

Glass-Steagall: The Only Solution to Goldman's Crimes LaRouche on LPAC-TV: What Is Value? Obama's T4 Genocide Program Has Just Begun

There Is No 'Greek' Crisis: It's the Euro That Has Failed



What Is LaRouche Saying **About How To Solve** The Global **Economic/Financial**

LaRouche: Economy for Scientists Economic Science, in Short **Economy for Scientists: Economics as Science, in Short**

Lyndon LaRouche

Crisis?

THE SCIENCE **OF PHYSICAL ECONOMY**

With this present opening of this third section of this trilogy on the underlying, practical foundations of the science of physical economy, we have presented ourselves with the task of untangling the most crucial

of the issues posed by recorded human history, with emphasis on the history of European civilization from its ancient to modern times, up to the present day.

> —LaRouche, from the final segment of "The Science of Physical Economy"

A Seguel on Economics as Science: The Rule of Natural Law

EIR. July 17, 2009

FIR. June 19, 2009

Economics as History: The Science of Physical Economy EIR, Sept. 18, 2009



Economics as History: The Science of Physical Economy



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e-mail: eirns@larouchepub.com www.larouchepub.com www.larouchepub.com/eiw Webmaster: John Sigerson Assistant Webmaster: George Hollis Editor, Arabic-language edition: Hussein Askary

EIR (ISSN 0273-6314) is published weekly (50 issues), by EIR News Service, Inc., 729 15th St. N.W., Washington, D.C. 20005. (703) 777-9451

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

Montreal, Canada: 514-855-1699

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

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

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Postmaster: Send all address changes to EIR, P.O. Box 17390, Washington, D.C. 20041-0390.



From the Managing Editor

The concept that unifies this week's issue is best expressed by the title of Lyndon LaRouche's upcoming webcast, "The Greatest Crisis in Modern History." Our Feature provides an in-depth view of the breakdown of the international financial-monetary system, from an across-the-Atlantic perspective, beginning with Helga Zepp-La-Rouche's BüSo campaign leaflet, "There Is No 'Greek' Crisis: It's the Euro That Has Failed." While you have, no doubt, heard the hype about the massive Greek debt-and the mass strike against the Brüning-style austerity—as Zepp-LaRouche documents, Greece is just the current whipping-boy for the disintegration of the British imperial money system, the mother of the dysfunctional family of Euroland nations. Now, even in Germany, which is slightly better off than the nations on Europe's southern flank, there is widespread talk of a return to the D-mark, as some in Greece and France, too, moot a dumping of the euro in favor of their national currencies. Following Zepp-LaRouche's statement, is an interview with Prof. Joachim Starbatty, one of four professors challenging the constitutionality of a German bailout of Greece's creditors; he notes that, if Germany were to pull out of the euro, it wouldn't be alone.

Rounding out the Feature package is the transcript of the April 28 LPAC-TV Special Report, "Russia's Role as a Scientific and Economic World Power," in which the question, "What is value?", in real, physical-economic terms, as opposed to the cult of money, was addressed by LaRouche and EIR's Russia editor Rachel Doulgas.

Taking up another aspect of this discussion, our *Economics* lead, "Glass-Steagall: The Constitutional Solution to Goldman Sachs" Criminality," looks at the potential, following the dramatic Senate hearings chaired by Carl Levin, for a full-blown revival of FDR's Glass-Steagall principle—only this time, on a global scale. The major obstacle to carrying out LaRouche's urgently needed solution is our Nero-like President Obama, who, by placing himself in the path of this growing movement for real change, is setting himself up for impeachment, as we present the case in National.

The choice is between Götterdämmerung and a Global Glass-Steagall. If you're still not convinced (or, even it you are), be sure to watch LaRouche's webcast May 8 at 1 p.m. Eastern Time, at www. larouchepac.com.

Ponnie Jame

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Feature

There Is No 'Greek' Crisis: It's the Euro That Has Failed

by Helga Zepp-LaRouche

The author is the national chairwoman of the Civil Rights Solidarity Movement (BüSo), the party of the La-Rouche movement in Germany. This leaflet, dated April 30, is being circulated for the May 9 legislative elections in the state of North Rhine-Westphalia, where the party is fielding a slate of candidates. It was translated from German for EIR.

Greece and many other countries in the Eurozone and around the world are insolvent. The southern Eurozone countries are EU520 billion in debt to Germany alone, and about the same amount to other countries. Greece alone would need EU135 billion over the next three years. A wildfire is threatening to spread: Spain, whose banks are closely intertwined with those of Great Britain, is a much bigger problem, but also Portugal, Italy, and Ireland will soon require enormous sums of money. The crisis has long since developed into a systemic banking crisis, government bankruptcies, and, in reality, the failure of the euro. But Britain and the U.S. are also insolvent. We are dealing with a breakdown crisis of the system.

The therapy that the international financial institutions are ordering is fatal, and would lead directly to the death of the patient—namely, the world economy. What the IMF, European Central Bank (ECB), European Commission, and financial interests are demanding—on the one hand, endless rescue packages paid for with tax-payer money, and on the other, "draconian austerity measures" for the recipient countries—will lead to hyperinflation, and will plunge the recipient countries into

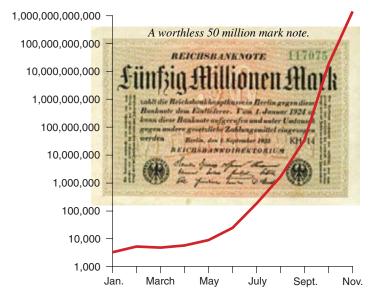
a deep depression. These measures are just as disastrous in their effects as they are hair-raisingly incompetent.

The "tough austerity policy" that is being demanded of Greece means cutting the standard of living by 30% (!) and will destroy more jobs and capacity, not to mention any thought of new productive investment—Chancellor Brüning sends his greetings from the 1930s. The trade unions are talking about the most serious attack on workers' rights since the military junta, and are planning a general strike. As Greece already has hardly any industry, the IMF demand, that it pay off its debts by increasing its exports, is downright absurd. How much more olives and wine will we have then? And if Finance Minister Wolfgang Schäuble says that the bailout would not cost the German taxpayer a thing, because Greece will pay everything back, then his nose must now be so long, that it reaches from Berlin to Athens.

IMF chief Dominque Strauss-Kahn and ECB President Jean-Claude Trichet have used massive pressure to thwart Chancellor Angela Merkel's plans to delay a decision on the question of Greece until after the election in North Rhine-Westphalia on May 9. Now, the Bundestag is expected to approve, on the Friday before the election, a bill on the Greek package. Once the text of the law is known, the four professors Joachim Starbatty, Wilhelm Hankel, Karl-Albrecht Schachtschneider, and Wilhelm Nölling, who previously filed a lawsuit against the euro, will submit a new complaint to the Constitutional Court in Karlsruhe, and request a preliminary injunction. German participation in the rescue package

Weimar Hyperinflation in 1923: Wholesale Prices (1913 = 1)





could even pave the way for a return to the D-mark, for in the opinion of some constitutional lawyers, such as former federal judge Paul Kirchhof, German participation in the euro could be called question if the Monetary Union no longer upholds the principles of monetary stability. In a ruling of October 1993, the Karlsruhe court, in its so-called "Maastricht Judgment," granted any future German government the right to leave the Monetary Union, if the stability of the euro should be exposed as a deception and its value should fall below the standard represented by the D-mark.

As Professor Starbatty stressed in an interview with *Neue Solidarität* [and *EIR*, see next article], if Karlsruhe accedes to the complaint of the four professors, a dynamic situation will emerge; whereas if the suit is dismissed, "the Monetary Union slides into a state of instability and inflation..... But may God prevent that from happening."

Hyperinflation Looms

What the IMF, the EU Commission, the ECB, and the OECD really want, is to help the highly indebted states by simply opening up the money spigots. The only problem being that, because of the peculiar nature of globalization, the sums involved will reach mindboggling heights. The debtor countries' total indebtedness to the banks is around EU1 trillion, and the derivatives tied to that debt are presumed to amount to EU250 trillion. If the money spigots are opened, it might be possible to postpone the collapse in the short term, but the result would be the same hyperinflation as we had in 1923 during the Weimar Republic.

Today, globalization has already been making the rich richer, and the poor poorer; but hyperinflation would be the most brutal form of dispossession, robbing people of their savings and their life's accomplishments. Many Germans can still show you their grandparents' and great-grandparents' Reichsmark banknotes, which made them billionaires, or even trillionaires, but which, in the end, couldn't buy them anything. Even neo-liberal [business executive] Hans Olaf Henkel recently told a talk show that he believes that in the end, we're going to pay with inflation, if we keep thinking we have to remain "good Europeans."

Recognizing that the euro is a faulty construct, does not necessarily mean going against Europe. Far from it: Europe's sovereign states could work

together quite well as a Europe of the Fatherlands, in the tradition of Charles de Gaulle, toward a common, worldwide mission. But for that, we don't need a Monetary Union, nor do we need a totally bloated EU bureaucracy which fritters away monstrous sums of tax revenues, and in return for that, destroys entire industrial sectors with its absurd EU guidelines.

The Entire System Is Bankrupt

Given that this crisis has now come to a head, it must be said, clearly and firmly: Any attempt to cling to the Monetary Union and the EU treaties of Maastricht and Lisbon, will plunge Europe into chaos. Even if the parties represented in the Bundestag, acting as obedient executors of the financial oligarchy's orders, think they can rubberstamp the bailout package for Greece (and after that, other states as well), it is nevertheless the case, that back in June 2009, the Federal Constitutional Court in Karlsruhe ruled that the Bundestag's action on the so-called Accompanying Law to the Lisbon Treaty was unconstitutional, and they forced the Bundestag to take a new vote. There is, therefore, a very good chance that this time, too, Karlsruhe will rise to the defense of the Basic Law and currency stability.

It's not just the euro which has failed, but the entire system of globalization, with its "creative innovative fi-

nancial instruments" and its high-risk speculation which, on a daily basis, is being exposed as criminal rip-offs and frauds. The U.S. Congressional hearings being held by Sen. Carl Levin on Goldman Sachs's machinations, are therefore coming more and more to resemble investigations in the tradition of the 1930s Pecora Commission.

Goldman Sachs is accused not only of having swindled its customers out of billions of dollars by selling them toxic securities, while, at the same time, floating credit default swaps in anticipation of their early collapse—i.e., a double financial killing. Goldman Sachs is also the bank which, for the past decade, has been helping Greece to "pretty up" its budget figures—which is what enabled Greece to enter the Eurozone in the first place. And so, the *Bildzeitung* daily ought rather to be decrying Goldman Sachs' machinations, instead of poisoning relations between Germany and Greece.

There Is Life After the Euro!

We must, and will put an end to this entire, bottomless swindle! The only question is: Will it all end in an uncontrolled collapse, with chaotic insolvencies, hyperinflation, and a plunge into a new dark age, or, will the program long advocated by the BüSo and its cothinkers in many nations, such as Democratic Party Congressional candidate Kesha Rogers in the United States, be implemented in time to avert disaster?

What we need is:

- Immediate implementation of a global two-tiered banking system, which will protect those banks responsible for issuing credit to industry, agriculture, and trade, while strictly walling them off from the investment banks. These latter banks will have to put their books into order without state assistance, and, if warranted, declare bankruptcy.
- Everything that has to do with the general welfare, especially wages, pensions, personal savings, social-welfare agencies, and so forth, shall be protected and maintained in the new system.
- All "creative financial instruments" shall be written off. We don't need hedge funds or holding companies, nor do we need derivatives contracts, securitizations, CDOs, CDSs, MBSs, etc.
- Instead of green jobs and investment into completely uneconomical "alternative energies," we need investment into advanced technologies which were developed in Germany, but which are now only being built in Asia. These include the inherently safe, high-

temperature nuclear reactor, as well as the Transrapid maglev, the Cargocap system, and manned space flight, which functions as a science-driver for scientific and technological breakthroughs.

• If we recollect our former identity as a people of thinkers, poets, and inventors, our small and medium-sized industry, if supplied with sufficient credit, can not only re-establish full productive employment, and a flourishing domestic market with a high standard of living, but we can also then participate in great infrastructure and scientific projects in Russia, China, India, and hopefully also in the United States, as part of an effort to reconstruct the entire world's economy.

The good news is that there *is* life after the euro! But it's up to us to decide how that life will take shape.

On May 9, vote for the BüSo, the only party which, from the very outset, forecast that the fatally flawed character of the euro, and the collapse of the global financial system, and the only party which, along with its allies in the United States, Russia, China, India, France, and Italy, has a concept for overcoming the global financial crisis, a concept which is in keeping with the idea of a new credit-based system.

This time, don't vote for the "lesser evil"—any evil is already too much—and also don't join the non-voters' party. Vote for the party which has a real vision for the future: BüSo!

Interview: Joachim Starbatty

Court Challenge to Lisbon Euro-System

Joachim Starbatty is Professor Emeritus of Economics at the University of Tübingen. Along with Professors Wilhelm Hankel, Wilhelm Nölling, and Karl Albrecht Schachtschneider, he brought a complaint against the Amsterdam Treaty for the introduction of the euro before the Con-



stitutional Court in 1997. The interview was conducted by EIR's Claudio Celani on April 29, and has been translated from German.

EIR: You and three other professors have announced that you will bring a constitutional complaint, in the event that Germany participates in the rescue package for Greece. Can you explain why you will bring this case?

Starbatty: The contractual concept of the currency union is societal stability; that is first to be understood structurally as common price stability; on the other side, dynamically, as a community which has developed such that it is stable in itself. The institutional safeguard is Article 125 of the Lisbon Treaty—the "no bailout" provision. A violation of Article 125 is a sign that the currency union has been shattered as a stable community.

The change from a community of stability, to a liabilities community sparks unforeseen financial consequences; thus, the Parliament's authority over the budget will be trimmed, and the responsibility for law-making eroded. If the Parliament is required to agree to financial aid of an unknown dimension, then their responsibility as representatives of those who voted for them is no longer assured [Article 38, Grundge-setz, or Basic Law—ed.].

EIR: What do you expect to result from the complaint?

Starbatty: That the Constitutional Court will stand by the decision in the Maastricht case. The contractual concept of the currency union has been abandoned, if the currency union leads to a society of liabilities and inflation. The Constitutional Court must rule for the stability of the currency, and thus for our society.

EIR: In the event the Court supports the complaint, will Germany leave the euro? What scenario do you anticipate?

Starbatty: Should the Court agree with our complaint and declare the German assistance package unconstitutional, that will create a dynamic situation. In that case, an exit from the euro by Germany is not to be excluded. What happens then, I have sketched out in an article in the *New York Times*. There, among other things, I explained:

If Germany were to take that opportunity and pull out of the euro, it wouldn't be alone. The same calculus would probably lure Austria, Finland, and the Netherlands—and, perhaps France—to leave behind the high-debt states and join Germany in a new, stable bloc, perhaps even with a new common currency.

This would be less painful than it might seem: The Eurozone is already divided between these two groups, and the illusion that they are unified has caused untold economic complications.

A strong currency bloc could fulfill the euro's original purpose. Without having to worry about laggard states, the bloc would be able to follow a reliable and consistent monetary policy that would force the member governments to gradually reduce their national debt. The entire European economy would prosper. And the United States would gain an ally in any future reorganization of the world currency system and the global economy.

A Greek Crisis, or a Euro Crisis?

EIR: Is the Greek financial crisis a Greek crisis, or a euro-crisis?

Starbatty: Greece smuggled itself into the currency union using false figures (as did other states, like Italy). Then the interest rates of the European Central Bank for Greece were much too low; that led to excessive private and public consumption. And during this period, the politicians in Greece, but also in the Eurozone, looked the other way. EUROSTAT has documented, long ago, that the statistics provided were not correct.

EIR: Isn't it the case that the European Central Bank, the European Commission, and several EU members are more concerned with saving the creditor banks than with Greece, and above all, the Greek people?

Starbatty: A bailout for Greece is the same thing as a bailout for the participating banks.

EIR: You have sharply criticized the political-economic demands of the EU on Greece, and compared them with the policy of Chancellor Brüning. Can you explain?

Starbatty: The therapy which Greece is expected to accept is fatal. It is like Chancellor Brüning's policy in

the early 1930s: in a severe recession, to cut expenditures, increase taxes, freeze and cut wages. Brüning did that in order to gain a reputation on the international credit markets. The Greeks are currently in a similar situation. No other industrial country carries out this Brüning-like policy, because it leads from a recession into a depression.

EIR: Why is the EU leadership pursuing this policy against Greece? Are our government leaders incompetent, dumb, or evil? Can it be that some one wants a new Colonels' Junta in Greece?

Starbatty: The policy being dictated to Greece is supported by large number of experts. It's a substitute strategy, when a country cannot devalue.

EIR: It's being discussed in Greece, whether the pain of Athens leaving the euro—and thus, the EU—would not be greater than that which it would suffer under these measures, if it remains in the European Union. What is your opinion on that?

Starbatty: By leaving the currency union, its eurodebts must be cut down in the same proportion of the currency's devaluation. The banks must participate in the clean-up; they have knowingly taken on a high risk.

A Shift of Power

EIR: Going back to the constitutional complaint: In reference to the Constitutional court ruling on the Lisbon Treaty in 2009, do you see the initiatives of EU president Herman Van Rompuy and finance commissioner Olli Rehn, a shift of decision-making power over the heads of the national budgets to the supranational level of the EU, as a violation of the ruling in which it was stated clearly that Germany must retain its national sovereignty?

Starbatty: This is the transformation of the EU into a quasi-state through the back door. That development clashes with decision of the Constitutional Court on the Lisbon Treaty.

EIR: The EU Commission refers to Article 136 of the Lisbon Treaty, in order to expand its authority. Isn't that also a violation of the Constitutional Court decision of 2009? Shouldn't the Bundestag say something about it?

Starbatty: Article 136 is no basis for a transfer of political jurisdiction. On that matter, the Bundestag

must declare itself.

EIR: Will you wait for an official proclamation of the rescue action, or will you strike "preemptively"?

Starbatty: We will wait for the appropriate legislative procedure, review the text, and then, immediately act.

EIR: You propose that deficit countries should leave the EMU, so that the euro, in a smaller sphere, would be stable. But the euro would nevertheless remain a supranational currency, the European Central Bank an irresponsible NGO [non-government organization], and Germany and all other members of the mini-euro would be left without the means to conduct economic policy. The mini-euro would only postpone the agony for Germany....

Starbatty: A currency union, which is established on a strong currency bloc, would be a stable edifice.

EIR: It is well known, that the euro was invented by France's President [François] Mitterrand and England's Prime Minister Margaret Thatcher, in order to place a reunited Germany in a cage. The Germans [Chancellor Helmut Kohl—ed.] accepted it out of the fear that Germany would have the entire world arrayed against it. Other nations—I am thinking about the Italians—also were manipulated, with the fear that their currency, without the protection of the euro (meaning, from Germany) would be destroyed, and they would lose their economic vitality. Isn't it time to explain the true history of the euro-swindle?

