

## The British Empire's Concentration Camps Vs. Glass-Steagall

by Dennis Small

*EIR Ibero-American Intelligence Director Dennis Small gave this report to the May 2, 2013 LaRouchePAC national activists conference call.*

We are now in the early part of 2013. I want you to look back five years, and I want you to look forward for a certain period of time, simultaneously. Look back five years to 2008. At that point, Lyndon LaRouche warned, as the crisis of the meltdown of the trans-Atlantic financial system broke upon the United States and Europe as well, that unless policies were implemented that completely eliminated the speculative, cancerous bubble with measures such as Glass-Steagall, that if that did not happen and if it were allowed to continue, that cancer would grow. It would take over the body of the economy altogether. And we would suffer economic collapse in the physical economy, around the world and in the United States, which would bring fascism down upon us, if we did not reverse this policy.

That policy reversal did not happen. LaRouche's warning was not heeded, and from 2008 to 2012, approximately four and a half trillion dollars of "quantitative easing" was issued. What that means is that money was printed in the electronic fashion that happens now, to try to bail out the speculative cancer. A hyperinflationary speculative bubble was created, on top of the existing speculative bubble. And at the same time, bone-crushing austerity was implemented on the populations of Europe and in the United States, to try to find and channel the resources to keep that cancerous bubble alive.

Standing in 2013, as we now look forward, the stated intention of the British Empire and its allies on Wall Street, as repeated yesterday by the Federal Open Market Committee of the Federal Reserve, and as repeated today by the European Central Bank, is to continue and accelerate that pro-

cess of “quantitative easing”—in other words funny money, Monopoly-money creation—at a rate that will bring the total amount of hyperinflationary financial cancer from \$4.5 half trillion up to the range of \$11 trillion, in less than two years.

At the same time, they are implementing policies of economic contraction and cutback, that have created conditions—as I will discuss with you shortly—that can be described as nothing other than economic concentration camps in Europe and elsewhere, that are absolutely no different in character than the concentration camps that were created by Adolf Hitler, then under British tutelage, as the policies of Obama here and the policies in Europe under the ECB [European Central Bank] are today as well. If this is not stopped now, we will not be able to look five years forward into the future. We may still have the freedom to look five years into the past right now, but there will not *be* five years into the future, unless this is changed.

### **‘They Make a Decision and Exterminate a Country’**

Now let me be concrete and specific. A leader of the Portuguese Socialist Party, a former presidential candidate by the name of Manuel Alegre, a 76-year-old man, a poet widely respected in his country, wrote an article a few weeks ago, in which he said: “We are like those prisoners in the concentration camps who lived under the illusion that their time had perhaps not yet come, when others were being lined up for the gas chambers. No swastikas are seen, there are no soldiers barking orders, the phrase *Arbeit Macht Frei* has not yet appeared over the entrance to our country.

“They do not need to invade nor bomb. They make a decision and exterminate a country. Yesterday, it was Cyprus. Cyprus is a small country. They already said the same thing about Greece. As long as they do not put a mark on our lapel, people believe that we are going to escape that fate. But I am already beginning to feel condemned. I cannot stop feeling like a Cypriot.” He concluded, “This Europe is a fraud. It is no longer a project of peace and liberty. It begins to be a totalitarian threat, with the objective of impoverishing and enslaving us countries of the South. That is why it behooves us to feel like Cypriots, before it reaches us.”

And participants in this call will certainly recall that we have been emphasizing strongly over the recent period the idea of the “Cyprus template.” That is, what they did to Cyprus in terms of looting the country dry,

is intended not only for all of Europe, but for the United States, Canada, the United Kingdom, and other countries as well.

### **Pearl Harbor, Again**

Now, where do we stand? Many of you who know LaRouche or who have followed his thinking for some time, will have heard him discuss—because he has done so repeatedly—what happened on Pearl Harbor Day [Dec. 7, 1941] in the United States. He has described how, from one morning, to the afternoon of that same day, an entire nation was transformed from a people who wanted to keep the war at arm’s length, and hoped it was somehow something happening “over there,” to a nation that mustered up, because they realized what had to be done to save Europe from the concentration camps and economic fascism to which they were falling prey, and that the fate of our country and the entire world depended on that.

And many of you may have wondered yourselves what you would have done, or what your generation would do, whether you’re older or younger: What would *we* do, faced with the same type of situation? What would *I* do? What would my generation do under such circumstances? How would I respond to a Pearl Harbor?

Well, this is your chance to muster up. Because we are now, *again* facing a situation where the majority of Europe, especially Southern Europe, is being turned into a concentration camp. It is happening *again*, in service of the centuries-old policy of intentional depopulation that the British Empire has long defended. It’s being done *again*, in such a fashion, that they are hoping that people will not fight. And, the single best way to defeat the spread of this policy today is by the application of the Glass-Steagall Law, *again*.

Because you will recall that, in fact, it was Franklin Roosevelt’s Glass-Steagall Law of 1933—along with other things, but this was the key policy that actually allowed the United States to defeat fascism, not only abroad, but in this country as well. Because there were fascists rallied around Wall Street to try to do here what happened in Germany, what happened in Italy, what happened in Spain and elsewhere, also under British direction.

