2007, and all the many, many other documentations. We have a history of having organized, since 1997, for the New Bretton Woods; we had thousands of VIPs making appeals already to President Clinton, when he was still in office. So nobody can say that we didn't talk about this in great depth. And when this guy Draghi claims that the political elite was caught by surprise, it just proves that they're absolutely incapable of even saying the truth.

So, I think one of the most important things that we need to be doing internationally—I think in the U.S., but also in Asia, in Europe, and elsewhere—is to challenge people to answer the question: "What was the



NASA/Paul E. Alers

Queen Elizabeth II visited the London School of Economics during the first week of November 2008, for a briefing on the financial meltdown. (Her personal fortune, estimated at £320 million—about \$489 million—in April, had by then lost £25 million.) "Why did nobody notice it?" she asked Director of Research Prof. Luis Garicano. He replied that everyone relied on everyone else. Here, the Queen is shown on another occasion, with Royal Consort Prince Philip.

method which allowed Lyndon LaRouche to make these prognoses so accurately?"

The American System of Economy

Schlanger: Helga, you just anticipated my next question. (By the way, the Draghi statement shows that he's still working for Queen Elizabeth, because the *Financial Times* said Queen Elizabeth said, "How come nobody saw this coming?")

Lyn, I'd like to ask you about precisely the question that Helga just posed: You have a new document that's up on the LaRouche PAC website, "Why the Academicians Have Usually Failed in Economics?" I noticed you're quite generous to the academicians by saying they've only "usually failed," instead of "always"! You raised the point of economics as a branch of physical science: Why is that not known? Why do so few people know about the American System of economics?

LaRouche: It's a result of British imperialism, and essentially, that we've had this idea of empire and of economic systems based on imperial power. For example, the Roman Empire had a monetary policy of that type; the Byzantine Empire, and so forth. And with the Fall of Byzantium about 1000 A.D., about that time, a Venetian group took over the control of the international monetary system, and ran an empire, as the Crusaders were actually working for the bankers when they were doing the funny things they were doing during that period of time, up until the 14th Century.

So, what we have, is we have the idea of a monetary system which is international. It's actually controlled by private bankers, or private firms, such as, for example, the bankers of Venice, in ancient times and still today. And then these banks, or these systems of bankers, would make agreements with the heads of governments, of states, of nations, under which, in effect, the empire was located in the *international monetary system*, and the kingdoms were the subjects of the agreements they made with this imperial monetary authority.

Now, that tradition has been maintained, because actually, since 1763, in February, when the British Empire was created as a private empire, in the Peace of Paris—since that time, Europe and the world have been dominated most of the time by the British, except for the period when the United States was really asserting power, as especially under Franklin Roosevelt and even a bit before that. But so, we've had an empire of a monetary system, which is British-controlled-but not because of the people of England, but because of the nest of banks that run this empire, which used to be the pound-sterling empire. And this empire still exists, as a monetary empire. And the United States, since 1971-73, has actually been under the control of this international empire, which is called the British Empire. Not because of the British people or the British isles, but because that's the traditional name of it, and because it still has a headquarters in the Bank of England and the Queen of England, as the empire.

So, this empire exists.

And thus, people believe, in the habits of thought associated with operating within a system which is an imperial system. Like the Roman system, or the Byzantine system, or the old Venetian monetarist systems. And thus, they ignore the fact that there is no natural relationship between prices of things in terms of money, and actual economic value. We have to have a system of

economic valuation of prices, because we organize society around agreement on these relative prices. But the system, the determination of what value is, economic value is, does not lie in prices as such. It lies in the value of the development of the economy.

So what we have in the American System, with our Constitution, where you do not allow a monetary system: Under our Constitution, our currency is uttered by the approval of a vote of the Congress, to utter a certain amount of monetizable credit. And this is implemented, then, by the Presidency of the United States. So there's no outside monetary agency, which controls our currency—or, at least, when we're functioning under our Constitution. All other systems in the world, in the main, tend to be part, have participation in an international monetary system, and that international monetary system is really the substance of the empire.

And therefore, the problem is that people do not know their history. And because they're habituated to the idea of thinking of money as something which has a natural value, where it doesn't have a natural value, but they think in those terms, and therefore, they believe in this price structure, instead of realizing that we can regulate prices, as we have under protectionist systems before, and we can regulate prices by an international fixed-exchange-rate system, as we did under Franklin Roosevelt, and kept that going until 1968-73.

No Bailouts!

Schlanger: And how would your New Bretton Woods implement that?

LaRouche: Well, right now, it means we would have to take Barney Frank and put him in a loony bin or some other place where he could safely howl all he wants to. But no more bailout! The key thing here is, no more bailout. What we're going to have to do, is go back and try to reconstruct what was destroyed by Barney Frank and his directors, over the course of about nearly a year and a half, now. And we're going to have to put the whole system back into bankruptcy. And those accounts, which would qualify as chartered bank accounts, previously, should be recognized as having validity. The other accounts will be put into a bankruptcy pool, to see what mess we make out of them.

That means, we would reverse the bailout. We would go through this whole thing, and reverse the bailout. We would then reconstitute the legitimate savings and other accounts, of the chartered banks, and put them under bankruptcy protection. If the bank as a whole were bankrupt, we would keep the doors of the bank open, and under protection. We would also attempt to reconstruct and reestablish the valid claims of depositors and similar kinds of interests, in those chartered banks, that is, at the state level and the Federal level.

Then we would have to use government credit to launch large-scale projects of development, initially, largely infrastructure. We need to fix our river systems, we need to rebuild a rail system, we need to build our machine-tool systems back up again. We have to go into production, we probably have to do reforestation, a lot of other things that are absolutely urgent to be done, that Roosevelt did, back in the 1930s, that type of thing. And we will just have to rebuild our economy, and make sure that people are taken care of, legitimate interests are protected, that people have opportunities, that their health care is protected, and so forth and so on.

And we're just going to have to put the whole thing through bankruptcy reorganization, and proceed on *a basis of morality: of basic morality, that any American can understand.*

Schlanger: Well, I have a contact who is somewhat of a moral person, despite being a professional economist. And he wanted me to ask you: Could you actually establish international agreements which would outlaw speculation?

LaRouche: Absolutely. Why not? I would do it immediately. All I need is the agreement of some powerful people to do it!

Problems of 'Youth Culture'

Schlanger: Okay!

Now, I have a couple of questions sent in from members of the LaRouche Youth Movement, and Helga, the first one is addressed to you, from Seattle. She wanted to know what you can tell us about the spread of youth anarchist groups. Of course, Seattle is a hotbed of these types; but also with the situation in Greece, with the threats of rioting in France, in Sweden, and other countries, what can you tell us about this?

Zepp-LaRouche: I think it is a definite, big problem, because, with the culture of death which has been increasingly dominating the so-called "youth culture," and the problem of no-future in growing unemployment, in a growing sense of depression, and so forth, the impact on a lot of the so-called youth culture, ranging from different varieties of pop music, which in part is outspokenly Satanic, to the violence of the

video games, and to the spread to all kinds of synthetic ideologies—you have a new phenomenon, where some young people are just out to destroy things. And I think it's a new phenomenon, which has grown on top of previous layers and levels, and that is what is now active.

When you look at the riots in Greece, for example: You had some legitimate protests by the students, because of the death of this 15-year-old student, but then this was very quickly taken over by these other elements, who clearly have some financing which is not legitimate at all, and therefore, the thing which is really very worrisome, is that with the condition of a general breakdown crisis, the trust of the population in government is disappearing, in every country I know of. Look at these scandals, like the Madoff scandal, where the former head of the Nasdaq ripped off his customers by \$50 billion! This is not peanuts any more! And then you see how masses of people are losing everything, they're becoming homeless, they're being laid off, and then you have these CEOs who fill their pockets with bonuses of hundreds of millions of dollars, and then you have more and more the discovery that this whole thing is thievery; so the confidence of the population—and naturally, young people—in the political class under these conditions, is just completely going out of the window.