Starbatty: We will only be able to explain the true history of the birth of the euro, when we have access to the records.

EIR: The euro has promised well-being, integration, and peace; yet it has brought poverty, integration problems, and growing conflicts among the EU states. Would it be advisable to disengage the EMU and replace it with a traditional currency system?

Starbatty: If the Constitutional Court makes its decision in the spirit of our complaint, a dynamic situation will arise—as explained above. If it refuses our complaint, the currency union slides into a state of instability and inflation. What that will result in, no one can predict for sure. But may God prevent that from happening.

Russia's Role as a Scientific And Economic World Power

This special edition of the LPAC-TV Weekly Update, featuring guests Lyndon LaRouche and Rachel Douglas, and hosted by LPAC Economics Editor John Hoefle, is archived at http://archive.larouchepac.com/lpactv?nid=14306.

John Hoefle: Welcome to the LaRouche PAC Weekly Report. This is April 28, 2010; I'm John Hoefle, and with me today are two special guests: Lyndon LaRouche, the head of LaRouche PAC, and Rachel Douglas, the head of *EIR*'s Russia desk.

We're going to discuss a number of things today, one of which is, "What is value?" I think this subject is very timely, because, as we have seen over the last year or so, a lot of things that people thought had a lot of value have turned out to be completely worthless—and that should have been no surprise, but it was.

Lyndon LaRouche: Well, the problem here is that the conception of economics as taught, and believed in most institutions today, has been, and is, utterly incompetent. The idea that money is a measure of value is one of the greatest frauds ever pulled. And this idea in European civilization developed in ancient Greece, which was a maritime power, which developed in the process of the fall of the Persian Empire. So, this began the long reign of maritime culture powers in Western civilization, came from this process, where Greece fell in the Peloponnesian War, and people from Macedon and so forth took over from Greece. And then it led to the Roman Empire and so forth. So, essentially, the world was, Western civilization, particularly, Transatlantically, was a maritime culture which was based on the idea of money. And money was an international power, greater than the power of any particular state. And that was the way the world was run.

Changes occurred. One famous attempt by Charlemagne, which was successful while he lived: Charlemagne set up the first modern European state, from the Pyrenees, deep into what we call Germany today.

And he built a system of inland waterways, that is, building canals to connect rivers> And so, now, for the first time, it became possible to have commercial freight or the equivalent moving internally inside nations, except on some of the mouths of the greatest rivers. So that was the beginning of a real basis for a nation-state. However, the death of Charlemagne resulted in a success of Byzantium in destroying his system. But nonetheless, the precedent of Charlemagne continued.

So there was a long period of development from Europe, of the idea of economy, always based largely on a currency system, a monetary system. At a certain point, with the discovery of the Americas—which was discovered actually in a sense by Cardinal Nicholas of Cusa—by a follower of Cusa who studied his work and consulted Cusa's advisors and associates. Christopher Columbus, in about 1480, decided to cross the Atlantic in line with a map which was provided to him by an associate of Cusa, a map based on the work of Eratosthenes. And so, Columbus, in 1492, finally got the money to launch the trip, and we crossed the Atlantic.

Massachusetts: The Credit System

It didn't work at first: We crossed the Atlantic, but because the Habsburgs controlled the colonization in Central and South America, that was unsuccessful. The first successful development of a landfall inside the Americas, was in the state of Massachusetts, then the Commonwealth of Massachusetts; which introduced a credit system, which is the first time in history, with any continuity, that a sound conception of an economic development of society existed. It was created in Massachusetts during the 17th Century, and was crushed there, temporarily, by the crushing of the Massachusetts Bay Colony, and was revived later, under the influence of Gottfried Leibniz, in the form of what happened under Benjamin Franklin's leadership, and so forth. And with the support, up until 1783, of Russia,



LPAC-TV videograb

A corrupted notion of economy, based on the "cult of money," afflicts policymakers in the U.S.A., Russia, and most of the rest of the world. But there is now the opportunity to overturn such bankrupt notions. Shown: Lyndon LaRouche, John Hoefle, and Rachel Douglas discuss these and related issues on the LPAC-TV Weekly Report April 28.

Spain, and France, nations which were then subsequently destroyed by the effects of what became known as the Napoleonic Wars.

But the United States persisted, came back, and with the development of Lincoln's role, we created the Transcontinental Railway system, the first such system. Now, instead of depending merely on rivers and canals, to develop a territory, we now had a high-speed method of transport, and conquest of the interior of nations by national and international railway systems.

The example of the United States was, then, from 1877 on, copied in Europe by the influence of the American success on Germany, under Bismarck, and also in Russia, on the great ideas of transcontinental railway systems throughout Eurasia.

So, this is the basis of modern economy. But one problem, except for the United States: No nation in the world has ever developed a successful design of an economic system, except the United States—and that has only been episodic, under the right Presidents and the right conditions. Our Constitution is not a monetary constitution. Our Constitution is based on a credit system, not a monetary system; where Europe, today, up to this point, continues to be based on a monetary system, rather than a credit system.

A monetary system is intrinsically, in principle, an imperial system: That is, supranational powers, such as the Roman Empire, the Byzantine Empire, or the impe-

rial power of Venice, which led into the formation of the British Empire, have dominated, as a multinational power based on the control of economy by *money*, by money systems—an imperial money system. But we've now reached the point, today, that the continuation of an imperial money system, at the expense of the Roosevelt tradition, has brought the United States and Europe to the point of a general breakdown crisis. What you are witnessing at this moment, in Europe, is a *general breakdown crisis of the euro system*.

What has happened in Greece, which is a result of the idiocy of the Europeans, the European system, is now going to hit all of Western Europe. Exactly what the effect will be in detail is not known, but we are in the process of a global general breakdown crisis, of the world economy, a process of breakdown which is centered in the Transatlantic region, in Europe and in the Americas. So, at this point, if we continue with the present system, the world will go into a deep dark age, worse than that that Europe experienced during the course of the 14th Century. In other words, we're talking about a present situation, we're on the verge of a collapse of the world economy, in a manner which would mean reducing the present world population from 6.8 billion people to less than 2—which is, of course, the British-advertised and -stated intention for the world, a world population maintained at less than 2 billion people, and most of them pretty miserable people.



What is systemically wrong with the world economy? The belief in money as a standard of value has led, as it did in the 14th Century, to the current global breakdown crisis. Shown: "The Gold Weigher" by Cornelius De Man (Dutch, 1670-75).

The Belief in Money

So, the question comes up, "But, what's wrong? What's systemically wrong? Why is the world making these mistakes repeatedly? Why is all economics, as taught, and practiced by governments, today, why is it incompetent?" Because they believe in money. They believe that money is a standard of value. And it's this belief in money as a standard of value, which creates the system, which leads to a breakdown crisis, as it did in the 14th Century, and *now*, *again!*

And now, this affects all the Transatlantic region, immediately. It affects Russia, because Russia has a rotten financial system, which is British-controlled. So we have Russia, which is otherwise a viable nation, because of its great physical assets, is now in the danger of actually disintegrating, from this point on, because of the presently ongoing crisis. Now, the crisis may take various forms: It may slow down; emergency steps may temporarily slow it down. But as long as the present system exists, the present world system, beginning with the Transatlantic system, is in a process of *general breakdown*, disintegration, *mass murderous disintegration*, if we continue to operate under the present world system.

Then we have to go back, in our case in the United States, back to our tradition, our Constitutional tradi-

tion, which is a credit system, not a monetary system. And we simply have to do several things. First of all, there is no solution for the present crisis, unless the United States initiates it. It is not possible, to prevent the world as a whole from going into a crisis.

The crisis is very simple: We now have a Transatlantic crisis. The United States is now in a *general collapse process*. There is no bottom to this crisis. And under the present arrangement, there's no stopping it. As long as Obama remains the President of the United States, there's no possibility of the survival of the United States in this crisis. Because his committed policies are such that that's case.

In the meantime, Europe is doomed: Western Europe, Central Europe, are now doomed, by the euro system. And right now, in the past week, the euro system has been disintegrating. It's called the "Greek crisis"—it's not a Greek crisis. Greece was put through an operation to hide and protect the British system. It's a Transatlantic crisis, which is now centered in the euro system.

The euro system is now in the process of a general breakdown. And nothing can save it in its present form. The collapse of the euro system immediately threatens the Russian system.

Russia is a Eurasian nation, which is partly in



The nations of Eurasia—Russia, China, India, South Korea, Japan—despite countervailing British tendencies—are based, economically, on physical economy, with a nuclear-power orientation, and high-speed mass-transit systems, like the South Korean KTX-11 high-speed train pictured here.

Europe, but it's also Asian: It's Eurasian, historically. So under these conditions, the Atlantic side of the Russian system, the side that's controlled now by the British, through agents in Russia who are leading agents, like Gorbachov, Chubais, and so forth. They're notorious as British agents, and the people who work for them are British agents, with no loyalty to Russia, as such. They're loyal only to their own ambitions and to what they get from their British friends.

Now, on the other side, you have Russia, economically, in physical economy; China, India, also Korea, especially South Korea, Japan and other nations are based on a nuclear-power orientation. They're based on high-speed mass-transportation systems and their development, and other essential infrastructure. Even though China and India contain a majority of the population which is extremely poor, desperate, nonetheless, the development of nuclear power, investments in nuclear power and mass transportation, in these countries, means that there is a revival of the economy in process. The problem for these countries, is that if the Atlantic system collapses, now, then the collapse of the Transatlantic system will mean a chain-reaction collapse of the Russia-China-India and associated country system.

So we're now looking at the threat of a general dark age of the planet as a whole, unless we change, in particular, the policies of the United States. Because the only way Europe can survive, is by going back to a Franklin Roosevelt tradition in U.S. policy, and the influence that Franklin Roosevelt typified, as intended to go into the post-war period, had Truman not succeeded when he did.

So going back to the American System, the Roosevelt conception of the American System of political-economy, is the key to the revival, or saving the planet as a whole, from a chain-reaction collapse, starting in the Transatlantic region of the world, and spreading into the Asian part of the world. And that's our situation.

And the problem is, as long as we believe in money, as a money system, rather than as a credit system, we are doomed! And the problem is, that everybody who teaches economics generally, with very few exceptions, in the Transatlantic world in particular, is intrinsically incompetent in dealing with this crisis! And it's the belief in money, that is the root of their incompetence.

Return to Glass-Steagall

Now, you say, "How could this be possible?" Well, look at the U.S. economy, for example: During the period since Truman took over as President, in most of these periods, we said, "Large corporations have been profitable," we've been told that the economy was growing, because the profits of certain parts of the industry—the nominal profits, the nominal assets—were increasing. But it was all a fake, because, in physical terms, the United States has been actually *declining* as a physical economy, since the end of the World War II. And because we rely on a money system, we count value in a money system, rather than a credit system, rather than a physical system. And most economists are incompetent.

I've been forecasting since 1956, and I never made a mistake! And none of my rivals ever made a correct forecast. They all failed. It's a matter of record. Because, they based themselves on the statistical methods of a money system, and the money system is inherently fraudulent. That's another story, and I've gone through this before: exactly why, how, I made these forecasts. Why I was right, and why the opposition of the so-called rivals were always wrong, and why the governments were wrong: because they based themselves on a statistical-monetary approach to understanding economy, and did not take into account a *physical economy*,

as represented by a credit system. And therefore, we've got to go back to a credit system.

And that means, that the first thing they are going to have to do, is they're going to have to learn economics from me. And there are a number of leading people, now, who are beginning to understand, accurately—and they're professionals—exactly what I'm proposing. And we can come out of this quite successfully.

But, that means, that we have to, first of all, put the entire system through bankruptcy reorganization. We have to go through a Glass-Steagall process, in which we wipe most of this crap off the books: We're going to wipe out most of the financial claims of financial institutions today. Those that do not meet a Glass-Steagall standard will be wiped out. And this will be extended into Europe and beyond—otherwise, no chance of recovery. And people will have to learn, what I mean by "physical economy," because if they don't, we're not going to get out of this dark age. And what's happening this week, in Europe, in a general breakdown crisis of the euro system, which

will soon hit Brazil—this week's developments!—will tend to, and are capable of, destroying the world economy *this week*, in a chain-reaction formation.

So, the idiots better wake up. Because the time has come: We're going to a credit system if we're going to survive. We're going to have a Glass-Steagall kind of reorganization of the world banking system and financial system, in the Transatlantic region. We're going to wipe out this garbage.

Now we will have the ability, through our Constitution, to launch a flow of credit, for a revival of the U.S. economy, and the revival of the U.S. economy through large-scale infrastructure projects of a necessary type, will revive the U.S. economy. If the U.S. economy revives, then Europe can revive, and the world can be saved. But without this change, there's no chance for the planet as a whole. *You are now in doomsday, just like the people in the 14th Century*. It's here and now. It's not something that "might" come: *It is already happening in Europe, this week*.

LaRouche Brings FDR to Russia

Rachel Douglas: Lyn, in Russia, you're very well known, both for this track record of accurate forecasts,



EIRNS

In 1996, LaRouche was invited to Moscow by scientific circles; his proposal that Russia adopt the nation-building policies of President Franklin Roosevelt, for Russian economic development, was well-received, and continues to reverberate years later. Helga Zepp-LaRouche is at LaRouche's right.

but also for your solutions. And as you were speaking about the need for the Roosevelt conception of the American System, I had a flashback to 1996, when you were the keynote speaker at a seminar in Moscow. This involved Academician Abalkin, who was one of the leading economists of Russia; it involved a gentleman who's deceased now, Valentin Pavlov, who was actually the last prime minister of the Soviet Union and himself had a track record in declaring speculators "bankrupt," for which he incurred their wrath in 1990, when he did a currency revaluation to clean up some of the dirty money.

Now, in 1996, the people who hosted you from the scientific circles, were not in power. Who was in power, was the group you referred to, of Yegor Gaidar, Anatoli Chubais, Vladimir Mau, Pyotr Aven, the people who are the biggest promoters of the cult of money inside Russia.

The resonance, the receptivity to your concept of restoring what FDR wanted to do at the end of World War II, was tremendous, from the senior layers, who were out of power. Today, they're not with us so much any more. Some of them are still there, in the interstices, in their institutes. And yet, as recently as two years ago,

or two and a half years ago, we saw the potential of the FDR kind of thinking catching on, when, you remember, there was a seminar in Moscow, celebrating the 125th anniversary of FDR's birth, and some of the speeches actually laid out some of the concept of what happened during the New Deal. Yet, the resonance of what was implied by that, from the United States, was nil. And now, some of the same people involved in that Roosevelt commemoration from a few years ago, are off in la-la-land, with visions of sugarplums, called "Silicon Valley in the Moscow area."

And, I think this gets back to this question of the attractiveness and the viciousness of the cult of money, and how it has caught people in Russia and elsewhere. I wondered if you would address that?

LaRouche: Well, first of all, it's not Russian money.

Douglas: Exactly!

LaRouche: It's British money. That is, Russia today, in monetary terms, is controlled by the British Empire. And it's actually, by, of all things, Goldman Sachs!

Douglas: The initiator of the BRIC [Brazil-Russia-India-China group].

LaRouche: Yeah. Goldman Sachs not only initiated that, but they ran a number of events to take over Brazil.

Douglas: Yes.

LaRouche: Brazil is now in a crisis, because Brazil is the Happy-Happy Land—it's a terrible Happy-Happy Land, but allegedly happy, except most of the people aren't—for this operation. And they have a marginal system which is propping up the entire British system, which is the current British monetary system—

Douglas: The Brazil carry trade.

LaRouche: Exactly. Which is the Inter-Alpha Group, which was founded in 1971 by the British Empire, at the same time that influences of the British Empire were crashing the U.S. dollar, in the same period, 1971. And so, this Inter-Alpha Group was originally an anti-American, anti-U.S. operation!

Douglas: Now, this European-centered phase of the meltdown that you just referred to, that's going to have an effect on Banco Santander and some of the other kingpins of the Inter-Alpha Group.

LaRouche: Oh, it's already—the Brazilian carry trade was operating on an 8% return basis, which was very high then, relative to other markets. Now, today, you have European interest rates are going up to 15% and higher. And they're not just increasing, they're soaring! We don't know how high this will get: You're actually in a hyperinflationary spiral, right now, in Europe. Which means that the Brazil carry trade is going to maintain itself—because it is a carry trade it's going to have a Japan-type crisis in its carry trade. Which means the whole system is going to have a carrytrade problem, which means that the whole Brazilian system is going down. Because this is going to have to match the European price. The European market is now in the vicinity of 15%, the last time I looked at it, and it was already still soaring.

So, we're in a general breakdown crisis of the European system, which is now going to hit Brazil, it's going to hit the BRIC, which means that the present Russian government's policy is gone!

Douglas: Exactly! So, the rug is being pulled out from under the swindlers and those who are agents of the British system, isn't it?

LaRouche: Yes!

Dvorkovich: Get More Money!

Douglas: We had, the week before last, Arkadi Dvorkovich, about whom you spoke so eloquently last Saturday, in the United States. And at the top of his list of priorities, which he was very frank in describing to audiences in Washington, as well as in California, is: "Get more money!" He stated, as the advisor to the President of Russia, "My top priority is to get more money." He said, he wanted to invite private equity funds in, to fund high-tech startups in Russia. Now, of course, if you say "high technology" that sounds good. But unfortunately, the same addicts of the cult of money, have become part of what I think you've called the "New Flagellants," and we have the Facebook phenomenon, considered to be "high tech."

I had the misfortune of hearing a briefing given by an official of our government, in Russia, to Russians, who described social-networking websites as "the statecraft of the 21st Century"! And was accompanied by a delegation of so-called "high-tech companies" featur-

^{1.} See Lyndon H. LaRouche, Jr., "The Case of Arkadi V. Dvorkovich: Free Russia from the Pirates of the Caribbean!" *EIR*, April 30, 2010.



Presidential Press and Information Office

Arkadi Dvorkovich (left), an economic advisor to President Dmitri Medvedev (right), reflecting his British pedigree, declared to the Russian President, "My top priority is to get more money."

ing eBay, and the Social Gaming Network, as if this had something to do with the future. So, this can be gone, right?

LaRouche: Yeah, well as Debra [Freeman] in a webcast here, reported on this, how this thing was set up.² The operation, by this man, into MIT and into California, was an attack on me, personally. The attack involves a fight inside Russia, between those who are—well, I would call them "the enemies of civilization inside Russia," such as Gorbachov, for example, Chubais, and so forth. These types are actually the enemies of Russia. They're British agents, they're enemies of civilization. And they happen to be my personal enemies. They're declared enemies of Putin, the Prime Minister of Russia.

So, we intervened against them, because they went directly to the key people with whom I'm collaborating, among leading economists in the United States, especially in MIT and in California. And they tried to pull an operation, which we dealt with. And I answered this, and I think this gentleman is now going to find himself in an embarrassing position, as a result of making a fool of himself. But he came to the United States, as a representative, deployed by a crowd in Russia which is British-controlled.