Now, I think the big worry should be, if this thing is not stopped cold soon—and "soon" I mean really within weeks. You know, the fact that there are no more reports about hunger crises, doesn't mean that they're not taking place: It just means that the collapse of the financial system has sort of taken over the front page of the news. But if you have a continuous collapse, what I see as a big danger is that the Greek development, where you have this violence steered by certain oligarchical factions—this could spread, all over Europe. There is a big concern that it could spread to France, where you already have a very volatile situation in the suburbs the so-called banlieus, which have already erupted a couple of times, and I think President Sarkozy is very aware of it, because he just took back a very unpopular education reform, so as not to ignite the situation fur-

But if you have a general collapse of the economy, I have a vivid image what a Dark Age could look like: It's a combination of Somalia, which is sort of becoming an uncharted territory, where you have the disappearance of government, because Somalia is just taken over by

different gangs. And in Europe, where you could have a mass protest. And frankly I also remember very well, the example of Albania, where you had a sort of Ponzi scheme which exploded in 1997, when people lost all their pensions, and wages, and savings. And there was unrest: People were storming supermarkets for food; the police and the army did not suppress that, but they participated in the storming of supermarkets, because they were hungry, too!

The idea which some people have concerning the use of the military domestically—I know this was a discussion in the United States, and in Germany it was also discussed—I think this is a very dubious prospect. Because if you have a general breakdown, I don't think these kinds of measures can do anything but heat up the situa-

Lyndon LaRouche with one of the LaRouche Youth Movement's "Basement" teams in Viscinia in 2007. The Basement groups work on fundamental scientific investigations.

FIRNS

Lyndon LaRouche with one of the LaRouche Youth Movement's "Basement" teams in Virginia, in 2007. The Basement groups work on fundamental scientific investigations, complementing the LYM's work on Classical music and drama in other locations.

tion and plunge the world further into chaos.

The LaRouche Youth Movement

Schlanger: Summarizing questions from two or three people, Lyn: Given what Helga just described, clearly economic policy, a New Bretton Woods, creation of jobs—that would bring about some optimism. But you have a nihilistic tendency in a number of youth, the problem of attention span, which you've talked about. One person asks, "How do you build this?" And a second question, "How *do* you communicate ideas? You've emphasized the role of the video work on the larouchepac.com website with the LaRouche Youth Movement. But what is the role of music and Classical drama, and the interrelationship of that with an economic policy that creates optimism?"

LaRouche: Well, that, of course, is crucial. But the other aspect is plain leadership: that we've often seen in history, that when a leader of a nation, or a group of leaders of a nation, which find the kind of conditions arising which Helga just described, make an appeal, which is a cogent appeal to *order*, the people will often rally behind them. This kind of disorder, is fomented by certain interests. You could build a counterforce against it, but this requires leadership and dedication by some

people who are genuine leaders. You never have, really, I think, an absolutely hopeless situation, except in a protracted period of degeneracy.

Our job is to ensure that we don't enter a protracted period of degeneracy, which means we need leadership which does not vacillate. Which calls the people to defend themselves, their future, their children, their grandchildren, by acting now as a voice of sanity. And that usually will work, in the early stages of such a threat. If you allow it to continue, you may get into a Dark Age, as we've had before. And we are within the threat of a Dark Age, now.

So those leaders who say, we have to be "practical," we don't do this, we don't do that, we don't take these measures—those leaders are misleaders, they're fools! Because if you don't take the measures which must be taken early, then you will get a hopeless situation. But we do not have, yet, a hopeless situation, if leadership appears, which is cogent, and knows how to act.

Schlanger: A related question was, someone among the youth asked if you could discuss your ideas of the music program: How does study of the great Classical music—Mozart, Bach, Beethoven—how does that have an effect in the population?



EIRNS/Helene Moeller

A LaRouche Youth Movement geometry investigation in Berlin, Germany, October 2008.

LaRouche: Well, start with the fact that most people who speak, don't know how to speak: They do not know how to speak to convey ideas. They know how to speak to say, "I want bread. I want love, I want meat, I want something, I want this—gimme, gimme, gimme!" They know how to do that. But they don't know how to communicate ideas.

For example, we have noticed, in our work with the LaRouche PAC, that people from younger generations, can—in general—no longer transmit ideas by speech. They will take and pass along some sentences, or fragmentary sentences which really don't mean much of anything. They're like pointing, there's no idea involved; the finger is pointing—the finger of the tongue in words is pointing, but it's not communicating ideas.

We find, however, that we can get back to ideas by taking the combination of music, speech, and so forth, in poetic form, vision, by combining these elements as you can with the video, you present ideas of history, actual ideas, and present them to the same audience that can't understand the ideas when they're represented by ordinary speech or ordinary writing. But when they're presented in a video medium and done artistically, when you restore cadence and other characteristics of literate speech, you find that, suddenly, significantly large audiences can understand ideas, again.

So the point now, is to get into this. And without music as a reference point, you can't do that. Without Classical musical composition, singing, choral work, so forth—without that, you can not develop *literate speech*. And therefore, the purpose of singing, is to be able to communicate ideas, not simply to utter words.

Zepp-LaRouche: I would like to add only one thing, and that is, there is this Spiritual, and in it, is this line, "I sing because I'm happy," and that is a very important thing, because singing makes you happy!

Celebration of Schiller and Lincoln

Schlanger: Helga, I'd like to ask you, also, in a follow-up to that: This coming year [2009] will be the 250th anniversary of Friedrich Schiller's birth. I'm wondering if you have any ideas or plans for a Year of Schiller.

Zepp-LaRouche: Well, we have here [in Europe] a lot of young people who are quite enthusiastic about Schiller. And the idea is basically that we will produce lots of articles-for decades, our newspaper in Germany has had the title, Nun kommt die Schillerzeit!, which means, "Now Comes the Era of Schiller," meaning a Renaissance of Classical culture. So, we are basically thinking to use this 250th anniversary to really present the entirety of the works of Schiller, have all the youth write articles, so that every week, we have one major article on different aspects of Schiller's work. Plus, we plan to have performances and recitations, and use this to bring in the whole discussion of what a wonderful cultural tradition that period really was, when you had the Classical composers whom you just mentioned, from Bach to Brahms, and even Hugo Wolf has written a couple of beautiful songs. That was the same period when Schiller lived, and a lot of other great thinkers, also in science and so forth. So it will be a forum to really celebrate the ideas of this period.

Schlanger: We're also coming up on the 200th anniversary of Lincoln's birth, and Lyn, when you were speaking of the question of leadership, clearly, Lincoln understood this principle of poetry. If you read some of



EIRNS/Steve Carr

A statue of Friedrich Schiller (1759-1805), Germany's Poet of Freedom, in Detroit, Michigan. Schiller, whose 250th birth anniversary will be celebrated this year, was a great friend of the American Revolution.

his great speeches, it's clear that he sort of exemplified what Shelley meant, when he talked about poets being the unacknowledged legislators.

LaRouche: Well, all great thinkers—Franklin Roosevelt, in his own way, also—any person who is a great person, has a sense of poetic expression, and musical poetic expression, and it's Classical musical poetic expression. And this is the mark, which you recognize, even going into a room sometimes—you recognize that here's someone who is a thinker, because of the manner in which they express ideas. This is obviously the case with Abraham Lincoln, and it was also the case, largely, with Franklin Roosevelt. Franklin Roosevelt's cadences, his manner of speaking, the way he formulated ideas, were an essential part of his power as a leader, just as Lincoln—Lincoln more significantly, of course—but Roosevelt had much the same tradition.