So now, you have a system—right now—you have a system, a general breakdown of the world system, and the Russia economy is now based entirely on dependency on the British-managed system, on the Inter-Alpha system, essentially: They're controlled by it—by Goldman Sachs! Goldman Sachs, who created the system—

Douglas: Yes. So, we're talking about the money control. And we're also talking about the idea control, aren't we? Because our investigation has found the roots of this crowd, in systems analysis, in IIASA [International Institute of Applied Systems Analysis].

LaRouche: Right, this goes back to Bertrand Russell.

Douglas: Yes.

LaRouche: So, this is a British imperialist system. Now, what happens, *if* we, in the United States, get rid of this President who will prevent this from happening; but without him, we can do it. Because we will respond to the present crisis in the way that Senator Levin has indicated.³ It'll happen automatically. It'll happen as a reflex, because they are desperate, they demand some action, they will act. This President is the impediment to such a reform: He's totally British.

But if he's removed, or set back, and about to be removed, then we will respond to the kind of crisis that is going on now, by going to a Glass-Steagall response. That's what you have reflected in what Senator Levin was doing yesterday. Our response is a Glass-Steagall response—of Roosevelt. Under those conditions, we would reorganize the banking system of the United States, according to a Roosevelt standard, Glass-Steagall. We would reorganize the banking system. We would then *cancel* these many hundreds of trillions of dollars of wastepaper money—just cancel it, because it doesn't conform to a Glass-Steagall standard; it's

^{2.} See LPACTV, "Debra Freeman on the Stanford Group, Four Powers, and Obama," April 27, 2010 http://www.larouchepac.com/node/14295; Freeman is LaRouche's national spokeswoman.

^{3.} Sen. Carl Levin (D-Mich.) is chairing hearings of the Senate Permanent Investigations Subcommittee, on the crimes of Goldman Sachs, which led to the economic meltdown beginning 2007.

speculative money.

Then, the Federal government could issue credit, new credit, which is Federal credit, Roosevelt-style. We would then go with large-scale infrastructure projects: mass transportation, water projects, power projects, and also rebuilding the school systems and other things, which are infrastructure. These projects would stimulate the private industry growth, agriculture and industry.

So the way to do it, is you do the infrastructure first, mass infrastructure, as Roosevelt did. You start with large-scale, mass infrastructure policy. That creates the economy for the private sector. Then you have a banking system, which can now loan money into the private sector, for investments in agriculture and industry

and so forth, and restore things. We can do that.

If we do that, then Europe will do it, then Russia will do it. If they do it, then we've saved the international trade system. We've saved the international trade system, we've wiped out hundreds of trillions of dollars, probably a quadrillion or several quadrillions of nominal paper: We just wiped it off the books! We start from scratch with a new monetary emission, as a Roosevelt system, and we can start to regrow again.

Gossip in Russia

Douglas: I'd like to press a point on this bankruptcy, because I'm familiar with some of the discussions of your proposals that go on in Russian circles, and there's I think what I would call a piece of gossip, about your bankruptcy proposal, on the part of some people—I think it's just a misunderstanding—and here's the form it takes. People will say: "Yes, LaRouche is calling for a bankruptcy of the whole system. Well, we all know the United States is the biggest debtor in the world. So what LaRouche, as an American, wants to do, is get the U.S. out of its debts, at the expense of the rest of the world." And I think we need to get out a two by four, to make clear that that's not what you mean!

LaRouche: Well, no, they wish—it's political. They're frightened. They think that they're hostages of the present government. Therefore, they say whatever they think is expected of them, if they're going to be



Presidential Press and Information Office

A newspaper owned by British asset Mikhail Gorbachov recently published an attack on railroads, and Russian Railways president Vladimir Yakunin (right), with Prime Minister Putin.

treated nicely in Russia. They don't actually believe it—because they know they don't know anything about it. And when people assert something they know nothing about, it indicates that they're making up a story.

Douglas: Out of fear.

LaRouche: Yeah, exactly. Or, opportunism.

Hoefle:Well, this visit by Arkadi Dvorkovich, and the operation which this represents is very instructive. Because you have the British, who understand clearly, that the only threat to their system, is what you're recommending. And that it is being taken *seriously* by economists and other political layers, here in the United States. And that if your policy prevails, they're toast.

LaRouche: The other thing is, in Russia, in particular, where they're trying to use President Medvedev as a dupe of this crowd, against Putin. So now, you have a political crisis in Russia, caused by this. So the reason they went after me is, because they saw my influence, as being the greatest potential for boosting what Putin is trying to do, on his side, in that leading faction inside Russia. So why would they send this poor guy, who's only 38 years old—he's a chess player, he's not an economist; he's a chess player, with complications of this and that, with a university education. And they send him out to California and to MIT, to attack precisely the people that I've been collaborating with, inside the

U.S.! What's he doing that for? He was sent by his masters from Russia—his British masters—he was sent to the United States to try to disrupt my operations, here, because my operation would tend to strengthen Putin's position against what the British are trying to do in Russia.

So therefore, they saw it as an immediate need, to try to pull me down, in aid of this crazy President we have, for that purpose. And they made a big mistake! Because they stuck their flank out, and you know what I do with a flank, when I have a shoe on!

Douglas: You know, there's actually a similar incident which occurred about three weeks ago, which is that a newspaper, which, believe it or not, is owned by former Soviet President Mikhail Gorbachov, suddenly came out with a huge attack on railroads. Not just railroads, but projects in general. And this newspaper—it's called Novaya Gazeta, which means New Newspaper—attacked, by name, Russian Railways President Vladimir Yakunin, who, as we know, has given public interviews calling for building the Bering Strait connection, really taking the two transcontinental nations and connecting them across the Bering Strait; and also attacked Viktor Ishayev, currently the Presidential representative in Russia's Far East Federal District. Now, Mr. Ishayev, ten years ago, wrote a paper on what Russia's economic policy should be, where he invoked FDR's New Deal.

So this is a certain grouping that came under attack from Mr. Gorbachov's newspaper. But what this newspaper said, was—you'd have to be sleeping to dream it—they attacked mega-projects, saying that big projects are Stone Age. It's a Stone Age approach which has nothing to do with what the people of Russia need. And then they proceeded to denounce some of Russia's greatest scientists, like Mikhail Lomonosov, of the 18th Century—he was in correspondence with Benjamin Franklin's circles about the development of Siberia, and about electricity, among other things. Lomonosov was famous for the concept that Russia will become great if it develops the Siberian frontier and the Arctic Ocean area.

And so, the Gorbachov newspaper said that this is an "ancient and stupid-sounding phrase," that the Russian people *don't* need Siberian development; they don't need railroad projects. Basically, they need to move toward the South—that's an argument that's even been the subject of whole books—and being able to

have high-tech startups and find their market niche.

This idea that the very type of project we associate with nation-building and progress, the transcontinental railroad, is "a technology of the past," is "obsolete," is "old-fashioned"—this is very widespread.

LaRouche: Well, he's a British agent. He's a British agent! I mean, he always has been, since the inception. He was part of the thing with—

Douglas: Gorbachov? Yes.

LaRouche: Gorbachov is a British agent! He was a traitor to Russia! He's considered by leading Russians to have been a traitor to the Soviet Union, and I consider him a traitor to Russia, today. Inside his own nation, he's a traitor to his own people, his own nation, and he represents a group of people who are all this British-run crowd, out of the Bertrand Russell tradition, the Bertrand Russell intervention into Russia with Khrushchov.

This was a process which was introduced—which is why I've said, my view that Stalin was assassinated.

Mother Russell and the Cambridge Apostles

Douglas: Because it was the next year that Khrushchov sent his emissaries to Bertrand Russell's World Parliamentarians for World Government conference.

LaRouche: Yes. And this was a change in policy. They eliminated Stalin, who had a different policy, in order to put a Khrushchov policy in. And Khrushchov's policy evolved. It began to gather up steam. When we had a negotiation with the Soviet Union, which was centered in Paris, we had a negotiation which could have—

Douglas: 1960, the Paris conference, where Nehru was present, and leaders of the Non-Aligned Movement, and de Gaulle. So there was a possibility for a global constellation for development—and the U2 incident occurred in the middle of it, and wrecked the conference.

LaRouche: The point is, is that Khrushchov was a British agent: He had become a British agent. Obviously, he made a complete change of character from the time, when he'd been in Ukraine earlier, to what he was as Premier. Brezhnev was a different case. They knew what the story was with Khrushchov, and they got him out of there, by unified agreement.

Douglas: But the tendency remained, even during Brezhnev's more traditional industrial—



wikipedia commons

The 1960 Paris Conference, where Nehru, de Gaulle, and leaders of the Non-Aligned Movement gathered, was poised to create a new global constellation for development. But the U2 incident occurred as it was taking place, and wrecked the conference. Here, British agent Nikita Khrushchov, then-Soviet premier, views the wreckage from the crash of the U2 spy plane.

LaRouche: Yes, because this was a process which led into the establishment of IIASA. And IIASA was, again, what the policy is *today* of Russia, the Bertrand Russell policy of that period.

Douglas: Well, it's just so important, I think, for our viewers that you mention Russell as the mother of these processes, because not everybody who's become recently a viewer of LPAC knows that you wrote an article in 1994 called "How Bertrand Russell Became an Evil Man," and you've called him "the most evil man of the 20th Century."

LaRouche: He is!

Douglas: I find, looking at the different aspects of the problem in Russia, that we have so many of these phenomena that came out of the Cambridge Apostles group in the 1930s, of which Russell was the mother. And really, that process gave us systems analysis, the Cambridge systems analysts, which then came in, in the Khrushchov period, to Russia; they gave us John Maynard Keynes, who moved from being a Russellian probability expert into being an economist, in whose book, *every* chapter title begins with the word "money"; and they also gave us the Kim Philby spy ring, which you famously identified in 1979, that it's fruitless to look for the "third man" or the "fifth man" because they were all

triple agents! Kim Philby was the famous British intelligence operative who defected to the Soviet Union, and Lyn said he was working for Britain all along.

But this whole complex came out of Russell's efforts during the 20th Century, didn't they?

LaRouche: Yes. But this was typical British. Russell was an extreme form of this, but he was a British imperial product, entirely. And he was one among the most sophisticated—and the most evil—of these types of products. Some of the others had delusions about industry and physical reality. Russell was a genocidalist from the beginning: Russell would make Hitler look like a hero, with what he actually did. I mean, relatively, for mass murder, there's no

one who's a bigger mass murderer, by advocacy, than Russell! And today, the British policy of genocide today, like the health-care policy of the current President—our President—is a policy of genocide, modeled directly on the Hitler genocide policy at the beginning of the war, today!

Douglas: The T-4 policy.

LaRouche: Yes. And the whole thing!

Monetarism: A Global Evil

So, this is the way it spreads. And what you have is, enemy agents have infiltrated the United States, and they've now given us a President whose policies, whose health-care policies, and social policies generally, are those of Adolf Hitler! Making the same argument that the Hitler regime made, at the beginning of the war!

And therefore, this is the kind of evil we're up against. It's a global evil, which has infected Russia. It's characteristic of the British system, it's infected Western Europe generally, and it's now infected our United States. And it all goes with this idea of monetarism. If people believe in monetarism, they're easily played. Because they believe that what they need is money. And therefore, the money they get or don't get, often determines their notion of self-interest: They lose the sense of human interest, and think only of a money interest. And that's how our people are corrupted. And

that's why they're getting enraged now, because they've been promised that they live in a money society where politics will supply them with the money needed for a decent life. And that's being taken away from them! And they look, and they say, "What are you doing to us!? You can't do this to us!"

Douglas: "Now, what do I do?"

LaRouche: Yeah. And then they find themselves in a hopeless situation, and then they find the members of Congress are supporting this policy. And they hate them more than they hate the President! The President has a policy which is absolutely Nazi-like, hateful! But they hate the members of Congress, because the members of Congress are supposed to be their representatives. And they think of them are most close to themselves than the President. That's why the people, today, of the United States, *hate* the members of the Congress even more than they hate the President. And he is, by the way, getting into negative numbers nowadays.

So, it's that kind of situation. And that's the way you have to understand these things.

You have to understand, why do masses of people actually tolerate leadership, which connives to do *this to them*? And then, when they're presented with the evidence which would bring them to the conclusion, that it's these people who're doing *this to them*—they block. And say, "No, you must be wrong. Popular opinion goes the other way." And popular opinion is often influenced by opportunism. And to get a people, like our people, out from under the influence of opportunism, to start to define their own interests in a truly rational way, think of their own interest historically, think about their ancestors and their descendants—that's happening in the United States, now.

Douglas: And the descendants—this gets to your whole perspective on science, because, after all, Bertrand Russell: Who could be more of an enemy of the tradition in science that your project and the Basement project on cosmic radiation, represents?

I remember in 1995, Lyndon LaRouche addressed a different seminar in Moscow, which you titled, "We Must Attack the Mathematicians, in Order To Solve the Economic Crisis." And you very subtly focussed your polemic on Leonhard Euler, and Euler's argument in his *Letters to a German Princess*, in favor of infinite divisibility, versus Leibniz's concept of the monad. And this was subtle, because Euler was based in Russia for

many years. But what was the Russian response when you did that?

LaRouche: Well, the problem was, the Communist Party, which had a very strong influence, in terms of the Russian scientific leadership, had all been—it's like the conflict between Vernadsky and his opponents—

Oparin vs. Vernadsky

Douglas: Oparin.

LaRouche: Oparin, yeah. Oparin did not believe in the principle of life, and therefore, he attacked—he had only one occasion where he publicly, openly was allowed to attack Vernadsky, but the issue was clear. You would say, his view of mankind was mechanistic, his view of chemistry was mechanistic with respect to life, as against Vernadsky. And the problem was, even though Vernadsky is a sacred name in Russia, among many people, traditionally, even then, the people who would otherwise defend the name of Vernadsky would not defend the mechanisms, of the ideas by which he came to those conclusions. That's the problem: It's this Communist Party problem. And the problem with the Communist Party of Russia, as in other Communist Parties, is, they were all—Karl Marx was a follower of Adam Smith, and that problem infected everybody who thought they were a Marxist.

Douglas: Well, it made me very happy, that one of the big hits over the last year on our Russian website, was a page posted, probably a decade ago, which is your 1994 essay, called, "The Science of Physical Economy, as the Platonic Epistemological Basis for All Branches of Human Knowledge," which we published as a book in Russia, under the title, *Physical Economy*. And one of the *very big* chapter heads is called, "Smith, Ricardo, Marx: Economists of the British School." And this experienced a great surge in popularity over recent months in Russia, which I take as a very positive sign.

LaRouche: Sure it is. Because the respect for science among the intelligentsia of Russia is fairly strong. Even more so than in the United States. It's still there, but it hasn't been financed very much. It's because of the Academy of Sciences, the Russian Academy of Sciences, and the Ukrainian Academy of Sciences—both were repositories of this kind of thinking. And the influence of Vernadsky is extremely strong. Because, after all, the greatest achievements of the Soviet Union came out of the work of Vernadsky. So, wherever you had a real scientific institution, as opposed to the sociologist

types, the Academy of Sciences was very much pro-Vernadsky. You had to be pro-Vernadsky, or you were not going to be respected.

The Russian Oligarchs: 'Pod People'

Hoefle: Well, when the Berlin Wall fell and the Soviet Union collapsed, a lot of people thought we were going to have a "peace dividend." The world was going to be headed into a bright, new future. And instead, what happened is, that the British moved in, with their criminal apparatus, funding the development, the rise of what they call "oligarchs," in Russia, which are really just front-men for the real oligarchy, and looting the country, and basically causing chaos, to destroy the country so that it could not reform as a nation. And now you have the rise of Putin, who's

trying to reform Russia as a nation, which the British are opposing.

LaRouche: The problem is rather elementary: There is a very strong scientific tradition, as I said, in Russia. This was the work of the Academy of Sciences, and it goes back to the 18th Century, with Czar Peter the Great, who was a supporter of scientific ventures—well, he was not always right on other things, but in that matter, he was right. And the movement around that, was persistent. And Leibniz was very influential in this process, the influence of Leibniz as such. So that you had a very strong tradition in the Academy of Sciences, despite the Communist Party aspect.

And Stalin was largely responsible for this, because Stalin—who was a very complex character—but he understood, as most of the Russian leaders did, against Bukharin, and others, understood the importance of this, understood the importance of science: that you could have a political system on the one side, but you had to have a scientific basis for its existence on the other side. So, on the question of science, Stalin's views were quite different than they would be morally on



wikipedia commons

The Russian "oligarchs," said LaRouche, are like the "pod people" of the 1950s movie, "Invasion of the Body Snatchers." "They went to Britain, got transformed by some alien thing from outer space, and now, they're not really Russians any more. They look like Russians, they speak Russia and so forth, they have the image of Russians—but they're really from a different planet and from a different universe, in point of fact!"

some other, political issues—about who to kill.

So, in this case, the Stalin tradition, which was used to mobilize the defense capability of the Soviet Union, in the sense of the science factor, was very strong. In the post-war period, the rebuilding of Russia was a science-driven policy. So it was deeply embedded.

And you had, Andropov, in particular—it was not new to him, but Andropov before he was leader of Russia, he had already begun a process, continuing Khrushchov, of taking talented young Russians out of science, and sending them to London to learn financial economics. And this process, which went through the Russell process, which went through all these things—Chubais is typical of the thing today—they corrupted them. Then, based in Britain, intellectually, based in Britain and the Netherlands—

Douglas: And Austria. **LaRouche:** Yes, Austria.

Douglas: Habsburg! Because the IIASA, the International Institute for Applied Systems Analysis, was *so*

central to this. I read recently a paper Chubais wrote in 1990, and delivered at IIASA, where he laid out what they were going to do, whether it were under the Soviet Union or under Russia. And he said: First, we're going to have an extremely painful structural reform, and get rid of all these industries that we don't need, and cut the amount of freight on the railways. And basically, he described what was about to happen in the 1990s.

LaRouche: Well, that was the Russell policy.

Douglas: And *then*, he said: We're going to create the missing element. The missing element in Russia is the oligarchs. He didn't use that word, but he said: We need to create people with a lot of money, who can fund startups and so on. And that's what they're doing now.

LaRouche: Yes. See, what you've created, thereby—and these people are more loyal to Britain, than they are to Russia. You scratch the surface, their ideology is British-oriented ideology. So they really are like aliens, you know, like the "pod people"—the movie in the 1950s about the "pod people"? ["Invasion of the Body Snatchers"—ed.] They were taken over and they were replaced by "pod people" in their likeness. And what these people are, we call them the "pod people" who went to Britain, got transformed by some alien thing from outer space, and now, they're not really Russians any more—they look like Russians, they speak Russian and so forth, they have the image of Russians but they're really from a different planet and from a different universe, in point of fact. Now, they go back to Russia, with their Russian-speaking credentials, and they become the enemies who have bored within the country from which they came, and came back as "pod people."