Schlanger: Now, one more question from two Youth Movement members. Lyn, I'd like you to take this up, and Helga if you have some thoughts. They want to know about the direction of the LaRouche Youth Movement. One wrote, "I know I won't be a youth much longer, so I want to see what your thinking is, as to where the Youth Movement is headed, and what

we should be thinking about in our own development."

LaRouche: I think development is the name of it: But development is never abstract, in the sense of being timeless or outside of history. Development always occurs in terms of a response to an historical process. And it may be a response to a past part of history, in the sense that you're trying to bring it back. It may be a response to current conditions, to present an idea, which is necessary. But always, it's an attempt to convey real ideas, and in this time, the problem is, we live in a period of complete sophistry. Our culture, Englishlanguage culture today, in the United States, it's sophistry! Compare it with the 18th Century or compare it with the 19th Century, like Lincoln for example: You had people who actually could express ideas. And you had great music and great composers. Today, you have people who can not express ideas; they

express a jumble of words, or they make sounds, like chimpanzee grunts and screams, which they call "music." So, it's lost!

And the first purpose, is to develop the ability to express *ideas*. Express them, yes, in a persuasive way, because that's important, but also to get people to suddenly see a vision of an idea. It's what the great poet does, and the great musician does, the great composer.

Schlanger: Helga, did you have any thoughts on that?

Zepp-LaRouche: Yes! I think this vision thing is important. [laughter] No, I'm saying it, because we had here the 90th birthday of the former Chancellor Helmut Schmidt, who did a couple of useful things, but unfortunately, is also famous for having said, that people who have visions belong in a psychiatric asylum. And that is exactly this problem of the "practical, reasonable man." And I think the challenge for the Youth Movement right now, is that internationally, there is a tremendous vacuum. The sophistry is breaking down, and the neoliberal paradigm which was associated with globalization is really finished, but you don't yet have everybody understanding that, and not everybody is acknowledging it. But it will become pretty clear, that you need a



This statue in Richmond, Virginia, commemorates President Abraham Lincoln's visit, with his son Tad, to the capital of the Confederacy, on April 5, 1865, after the city's fall to Union troops. The words "to bind up the nations wounds," carved in the wall behind the statue, are from Lincoln's Second Inaugural Address of March 4, 1865—one of the most powerful and poetic speeches ever uttered.

www.discoverrichmond.com

completely different set of thinking, of axioms, of philosophical foundations to shape that, and to determine what should be the new paradigm, and what should be the philosophical ideas which replace this past, neoliberal disaster.

You know, in a certain sense, it's on a world scale what happened, or rather, what did not adequately happen when the Communist system collapsed in 1989-91. There, a system collapsed, Communism failed, and basically, there was a vacuum, and then the free-market ideology just sneaked in. But now the free market is collapsing, and therefore, either it's a dark age, or it's a renaissance. And I'm an optimist, since I know that a lot of people are so freaked out about what *could* happen, that there is also a tremendous energy and desire by a lot of forces around the world to say, "We need a new paradigm for civilization, which puts this oligarchy behind us forever."

And I have said, many times, I'm really hopeful that people, in a couple of years, will look back at this present conjuncture of 2008-2009, and say, this was really the low point, when the Dark Age was looming, but then people, recognizing the danger, got their act together, and made a new Renaissance instead. And this time, ending oligarchism as a childhood disease, where people will laugh about it after a while, and say, "How could people be so foolish to chase after *money*?

How could they waste their entire lives by speculating on the Internet or elsewhere, for something which then turned out to be virtual and didn't exist? And why did they waste their lives and not really pursue a creative life, which is much more joyous and much more rewarding?"

Schlanger: Well, you've been listening to Lyndon LaRouche and Helga Zepp-LaRouche in our year-end program for 2008. On behalf of The LaRouche Show and all your friends around the world, I'd like to thank you for joining us today, and also wish you a happy anniversary. And let's make 2009 "The Year of Victory for Humanity."

On Jan. 22, at 1 p.m. Eastern Time, will be the webcast. This is something which should have the largest audience ever, coming two days after the inauguration of a new President. There'll be other activities leading into that: Keep tuned to the larouchepac.com website for updates. And also virtually daily, and in fact, sometimes several times a day, there are 3- to 6-minute video updates on larouchepac TV.

Let me conclude by urging our listeners to contribute, to make sure that 2009 will be a Year of Victory, and give us a call at 800-929-7566.

Lyn and Helga, thank you very much, for joining us today.

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International Intelligence

Ukraine, Not Russia, Cut Gas to Freezing Europe

An economic and humanitarian emergency began across southern Europe Jan. 6, after the government-run Naftohaz of Ukraine cut the flow of Russian natural gas in three pipelines across Ukrainian territory, which supply the Russian firm Gazprom's customers in Turkey, the Balkans, and other European countries. Some affected parts of eastern Europe are in the grip of a deep cold wave, with temperatures as low as -4° F.

The dispute between Naftohaz and Gazprom escalated Jan. 1, when Gazprom stopped supplying Ukraine itself with gas, due to outstanding debt and the lack of a contract, and it has been complicated by faction fights between the Ukrainian President and Prime Minister. But the outstanding feature of the situation is that the Ukrainian government, which has left southern Europe freezing, is being advised on financial and economic policy by megaspeculator and British agent George Soros, during this same period.

British geopolitical strategy outlets, including the London *Economist*, have repeatedly trumpeted their hopes for a Russia-Ukraine showdown to force all Eurasia onto the agenda of a new empire, run through the European Union and NATO.

NATO Pays Taliban to Get Supplies into Afghanistan

Taliban militants have struck terror into the container business that handles NATO supplies passing through Pakistan on their way to Afghanistan, and have virtually crippled the operation. In December, they destroyed some 400 containers carrying food, fuel, and military vehicles. Zia ul-Haq Sarhadi, the chairman of the standing committee for the dry port of the Sarhad Chamber of Commerce (the chamber for Pakistan's North West Frontier Province, bordering Afghanistan), confirmed in a

press statement that the surge of attacks on the 11 terminals in Peshawar had created so much fear that people associated with handling the containers, contractors, and drivers will not do their jobs.

The 40,000 NATO troops in Afghanistan, of which 14,000 are American, have found a convenient way to get around this problem. NATO has begun paying bribes to get the supplies across. A recent Canadian report points out that NATO is paying the Taliban to guarantee the security of these supply routes. "We estimate that approximately 25% of the money we pay for security to get the fuel in goes into the pockets of the Taliban," said one fuel importer. Another boss, whose company is subcontracted to supply Western military bases, said that as much as a quarter of the value of a truck's cargo was paid to Taliban commanders. "The Taliban come and move with the convoy. They sit in the front vehicle of the convoy to ensure security."

Indian PM Vows To Double Spending on Science

In a speech before the Indian Science Congress, held in Shillong Jan. 3, Indian Prime Minister Manmohan Singh said that he has promised that the government would double investment in science to 2% of national income. "I stand by the promise," he said, as reported in the Jan. 4 *Business Standard*.

"Our civilization was built on the foundations of a knowledge-based society.... The challenge before us is to ensure that ... the light of modern education touches all, and at the same time, the pursuit of excellence is encouraged and cherished." He reviewed the milestones of the government in scientific research and education over the past four years, including launching five new institutes dedicated to "teaching and research in [the] sciences. This marks a historic turning point for Indian science," he said. This year also marked the first launch of an Indian scientific satellite into deep space, the Chan-

drayaan-1 spacecraft, which is orbiting the Moon.

The Prime Minister stated that "the best science is done by young people." Thus, India's institutions "must promote younger talent and allow youth to lead. Seniority and age may be relevant in bureaucratic systems, but scientific institutions must be led by creative intellectual leaders, irrespective of their age." He urged that India "build a truly knowledge-based society and a science-based economy."

See *Economics*, however, for a report on the limitations of the Prime Minister's economic policies.

Malaysia's Mahathir: 'Close Financial Casinos'

Malaysia's former Prime Minister Dr. Mahathir bin Mohamad marked the New Year by publishing an open letter to U.S. President-elect Barack Obama. Among other reforms, Mahathir advised the President-elect: "Stop the casinos which you call financial institutions. Stop hedge funds, derivatives, and currency trading. Stop banks from lending non-existent money by the billions."

The feisty Mahathir, known for challenging drug-pushing speculator George Soros and Al "Hot Air" Gore, opened his remarks with a characteristic "I welcome your promise of change. Certainly your country, the United States of America, needs a lot of changes."

In addition to demanding the end of derivatives, hedge funds, and the creation of fake money, he said, "Regulate and supervise your banks. Jail the miscreants who made profits from abusing the system." Sounds like Lyndon LaRouche's call for a new Pecora Commission.

"Then," he added to Obama, "the United States will again be the most admired nation. Your embassies will be able to take down the high fences and razor-wire coils that surround them."

The full text of the letter can be read at Mahathir's blog, www.chedet.cc.

BIRAmerican History

EDGAR ALLAN POE'S 200TH BIRTHDAY

What His Doctor Revealed About Poe's Assassination

by Anton Chaitkin

On his 200th birthday, we celebrate the genius of Edgar Allan Poe, uplifter of the common man to reason and self-government. He was the Republic's warrior, a leader of American patriots' intelligence wars against the British Empire.

In his stories, poems, essays, and criticism, Poe championed the "soaring" Plato and Kepler against the "creeping, crawling" Aristotle and Newton. He waged a blazing literary combat against the trans-Atlantic imperialists who ruled and strangled American literature through British magazines and a clique in the New York newspapers. The empire feared Poe's popularity, which could lead inspired humanity to storm the heavens.

Stung by his criticism, cabals in New York and Boston called him a drunkard, a drug addict, a sexual pervert, and a plagiarist.

Rufus Griswold was an editor and a serial character assassin who had attacked Poe, and been nailed by Poe as a liar. Griswold hoodwinked Poe's bereaved family into turning Poe's papers over to him for an "official" edition of Poe's works. Griswold then wrote a Poe biography, shamelessly vilifying Poe, saying he had died of drunkenness or a drug overdose. He promoted the *menticidal* lie that the power of Poe's creative imagination came from insanity and narcotics, and not selfguided intuitive reason.

Though it was soon discredited by all authorities on Poe's life and work, this filth by Griswold circulated globally, and provided an excuse for the British and their underlings to perpetuate their Poe Myth.

Edgar Allan Poe was born in Boston, Jan. 19, 1809,

twenty-four days before Abraham Lincoln. To honor Poe's 200th birthday, *EIR* presents here excerpts from the 1885 book written by the physician, Dr. John J. Moran, Jr., who attended the dying Poe after he was brought to a Baltimore hospital, in 1849.

From A Defense of Edgar Allan Poe. Life, Character and Dying Declarations of the Poet. An Official Account of his Death, by his Attending Physician, John J. Moran, M.D. William F. Boogher, Publisher. 1331 F Street, Washington D.C., 1885. (Subheads have been added.)

Dr. Moran's Report

The Slanders

Thirty-five years have elapsed since the death of Edgar Allan Poe.... [How] he died, up to the present day, remains a matter of doubt except so far as have been gathered from a few brief voluntary publications made by his physician. [Many] false charges ... have been made and published, and distorted accounts that have been received as truth....

...Mr. George R. Graham [Poe's employer as an editor/writer in the early 1840s, when Poe wrote "The Murders in the Rue Morgue," featuring the Poe-like detective, Auguste C. Dupin] ... in 1850, ... wrote and published the most forcible defense that has yet been made ... [which] so uncovered the falsity of [Rufus] Griswold's account of Poe's life that few if any are now left to give it a place in their thoughts or memory....

The Doctor and His Hospital

The hospital in which the poet died has been questioned as to its standing and character. My professional experience has been assailed, my veracity and even my own identity have been disputed....

The hospital in which Poe died was second to none in Baltimore as to size, comforts and location.... The

Washington College University Hospital, in which hundreds of students daily traversed its wards, receiving instruction at the bedside of patients from able professors of the faculty.... I ... conducted and controlled this institution for six years as resident physician, living with my family on the premises. I had the entire charge and responsibility of house and patients, including United States sailors, a portion of the hospital being set apart for [them] who were sent there by order of the Government....

Poe's Family and General Lafayette

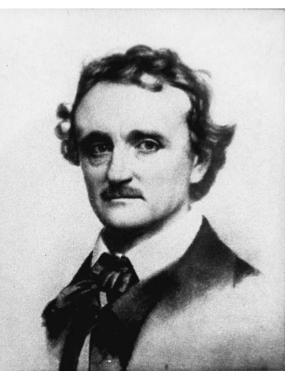
Mr. David Poe, the grandfather of Edgar Allan Poe, ... engaged in mercantile business. During the Revolution [he] became a deputy quartermaster of the Maryland line ... and had often been called

Major and sometimes General Poe. [It] was at [his Baltimore mercantile] office that he received General Lafayette, Count Rochambeau, Count DeGrasse and other French officers....

In ... *Niles' Register*, October 23, 1824, is recorded a visit of ... General Lafayette, to Baltimore [43 years after the battle of Yorktown]....

After an introduction of the surviving officers and soldiers of the Revolution who resided in and near Baltimore to the General, he observed to one of the gentlemen present, "I have not yet seen, among these gentlemen, my friendly and patriotic *commissary*." The General was informed that Mr. David Poe was then dead, but his widow was still living. He expressed an

anxious wish to see her. Said the General: "Mr. David Poe, who resided in Baltimore when I was here, had, out of his own very limited means, supplied me with five hundred dollars to aid in clothing my troops, and his wife, with her own hands, cut out 500 pairs of pantaloons, and superintended the making of them for the use of my men."



Edgar Allan Poe, in his poems and other writings, championed the "soaring" Plato and Kepler against the "creeping, crawling" Aristotle and Newton, and waged a literay war against the British cultural imperialists. He was murdered by his enemies.

Mr. David Poe, Jr., son of Gen. David Poe, of revolutionary memory, was the father of Edgar Allan Poe, who was born in Boston on January 19, 1809....

In the year 1833, [the young Poe was] a competitor for two prizes offered by the proprietor of the *Saturday Visitor* ... in Baltimore.... The committee [praised] "the singular force and beauty of [Poe's entries] [and] awarded the premium to a tale entitled the "MS. Found in a Bottle."...

Mr. John P. Kennedy, chairman of the committee, became the firm friend of Poe and continued so to be until his death, and when informed of the decease he declared it impossible to credit any of Griswold's stories of the poet's life.

...I here aver that there is no evidence and never has

been, that Poe ever was seen drunk, or that he ever got drunk from the year 1845 to 1849, embracing a period of four years. Later he confesses to the effect of stimulants at long intervals, but of these four years preceding his death, we have the clearest testimony that he was a temperate man.

Mr. George Graham says: "For three or four years I knew Poe intimately, and for eighteen months I saw him almost daily; ... writing or conversing at the same desk; knowing all his hopes ... he was always the same polished gentleman, the quiet, unobtrusive, thoughtful scholar, the devoted husband; frugal in his personal expenses, punctual and unwearied in his industry, and the soul of honor."

The Assassination

Poe ... was in my care and under my charge for sixteen hours.... He told me ... where he had been, from whence he came, and for which place he started when he left Richmond, when he arrived in Baltimore ... and the name of the hotel where he registered....