So, if you think of the old movies about the "pod people," and you look at them, and you say, "Well, these guys are pod people! The whole bunch of them are pod people!"

If you look at the history of Russia, and some of the things we know best from the 20th Century, that the idea of patriotism in Russia is fairly clearly defined. And some Russian who thinks differently, you would say is not a patriot. Like some of our best-informed Russians, of that tradition, will say, "So-and-so is actually an enemy."

Nuclear Power, Not Silicon Valley

Douglas: And right now, when you have these clowns running around talking about re-creating Sili-

con Valley, which they don't bother to mention is halfempty in terms of office space—

LaRouche: Pinky!

Douglas: Yeah, with Poor Pinky on the loose, some of the senior Russians say, "Wait a minute! Why do we need to have some new such center for startups?" When they have in Russia, a tradition of what they call *Akademgorodok*," which means "Science City," very much oriented, again, to the Siberian frontier development, where you can solve a lot of challenging problems.

LaRouche: The problem is, the British hate Russia, and therefore, these people are enemies of Russia, who are Russians. Because, again, it's like "pod people."

Russia, first of all, is a Eurasian country culturally. It is not a European culture or an Asian culture; it's a Eurasian culture. It has a vast territory from the Russian border [in the west] to the Pacific Ocean, north, containing a tundra which only Russian scientists know how to deal with, in terms of mineral resources; which has this potential. And to the south of it, you have Mongolia, which is now just beginning to be liberated, from its isolation; you have China, which is growing actively,



Some crazy Russians (or Anglophiles) propose to re-create "Silicon Valley" in Russia. Perhaps they should hire "Pinky" (Robert Valentino), a former Silicon Valley engineer, whose job evaporated with the IT meltdown in 2000.

now; India, you have Japan which is committed, South Korea is committed, so you have countries which have a lot of poor people, mostly in China and India, and so forth, but you have a commitment to nuclear power, and to industry and to science! So, now Russia has a very special function, natural function in that setting. Combine the territory it controls, its experience with that territory, as a people, over centuries, and use that resource that it represents, and the people who *share a tradition* of that territory, for the development of the raw materials which *exist in northern Russia*, in the Siberian area in particular; for materials which are needed, on a mass basis in China and in India.

Typical is the nuclear policy: Russia is a nuclear nation, a nuclear power! And what is needed throughout the world today, is nuclear power development. Russia is the leader, in supplying Asia with nuclear power, specifically India, which has a long relationship with Russia, on nuclear power.

Douglas: And China, now.

LaRouche: And China, now! So, therefore, the existence and survival of China, India, and South Asian nations, depends on nuclear power, especially regions which have a high population-density, which can not survive, out of the levels of poverty now existing, without nuclear power. And so therefore, Russia has an organic interest as a nation, and as a former superpower. It's now a quasi-superpower, a ghost superpower, but nonetheless, it has the characteristic. So the patriotic impulse in Russia, is for that tradition, the success of that tradition, which goes with the history of Russia, since the beginning of the 18th Century, the development under Peter the Great and on—this is the tradition. And their nature is to be an independent Russia, which has a *natural affinity* for the United States!

Douglas: And to be the transcontinental nation. Because Mendeleyev, the great chemist, was also a railroad man, and an anti-British economist. His ally, Count Witte, pushed through the building of the Trans-Siberian Railway on the American model.

Now, today, there are hardly any *people* out there, and some of our friends in Russia who are patriotic, are so worried about the depopulation of the Siberian area—I think there's now fewer than 20 million from the Urals to the Pacific, so it's kind of like Australia, in terms of population-density!—that they've even floated the idea that maybe Russia would have to move its capital from

Moscow to the Far East. But how would you see them addressing this population and manpower question?

Developing Siberia

LaRouche: Very simply: First of all, to deal with the Siberian territory, you have to have large-scale infrastructure development. When the Soviets worked on this, in particular, they depended upon the Science Centers for promoting this, and they had the projects. What happened, the depopulation of Russia, after the collapse of the Soviet Union, just stripped this area, first of all, because it was cut off. By Russia. So the territories exist, some of it's quite habitable, can be sustained—it has some interesting weather in the wintertime, but nonetheless-but the area is essential for Russia, in terms of the raw materials driver. Not only for Russia's as its own internal consumption, but for its neighbors. Only Russians can develop some of this territory. China can not develop it—but China needs it! The Russians can provide it. India, again, it's a spillover from Russia. The nuclear power case, is a case of this sort of thing.

So, the natural tendency is for Russia to become a patriotic nation, because of its Eurasian characteristics, and to orient traditionally to the United States, as a large territory, with some of the same challenges; where we include Canada and Alaska, we have the same kind of challenge in North America, that they have there in Russia.

So the idea is large-scale infrastructure development, without which you can not develop these territories, which is a similar problem; and a population which will slip into starvation if you cut them off from that. So therefore, they have an interest.

They also have an interest, as we do, in relationship to Europe. Europe is sort of a motherland, which never got sane. It got senile instead of getting sane. No, this whole tradition, the political tradition. But Europe depends upon this, Europe depends on Russia, Europe depends on the United States. And we depend on Europe as an ally, in developing Africa and developing the poor areas of, say, South Asia and so forth. So, we have a commonality of interest, as separate nation-states—because you can not destroy the culture, by trying to homogenize these cultures. You have to use the culture.

And so the British are afraid! They're out for a world empire, a single world empire, extending around the entire planet, and to isolate it from Martians things like that, strangers coming in. That's the British policy.

If Russia exists, it is not destroyed—and it can only

be destroyed by being self-destroyed—if Russia is not destroyed, then the British Empire can not rule the world: It's that simple. That's what the issue is.

Hoefle: And the same for the United States.

LaRouche: Sure. Exactly! That's what they're doing to us! That's why we went into the war in Indo-China. We were pushed into it to destroy the United States, which is what happened. And they had to kill a President to get access to do that! Kennedy—Kennedy was killed for that reason. Because Kennedy was opposed to starting the Indo-China war.

Douglas: And he'd met with General MacArthur on that question.

LaRouche: Well, more than "met": They consulted heavily. "No land wars in Asia!" No extended land wars in Asia! And Kennedy was sticking to it—so they solved the problem, by killing him. And sent some people, who were friends of the fascists in France and Spain, to go to Mexico, cross the border, kill the President of the United States; cross the border, get out of there, and leave a patsy hanging behind—who was not even involved.

Hoefle: Then we had the asset-stripping of the productive end of the U.S. economy, which really escalated after that, and the invasion of the parasites, the Wall Street crowd, and so we have an economy which has been completely taken over—

LaRouche: I think one of the chief culprits is Harvard Business School. Harvard Business School is a disease, it's not an institution.

Hoefle: It's organized crime. If you look at their networks, you could charge the whole thing under the RICO statutes!

LaRouche: RICO case against Harvard Business School? That's plausible.

LaRouche as Interim President of the U.S.A.

Hoefle: We now are at a point, where, because the Federal Reserve and the Treasury have been pumping in enormous amounts of money into the bailout, which despite all the talk and Obama's pretense in cracking down on the banking system—this all continues. And this poses a real problem for the people who believe in money, because the policies that they're implementing to "save the money" are destroying the money! What do you do, when you look at money as the value, and

suddenly you have hyperinflation, and your money has no value?

LaRouche: You know. I should take over the Presidency for about a couple of weeks—you know, just as an interim arrangement, as "acting President," or as custodian or advisor. Just call me, "advisor to the President," right? And I walk in there, and the President says, "What am I going to do?" and I say, "I'll tell you want to do. I know exactly what to do." I mean, I've been at this for a long time—I'm probably the world's leading economist in terms of understanding this kind of problem. I know exactly what to do. I know what the American precedents are to quote, to do it! I have actually understood and believe in the Constitution: I know how it works, I know where it came from. Because, after all, my ancestor landed at Plymouth. So, I am a "true American"! And therefore am also qualified in this stuff: Give me a couple of weeks in the White House, advising whatever is called the President, and if he agrees to go along, we'll get out of this just fine! I know exactly how to do it!

Hoefle: You know, they're probably cutting donuts out of their chairs in Britain, when they think about that thought!

LaRouche: They certainly are! They're afraid to kill me, afraid I might ascend to sainthood or something, and haunt them in that form!

Douglas: It's so important to have that connection to recent history! It's one of the beauties of reading Vernadsky, is you get a much improved sense of time, because he's prone to writing things like, "only in the very recent period," like 10,000 years, has such and such occurred on the planet, talking about the Noösphere and human cognition—

LaRouche: Yes, sure! You haven't even gotten there yet—wait till you see what we're going to be throwing at you soon, from the Basement!

Douglas: With cosmic radiation?

LaRouche: More!! Everything that you have believed is about to be changed!

The Universe Is Creative

Douglas: This will really excite people in Russia. Because as big a hit as your *Physical Economy* book has been on the written page, our *very* biggest hit of the year, in Russia, is our video, with subtitles, of the LPAC/

Basement Moon-Mars development. And Russians—it's part of their culture, as you said with the science—that even in the worst times, they get so excited about an optimistic scientific idea.

LaRouche: Well, the point is, we're now going to eliminate the idea of Aristotle. The universe is creative. The universe as a system is creative, as Einstein identified the discovery by Kepler: that every part of the physical universe, which is actually a form of cosmic radiation, is not particles, connected by empty spaces. There's no empty space. The universe is filled with cosmic radiation throughout its extent. And out of this, certain things happen. Like you start from primitive elements, and chemistry, and you find that you generate, by a special kind of thing, which looks like thermonuclear fusion—it's a similar process—all the other parts of the Periodic Table evolve and develop. The universe is inherently creative. But only mankind is consciously, intentionally creative!

Life is creative: Life-forms develop out of life-forms; higher life-forms of out of inferior ones. A universe in its abiotic form, develops, evolves—not just with nuclear fusion. Fusion occurs,

in all forms, in the universe. The universe is creative! So the three spheres of Vernadsky, actually are subsumed by a common characteristic, which Einstein described, in describing Kepler's work, as, the universe is finite, but not bounded. It develops, inherently. And mankind is the conscious, creative factor, in the development of the universe: This is *our* universe! It belongs to us. We are products of it, and it belongs to us.

Hoefle: As opposed to being pollutants. **LaRouche:** The pollutants are all British.

Hoefle: Yes, yes.

Douglas: Vernadsky, in the same period he was writing about the Noösphere, was promising great joy in the development of the "cosmo-chemistry of the future."

LaRouche: Yes, this stuff. See, this was known in his time. This was known by all of these people who



ASA, ESA and A. Nota (STScl)

The universe as a system is creative. It is filled with cosmic radiation throughout its extent. There is no empty space. Shown: Light echoes from red supergiant star V838 Monocerotis, October 2004..

were in physical chemistry, leaders in physical chemistry, like William Draper Harkins, for example, whose name keeps coming up with us. And the idea of a "creative universe," the anti-entropic, creative universe, is the basis on which this thinking is based.

Douglas: But this gets us back to Bertrand Russell, because he hated that school!

LaRouche: I know. The point is, he's Satanic. Russell was literally Satanic. The only way you can understand him, is by saying, "Here is Satan's true, illegitimate child."

Douglas: So, if we get rid of Aristotle, Dirty Bertie goes with him, right?

LaRouche: That's right.

Hoefle: And there goes the Little Queen. Shrinks completely, and disappears.

LaRouche: She needs a shrink.

Hoefle: As do all the members of the royal family, it would appear.

But this is really fascinating, because the idea that our place, our role in the universe, is to participate in and guide the development of the universe. And that this contrasts with all of the idiotic nonsense, that's put out by the greenies, and put out by all of the various layers of Aristoteleans. Their power depends upon stopping that process, and keeping us locked in this medieval world that they like so much!

LaRouche: That's exactly it. That's the theme of Aeschylus' *Prometheus* Trilogy, is the policy of the evil, is that which is portrayed by the Olympian Zeus. That's evil: And that's Aristotle!

Douglas: And I think the perniciousness of systems analysis is that it masquerades as science. I think people in the Soviet Union—besides the out-and-out British agentry—it was packaged and sold to people in the Soviet Union as being scientific, "let's bring in the mathematics, let's be holistic." And yet, if you look at the founding of IIASA, you find out how appropriate your title of an essay which we put out in pamphlet form in 1981 was: "Systems Analysis, White-Collar Genocide." Because, Aurelio Peccei, the founder of the genocidal Club of Rome, had two other institutional, major projects: One was IIASA, which he was one of the catalysts of; and the other was, Prince Philip's World Wildlife Fund.

LaRouche: Yes. This was also earlier, Prince Bernhard and Prince Philip.

Douglas: Yes. Bernhard was still alive in that period, in the '60s, '70s.

LaRouche: But this was the same project, it was a British project. It was a project of the British system, the British monarchy's project: And the British monarchy is evil. I mean, you take the evil expressed by the Prince Consort Philip. It's not just Philip, it goes back earlier to the Crown Prince [Albert Edward].

Douglas: The Lord of the Isles, that one, under Victoria.

LaRouche: Who planned and organized what became known as World War I, and implicitly thereby set into motion a policy which became World War II! And set into motion a policy, the same policy which has

resulted in the present condition of the planet today. So you can go back to him, as being the progenitor, or the embodiment, of evil, in terms of the British monarchy.

Victoria was a different—her son was a different case, but the *evil* was him! He was the organizer of 1890, getting rid of Bismarck out of [power in] Germany, in planning the Sino-Japanese War, in also planning what became the Pearl Harbor attack, which was a British-Japan policy.

They had a little split, but Japan went ahead with the policy; the attack on Pearl Harbor was the result of a treaty agreement among the British and the Japanese in the 1920s. And it was carried out, and the whole Japanese Navy was built up for that attack on Pearl Harbor, from that point on! With British backing! And this SOB, Churchill and company, the way they played World War II, they did not want us to beat Japan in the Pacific. They wanted a *long*, protracted war. And Roosevelt and MacArthur didn't agree, so MacArthur made a mess of things [for the British], and a lot of people in the Navy and elsewhere who were on the wrong side, were on the British side, did not want MacArthur to do what he did.

Hoefle: Because this whole thing is a *continuous* assault on the nation-state.

LaRouche: And especially the United States. We are what they fear the most. And they concentrate the most on trying to corrupt us, and always have. Too many of our citizens allow themselves to be corrupted by this. They like the British system; they think the Queen is not evil, which means they don't understand what's right in front of their nose.

Hoefle: Yeah, we have our own "pod people" problem here. If you look at the Bushes, and Obama and others.

LaRouche: That's right, exactly. Benjamin Franklin understood that. He wanted to take the whole pack of these characters and ship them out in one boat—and not care if it sank! And he was overruled on that, and that was a mistake. If you take these people from Massachusetts alone, who were part of this British East India Company operation—

Douglas: The Tories.

LaRouche: Yes. And you put 'em on a boat and ship 'em out of the country, we would have had a much more secure nation, had we done that, as Franklin intended.

Exercise Economics

GLASS-STEAGALL

The Constitutional Solution To Goldman Sachs' Criminality

by Nancy Spannaus

May 3—Franklin Delano Roosevelt would have cracked one of his broad, infectious smiles, had he been present at Sen. Carl Levin's (D-Mich.) interrogation of four Goldman Sachs executive shysters on April 27. Having invoked the image of the dramatic 1933 Pecora Commission the previous day, Levin proceeded in the same spirit as the feisty Ferdinand Pecora, pulling out document after document which demonstrated the systemic, sleazy criminality of the investment bank—which, incidentally, had succeeded in eluding successful prosecution back in 1933. Levin kept Lloyd "Doing God's Work" Blankfein on the stand for nearly four hours, exposing his arrogant, sanctimonious attitude toward the criminal looting which Goldman carried out against the American population.

Equally pleasing to FDR, our last President imbued with the principles of the American System of Economics, would have been the news on the following day, that the Securities and Exchange Commission (SEC), which the previous week initiated civil charges against Goldman Sachs and its employee Fabrice Tourre for violating the Securities Act of 1933, had referred the case to the Federal authorities for criminal prosecution. Goldman Sachs is definitely on the ropes.

But, as Lyndon LaRouche has been fond of saying recently, "Die Hauptsache ist der Effekt" ("The main thing is the effect"). What will be the result of the aggressive Senator's assault on this obviously criminal behavior, which does, after all, characterize the functioning of the entire world of finance today? Indeed,

what is the intention of those backing the Senator's belated campaign to expose Wall Street's gouging of the population? How far, and where, do they intend to go? Will their actions be sufficient to stop the implosion of a bankrupt monetary system, which has brought us to the edge of a New Dark Age?

FDR, in his time, knew precisely where he was going, and where the principles for achieving the necessary changes in the nation's financial system originated. Relying on his family connection to the anti-British fight of our first Treasury Secretary, Alexander Hamilton, through his great-great-grandfather Isaac Roosevelt, who collaborated with Hamilton at the Bank of New York, FDR was determined to reinstitute the constitutional principle of sovereign control over national credit, in defense of the general welfare—both at home and abroad. This was essential, he knew, to defeat the *imperial* monetarist system which Great Britain dominated, and which, if it were not buried, would lead to continual wars, even after the impending World War II was won.

The concrete implementation of that intention lay in FDR's full legislative agenda, but especially the Glass-Steagall Act of 1933, and the establishment of the Bretton Woods institutions in 1944. Although sabotaged by the British and their stooges in their implementation, especially after the President's death, the principles behind these measures provide the only constitutional means for superceding the horrors which British-controlled Wall Street has wrought—and threatens to am-

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Sen. Carl Levin's interrogation of four Goldman Sachs executive shysters on April 27, would have made President Franklin Roosevelt very happy. Levin (shown here druing the hearings) and his fellow Senators hammered Goldman CEO Blankfein for nearly four hours, exposing his arrogant, sanctimonious contempt for the Congress and the American people.

plify in the days ahead—and for building a future worthy of mankind.

FDR's Intention

As this is being written, LaRouche PAC's video team has begun a crash project to produce an historical feature series on the principle of action that FDR applied to create Glass-Steagall and the Bretton Woods system, and which must be taken up again today. While the video presentation will be the most effective form of communication of these concepts, especially for the age group between 25 and 50, the following outline introduces the essential principles involved.

In his third Fireside Chat, on July 24, 1933, in the wake of the passage of Glass-Steagall Act and other major legislation of the First Hundred Days, FDR presented what he called the "fundamentals" of his economic program. He asserted boldly—and contrary to most historians, pro and con, today—that "all of the proposals and all of the legislation since the fourth day of March have not been just a collection of haphazard schemes, but rather the orderly component parts of a connected and logical whole."

The content of that unified program—the program of the New Deal—was described explicitly by the President in his introduction to the second volume of his

public papers. "The New Deal was fundamentally intended as a modern expression of ideals set forth one hundred and fifty years ago in the Preamble of the Constitution of the United States—'a more perfect union, justice, domestic tranquility, the common defense, the general welfare and the blessings of liberty to ourselves and our posterity."