Poe left Richmond on October 4, 1849, ... by boat.... Mrs. Shelton, his affianced, [said] that the poet parted from her at her residence at 4 P.M. October 4th, to take the steamer "Columbus" for Baltimore, intending to visit Philadelphia and York, to close up some business he had with certain publishers and return to Richmond in a few days. She states that ... he ... said to her: "I have a singular feeling, amounting to a presentiment, that this will be our last meeting until we meet to part no more," and then walked slowly and sadly away....

The boat arrived in Baltimore about 4 o'clock on the morning of October 5th....

He left for Philadelphia about noon and went as far as the Susquehanna River, across which the passengers had to be transferred by boat, there being no bridge at that time. The river being very rough, owing to a storm then blowing, Poe refused to venture across. He remained on the cars and returned to Baltimore.

Arriving there at about 8 o'clock P.M., a porter carried his trunk to the hotel he had left in the morning. Alighting from the cars he turned down Pratt street, on the south side, and walked toward the dock where his boat was. He was followed by two suspicious characters, as the testimony of the conductor will show, and when he reached the southwest corner of Pratt and Light streets, he was seized, by the two roughs, dragged into one of the many sinks of iniquity or gambling hells which lined the wharf. He was drugged, robbed, stripped of every vestige of the clothing he had on when he left Richmond and the cars a little while before, and reclothed with a stained, faded, old bombazine coat, pantaloons of a similar character, a pair of worn-out shoes run down at the heels, and an old straw hat.

Later in this cold October night he was driven or thrown out of the den in a semi-conscious state, and feeling his way in the darkness, he stumbled upon a skid or long wide board lying across some barrels on the west side of the wharf, about thirty yards from the den.... [They had left] him half dead. He stretched himself upon the plank and lay there until after daybreak on the morning of the 6th. A gentleman, passing by, noticed the man, and on seeing his face recognized the

poet. He called a hack, and [sent Poe] to the hospital, arriving there about 9 o'clock.

...My witnesses are Judge [Neilson] Poe, of Baltimore, a second cousin of the poet; and the conductor of the train, Capt. George W. Rollins, well-known in Baltimore. The ... conductor a few days after the poet's death [met me] on the street [and] said, "I saw in the papers the death of the gentleman I had on my train the other day." I asked, "Do you know who he was?" He said he did not at that time, but he had learned since that it was Edgar Poe. He remarked that he was the finest specimen in appearance of a gentleman that he had lately seen. "I was attracted to him from his appearance." [I asked,] "how was he dressed?"

He replied, "In black clothes; his coat was buttoned up close to his throat. There were two men well dressed that came aboard of the train from the other side of the river, having come from Philadelphia or New York. They took a seat back of Poe. From their appearance I knew they were sharks or men to be feared, and when I got out of the train at Baltimore, I saw them following Poe down towards the dock."

...Mrs. Shelton, who yet lives, [said about the] clothing he had on when he left her in Richmond on the 4th of October, ... he was dressed ... "in a full suit of black cloth."

... [At the hospital,] I did not then know but he might have been drinking, and so to determine the matter, I said, "Mr. Poe, you are extremely weak, ... I will give you a glass of toddy." He opened wide his eyes, and fixed them so steadily upon me, and with such anguish in them that I had to look from him to the wall beyond the bed. He then said, "Sir, if I thought its potency would transport me to the Elysian bowers of the undiscovered spirit world, I would not take it."

"I will then administer an opiate, to give you sleep and rest," I said. Then he rejoined, "Twin sister, spectre to the doomed and crazed mortals of earth and perdition."

...Here was a patient supposed to have been drunk, very drunk, and yet refuses to take liquor. The ordinary response is, "Yes, Doctor, give me a little to strengthen my nerves." I found there was no tremor of his person, no unsteadiness of his nerves, no fidgeting with his hands, and not the slightest odor of liquor upon his breath or person....

He ... said that he [had] had ... "a vague and horrible dread that I would be killed, that I would be thrown in the dock...."

The Lost Soul Of America

by Allen Salisbury

The article excerpted here, was first published in the July 1981 issue of The Campaigner magazine. It was reprinted in Fidelio, Spring/Summer 2006. The author, who passed away on Sept. 14, 1992, at age 43, also wrote The Civil War and the American System: American's Battle with Britain, 1860-1876.

In Europe it is often said that you can tell the spirit of a region by its wine. If that is true, then you most assuredly must be able to discern the true soul of a nation by the way in which it honors its poets. In the Federal Re-

public of Germany, the great poet Friedrich Schiller's memory and spirit are kept as a living tradition, albeit by a small and aging core of devoted followers. In Italy, despite attempts to purge the *Commedia* of Dante Alighieri from the public schools, there are still enough who know him that we may band together to prevent such an occurrence. In Greece, there is still great pride among sections of the population that their country was the birthplace of perhaps the greatest poet of them all, Plato.

In Spain, Cervantes is still revered by an admittedly too small elite. I think that even in the Soviet Union some still take pride in the work of the great Russian poet Pushkin. But in America, here in America, which has, for the last 200 years, been the recipient of the benefits of the best minds the rest of the world has to offer, the nation has allowed its only poet to be treated in such a despicable manner that one can argue that the very soul of the country has disparted.

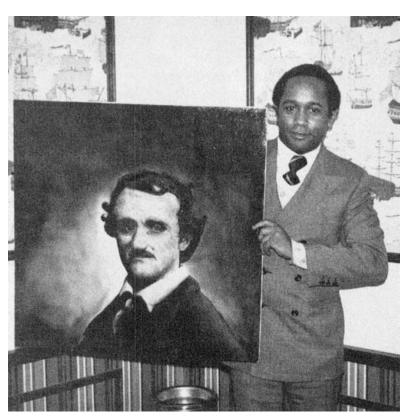
This statement is not what some may wish to call hyperbole, others poetic license, still others, metaphor. It is a simple statement of fact.

I do not hold you, the reader, responsible in this matter, because you have been lied to on the subject of poetry and art in general, to the point that most of you recoil with visions of Andy Warhol's soup cans or some group of nuts performing a pagan ritual on stage accompanied by electronic grunts, groans, and screams.

To prove that most of you have been lied to, what do you think of when you hear the name Edgar Allan Poe?

The great majority of you have been told, perhaps by an ignorant or misinformed junior high school teacher, that Poe was some sort of alcoholic or opiumeater. A greater majority of you have images of Vincent Price's performances on the Late Late Show or Chiller Theater. In fact, your minds have been filled with so much of this garbage that you have forgotten the intense joy and excitement you experienced when you first read a poem or a tale written by Mr. Poe.

It is my purpose in this excerpt to give an accurate account of who Edgar Allan Poe really was, as well as to show you exactly how, by whom, and for what purpose you have been deliberately misled.



Americans have been lied to about the great American poet and patriot Edgar Allan Poe. Allen Salisbury, pictured here, with a portrait of Poe, presented to him during a lecture tour in 1979, sets the record straight.

Who Was Edgar Allan Poe?

Perhaps a better title for this section would be "How to Smell a Rat While Reading History Books." The key to unlocking Poe's identity is rejecting at once the repeated and hysterical denials by most Poe scholars that Poe was not anything like the detective C. Auguste Dupin he created in "The Murders in the Rue Morgue" and "The Purloined Letter."

Once the matter of Poe's philosophical and political outlook is settled by actually reading what the man wrote—his poetry, tales, and critical essays—one can glean through various biographies and history books, actually using the method of Dupin's search for the purloined letter, to determine the significance of the lie being retailed to find the relevant empirical proofs that remain in letters and archives to satisfy the ordinary reader that it is a lie.

The particular untruth that Poe was unlike Dupin usually goes along with an assertion that Poe never left the United States, despite what Poe says to the contrary. The evidence usually presented for this assertion comes from the French nut Charles Baudelaire, and consists of pointing out that there are no street names in Paris such as the ones given in Poe's detective stories.