Thus, the Federal government's commitment to promote the general welfare and secure of blessings of liberty to the American people and its posterity, was the overarching principle behind all FDR's actions. Government intervention was specifically to be pitted against what FDR called "blind economic forces and blindly selfish men." He asserted that "I have no sympathy with the professional economists who insist that things must run their course and that human agencies can have no influence on economic ills."

FDR knew, from the get-go, that he had to reestablish the constitutional power, and principles, of the Federal government over the

economic "market" forces which had laid low the United States, and the world. And he knew quite well that those "blind forces" were actually guided by the financial imperialism being exercised from London, as was shown in the actions he took against Britain's, and Wall Street's, attempts to use the gold standard against the United States in the Spring of 1933. To fight that sabotage, he used the Trading-with-the-Enemy Act to seize control of the gold market for the government. He also submitted *all* banks—including the arrogant J.P. Morgan et al.—to his Bank Holiday closure, which brought with it a thorough audit of the obligations and assets of those institutions.

The President also asserted the principle that the general welfare of the nation comes before international concerns, refusing, for example, to attend the London World Economic Conference in the Spring of 1933, because there could be no currency stability without establishing economic stability first.

The Pecora Process

In his July 24, 1933 Fireside Chat, FDR said that the *sine qua non* of his efforts to bring about a recovery was "in preserving and strengthening the credit of the United States government," because without that, no leadership was possible. Concretely, this meant taking on the

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National Archives

FDR's deep family connection to the American System of economics informed his determination to reinstitute the Constitutional principle of sovereign control over national credit, in defense of the general welfare—both at home and abroad.

nation's top bankers—the Morgans, the Mellons, and the like—for their exercise of virtually dictatorial power, and their pursuit of profit at the expense of the welfare of the nation, including that of productive industry and agriculture, and the population's standard of living, and reasserting sovereign power over credit.

As FDR put it in his public papers: "Because the American system from its inception presupposed and sought to maintain a society based on personal liberty, on private ownership of property and on reasonable private profit from each man's labor or capital, the New Deal would insist on all three factors. But because the American system visualized protection of the individual against the misuse of private economic power, the New Deal would insist on curbing such power."

On March 29, 1933, FDR proposed and rammed through, on the strength of Pecora's vigorous exposure of the Wall Street bankers' arrogant criminality, the Securities Act, which gave the Federal Trade Commission (later the SEC) the power to supervise issues of new securities; required each new stock issue to include a statement of relevant financial information; and made company directors civilly and criminally liable for mis-

representation. (You can see here how the shoe fits Goldman Sachs.) Then he moved to pass the Glass-Steagall Act.

The preamble to the Glass-Steagall Act, which runs a mere 37 pages, is simple, if low-key. (Beware those 1,500-page monstrosities, like Sen. Chris Dodd's current "financial reregulation" bill—they are simply obfuscatory roadmaps for maintaining the bankers' power.) It read: "To provide for the safe and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative purposes, and for other purposes."

To accomplish these purposes, Glass-Steagall dictated the establishment of a *firewall* between commercial banking and investment banking. A commercial bank, a bank which holds citizens' deposits, for example, and then uses those deposits for investments in the real economy—industry, agriculture, small business, housing—cannot engage in speculative investments. It cannot use the savings of citizens to make money on the banks' own invest-

ments. The law also put in certain controls over interest rates that commercial banks could pay.

In other words, Glass-Steagall banned commercial banks from getting involved in a secondary market in debt—where you take a financial instrument, or your client's money, and speculate on its value, day by day, quite apart from, given the time scales, anything going on in the real economy. Commercial banks couldn't sell the mortgages and securitize them, the way we have today, and turn them into investments that people speculate on. They were to be linked to the physical economy, where long-term, low-interest loans—the quick buck—was the requirement.

To underscore the point, the Federal Deposit Insurance Corporation, which was also created by the bill, applied only to deposits in commercial (i.e., regulated) banks.

The enforcement of this principle was crucial, FDR knew, not only for protecting the welfare of the common man, but for permitting the buildup of the physical economy so desperately required for the coming war against Hitler, a war he hoped would be the final horror generated by the British imperial system.

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It's not hard for people today, in the wake of the collapse of the speculative bubble led by mortgages in 2007-08, to agree that FDR was right to attack speculation. But, what has to be seen is the principle involved here, specifically the implementation of the constitutional mandate that Congress control the creation of currency for investment in the productive economy-rather than permitting private financial interests to use the power of the government (the Federal Reserve, etc.), to generate untold speculative money and debt, which can only lead to the ruin of the nation.

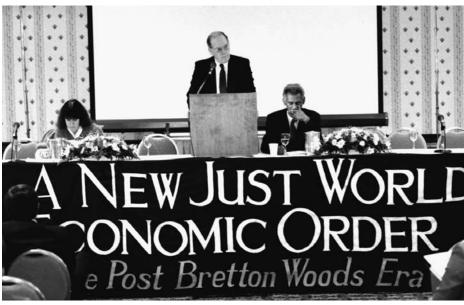
It was precisely because Glass-Steagall maintained such limits that British-controlled Wall Street fought to lift them,

in a process that went from 1971 to 1999, with their formal burial in the Graham-Bliley-Leach bill which repealed Glass-Steagall that year.

National Sovereignty

A true historical understanding of the fight for the American Constitution—from the founding of the Massachusetts Bay Company forward—requires another fundamental principle which Franklin Roosevelt also deeply grasped, the principle of national sovereignty. FDR's assertion of the Federal government's power over credit, and in defense of living standards, was taken in direct implementation of this principle. And, unlike many other American Presidents who "talked the talk," FDR passionately defended the right to national sovereignty for all other nations as well, be they great or small.

What he understood is that the sovereign nationstate—as opposed to empire, and specifically the British Empire—was crucial for developing the physical and moral conditions of life for the people of the world. He knew that it was the imperial system itself that had led to the current world war, although he was forced to ally with Britain to defeat Hitler. But then, the British Empire itself had to be dismantled. FDR had visited



EIRNS/Philip Ulanowsky

The Bretton Woods system, as conceived by FDR, was intended to provide a framework for ending all imperial systems, in favor of cooperation among sovereign nation-states for economic, scientific, and technological progress. Here, LaRouche addresses a conference in January, 1988. With him on the podium, Helga Zepp-LaRouche and the former foreign minister of Guyana, Fred Wills.

Gambia and was shocked by the immiseration the British had created while extracting wealth from that colony; he understood from his own family history what the British had done to the American colonies. He knew that economic prosperity for any country depended upon the economic prosperity of all, and that this could only be implemented through a system of nation-states.

This concept, along with the concept of constitutional control over money, was thoroughly embedded in FDR's proposal for the Bretton Woods system, which was intended to provide a framework for *ending* the British and other empires, and for rebuilding the wartorn world. While the International Monetary Fund was set up to deal with current account imbalances, FDR conceived of the World Bank as an instrument for funding the infrastructure projects necessary to develop the Third World. The mission of the Bretton Woods system was to be cooperation among nation-states for economic development, scientific, and technological progress.

To do this, FDR understood, just as you could not have commercial banks speculating with people's savings, you could not have international financiers speculating on currencies: That would prevent the long-term investments in development that you required. Thus,

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there had to be a fixed-exchange-rate system of currencies, agreed upon by the major economic powers in a treaty organization, which would provide the basis for nations working together for the common purposes of all mankind.

While the British, with President Truman's help, succeeded in sabotaging much of this program, the intent remains a model for today.

Where Do We Go from Here?

While bills to revive Glass-Steagall were introduced in both the House and the Senate in December 2009, they have been languishing for lack of the necessary political kick-in-the-ass from the U.S. population. Even Goldman CEO Blankfein testified implicitly to the crucial role that Glass-Steagall would play in preventing crimes such as his, arguing that the removal of the bill was a crucial factor in permitting the firm to act as it did—i.e., commit systemic fraud (see *Documentation*).

To create a true credit system which would eliminate the fraud, and create the basis for productive growth, LaRouche on April 28 specified two immediate but interconnected measures:

"You have a crisis, which is beyond palliatives: You must now make a reform. You must start with the United States, with the Franklin Roosevelt approach, which had two steps to it: The first was the reform, Glass-Steagall; the second one was 1944, the fixed-exchange-rate system. Without the combination of the two, you could not organize a revival of the world economy! If you don't have a fixed-exchange-rate system and a global Glass-Steagall system, you can not revive the world economy! And we never did.

"The world economy has been in an overall, general collapse, since the day after Franklin Roosevelt died! Because the Truman Administration cut back on the potential represented by the industries, which had been war industries; these war industries were the basis for supplying the high-technology-driven things to develop the former colonial nations, and to rebuild Europe, to rebuild the Soviet Union, to rebuild China.

"So, by cutting back on the so-called reduction of the investment in so-called war production at the end of the war, we ensured a general, long-term collapse of the world economy, physically. And that's what's led to this.

"We now have to reverse that. Therefore, we have go back to Roosevelt's intention. And you'll not be able to *do that*, unless the United States initiates that. It's not possible. And if we don't concentrate on the kind of programs which are necessary for that, we're not going to make it."

Phil Rubinstein contributed to this report.

Documentation

Confessions of Goldman Sachs

The fraud carried out by Goldman Sachs against its clients—that of assembling worthless securities in packages to sell, and then betting against the very securities that it was selling—is inherent to the post-Glass-Steagall system. Indeed, the Goldman executives who testified before the Senate Subcommittee on Permanent Investigations, confessed freely to the facts of what had happened, but defended their actions as legal, in part, because the laws against such fraud have been so weakened, and, in their view, this is the way "the system works."

We include here one of the salient interchanges, to give the flavor of the arrogance which characterizes this system—which must be eliminated if we are to reestablish an economy based on promoting the general welfare.

Delaware Democratic Sen. Ted Kaufman asked Goldman CEO Lloyd Blankfein: Is it fair to say, in the last 30 years, that Goldman has focused more and more of its own resources and gained more and more of its revenue from trading on its own account, without the need for clients?

Blankfein: We have focused more—we have focused more and more in trading as a principle....

Kaufman: But it's evolved away from kind of the classic investment banking and gotten more and more to trading?

Blankfein: Well, I would say that increasingly—and this is a change in the sociology of the business that took place over the last 15 or 20 years—I'm not sure if it was precipitated by the fall of Glass-Steagall or it caused Glass-Steagall to fall, as U.S. institutions had to become more competitive with global institutions.

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Why Renewable Energy Sources Are Ruining Us

by Heinrich Duepmann

Heinrich Duepmann is the chairman of Germany's National Movement Against the Renewable Energies Law (NAEB). He addressed the Industrial Policy Conference of the Civil Rights Solidarity Movement (BüSo) in Bad Salzuflen on March 10, 2010. A report on the conference appeared in EIR, March 26, and the keynote speech by party chairwoman Helga Zepp-LaRouche was in EIR, April 2. Mr. Duepmann's speech has been abridged and translated from German.

First of all, what is the National Movement Against the Renewable Energies Law?

I want to emphasize that I am neither personally nor financially involved nor otherwise active in this business. But my training makes me somewhat competent to speak on the subject, and as far as energy data in Germany is concerned, I certainly have the facts.

I was initially intensively engaged in the citizens' initiatives against wind power, but these initiatives will

not, as I see it, bring about a real improvement, because in the final analysis, they speak only for a very small portion of the population, and have other drawbacks.

As for the so-called "climate skeptics": Although the theme of "the human impact of global warming" is being hyped worldwide, it must be said that but the issue of wind and solar energy, if we put aside California, is a German one. This foolishness really does come from Germany, in contrast to the ususal climate hype, which comes from elsewhere.

Wind power in California was virtually dead. You probably remember all the pictures of the broken-down wind power sites from the 1980s. It was dead, but it is coming to life again in Germany, and after the first initiatives of GROWIAN (GReat-WIndpower-Complex). At the time, I was myself a believer in this technology, which became the big boom at the beginning of the new century in Germany, because of the Renewable Energy Law

[Erneuerbare Energien Gesetz, EEG, effective January 2009].

What we are saying is: The EEG affects everyone, we are all paying for it, so that this small clique of people can get a golden nose job! We try to operate on the federal level, presenting the special situation of wind and solar power. We try to operate by gaining members and persuading politicians, to make the craziness clear to the voters at large.

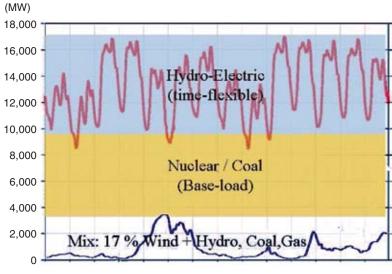
'Three Stars' for Providing Electricity

The most important requirements for providing electricity—I call them the "three stars"—are that the grid must always have a voltage of 220 V (or 231 V, technically); it must constantly generate 50 Hertz with the generator, which is rotated by something, be it a wind power plant or a conventional steam engine; and all power stations producing electricity in the network must have the same sine-curve zero point, at the same point in time. That must match exactly, at plus or minus .05.

That is really the great challenge, to keep production and consumption in balance, in each millisecond. Without that, you have a blackout.

Now, let's look at the fluctuations in consumption in the power grid (**Figure 1**). You see here a two-week time frame, with two peaks each day—one in the morning between 9:00 and 10:00, and the other between 1:00

FIGURE 1
Fluctuations in Power Consumption (Upper Curve) and Power Production From 'Renewable' Sources



Source: Transpower-Nord.

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and 2:00 or 3:00 in the afternoon. The consumption shown here is relatively symmetric, and it is supplied by power stations of various types.

First of all, there are so-called "base-load" power plants that ensure a certain percentage of the entire consumption. When consumption falls below that amount [into the base-load area on the graph], you simply let off a bit of steam and dissipate the extra energy. That is more economical than shutting down such a plant, which will typically be a nuclear plant or a brown coal plant.

And how do we fill up the fields under the red curve [top curve]? Primarily by the production of coal-fired plants and natural gas-fired plants, and then, for fine-tuning, with pump-storage plants or hydroelectric plants. What results is a "power mix." (When our politicians today speak of "power mix," they are referring to something completely different, to nonsense, which is how the energy is produced—by The sun, the wind, etc.) The point is to arrange the power mix in such a way that you get exactly this balance.

Now, we've come to the magic formula, which is very simple: The Sun never shines at night; the wind is usually not at the right level; and power cannot be stored. Therefore, you can only conclude that it's absurd to produce power from these sources, because what do I do if the wind is not blowing at night, or if there's a sudden drop in wind velocity? My power plants will stop working, the balance will be upset, and you get a blackout.

Politicians seem to view the matter differently, since we have the so-called "Meseberg Resolution": On Aug. 8, 2007, the former government decided to increase the percentage of power coming from "renewable energies" to 30%, and some people then calculated that it would cost the economy EU527 billion. But that has done nothing to solve the problem that the Sun doesn't shine at night and that the wind is usually not cooperative.

Electricity Costs in Germany

Now, let us look at the facts in greater detail. What are the costs in Germany? Where do we stand compared to other countries? And how does the EEG work? Do these so-called "renewables" contribute anything at all, technically, to the energy supply? What are the repercussions of that today, in loss of purchasing power for consumers? What are the consequences for industry? Research and development into the matter, and the focus on saving energy—these are completely moronic. History shows that progress and technology and pros-

perity increase when certain resources were available in unlimited amounts: the ability to think, and energy.

The cost of electrical power in Germany is about EU70 billion per year. Of that, about EU22.5 billion is for the actual costs of production of all power plants, without counting the "renewables"—and added to that are the EU9 billion of EEG subsidies (these figures are from 2008).

The average price of electricity for industry per kilowatt hour is 10.9 euro cents, of which the state gets 27% and the EEG 10%. As you see, the production factor, known as the ex works, is definitely still dominant here, at more than 50% of the base price (**Figure 2a**). A good 50% of the total price of electricity that an industrial entrepreneur pays, covers the cost of production, plus the profits of the utility companies. Transport costs are low, at 12.5%, and other items such as licence fees are relatively low.

It's not as advantageous for private consumers (**Figure 2b**). For them, the average price in 2008 was 21 euro cents, and it's now moving steadily toward 25 cents. Here, the ex works percentage only accounts for 37%. That is because transport costs are much higher, in order to pay for all the 220 V cables to residences, and also because licence fees account for a good part, since every municipal supplier holds out his hand and says: "E.ON, if you want to sell your electricity to my citizens here, I'd like to get a little money for that."

Now, how does Germany compare with others in terms of costs, with a special focus on industry, that is, bulk consumers? Given that that the U.K. is no longer an industrial country, as everyone knows, and Italy isn't either—the industrial countries being of course Germany, Belgium, Spain, Sweden, Finland, and France—then Germany is practically at the top of the list of industrially active countries, with 8.53 euro cents per KWh in 2008. France is at 5.39 cents, or more than one-third less, and the gap is growing (**Table 1**).

How Does the Renwables Law Work?

Let's look briefly at the Renewable Energy Law, the EEG. As soon as you become the owner of a wind generator or a solar generator, you can contact your municipal supplier or the nearest connection point, let them know that you are now running your generator, and then

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^{1.} A trade term signifying that the price invoiced or quoted by a seller includes charges only up to the seller's place of business. All charges from there on are to be borne by the buyer.

FIGURE 2a
Electricity Costs for German Industry:
10.9 Euro Cents/kWh, Government Share 27%,
EEG 10%

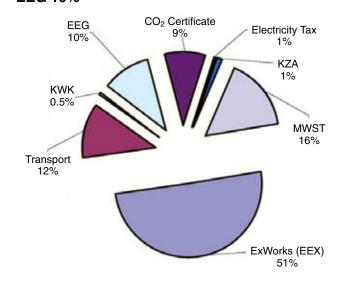
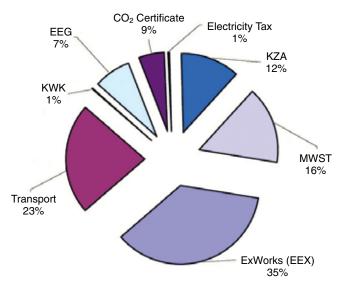


FIGURE 2b

Private Customers/KMU: 21 Euro Cents/kWh, Government Share 34%, EEG 7%



Source: NAEB. Source: NAEB.

The share of the power producers (ExWorks) is about half of the cost for industrial customers and about one third of that for private customers. A considerable share of the costs is due to "renewable energy" EEG subsidies and ${\rm CO}_2$ certificates. Acronyms on the graphs: Power-Process heat system (KWK), which is also subsidized; cooling tower auxiliary water treatment plan (KZA), also subsidized; value-added tax (MWST).

you're allowed to produce power (as best you can, depending on the force of the wind or the availability of sunshine). The municipal supplier is then *compelled to buy your electricity at prices set by the government and to dispose of it somewhere*. It has even reached the point that when there's too much wind power in Germany and it can't be sold on the Power Exchange, we *pay* other countries to take it. The electricity has to be left somewhere, when the wind is strong and plentiful.

Table 2 shows prices from 2003 to 2009, for Germany, both for industry and the private domain. As you see, the price rise for private customers was moderate. This is linked to the fact that cost factors other than

actual production costs and EEG subsidies [not from the federal budget, but paid by electricity consumers—ed.], dominant in the private sphere. But not so for industry, where the costs of production have had a great impact, and the EEG subsidies even more so. Here you see that the costs of electricity for industrial firms have more than doubled from 2003 to 2009 (that's not completely correct; there are other factors involved as well).

TABLE 1

Electricity Prices for Industrial Bulk Consumers

(Euro Cents/kWh)

France		5.39
Finland		5.62
Sweden		6.23
Spain		7.25
Belgium		7.42
German	у	8.53
Great B	ritain	10.05
Italy		12.01

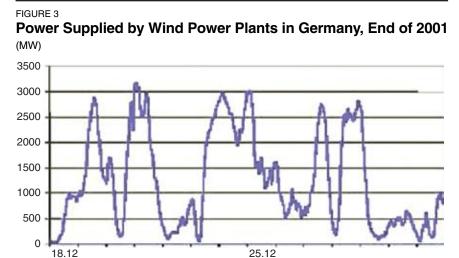
TABLE 2 Electricity Costs in Germany

(Euro Cents/kWh Including VAT)

	2003	2004	2005	2006	2007	2008	2009	
Industry	4.82	5.09	5.3	6.68	7.8	9.14	10.9	
Private	17.12	17.96	18.66	19.46	20.64	22.7	24.4	
Industrial customers: 6.55 MW; 40,000 MWh.6,000 h/a; Source: VIK Essen.								

Private customers: 3,600 kWh, est. 2008-09; Source: BDEW.

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Source: E.ON-Nord.

Within a short period of time, fluctuations of up to 6,500 MW had to be compensated for from other sources. Since these data were collected, wind-power capacity has grown, making the fluctuations all the larger.

That is, of course, deadly for industry.

You can assume that 20% of the costs of an average industrial firm goes for energy. And this cost increase is what's costing us jobs in Germany. Leaving aside trade

unions and such things, and salaries, which end up flowing back into consumption somewhere, and then contribute to turnover. But what's being skimmed off here, in the form of EEG subsidies to the suppliers, goes neither into consumption, nor the public coffers.

Sometimes It Blows, Sometimes It Doesn't

Figure 3 shows how dramatic the situation is with wind: This is again a diagram for a two-week period. (Although the graph is somewhat old, the principle remains unchanged: Sometimes the wind blows, and sometimes it doesn't. Dramatic climate changes might lead to totally different wind patterns, but in principle, it doesn't change.) You can see here that there are completely unsystematic changes in the wind, and consequently in the electricity fed in, so that it can't be integrated into the power supply in any rational way.

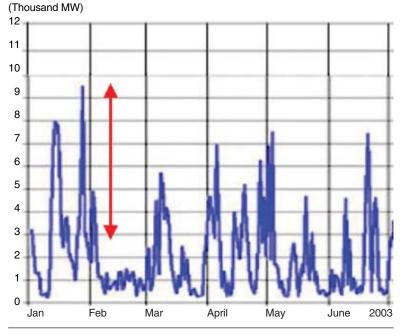
The power strains involved are shown in

Figure 4. On Jan. 28, 2003 [see arrow], there was a sudden peak, at around 9,000 MW, and then, within a few hours, the wind slackened dramatically, and 6,500 MW of extra power had to be supplied in a very short period of time from other power plants.

That 6,500 MW means 5-6 nuclear power plants. Now, they run continuously in any case, unless they're undergoing maintenance, or have been shut down, so there's not much you can change about that. But to quickly produce 6,500 MW of power demands a huge effort for a power plant, or even the entire power plant network, because it takes a certain amount of time to start them up. It takes a full day to get a coal-fired power plant up and running.

The first omens of the consequences this can have have appeared on Nov. 6, 2006, when a newly constructed cruise liner from the Meyer Shipyards was to be taken via the Ems River to the North Sea, and the

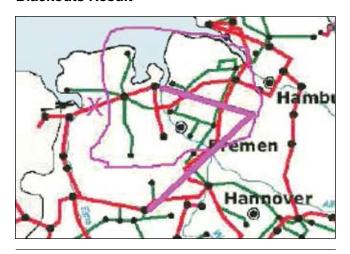
Power from Wind Power Plants in Germany, January-June 2003



Source: ISET.

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Power Diverted Due to Excess Wind, Blackouts Result



Source: NAEB.

On Nov. 6, 2006, the power line over the Ems River was switched off (marked with an X), to allow a newly built cruise liner to pass underneath and travel safely from the shipyard in Ems to the North Sea. The power from the wind power plants in the North Sea had to be diverted to the east (wide line). Since the wind forecasts were wrong—it was windier than expected—the power grid was overloaded, and the generators had to be shut down. Parts of Germany, France, Belgiuim, Italy, Austria and Spain were subjected to blackouts for up to two hours, and the effects were felt as far away as Morocco

high-voltage power line spanning the Ems was switched off (**Figure 5**) to avoid the danger that the liner would touch the power line.

The problem arose because of erroneous wind forecasts. There is a particularly high density of windmills in this region, and the power is diverted either via a route parallel to the Ems, but which first crosses the Ems, or via a route in the direction of Hamburg, and then from Bremen to Hanover, and then back into our region [eastern Westphalia].

This switch-off led to a blackout in many regions in Europe, much more so than we experienced in the surrounding area. We didn't notice much, but in France, and partially in the Czech Republic and Poland, it was dramatic.

What exactly happened? At 20:30, a slight drop of wind was forecast, which was to remain at that level until 23:30, after which there was supposed to be a leap upwards towards. So, the supply operator said: Okay, we should switch off between 21:00 and 23:00, when there is very little power from wind.

But the actual feed-in rose sharply and continued until 22:11, when the blackout occurred. After the blackout, all wind plants shut down.

In addition to its unpredictability, wind power has another inherent deficit. All of you who have sat on an airplane during air turbulence know how *hard* air is. The strain on wind power installations from severe winds is massive, and therefore, investment costs are very high. Maintenance of one of these installations amounts to about 50% of what an entire normal coal-fired power plant needs to produce electricity.

Even More Expensive: Solar Energy

Let's look briefly at solar energy. In terms of cost, photovoltaic energy is a much, much bigger problem. **Table 3** shows the amount of subsides paid for electricity fed in by solar installations. In 2001, it amounted to a measley EU76 million, compared to the EU70 billion overall turnover. But by 2009, that figure had risen to EU3 billion—about one sixth of the total cost of production, which amounts to about 20 billion. So, we increased our costs by one-sixth, because some neighbors built solar panels on their roofs.

Solar installations provide less than 1% of the electricity consumed in Germany, but account for one-sixth of the costs.

But that's not all. We are going to see a dramatic increase not only in the absolute amount of money flowing into the pockets of the EEG profiteurs, but also in the net costs, because these many, many small supply inputs now suddenly need a transformer, they require extra local amplification in the grid. This is not economical, and of course transport over long distances to take the power somewhere far away, is not either. It will surely lead to a doubling of grid costs in the next 5-7 years.

And the new rules on 32 cents per kilowatt hour,² which are supposed to be in force as of October, will not help. Why not? As I said before, the EEG is a German issue. If China, for example, installs solar energy and recognizes that breakeven lies at 16.5 cents, and still the Chinese are investing in it today, it has to be seen on this backdrop: Given the great economic collapse in the world and a certain collapse in the solar energy branch, the production capacities for solar energy—and well

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^{2.} As a concession to the anti-green currents within the government coalition (and a reaction to exploding costs of legally mandated subsidies), the coalition agreed to lower subsidies to solar installations to 32 euro cents/kWh (from about 46 cents/kWh).

TABLE 4 Costs for Wind and Solar Power, 2001-09

(⊑uios, ⊑si.)									
(20100, 2011)	2001	2002	2003	2004	2005	2006	2007	2008	2009
EEG Subsidies (Millions), Wind	1,055	1,480	1,730	2,304	2,300	2,733	3,442	3,574	3,382
EEG Subsidies (Millions), Solar	76	82	153	282	679	1,176	2,300	2,238	2,925
Total, Solar and Wind	1,131	1,562	1,883	2,586	2,979	3,909	5,742	5,812	6,307
Euros per Capita, Solar and Wind	13.66	18.86	22.74	31.23	35.98	47.21	69.35	70.19	76.17

over 50% of solar equipment comes from China—have only been operating at 25%. And the Chinese simply decided not to send people home and stop production, but rather say, "We'll continue producing and we'll install the things here in our country. At 16.5 cents, it's still much too expensive, but all in all it makes more sense economically, because at some point, the Germans and the French and some others will start buying it again."

But we see that at 32 cents, the two EEG sources—wind and solar—will continue to grow, and the costs will increase accordingly.

I'm not here to talk about environmental issues, but I must say I'm not afraid of nuclear power plants. Already 20 years ago, I got myself a contamination meter and a dosimeter, and the notion of protecting oneself from x-rays with a briefcase makes sense. But where I cannot protect myself, is if someone who lives within 500 meters from my house puts a solar panel on his roof, which is a so-called "thin-film panel," and his house burns down: Suddenly particles will be released into the air which are just as poisonous as cyanide.

That is an elementary threat for all of us. But this issue is still relatively taboo in Germany.

Further Costs of Green Electricity

Let's take a look at the total costs in the sector. The EEG costs are the subsidies to the operators. But there are other things to factor in: The electricity then has to be transported somewhere, at a loss; the back-up power plant has to be maintained for use when the wind is not blowin; and there are direct subventions and tax breaks for operators, who are allowed to deduct all of their start-up losses.

We just said that in 2008, we had around EU3 billion of EEG subsides for solar power and EU3 billion for wind, which makes EU6 billion. We have to add to that about EU2.5 billion more for other potential items

such as subventions and tax cuts. And I still haven't taken into account the additional charges (**Table 4**).

In 2009, that burden amounted to EU76 for every German citizen. You can't export these costs, so the citizens end up paying them, in one way or another. For an ordinary family of three people, it comes to somewhere between 200 and 250 euros, and it will rise

dramatically.

At this point, people say: "Yes, but we're saving CO₂!" Let's not discuss the CO₂ issue here, but are we really saving primary energy? What happens to the electricity that we've produced? Don't forget that we have to ensure our three stars, our triad, otherwise we'll have a blackout.

All in all, we can say that the back-up plants have to run at the same time, and even if not in full-load, they need a good deal of primary energy in the middle-load range. Roughly speaking, one-third of the electricity coming from these two types of energy, wind and solar, is consumed just to make the back-up plants run.

Then, you have the losses in transport. You can't transport power over long distances without losing some. If I wanted to bring electricity from the Sahara Desert to Germany over a normal 400-KV power line, almost nothing would remain of it on arrival. Okay, it would then be done with direct current, which is somewhat different. But in our grid, when we transmit our wind power to Holland, for example, or from Brandenburg to the Czech Republic or Poland, we have losses. And those losses account for another one-third.

In addition, solar power has particularly poor—very, very poor—energy amortization. You have to run such a thing for several years before you have even produced as much energy as was required to produce it. And that eats up the final third.

So I end up with zero.

Job Losses

Now we come to the effects on production in Germany. I'll quote two people from the steel industry, from personal statements. Prof. [Dieter] Ameling, who was the long-time chairman of the Steel Association, said: "Production of steel in Germany is not economical." And [Detlev] Hunsdiek, who heads a department

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at Thyssen, said: "In recent years, we have invested EU10 billion in steel works in Brazil." That's a large chunk of costs for Thyssen-Krupp, and as a result, the amount produced in Brazil is already two-thirds of that produced yearly in Germany. Germany has two large steel corporations, Salzgitter and Thyssen-Krupp. After learning that it's much cheaper to produce steel in Brazil, Thyssen will certainly continue doing so. It's just a matter of time before Thyssen-Krupp stops producing steel in Germany.

Take the case of Heidelberg Cement, which astounded German politicians. Heidelberg Cement calculated that two new sites in China could deliver cement to my Gütersloh construction site for less than any of the seven sites in Germany, in spite of the incredibly high transport costs. That is because China doesn't charge for certificates.

The Fallacy of Saving Energy

Why is it so fundamentally mistaken to focus research and development on cutting energy use? In the past, the first power stations in the form of windmills were placed near the sea, where the wind blows constantly. Then at some point, we moved into the mountains, because of hydraulic power. Then there was coal-mining, and prosperity arrived. Then power plants with cooling towers were set up on river banks. Today, the whole thing is being moved to China, simply because energy costs are the lowest, and one can best produce there.

Mrs. Zepp-LaRouche, you mentioned nuclear plants, and we should take note of the fact that we have an operative capacity of about 360,000 MW of nuclear power worldwide, with an additional 410,000 MW of nuclear power plants on the horizon. The 20,000 MW in Germany that are to be shut down are not counted here.

It would be relatively unproblematic to increase that figure. There were times when 20, 20, 30, 40, or 50 nuclear plants were built every year, and that was 50 years ago. Today, it would be no problem to have an output of 100 to 150 nuclear plants going into operation per year. That means de facto a boundless amount of energy available, and practically for free.

We should also mention here that the Social Democratic Party says we have uranium for the next 60 years. But with the technologies of the fast breeder and with MOX, that is reprocessing, we have stocks of usable uranium that can last for 20,000 years.

Therefore, all the talk about putting an end to squandering energy here—that's a waste of R&D. What's the

expression they use? "The last one to leave turns out the light."

What have the consequences been in Germany? In 2000, there were about 11 million jobs in the processing industry and no EEG subsidies. In 2009, we have EEG subsidies of EU10 billion and we've lost 1 million jobs in production. I don't mean to say that there's a direct relationshipo, but it's an interesting correlation, and it certainly has had a substantial effect.

Big Industry Plays the Game

What are the overall lethal effects, so that you can draw your own conclusion? Let me sum up: A rise in electricity prices for 2011 of more than EU500 per family, that is the figure I expect. Why this is so lethal—and on this point I somewhat disagree with you—is that German industry has already learned to a great extent to accommodate.

Look at some of the names: ABB is a major supplier of both solar and wind power. Ditto for Bosch. Flender is mainly in the wind branch, Eickhoff as well. Lapp-Kabel is everywhere, because it works on the grids, Liebherr is mainly in the wind branch. The situation with Otto [Dr. Michael Otto, head of the Otto Group], a real dreamer, is somewhat unclear, but he's the manager of the Two-Degree Initiative,³ and he obviously has to defend certain interests. Siemens, Schüco, Thyssen, and ultimately the VDMA, the German Engineering Federation, are firmly wedded to the EEG concept—that skims off profits and lets them flow into these companies.

It is simply unrealistic to assume that a change can be brought about through the good sense of the manufacturers. In my view, given my last point, which is that the media love wind energy—solar a bit less, but wind very much, you see that every day in the newspaper—it's not realistic to assume that we have much chance of winning.

In fact, you could say that I'm fighting windmills. So why am I fighting, anyway? I'll tell you why: I want my progeny to say of me—and I always blamed my parents for not fighting in other times, on another issue—I want to be sure that my children will say: He did everything he could.

Thank you.

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^{3.} The Two-Degree Initiative is a group of German companies whose "declared goal," according to its website, "is to limit global warming to 2° Celsius compared to pre-industrialisation levels."

National

Obama's T4 Genocide Program Has Just Begun

by Nancy Spannaus

April 30—If President Barack Obama is not impeached, or impelled to resign from office in the very near term, and if the economic policies of the U.S. government are not turned 180 degrees around, this President will preside over genocide worse than that of Adolf Hitler. That is the only honest conclusion that can be drawn from the initial moves to implement Obama's health-care bill, and from the creation of the President's second fascist budgeting panel, the National Commission on Fiscal Responsibility and Reform.

The means by which such mass killing will occur, like the operations of Hitler's Tiergarten 4 (T4) euthanasia board of medical experts from 1939 on, will be extremely "professional," of course. Hitler's board went through a process of evaluations which resulted in the deaths of hundreds of thousands of the handicapped, elderly, and sick, who were considered to have lives "unworthy to be lived"—i.e., costing too much to keep alive. Obama's boards are just beginning to set up similar procedures, with the explicit aim of cutting medical expenditures for the old and the poor, who are judged to be "too expensive" for the nation to carry.

As with Hitler, there is no public outcry of protest. After all, as Obama has been fond of saying recently, no panel is condemning grandma to death by denial of treatment. At least not in the public eye—yet.

Here Comes the IPAB

Obama's so-called health-care reform, modelled as it is on both the Nazi T4 and the British NICE model, is riddled with procedures which will permit the cutting of care, from the comparative effectiveness studies to the Accountable Care Organizations. But the chief measure, as Office of Management and Budget chief Peter Orszag is at pains to stress, is the Independent Payment Advisory Board (IPAB), previously known as the Independent Medicare Advisory Board (IMAB), and popularly known as "death panels."

This board, to include 15 members appointed by the President (and subject to Senate confirmation), is what the President last Summer called "MedPac on steroids," because it can make decisions on what treatments will be paid for, and by how much, with minimal interference from Congress. At the time, Sen. Jay Rockefeller (D-W.V.) and Orszag's health-care advisor Ezekiel Emanuel called it the equivalent of a Federal Reserve Board for health care.

But while MedPAC only makes the rules for Medicare, IPAB is clearly intended to make the rules for *all* health insurance. For, the new health-care law, which mandates enrollment by all, demands that all "qualified" plans can only pay doctors who implement the regulations set by the Secretary of Health and Human Services to improve health-care "quality." In other words, it's not just Medicare and Medicaid that will be

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forced to cut care, but all "qualified" plans

Speaking April 8, at the Economic Club of Washington, D.C.—in a lecture sponsored by the British empire's HSBC bank and the Bush family's Carlyle Group—Orszag virtually gloated over the IPAB's power. He insisted that the Board "could prove to be far more important to the future of our fiscal health than, for example, the Congressional Budget Office. It has an enormous amount of potential power."

He delighted in driving home the point that the American people really don't know what had just been put over on them.

"Let me ... point out ... what we just created for Medicare. So this Independent Payment Advisory Board has the power and the responsibility to put forward proposals to hit a pretty aggressive set of [costsaving medical rationing] targets over the long term. And furthermore, the proposals take effect automatically, unless Congress not only specifically votes them down but the President signs that bill. So the default is now switched in a very important way on the ... Medicare program."

To chuckles from the audience, the moderator asked, "Was that explained to Members of Congress very carefully?"

Orszag replied triumphantly, "Yes, it was, and that's why this was something that was very difficult to actually—this is why I think it was underappreciated—that this is a very substantial change. Again, ... those proposals take effect automatically if Congress ignores them, or if Congress votes them down and the President vetoes that bill. So in other words, inertia now plays to the side of this independent board."