All this is asserted despite the fact that ample evidence exists to the contrary.

The following letter, written by Alexandre Dumas to an Italian police official, proves not only that Poe visited France, but also hints at the nature of Poe's visit and proves conclusively that Poe's detective stories were, among other things, autobiographical in nature:

It was about the year 1832. One day an American presented himself at my house with an introduction from his fellow American James Fenimore Cooper. Needless to say I welcomed him with open arms. His name was Edgar Poe. From the outset I realized that I had to deal with a remarkable man; Two or three remarks which he made upon my furniture, the things I had about me, the way my articles of everyday use were strewn about the room and on my moral and intellectual characteristics impressed me with their accuracy and truth.

On the very first day of our acquaintance I freely proferred him my friendship and asked for his. He must certainly have entertained for me a sympathy similar to that I felt for him, for he held out his hand to me and the understanding

between us was instantaneous and complete.

At this time my mother's ill health ... required that she enjoy purer air than that afforded by the more central parts of Paris. She was living in the Luxemburg district, while I had a little house all to myself in the Rue de L'Ouest. I offered to let Poe have two rooms in this house for the duration of his stay in Paris.

Edgar Poe accepted my offer confessing that his financial resources amounted to little more than 300 francs a month accruing to him on a credit from M. Lafite.... Only, he made his acceptance conditional on one essential stipulation which was that in his mode of life under my roof he should be free to do entirely as he wished, and to comport himself as if the house were his and not mine.... From the very first day of our association I realized why he had laid down the conditions to which I have referred.

Poe had one curious idiosyncracy. He liked the night better than the day. Indeed, his love of darkness amounted to a passion. But the Goddess of Night could not always afford him her shade and remain with him continually, so he contrived a substitute. As soon as day began to break he hermetically sealed up the windows in his room and lit a couple of candles.

In the midst of this pale illumination, he worked or read or suffered his thoughts to wander in the insubstantial regions of reveries, or else he fell asleep not being always able to indulge in waking dreams. But as soon as the clock told him darkness had come, he would come in for me, and take me out with him if I was there or go forth alone if I was not.

As a general rule I must confess I was ready waiting for him, for these nocturnal expeditions in his company were a source of veritable pleasure. In these rambles I could not help remarking with wonder and admiration (though his rich endowment of ideas should have prepared me for it) on the extraordinary facility of analysis exhibited by my friend. He seemed to delight in giving it play and neglected no opportunity to indulge himself in that pleasure. He made no secret of the enjoyment he derived from it, and would remark with a smile of proud satisfaction that for him every man had an open window where his heart was. And as a rule he accompanied that assertion with an im-

mediate demonstration which having me for its object could leave no doubt in my mind concerning Edgar's power of divination.

Now consider the following description of Poe's Detective Dupin from "The Murders in the Rue Morgue."

Residing in Paris during the spring and part of the summer 18--, I there became acquainted with a Monsieur C. Auguste Dupin. This young gentleman was of an excellent—indeed of an illustrious family, but, by a variety of untoward events, had been reduced to ... poverty.... It was a freak fancy of my friend ... to be enamoured of the Night for her own sake; and into this bizarrerie, as into all his others, I quietly fell; giving myself up to his wild whims with a perfect abandon. At the first dawn of the morning we closed all the massy shutters of our old building; lighted a couple of tapers which, strongly perfumed, threw out only the ghastliest and feeblest of rays ... until warned by the clock of the advent of the true Darkness. Then we sallied forth into the streets....

At such times I could not help remarking and admiring ... a peculiar analytic ability in Dupin.

I might add that the Dumas letter was written four years prior to the first publication of Poe's Dupin series. Despite the fact that such evidence points us in the proper direction to gather biographical data concerning Poe, it is either denied or dismissed out of hand. For example, historian Harvey Allen says on the very first page of the preface to the second edition of his *Israfel—The Life and Times of Edgar Allan Poe*:

Since the publication of this biography not a great deal of important material about Poe, from a biographical standpoint, has come to light. What of interest has recently been turned up by scholars I have sometimes availed myself of, now and then, incorporating a few minor facts into the text with the necessary acknowledgment and reference. In that connection it is proper to say that I have not felt it incumbent upon me to mention in the body of the text the so-called "letter" from Dumas the elder to an Italian officer of police, which purports to tell of Dumas's meeting with Poe and Fenimore Cooper in the year 1832 in Paris, although through the courtesy of the present owner

I was permitted to examine the "letter" and the material connected with it....

This is the kind of stuff meant to intimidate Master's or Ph.D. candidates from treading too far into an area which has been marked off limits. Scholars like John Ward Ostrum, Daniel Hoffman, and others echo this view that Poe was far less a character than Dupin, that the inventor of the story was less than his invention.

Quite the contrary, the evidence points to the fact that in the early 1830s Poe was assisting James Fenimore Cooper in the Marquis de Lafayette's attempts to establish a French republic for the second time. The Marquis de Lafayette headed the European branch intelligence services for the Society of Cincinnatus, which he founded with George Washington and Alexander Hamilton, and which included Quartermaster General David Poe, Poe's grandfather and close collaborator of Lafayette during the Revolutionary War.

Cooper's public activities in France at that time consisted of organizing for a republic in France as well as in Poland. He was instrumental, along with Lafayette, in countering a vicious anti-American propaganda campaign being conducted by British magazines and British-influenced journals in France. Cooper also solicited the aid of his, and later Poe's, American publisher, economist Mathew Carey. Carey was requested to send to France a refutation of the British propaganda line which claimed that it was cheaper to run an aristocracy like Britain than to run a republic like the United States. Carey had been an associate of Lafayette's since he worked as an Irish emigré publishing the dispatches of Benjamin Franklin from Franklin's print shop in Passy.

The Dumas letter also mentions that Poe was receiving a 300-franc-per-month credit from one M. Lafite. This Lafite was a famous French financier and the architect of much of France's post-1830s industrial development. Lafite was also part of Lafayette's political network in France. His family vineyards still produce some of the finest wines in Europe under the name Lafite Rothschild.

That Poe planned to go to France to aid the allies of Lafayette is clear in this letter that he wrote to Commandant Thayer of West Point shortly after his departure from the Academy:

Sir:

Having no longer any ties which can bind me to my native country ... I intend by the first op-

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portunity to proceed to Paris with the view of obtaining through the interest of the Marquis de Lafayette, an appointment (if possible) in the Polish Army. In the event of the interference of France in behalf of Poland this may easily be effected—at all events it will be my only feasible plan of procedure. The object of this letter is respectfully to request that you will give me such assistance as may lie in your power in the furtherance of my views.

A certificate of standing in my class is all that I have any right to expect. Anything further—a letter to a friend in Paris—or to the Marquis—would be a kindness which I should never forget.

The name C. Auguste Dupin has also been the subject of much debate among Poe scholars. I will not bother here with some of the suggested sources for the name Dupin, since Poe could have been referring to one person only: Charles A. Dupin of Paris, a leading figure in the Ecole Polytechnique circles of Gaspard Monge, Lazard Carnot, and their associates. It is the Ecole Polytechnique method of scientific investigation that is the subject of Poe's detective tales, or "tales of ratiocination," as Poe more properly termed them.

This is no matter of mere conjecture or guesswork. Poe very early in life came under the influence of Supreme Court Justice John Marshall and General Winfield Scott in his home in Richmond, Virginia. In his early teens, Poe was selected to serve as second in command of the Richmond Junior Volunteers honor guard that accompanied Lafayette during his 1824 visit to the city. Lafayette's visit to Richmond, part of a monthslong tour of the United States, was organized by the Cincinnatus Society to secure the Presidential election of John Quincy Adams and to raise funds for Lafayette's forces in Europe.