In fact, substantial resistance in Congress to the IPAB, and its predecessor IMAB, was circumvented through the Senate's arcane reconciliation procedure, which denied the House the ability to kill that provision.

But, That's Not All

However, with the establishment of the National Commission on Fiscal Responsibility and Reform, the Obama Administration has signalled that it intends to go much, much further in slashing medical care. Obama named former Republican Sen. Alan Simpson and former White House chief of staff under President Clinton, Erskine Bowles, to head the 18-person group, which he established by executive order in order to come up with a monetarist "solution" to the Federal

budget deficit. As with the IPAB's recommendations, the Fiscal Commission's proposals are supposed to be rushed through Congress with an up or down vote at the end of the year, after the election.

Co-chair Simpson stated explicitly on national TV April 15 that the Commission intends to start a "bloodletting" of the American population: "We are using only the actuaries of Social Security. We are using only the actuaries of health care. We're using only CBO figures. We're not going to go by our own figures. We're not going to say we're going to grow our way out of this. Hell, we could have double growth for 30 years and never grow our way out of this. And hopefully we can all say, this is where we are. Then if we can do that—and that's my naive objective—then we can start letting blood."

Simpson also made it clear that the Commission would consider further cuts in Medicare, beyond those already made, including in Obama's Hitlerian death bill: "Somebody said, well, is the new health-care bill off the table? I said, nothing is off the table, absolutely nothing."

Indeed, the first meeting of the Fiscal Commission, held April 27, featured intensive discussion about budget cuts primarily in ... health care!

Fed chairman Ben Bernanke, the first witness at the Commission hearings, channeled Hjalmar Schacht (Hitler's Economics Minister). Three times he blamed "the aging of the U.S. population" for the failure to achieve "fiscal sustainability." Social Security and Medicare—he repeated—are the major causes of the unsustainable deficit.

The incompetent Bernanke is lying again. Having presided over the dispensation of hundreds of billions of dollars to crooked financial institutions who caused the recent blowout, Bernanke shrinks from the idea of expending such sums on the health care of ordinary people. Nor does he have the faintest idea that "money," expended as credit for productive investment and work, creates a healthy economy—as opposed to "money" expended for waste and gambling. The United States has grown its way out of much larger deficits before, when its leadership, such as Franklin Roosevelt and Abraham Lincoln, understood the principles of physical economy.

But not Obama. He is determined to carry out the British fascist program he's been handed—and he's not going to stop until the American people make sure that he does.

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Obama's 'Mistakes'

The President Is Ever More Impeachable

by William Wertz and Nancy Spannaus

April 30—Seldom has a U.S. President, or other official, been impeached for their actual crime, and President Barack Obama looks to be no exception. Obama's actual crimes against the U.S. Constitution lie in his dedication to imposing Nazi and dictatorial policies, on behalf of his British imperial masters. At present, there are still few prepared to take those on.

But, in his Nero-like effort to maintain power, against increasing unpopularity of his policies, Obama is making one stupid mistake after another, making himself increasingly vulnerable to prosecution. As in the case of President Richard Nixon, he is compounding his problems by his efforts at coverup.

The clearest violation of law which the President is being accused of, is in the case of Rep. Joe Sestak (D-Pa.). Months ago, Sestak reported that the Administration had offered him a position, if he would refrain from running in the Democratic primary against incumbent Republican-turned-Democrat Sen. Arlen Specter. Sestak declined the offer, and continues to run for the seat.

It is explicitly against the law for the Administration to attempt to *bribe* a politician in this manner.

On April 21, Rep. Darrell Issa (R-Calif.) asked Attorney General Eric Holder to appoint a special prosecutor to investigate whether a crime was committed by the White House in offering a job to Sestak. Issa made the request after the White House Counsel's office, through its failure to respond to two letters on the matter, convinced him that the administration had effectively confirmed the accuracy of Sestak's account. Issa has previously pointed out that only the President himself could have offered a high-level post to Sestak (reportedly, Secretary of the Navy), and the coverup being carried out by the White House can only be compared to Nixon's coverup of Watergate.

Sestak has not taken back his public statement, nor, as far as is known, has he gone to the Justice Department himself. As of this writing, the case is still pending.

Enter Blagojevich...

On the same day that Issa acted, former Illinois Gov. Rod Blagojevich submitted a motion to subpoena President Obama to give testimony in Blagojevich's trial, which is to begin in Chicago on June 3. Although the motion was denied by the trial judge on April 30 as seeking testimony immaterial to the charges in the indictment (while allowing the issue to be revisited during the trial if evidence comes up which the President should address), the motion papers include several sections which reveal that Obama may have made false statements in his public comments after Blagojevich was arrested on Dec. 9, 2008, on charges of having attempted to sell his appointment of a replacement for Obama's Senate seat (vacated by Obama's election as President). At the time, Obama told reporters flatly, "I had no contact with the governor or his office, and so we were not-I was not aware of what was happening."

The Blagojevich motion reveals that U.S. Attorney Patrick Fitzgerald and the FBI are in possession of testimony by other witnesses who contradict the President's public claims.

It remains to be seen, whether the President-elect made similar false statements when he was interviewed by the FBI in December 2008. According to an article in the London *Daily Telegraph* by Toby Harnden on Dec. 26, 2008, Obama was interviewed at his Chicago transition office by two U.S. Attorneys and two FBI agents for two hours on the prior Thursday.

The Blagojevich motion notes also that on Dec. 19, 2009, the defense filed a discovery motion requesting all notes, transcripts, and reports generated from the government's interview of Obama. As of last week, the defense has not received any documents from Obama's interview with the government.

Also interviewed by the government were White House insiders Rahm Emanuel and Valerie Jarrett, whom Emanuel had said was Obama's preferred candidate. At the time, Harnden reported that Emanuel was known to have spoken to Blagojevich once or twice, and to his chief of staff John Harris at least four times, about the vacant Senate seat. According to the *Chicago Tribune*, at the time the scandal broke, Emanuel relayed to Blagojevich's team a list of candidates who would be acceptable to the Obama White House,

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White House/Pete Souza

In Obama's Nero-like drive to assert his power, he is making one dumb mistake after another, thus making himself increasingly vulnerable to impeachment. He has reason to worry.

and that these conversations were captured on tape by Fitzgerald.

While Obama protrays his relationship to Blagojevich as distant, Ryan Lizza wrote in the *New Yorker* that, "Rahm Emanuel... told me that he, Obama, David Wilhelm, who was Blagojevich's campaign co-chair, and another Blagojevich aide were the top strategists of Blagojevich's victory. He and Obama participated in a small group that met weekly when Rod was running for governor, Emanuel said. 'We basically laid out the general election, Barack and I and these two.'" Moreover, Emanuel ran for the seat in Congress vacated by Blagojevich.

Despite the fact that Obama says he had no contact with Blagojevich, the Blagojevich motion reports:

"President-elect Obama also spoke to Governor Blagojevich on December 1, 2008 in Philadelphia. On Harris Cell Phone Call #139, John Harris and Governor's legal counsel discuss a conversation Blagojevich had with President-elect Obama."

Another section in the Blagojevich motion deals with a Services Employee International Union (SEIU) official who functioned as an intermediary for Obama to Blagojevich.

...And Money-Man Tony Rezko

The Blagovejich motion also raises another sensitive issue for Obama, which erupted during his campaign: his relationship with fixer Tony Rezko, who, having been convicted of fraud, is now sitting in prison in an undisclosed location.

The motion reports: "In a recent *in camera* proceeding, the government tendered a three paragraph letter indicating that Rezko has stated in interviews with the government that he engaged in election law violations by personally contributing a large sum of cash to the campaign of a public official who is not Rod Blagojevich.... Further, the public official denies being aware of cash contributions to his campaign by Rezko or others and denies having conversations with Rezko related to cash contributions.... The defense has a good faith belief that this public official is Barack Obama."

Rezko was convicted of a fraudulent scheme, which has criminal implications for both Blagojevich and Obama. The difficulty for Blagojev-

ich and Obama is that Rezko, who is scheduled to testify in the upcoming trial, is clearly in the process of making a deal with the prosecution. The *Chicago Sun-Times* reports that Rezko was moved from Chicago's downtown Metropolitan Correctional Center on Dec. 16, to an undisclosed location.

There are indications that Obama may have still more to worry about: He is at the center of the Health Facilities Planning Board scheme for which Rezko was indicted. This scheme was also in the original indictment of Blagojevich (pp. 19-23), but was removed from the superseding indictment, perhaps to be reserved for another legal action.

The Rezko indictment reads: "Illinois Health Facilities Planning Board (Planning Board) was a commis-

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sion of the State of Illinois, established by statute, whose members were appointed by the Governor of the State of Illinois. State law required an entity seeking to build a hospital, medical office building, or other medical facility in Illinois to obtain a permit, known as a Certificate of Need (CON), from the Planning Board prior to beginning construction."

In 2003, new legislation, Senate Bill 1332, was introduced into the Illinois Senate in furtherance of this scheme. Obama was the chairman of the Senate Health & Human Services Committee in January 2003. The legislation made it easier to rig the board's decisions, so as to facilitate kickbacks and bribes. Specifically, the bill reduced the number of members on the board from 15 to 9. Secondly the previous Act allowed the Board itself to select a "Chairman and other officers as deemed necessary." But the new law stated: "The governor shall designate one of the members to serve as Chairman and shall name a full-time Executive Secretary."

From his position as chairman of the Human Services Committee, Obama was instrumental in ensuring rapid passage of the bill. After the bill passed, a June 2003 e-mail exchange produced in the trial shows Obama was one of eight officials who received the names of the nominees for the new board ahead of time, from the office of David Wilhelm, who headed Blagojevich's 2002 campaign for governor.

The corrupt new appointees were all contributors to Blagojevich, and to the U.S. Senate hopeful Obama. Tony Rezko was, at the time, a member of Obama's finance committee.

Obama's criminal Chicago connections were highlighted once again on April 23, when the FDIC seized Chicago's Broadway Bank. The former senior loan officer of the family-run bank, Alexi Giannoulias, was elected Illinois State Treasurer with Obama's support, and is now the Democratic candidate for Obama's former U.S. Senate seat. The *Chicago Tribune* reported on April 1 that the bank loaned \$20 million to felons during a 14-month period when Giannoulias was the senior loan officer. The two felons, Michael Giorango and Demitri Stavropoulos were preparing to serve Federal prison terms at the time for bookmaking and prostitution.

Broadway's other famous customer was Obama's patron Tony Rezko, the same Rezko who wrote \$450,000 in bad checks against his account to pay off gambling debts.

'Helium-3 Crisis'

Reverse Obama's Murder of NASA

April 26—The House Committee on Science and Technology held a hearing April 22, on the topic, "Caught by Surprise: Causes and Consequences of the Helium-3 Supply Crisis," at which three representatives of the LaRouche Political Action Committee provided attendees with written testimony on how there need be no such eventuality. The full text, prepared by Peter J. Martinson, reads as follows:

If humanity runs out of an adequate supply of Helium-3 soon, and if adequate measures are not taken to reinstate our supply, the blame must be placed at the feet of President Obama. The most abundant source of Helium-3 that is accessible, is not in our nuclear arsenal or in Amarillo, Texas, but on the surface of our Moon. If President Obama's proposed budget goes through, without provision for the continuation and advancement of the NASA manned space program, then we will have thrown away the greatest mining opportunity in our history.

- Return to Real Space Science -

It is useful to use the Helium-3 crisis to illustrate how the problems in scientific and economic thinking have led to the point of the breakdown of human civilization. The Helium-3 problem does not represent one of many unconnected, coincident crises facing civilization today, but is integrally involved with the dynamic of global collapse. American economist Lyndon La-Rouche has repeatedly warned, that we are now, indeed, at end-game, where either our world will not return from the meat grinder of world wars and disease for many generations, or we will reverse the process of collapse and turn our sights towards the heavens, in cooperation with, at least, Russia, China, and India, on the project of Man's true destiny—the colonization of the Moon, Mars, and the rest of our Solar System.

Our true enemy is the British Empire, which resides in the financial houses of London, Wall Street, and various offshore locations such as the Cayman Islands and the Dutch Antilles. This empire is right now moving

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towards the final destruction of the world economy, especially its historic enemy the United States. Until that threat is consciously taken on, through such Federal acts demanded by LaRouche—beginning with the bankruptcy reorganization of the U.S. Federal Reserve system under the Glass-Steagall standard—then no amount of bailouts or terrorist hunting will ever secure our nation. We must de-fang this British Empire immediately, and finally regain control over our nation's economy and security—in much the same way as that great Democrat, Franklin Delano Roosevelt.

The power of the American System of Political Economy, is in its reliance on the powers of human cognition. From even a money perspective, missions of discovery organized by the Federal government have always resulted in huge profits, even though the importance of these missions was never implied by a conventional economics class. For example, the Apollo program made ten cents for every cent invested. But, the real profit was in the form of the increased power that Man wielded over nature, at the end of the program, in terms of new technology, and trained engineers—many of whom have been tapped for NASA's Constellation project. Real profit is never in money, but in increased power to evoke anti-entropic changes to the universe.

Since the assassination of John F. Kennedy, our government has been induced to dump this concept from our national economic thinking. As the current case involving Goldman Sachs, and the proliferation of former Goldman Sachs employees in our government, indicates, we have turned to the practice of pleasing Wall Street, the junior partner in the British Empire, instead of pushing for scientific and technological breakthroughs. Our economy has turned into a giant casino, where the progress gained, up through Kennedy's Presidency, has been largely discarded, and now "cures" for our dead economy are being thrown to entities such as Goldman Sachs and AIG in the form of huge infusions of money.

Human civilization has been living off of the momentum developed up to the death of President Kennedy. Since the late 1960s, we have exhausted the resources to support a world of now nearly 7 billion people, at the current technological level. In order to survive this global economic crisis, it must be the mission of the United States of America to begin making great leaps again in the level of real technology, which is only possible through setting a few very great goals.

This is where the apparent crisis in Helium-3 is really located.

Helium on the Moon

The largest known source of Helium-3 (besides the outer gas giant planets) is on the surface of the Moon. The same money that could be invested into reviving the domestic production of Helium-3 could thus be more effectively invested for a serious mission of lunar industrialization.

The best use of Helium-3 is being demonstrated right now at the University of Wisconsin-Madison, where they have been running an inertial electrostatic confinement reactor for some years, using the Helium-3 + deuterium reaction. Were significant funding offered for this kind of fusion research, then break-even could actually be achieved. This research will lead not only to a clean, efficient, powerful source of electricity, but to breakthroughs in knowledge of the nature of matter and spacetime.

In reality, the best plan, regarding the supply and use of Helium-3, is what should be the current goal of all human science, and specifically the mission of the United States. We must begin immediately to move on a manned mission to Mars. We cannot risk sending human astronauts on a 200-300-day, ballistic voyage there, because of the deleterious effects on their health due to extended weightlessness. We need those astronauts to be able to perform work when they get there, and they must be able to return home. Therefore, we must at least provide an artificial gravity on their spacecraft, which could most directly be attainable through construction of Helium-3 fusion rocket engines, which can continuously accelerate the craft at 1 Earth gravity. This would shorten the trip to the length of about a long weekend.

All discussion about both Helium-3, and fusion, is best put into context by recognizing Man's immortal mission to explore and colonize, personally, our Solar System and beyond. Therefore, some concrete proposals for this Committee on Science and Technology are:

- 1) Fight to block President Obama's proposal to shut down NASA's manned Lunar program;
- 2) Immediately launch a real Apollo-style mission to send astronauts to Mars, and return them to the Earth safely;
- 3) Increase funding for all aspects of fusion research in the United States, but especially that involving Helium-3.

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IN THE FACE OF SUCCESSFUL ELECTIONS

British Empire Strategy Unchanged: Balkanize Sudan

by Douglas DeGroot and Lawrence Freeman

April 30—Despite the cynical reporting by the Western press reflecting the views of governments hostile to Sudan, that Sudan's election fell short of international standards, Russia, China, the African Union, the Arab League, and IGAD¹ praised the election as peaceful, and a positive step forward for Sudan. All honest observers, who actually care about the people and Sudan's future, and who are not in lockstep with British imperialist intentions to divide up the country into separate warring entities, would come to the same conclusion.

However, the City of London-based financial cartel made it very clear that the national, state, and local elections were not going to affect their plan to break up Sudan. Even before the April 11-15 elections took place, London announced that its goal was to split up Sudan, and that it arrogantly thought that it would be able to rip the nation apart.

This historic election, the first in 24 years, was greeted with genuine excitement by Sudanese from all parts of the country. Approximately 16 million citi-

zens were registered to vote, more than three times the

As expected, Bashir's National Congress Party swept over 90% of the contested seats for the Parliament in the North, and may have as much as an 80% majority in the Parliament, sharing power with the SPLM. Nevertheless, Bashir asked the other opposition parties to join the government in an effort to promote reconciliation. There are indications that a few of the

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number who were registered in the last election, in 1986. This in itself is a significant accomplishment, in such a huge and undeveloped nation. Voter participation averaged 60%, which means about 9 million Sudanese voted—almost one fourth of the total population of 38 million—with some areas reporting even higher voter turnout. President Hassan Omar al-Bashir was re-elected, with almost 68% of the vote, and Salva Kiir Mayardit was elected President of southern Sudan with 93% of the vote. Neither of these results is surprising. The southern-based Sudan People's Liberation Movement (SPLM) and the northern-based opposition parties impotently pulled out of the Presidential race days before the elections, when it became clear that they would be overwhelmingly rejected by the voters, because they had provided no leadership for many years. In the South, Salva Kiir ran virtually unopposed.

^{1.} The Intergovernmental Authority on Development in Eastern Africa (IGAD) is a bloc of six nations in eastern Africa (Djibouti, Ethiopia, Kenya, Somalia, Sudan, and Uganda), which were instrumental in the process that led to the CPA.



UN/Evan Schneider

In Sudan's first Presidential election in 24 years, President Omar Hassan al-Bashir was re-elected with 68% of the vote, in what most observers deemed a peaceful and fair vote. Yet, the British imperial strategy is to divide the country, and prevent the emergence of a unified Sudan.

parties are in negotiations to become part of the new government.

Africans Support Sudan Elecion

The chair of the African Union (AU) Commission, Jean Ping, has commended the Sudanese electoral process, which he said was peaceful. "The Chairperson of the commission wishes to commend the people of the Sudan and the Sudanese political parties for peacefully conducting the just-concluded multiparty general elections, held from 11-15 April 2010," said the AU statement issued in Khartoum April 16.

"These elections constitute a fundamental milestone towards realizing the democratic transformation of the Sudan as espoused by the 2005 Comprehensive Peace Agreement (CPA)," Ping said.

Ping indicated that the elections were faced with some administrative and logistical challenges, which were later solved without affecting the electoral process.