Marshall had been influential in helping to establish the Society of Cincinnatus, and Winfield Scott later became an honorary member of the society, with specific charge over matters of military intelligence. General Scott, together with Commandant Thayer, made several trips to Paris for the specific purpose of acquiring the necessary textbooks and related materials to firmly establish the tradition of the Ecole Polytechnique at West Point.

The military-artillery training acquired directly from the French military genius Carnot was taught to West Point upperclassmen at Fortress Monroe, where Poe had enlisted under the pseudonym Edgar Perry. Poe's commanding officer at Fortress Monroe was Colonel Worth, an aide de camp to General Scott and the former commandant of cadets at West Point. It was Colonel Worth, along with General Scott, who obtained for Poe his cadetship at West Point after Poe had already completed the advanced training. The following letter from Poe to his foster father should prove the point.

... I made the request to obtain a cadet's appointment partly because I know that ... the appointment could easily be obtained either by your personal acquaintance with Mr. Wert or by the recommendation of General Scott, or even of the officers residing at Fortress Monroe, and partly because in making the request you would at once see to what direction my future views and expectations were inclined....

[The appointment] would be an unprecedented case in the American Army, and having already passed through the practical part of even the higher portion of the Artillery arm, my cadetship would only be considered as a necessary form which I am positive I could run through in six months.

It is also a matter of note that a good portion of the American intelligence community was in France during Poe's visit. To name a few, these included General Scott, Colonel Worth, James Fenimore Cooper, and the inventor Samuel Morse. Of course, any biography of these individuals will say that their trips to Paris were for reasons of health. Funny how so many great men seem to get sick all at once....

The Poetry of Politics

By the time Poe entered on the American literary scene it was infested with a mad variety of sects and cults. Transcendentalists, Carlylists, Knickerbockers, Fourierists, and spiritualists were crawling all over the place. Poe assessed the situation in his very first editorial statement for the *Southern Literary Messenger*:

When shall the artist assume his proper station in society...? How long shall the veriest vermin of the earth, who crawl around the altar of Mammon, be more esteemed of men than they, the gifted ministers to those exalted emotions which link us to the mysteries of Heaven? To our own query

we may venture a reply. Not long. A spirit is already abroad at war with it.

Poe's proper and most urgent concern, among his other duties, was to reestablish the universal rules of Platonic poetic composition which had earlier been the root of American culture. It was because of his efforts to accomplish this that he incurred the wrath of the literary charlatans, and still angers them today. Poe's warning that this literary conspiracy was destroying the very soul of America was the subject of many of his tales, including "Mellonta Tauta," from which I quote a relevant passage.

... It appears that long, long ago, in the night of Time there lived a Turkish philosopher (or Hindoo possibly) called Aries Tottle. This person introduced, or at all events propagated what was termed the deductive or a priori mode of investigation. He started with what he maintained to be axioms or "self-evident truths," and thence proceeded "logically" to results. His greatest disciples were one Nueclid [Euclid—AS] and one Can't [Kant—AS]. Well, Aries Tottle flourished supreme until advent of one Hog, surnamed "Ettrick Shepherd," who preached an entirely different system, which he called the a posteriori or inductive. His plan referred altogether to Sensation. [Poe is having a little fun here at the expense of Francis Bacon and James Hogg, a Scottish writer for Blackwood's Magazine sometimes called the Ettrick Shepherd.— AS] He proceeded by observing, analyzing, and classifying facts—instantiae naturae, as they were affectedly called—into general laws. Aries Tottle's method, in a word, was based on noumena; Hog's on phenomena. Well, so great was the admiration excited by this latter system that, at its first introduction, Aries Tottle fell into disrepute; but finally he recovered ground, and was permitted to divide the realm of truth with his more modern rival. The savants now maintained that the Aristotelean and Baconian roads were the sole possible avenues to knowledge.... Now I do not complain of these ancients so much because their logic is, by their own showing, utterly baseless, worthless and fantastic altogether, as because of their pompous and imbecile proscription of all other roads of Truth, of all other means for its attainment than the two preposterous paths—the one of creeping and the one of crawling—to which they have dared to confine the Soul that loves nothing so well as to *soar*....

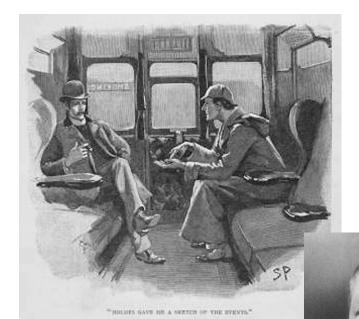
It was this Platonic method of "soaring" that Poe correctly identifies as responsible for the discoveries of Kepler and the musical compositions of Mozart and Beethoven. It is the same method that Poe elsewhere identified with Leibniz's principle of "sufficient reason." It is the method of Plato's golden souls of the Phoenician myths, as well as the method of Dante's *Commedia*, most emphatically of Dante's "Paradise."

The Baconian method of "creeping" sense-certainty is relegated to the lowest regions of Dante's Hell ["Inferno"], where dwell Plato's bronze souls. The Aristotelean method of "crawling," deduction from an assumed set of "facts," is at best in the lower regions of Dante's "Purgatory," or associated with Plato's silver souls. Hence, Poe writes: "I am but defending a set of principles which no honest man need be ashamed of defending, and for whose defense no honest man will consider an apology required."

From this standpoint, all of Poe's tales and poems ought to be immediately comprehensible to English-speaking audiences. Poe's essays and literary criticisms are the explication of Poe's method of composition. To this day, what is left of Poe's book, The *History of English Literature*, of which his "Philosophy of Composition" and "Rationale of Verse" are chapters, is probably the best-known text for teaching the principles of poetic composition to English-speaking audiences.

Poe often had a great deal of fun composing tales that mocked the methods employed by the leading British literary journals. One of Poe's favorite targets in this regard was *Blackwood's Edinburgh Magazine*. Blackwood's was notorious for its sense-certainty literary style, and this style was the source for two of the most hilarious satires written by Poe, "How to Write a Blackwood Article." and "A Predicament."

In the former, our heroine Suky Snobbs receives instructions as to how to write a tale, of course making sure that she has an experience from which it will be worth recording her sensations. In the latter, she has such an experience, and records her sensations as her head is severed by a pendulum and first her eyes, then her head roll into a nearby gutter. Then, of course, she becomes very properly confused as to whether her identity is in her head or her body. Suky Snobbs, of course,



British Intelligence operative Sir Arthur Conan Doyle (right) created the detective Sherlock Holmes in opposition to Poe's Inspector Dupin. Where Dupin relies upon reason, Holmes favors deductions from a bad infinite of empirical "clues." Above: The Aristotelian Holmes, with his alter-ego Dr. Watson.

is none other than Margaret Fuller, a leading American Transcendentalist.

Poe singled out Margaret Fuller not only because he disliked her writing, but because she was a political tool of the British SIS [Secret Intelligence Service]. During her stay with Thomas

Carlyle in England, Fuller, under Carlyle's direction, had secretly supplied the Italian terrorist Giuseppe Mazzini with an American passport and escorted him through France and safely into Italy. Mazzini was the head of Young Italy, a creation of the same Edinburgh SIS and Venetian oligarchist networks that created Young America, Young France, etc., as post-Jacobin battering rams against the surviving republican currents in those countries.

In another vein, Poe's tales such as "The Pit and the Pendulum" are often mistaken for mere horror stories. No doubt Vincent Price is responsible for this. But, "The Pit and the Pendulum" is another exposition of the utter futility of sense-certainty methods of investigation. The hero of the story, trapped in a pit (an obvious allusion to Dante), begins investigating his circumstances using his senses of touch and smell to measure the dimensions of the cell. By this method, he comes very near to falling into an abyss while the pendulum

swings closer. Driven to the point of despair by this method, our hero finally begins to soar—that is, to reason a solution to his predicament.

In his tale of ratiocination "The Purloined Letter," Poe presents us with a problem that is unresolvable by methods of "creeping"—sense certainty. Here we have a problem concerning the letter and its whereabouts. Yet the prefect of police, carrying sense-certainty methods to their extremes, cannot locate it. Dupin, using superior methods, does. Poe's story "The Murders in the Rue Morgue" is a case where reason succeeds, while mere deduction from certain clues fails.

On this point, Edgar Allan Poe drove Arthur Conan Doyle into hysterical fits of defending the deductive method. For example, in his introduction to *A Study in Scarlet*, Doyle has Sherlock Holmes react the following way when Watson informs him that it is the Earth that revolves around the sun:

"Now that I do know it I shall do my best to forget it." "To forget it!"

"You see," he [Holmes] explained, "I consider that a man's brain is like a little empty attic, and you have to

stock it with such furniture as you choose. A fool takes in all the lumber of every sort that he comes across so that the knowledge which might be useful to him gets crowded out, or at best is jumbled up with a lot of other things, so that he has a difficulty in laying his hands upon it. Now, the skillful workman is very careful indeed as to what he takes into his brain-attic. He will have nothing but the tools which may help him in doing his work, but of these he has a large assortment, and all in the most perfect order. It is a mistake to think that that little room has elastic walls and can distend to any extent. Depend upon it, there comes a time when for every addition of knowledge you forget something that you knew before. It is of the highest importance, therefore, not to have useless facts elbowing out the useful ones."

"But the solar system!" I protested.

"What the deuce is it to me?" he interrupted

impatiently; "you say that we go round the sun. If we went round the moon it would not make a pennyworth of difference to me or to my work."

Later Holmes defends Euclid, the Aristotelean whom Poe attacked. Still later, he attacks Poe's method directly:

"No doubt you think that you are complimenting me in comparing me to Dupin," he observed. "Now, in my opinion, Dupin was a very inferior fellow. That trick of his of breaking in on his friends' thoughts with an a propos remark after a quarter of an hour's silence is really very showy and superficial. He had some analytical genius, no doubt; but he was by no means such a phenomenon as Poe appeared to imagine." On this same point—that of having the ability to look into the very soul of another—Arthur Conan Doyle's countryman Charles Dickens believed Poe possessed some sort of mystical powers. It was Poe's habit to guess the ending of the Dickens novels which appeared in serial form in American magazines. Having successfully "guessed" the ending of several novels, Poe proceeded to explain why it was so easy to determine the ending of a novel written by formula.

The reader should not be amazed at this ability. It is somewhat akin to the way you are able to predict the outcome of so many of the "made for television" movies that you watch every night, bored, but glued to the chair as you await the next jiggle of sensation to flash across the boob tube.

Our present-day police detectives would learn a lot from a comparison of Poe's tales of ratiocination to Doyle's detective stories. It would spare them the problem of waiting for a mute dog to show up....

Epilogue

As I have stated throughout, America owes a profound debt to Edgar Allan Poe, and the author owes a profound personal debt to Poe. Few Americans are even aware of the debt they owe Poe. But the last great President this nation ever had acknowledged his personal debt to Poe.

Abraham Lincoln [whose Bicentennial we also celebrate this year—ed.] not only used Poe in his campaign literature for the 1860 election campaign, but Lincoln is recorded as saying that he owed a profound debt to the poet for his own philosophical outlook.

America has been living off the wellsprings of Lincoln's four years in office for more than a century. It is

past time to replenish those wellsprings, lest the soul of this country becomes lost beyond redemption.

During the last years of Poe's life before he was murdered, Poe gave lectures on the principles of poetry and music before audiences that numbered as many as three thousand. I don't think such events have been replicated since. If you, the reader, have learned anything from reading this excerpt, I request that you join with me and my collaborators in organizing a series of Poe celebrations in Baltimore, Philadelphia, New York, and Richmond, Virginia. We need musicians, elocutionists, teachers and students, and just plain interested citizens to join in redeeming Poe's good name and our country's soul once and for all time.

Edgar Allan Poe: 'El Dorado'

Gaily bedight, A gallant night In sunshine and in shadow, Had journeyed long,

Singing a song, In search of El Dorado. But he grew old— This knight so bold—

And—o'er his heart a shadow Fell as he found No spot of ground That looked like El Dorado. And, as his strength
Failed him at length,
He met a pilgrim shadow—
"Shadow," said he,

"Where can it be— This land of El Dorado?" "Over the Mountains Of the Moon,

Down the Valley of the Shadow, Ride, boldly ride," The shade replied— "If you seek for El Dorado."

January 16, 2009 EIR American History 63

Editorial

Reality Will Call the Shots

An extraordinary amount of time is being wasted in parsing the statements of members of the incoming Obama Administration, or other leading political figures, or even opinion polls, to determine what policies will be adopted in the immediate days ahead. We propose an entirely different approach.

It can be summed up in one sentence: Start from reality, the hard, ugly reality.

Reality is that a world financial and economic breakdown is in full swing. Factories are closing, and production of vital commodities is collapsing by double digits, month to month. Millions are being laid off, as just a foretaste of what will be happening in the rest of 2009. Hospitals and schools have no money to function, and many vital services are just going to shut down. If nothing is done to replace the bankrupt financial *system* which has created these disasters, civilization itself is going to disappear, and very rapidly indeed.

Because of this reality, the population of the United States—and the rest of the world as well—is going to demand solutions for survival, and there is only one solution that fits the bill: a New Bretton Woods system on the basis of agreement among the United States, Russia, China, and India, to bury the imperial global financial system once and for all.

We could point out, of course, that the current disaster is the predictable consequence of the destruction of the world financial system put into effect from, especially 1971 on, even back to the onset of the Truman Administration. Lyndon La-Rouche has been at pains to lay out that reality, and the alternative policies which could avoid it, throughout this whole period. But LaRouche was kicking against the pricks over these decades, and most people just didn't want to hear it. They

blithely ignored the handwriting on the wall, and the world careened from crisis to crisis: 1979 to 1987 to 1998, and now to 2007-08.

But it has become a lot harder to ignore reality. The waves of crisis, coming as a result of the insane monetarist measures that were promised to literally paper over the crisis, are coming faster and faster. And the consequences of failing to adopt sane solutions, are hitting more rapidly as well. As in the case of the war being waged by Dope, Inc. against the world's population, tackling the cause of the problem is becoming a matter of survival itself.

Thus, it is critical that all thinking citizens approach the inauguration of the Obama Administration with good will, and the determination to give it the latitude it needs to adopt the essential measures of bankruptcy reorganization and economic reconstruction. Stupid things will be said, even stupid commitments made. But they can, and will, be changed under the pressure of reality, if the solutions are persistently and forcefully put forward.

Shaping U.S. policy, however, will not be enough to get us out of the mess. Only a combination of the United States, Russia, China, and India will have sufficient clout to take on the opposition which the controllers of the globalized financial system have mounted, and will mount, to prevent their removal. Assembling that combination once Bush is out of office, will be a lot easier, but not simple. And it has to happen fast.

The reality—the threat of a global civilizational collapse if LaRouche's solutions are not implemented—is hitting quicker and harder than ever before. Foolish illusions are dying, and now is our chance to rebuild for ourselves, and our posterity.

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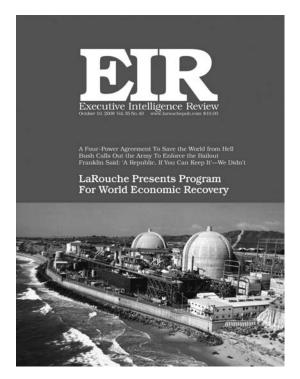
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