"In this regard, the chairperson expresses his appre-

ciation for the efforts that had been deployed by the National Elections Commission to address and resolve them. It was encouraging that such challenges had not impacted negatively on the resolve of the Sudanese people to cast their votes," said the AU statement.

Ping reiterated the unwavering support of the AU to the Sudanese people, especially through the mission and work of the African Union High Level Implementation Panel (AUHIP) on Sudan.

"[Ping] is confident that the Panel's efforts will be instrumental in helping the Sudanese stakeholders implement the remaining key aspects of the CPA and bring about peace, national reconciliation and justice in Darfur," added the statement.

Ping further urged the Sudanese people to maintain calm, and looked forward to a smooth completion of the electoral process with the announcement of the final results.

A UN news report on the elections stated that the assessment of African Union's 50-member observation team was that "elections in a place like Sudan—which faces challenges due to its geographic size, underdevelopment, high rate of illiteracy, an unfamiliar voting system, and ongoing and historical instabil-

ity—cannot be held to international standards by developed nations with longstanding democratic traditions."

The elections, the AU team argued, were "imperfect but historic," and a huge milestone for the peace and democratization of the country.

The 37-member team for IGAD, a Horn of Africa bloc of nations instrumental in mediating the 2005 CPA, mostly concurred. Despite discovering irregularities and anomalies—including missing names on voter lists, voter confusion over locations of polling stations, delays, and inadequate privacy provisions to ensure secret ballots during polling—the IGAD team concluded that the elections were "credible," considering the big challenges in holding such a vote.

Russia, China, and the UN Agree

According to a report April 21 in SudanVisionDaily online, Russian special envoy to Sudan Mikhail Margelov said that only technical flaws occurred at the polls, which did not impact the integrity of the process as a whole. He criticized Western monitors over their

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assessments made over the weekend. "In particular, voting papers were delivered late to polling stations. And polling stations themselves did not open on time. The names of some candidates on the lists were distorted or had the wrong symbols."

Margelov told the Russian Interfax news agency: "This country is just emerging from a state of war." He also said that the opinion of the EU observers to the effect that the elections "did not meet the key requirements of the electoral process" were too categorical. Margelov said the elections in Sudan should be judged by African, and not European standards.

The Russian official stressed that the reported irregularities did not give enough grounds for casting doubt on the validity of the elections. Russia had sent observers to monitor the elections.

Sudan Vision also reported that China's foreign ministry spokesperson Jiang Yu praised the sound organization of the Sudan elections, and said that the vote took place amid an environment of stability and order. Jiang stated that China, which had also sent election observers, would continue, in collaboration with the international community, the "constructive efforts" for supporting the peace process in Sudan.

A Voice of America release April 20 reported that the UN Secretary General's special representative for Sudan, Haile Menkerios, said the elections were an important benchmark in the implementation of the CPA. According to the VOA report, the United Nations played a pivotal role in the elections by providing technical and logistical assistance to the Sudan National Electoral Commission.

Dividing Sudan Is London's Goal

London needed to allow the election to go forward, to fulfill the requirements demanded by the CPA, before the referendum scheduled for next January, could take place, while London and its allies are doing everything possible to get southern Sudan to vote for secession.

While accepting the election to pave the way for the referendum, the media reports of the British and their allies are describing the election as flawed, so as not to give any credibility to the government of President Bashir, but, at the same time, not declaring the elections a fraud, so they can maneuver to get what they really want: the South to secede.

The *Financial Times* stated in an editorial on April 20 that, "the international community must not lose

sight of the bigger goal, which is the referendum." The editorial stated bluntly that, "A vote for secession ... is now all but certain." It called on its Western allies to join in the campaign for secession of the South.

Before the elections even took place, the London *Economist* on April 8 stated flatly that "a flawed election would be better than none, for it would mean progress towards a peaceful north/south split." On the last day of the elections, April 15, the *Economist* termed the elections "rigged in the north, more or less fair in the south." The London *Guardian* on April 18 reported that Sudan "is on the brink of splitting," and went so far to propose a name for southern Sudan, should the British succeed promoting its secession: "Republic of the White Nile."

Lincoln Was Right: No Separation

Thank God, that Abraham Lincoln was the President the United States during our Civil War. If it had been any lesser man than he, the United States would not exist today as a sovereign nation, and the world would be a feudal relic, completely controlled by British monetarism, guided by Lord Bertrand Russell's evil genocidal policies.

Lincoln was right to fight for as long as it took to defeat the Confederacy. In the case of Sudan, it was the British and the United States who forced it to accept a referendum against a united nation, as the price for ending the long war between the North and the South, which led to the CPA. It was a dirty deal, that Lincoln would not have accepted.

The division of nations into separate parts, pitting one group against another, instigating wars among peoples, is the age-old imperial method of "divide and rule." This is the danger threatening Sudan, as it faces the potential for balkanization, either by the referendum scheduled for Jan. 9, 2011, or by a possible British-manipulated unilateral declaration of independence by the SPLM before then. Many already consider secession a "done deal," but only fools who fail to understand the primacy of the sovereign nation, or outright enemies of Africa, would wish for such a "done deal."

There is already great concern among Sudan's neighbors that this type of north/south division will be dangerous for them, since similar "ethnic/religious" conflicts have been fostered inside their own borders. Africa already suffers from having been carved up by the colonial powers. Take the case of Nigeria, where

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UN/Tim McKulka

In the historic April election, voter participation averaged 60%, or about 9 million citizens, who overcame enormous challenges to cast their ballots. Shown: a voter in Khartoum examines the ballot.

calls for "ethnic/tribal" balkanizations have undermined its sovereignty since the 1966 coup that overthrew the First Republic. Will elements in the volatile Niger Delta now see the impending secession of south Sudan as a new model to create their "own country?"

Who created the north-south division in Sudan in the first place? There was nothing natural about it. The very characterization of an African South and Muslim North is a racist affront to Africans.

The so-called north-south conflict was created by the British by means of two laws in 1922: the Closed Districts Ordinance and the Passport and Permits Ordinance. Without consultation or agreement from the people of Sudan, the British-imposed laws divided the country into two separate entities (as was also done in Nigeria).

These laws sealed off the South, declaring it a "closed district," and criminalized any movement between the South and the North without a "passport" issued by the British. This was done to foster two distinct entities, governed separately, thus preventing the emergence of *one Sudan nation*.

Will the South Be Used To Create New Wars?

There is a British faction in the U.S. government that has been advocating for the South to secede for years. Part of their anti-northern Sudan mentality is simply their hatred of Islam, but it goes beyond that. The primary reason that Bashir was targeted by the illegal International Criminal Court is that, with all its imperfections, the Bashir government has represented a nationalist current that patriots from South found they could work with to help Sudan progress towards nationhood. With the decadeslong effort to overthrow Bashir having failed, their tactics have focused on pushing ahead for a new "Southern State," knowing full well what the consequences will

Is southern Sudan qualified to be a "new state?" Is

there a principled reason to break up Sudan into two entities? Whose purpose will that serve? We maintain that it would not be the Sudanese people. With unresolved tribal disputes leading to increased violence that will be easy to manipulate, a highly factionalized SPLM government and army, horrible economic conditions, the lack of a minimal infrastructure, and a food crisis that will require food assistance to 4.3 million Sudanese living in the south—close to 50% of southern Sudan's reported population—southern Sudan is being called a "pre-failed state." Those committed to insuring that Sudan will never emerge as sovereign nation, which could help bring peace and stability in the volatile Horn of Africa, also intend that southern Sudan will fail, and will use its failure to detonate new and more bloody conflicts in Sudan, and neighboring countries as well.

What is urgently needed at this moment in Sudan's existence, is for Sudanese patriots from both the North and South to work towards a united Sudan, premised on economic development, which requires the immediate overturning of the destructive sanctions and embarking on an aggressive nationwide and region-wide infrastructure-building program that will enable Sudan to become the breadbasket of Africa.

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Editorial

Iran War Is at Top of London's Agenda

The nation of Iran is now under attack by the British imperial forces and their puppet U.S. President Obama. Contrary to the common wisdom, it is not because Iran is determined to reprocess plutonium for development of peaceful nuclear power (or even for nuclear bombs). No. For London, the push for killing sanctions against Iran is aimed at triggering a regional, and possibly, a new world war.

Britain's surrogate in its drive for war is the group, United Against a Nuclear Iran (UANI), whose leadership consists of well-placed Obama cronies, notably Dennis Ross, Richard Holbrooke, and Alan Solow, a UANI director and current chairman of the Conference of Presidents of Major American Jewish Organizations. UANI wrote major parts of the "crippling sanctions" legislation against Iran, working with members of Congress.

Obama and friends are carrying out a two-tiered operation for war against Iran. Under the existing Iran Sanctions Act, the U.S. is putting intense pressure on other nations to cancel all business dealings with Iran, while the Treasury Department, is pressuring energy companies, like Malaysia's Petronas, India's Reliance, and Russia's Lukoil, to cut off Iran. According to the Congressional Research Service, all three of have capitulated to U.S. demands.

While the media focus has been on the appearance of Iran's unstable leader Mahmoud Ahmedinejad at the UN's Nuclear Non-Proliferation Treaty Review in New York, and his controversial—but truthful—charge that the U.S. and its allies have imposed a "double standard" in the Middle East, in which everyone winks at Israel's nuclear arsenal, his endorsement for a "nuclear-free zone" in the Middle East is on the mark. The only obstacle to that proposal is Israel, which has refused to sign the Nuclear Non-Proliferation

Treaty (NPT), in order to protect its undeclared nuclear arsenal. But the call for a "nuclear-free Middle East," which was adopted by some 180 countries in 1995, has been put on the agenda of the month-long conference to review the NPT, by Egypt, with the support of most of the other countries in Southwest Asia and the Arab World.

Meanwhile, Obama has been pressuring Egypt to alter its nuclear-free-zone proposal—to protect Israel from international censure, since Israel refuses to sign the NPT, and is the only power with nuclear weapons in the region.

"This is typical Obama stuff," said Lyndon La-Rouche, "covering for Israel when they are the only obstacle," to a nuclear-free Middle East. "It's called the Israeli factor, but it's actually the British factor.... Today, the British Empire's control depends on their ability to continually unleash chaos."

On April 14, in Washington, Obama threatened the first use of nuclear weapons against countries that don't follow the NPT—a statement directed at Iran and North Korea, while ignoring Israel's nuclear arsenal. At the same time, there are growing indications that Obama has given the green light for an Israeli attack on Iran, if Iran refuses to stop enrichment of uranium—which is permitted under the NPT for energy purposes.

This double standard infuriates Middle Eastern and other developing countries, which see the Anglo-American policy on restricting uranium enrichment as "technological apartheid," to deny them nuclear energy.

The point is: There is no reason for any war in any part of the world at this time. Instead, humanity must seize the opportunity presented by the current crisis to usher in a new age of economic cooperation and development, including the conquest of space. *Carpe diem!*

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GY Ch.2: Wed, Thu, Fri: 6 am

ALASKA

ANCHORAGE GCI Ch.12: Thu 10 pm

CALIFORNIA

- CONTRA COSTA
- CC Ch.26: 2nd Tue 7 pm COSTA MESA
- TW Ch.35: Thu 5:30 pm
- LANCASTER/PALMDALE TW Ch.36: Sun 1 pm
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- SAN FRANCISCO CC Ch.29: 2nd & 4th Sat 9 pm

COLORADO

DENVER CC Ch.56 Sun 10 am

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- GROTON CC Ch.12: Mon 5 pm NEW HAVEN CC Ch.27: Mon &
- Wed: 6 am; Sat: 6 pm **NEWTOWN CH Ch.21:**
- Mon 12:30 pm; Tue: 6 pm NORWICH CC Ch.14: Tue 8 pm
- SEYMOUR CC Ch.10: Tue 10 pm

DISTRICT OF COLUMBIA

WASHINGTON CC Ch.95 & RCN Ch.10: Irregular

FLORIDA

ESCAMBIA COUNTY CX Ch.4: Last Sat 4:30 pm

- **CHICAGO** CC./RCN/WOW Ch.21: Irregular
- PEORIA COUNTY IN Ch.22: Sun 7:30 pm
- QUAD CITIES MC Ch.19: Thu 11 pm
- **ROCKFORD** CC Ch.17 Wed 9 pm

IOWA

QUAD CITIES MC Ch.19: Thu 11 pm

KENTUCKY

- BOONE/KENTON COUNTIES IN Ch.21: Sun & Tue: Midnight
- JEFFERSON COUNTY IN Ch.98: Fri 2-2:30 pm

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MARYLAND

- ANNE ARUNDEL CC Ch.99; FIOS Ch.42: Tue & Thu: 10 am; Fri & Sat: midnight
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MASSACHUSETTS

- CAMBRIDGE CC Ch.10: Tue 2:30 pm; Fri 10:30 am
- FRANKLIN COUNTY (NE) CC Ch.17: Sun 8 pm; Wed 9 pm; Sat 4 pm
- GREAT FALLS CC Ch.17: Irregular
- QUINCY CC Ch.8: Pop-ins.
- WALPOLE CC Ch.8: Tue 1 pm

MICHIGAN

- BYRON CENTER CC Ch.25: Mon 1 & 6 pm
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- CC Ch.25: Mon 6:30 am KENT COUNTY (South)
- CC Ch.25: Wed 9:30 am LAKE ORION
- CC Ch.10: Irregular
- LANSING CC Ch.16: Fri Noon
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3:
- SHELBY TWP CC Ch.20, WOW Ch.18, UV Ch.99: Mon 11 pm
- WAYNE COUNTY

CC Ch.16/18: Mon 6-8 pm

MINNESOTA

- ALBANY AMTC Ch.13: Tue & Thu: 7:30 pm
- CAMBRIDGE
- US Ch.10: Wed 6 pm
- **COLD SPRING** US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS
- CC Ch.15: Tue 9 pm DULUTH CH Ch.16: Irregular.
- Ch,29: Wed Midnight; Fri 1 pm
- MARSHALL Knology Ch.67: & CH Ch.35/8: Sat. 8:30 am MINNEAPOLIS
- CC Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 11 am & 6 pm
- NEW ULM CC Ch.14 & NUT Ch.3: Sun 6 am, Tue 9 pm
- **PROCTOR**
- MC Ch.7: Tue after 5 pm.
- ST. CLOUD CH Ch.12: Mon 5 pm
- ST. CROIX VALLEY
- CC Ch.14: Thu 1 & 7 pm; Fri 9 am ST. PAUL CC Ch.15: Wed 9:30 pm
- ST.PUAL (N.Burbs) CC Ch.21: Mon 7 pm, Tue 3 am & 11 am

- ST. PAUL (S&W Burbs) CC Ch.15: Mon, Wed, Fri 9 am
- SAULK CENTRE
- SCTV Ch.19: Sat 5 pm
- WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

NEVADA

- **BOULDER CITY**
- CH Ch.2: 2x/day: am & pm WASHOE COUNTY CH Ch.16: Thu 9 pm

NEW HAMPSHIRE

- CHESTERFIELD CC Ch.8: Wed 8 pm
- MANCHESTER CC Ch.23: Thu 4:30 pm

NEW JERSEY

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- MERCER COUNTY CC Trenton Ch.26: Irregular Windsors Ch.27: Irregular MONTVALE/MAHWAH
- CV Ch.76: Mon 5 pm
- PISCATAWAY FIOS TV Ch.40, CV Ch.15: Thu 11:30 pm

UNION CC Ch.26: Irregular **NEW MEXICO**

- BERNALILLO COUNTY CC Ch.27: Tue 2 pm
- LOS ALAMOS
- CC Ch.8: Wed 10 pm SANTA FE
- CC Ch.16: Thu 9 pm; Sat 6:30 pm
- SILVER CITY CC Ch.17: Daily 8-10 pm
- TAOS CC Ch.2: Sat: 10 pm

NEW YORK

- ALBANY TW Ch.18: Wed 5 pm.
- **BETHLEHEM**
- TW Ch.18: Tue 6 am BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN 4th Friday: CV Ch.67: 10-10:30 am TW Ch.34: 10-10:30 am RCN Ch.82:10-10:30 am FIOS Ch.42:10-10:30 am
- BUFFALO TW Ch.20: Wed & Fri 10:30-11pm
- CHEMUNG/STEUBEN TW Ch.1/99: Tue 7:30 pm
- **ERIE COUNTY** TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT
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- TW Ch.99: Irregular MANHATTAN TW, RCN Ch.57/85, Verizon FIOS-TV Ch.35:
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- PENFIELD TW Ch.15: Sun & Tue
- QUEENS: 4th Sat monthly 2 pm TW Ch.56, RCN Ch.85, Verizon FIOS-TV Ch.36
- QUEENSBURY TW Ch.18: Mon 7 pm
- ROCHESTER
- TW Ch.15: Irregular
- ROCKLAND CV Ch.76: Mon 6 pm

- **SCHENECTADY**
- TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Tue 8:30 am & Midnight
- TRI-LAKES
- TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm

WEST SENECA TW Ch.20: Thu 10:30 pm

- **NORTH CAROLINA** HICKORY CH Ch.6: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Fri 12:30 am

OHIO

- AMHERST
- TW Ch.95: Daily Noon & 2 pm
- **OBERLIN Cable Co-Op**

Ch.9: Thu 8 pm PENNSYLVANIA

PITTSBURGH CC Ch.21: Irregular

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- BRISTOL, BARRINGTON, WARREN
- Full Channel Ch.49: Tue: 10 am EAST PROVIDENCE
- CX Ch.18; FIOS Ch.24: Tue: 6 pm STATEWIDE RI INTERCONNECT CX Ch.13; FIOS Ch.32 Tue 10 am

TEXAS

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

VERMONT

- BRATTLEBORO CC & SVC Ch.8:
- Mon 6 pm, Tue 4:30 pm, Wed 8 pm GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm

VIRGINIA

- ALBEMARLE COUNTY
- CC Ch.13: Sun 4 am; Fri 3 pm ARLINGTON CC Ch.69 &
- FIOS Ch.38: Tue 9 am CHESTERFIELD COUNTY
- CC Ch.17; FIOS Ch.27: Mon 1 pm FAIRFAX CX & FIOS Ch.10: 1st & 2nd Wed 1 pm; Fri 10 am; Sun 4 am. FIOS Ch.41: Wed 6 pm LOUDOUN COUNTY CC Ch.98 &
- FIOS Ch.41: Wed 6 pm
- ROANOKE COUNTY

CX Ch.78: Tue 7 pm; Thu 2 pm WASHINGTON

- KING COUNT CC Ch.77: Mon Noon
- BS Ch.23: Mon Noon TRI CITIES CH Ch.13/99: Mon 7

pm; Thu 9 pm

- WISCONSIN MARATHON COUNTY CH Ch.98: Thu 9:30 pm; Fri Noon
- MUSKEGO TW Ch.14: Sun 7 am, Mon & Thu: 5:30 pm

CH & MC Ch.7: Tue after 5 pm.

SUPERIOR

WYOMING GILLETTE BR Ch.31: Tue 7

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