But it was the Glass-Steagall Law which completely clipped the wings of speculative financial interests. It not only separated investment in speculative banking from commercial productive banking; but it also pro-

hibited the government from providing subsidies, in any form whatsoever, to such speculation. Separate it the way you separate a cancer from healthy tissue. Separate it in such a fashion that it cannot be allowed to rule the destiny of our nation and the world. And that is what Roosevelt did in 1933, and it was the basis on which our economy was able to industrialize and produce the mighty war machine which, of course, was instrumental in stopping Hitler. Because it channeled productive credit, not into speculation, but into great development projects, technological advance, and the other things that characterize a productive economy. And it was also Glass-Steagall that was politically critical to stopping those interests in the United States, financial interests on Wall Street, who wanted to do here what they had achieved under British direction in Europe as well.

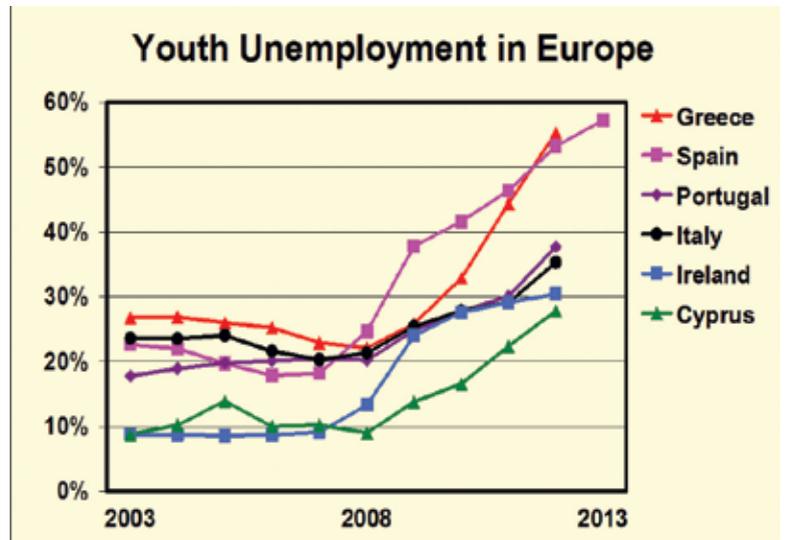
So the question of Glass-Steagall, and Glass-Steagall's role in stopping the advance of the British Empire's economic fascism, is a central issue today, again, as it was then.

The basic idea on Glass-Steagall is very simple, and should require no great somersaults of rhetoric to explain this, even to Congressmen. The idea of the Glass-Steagall Law, as is stated in its preamble, the opening sentence of that law, is that it is an act, "to regulate inter-bank control, to prevent the undue diversion of funds into speculative operations and for other purposes." So anyone who today comes up with a cockamamie argument such as: "Oh, even if we'd had Glass-Steagall in 2008, we still would have had the crisis," is either imbecilic, or lying through their teeth. Glass-Steagall *absolutely would have stopped the crisis*, for the simple reason stated in the very preamble to the Glass-Steagall Law.

## Youth Unemployment

Today we face a situation which is actually even more extreme, because it is, in fact, just as Manuel Alegre described it. I want to paint that picture for you. I want to focus on the issue of youth unemployment in the age bracket of 16-24, as a marker of the progress or decline of a society as a whole. It's a real marker of the development of economic fascism when you create youth unemployment. Why? Because youth are the future. Because if you don't have an educated youth, if you don't have an employed youth, if you're not giving

FIGURE 1



Source: Eurostat

the youth of our nation and other nations the sense that they have a future for which they have to develop their own capabilities—moral, intellectual, physical, and so on—to contribute to the benefit of the species, what you're telling these kids is: You have no future. What you do will not change the future, and therefore you are in fact no different than any animal.

Because what actually distinguishes us as a species from any animal, from other living beings, is that we *are* endowed with creativity; we *do* have a capability of acting to conceive of, and shape, and change, and make our own future. If you tell youth that they have no future, then you're telling them that they are beasts. And you're telling society that we are a society of beasts.

Youth unemployment is the best cauldron to create a fascist movement, not just because it drives people into drugs, and into crime, and into the utter psychosis we are seeing, of homicides and suicides, and into a breeding ground for terrorism. All of those things are true, along with every imaginable kind of perversion.

But the most important thing is that massive youth unemployment deliberately induces the kind of cultural pessimism, the sense of "Why should I even bother?" that is the breeding ground for the kind of fascism which the British Empire thrives on. They tried it before, and we stopped them; and they are trying it now, and we have to stop them again.

Our generation too is facing its Pearl Harbor. Look at the situation of youth unemployment in Europe. Look at the graph (Figure 1) that shows that from 2003 to 2008,

FIGURE 2



Source: Eurostat

the main countries in Southern Europe, what the British love to call the “PIIGS countries”—and it’s not accidental that they call them that—Portugal, Italy, Greece, and Spain, plus Ireland. These European countries had very high youth unemployment from 2003 to 2008 (**Figure 2**), in the range of 20%. But it was stable, it was flat. It was not getting worse, and it was not getting better. And then, starting in 2008, exactly as the financial crisis exploded, on Barack Obama’s watch, youth unemployment in Europe zoomed up, and more than doubled, from the range of 20-25%, up to 50% and over, today.

You have in Greece today, for example, youth unemployment of 55.3% at the end of 2012. That is a 150% increase since 2008. This was done deliberately, intentionally, because of the failure to implement policies such as Glass-Steagall. Had there been Glass-Steagall, this never would have happened. Spain, at the end of 2012, had youth unemployment of 53%, an 116% increase over four years. And so on down the line.

In Europe back in 2008, there were only a half-dozen countries that had a youth unemployment rate of more than 20%. Today, there are 19 countries with a youth unemployment rate of over 20%, and it is spreading like wildfire (**Figure 3**). And it is completely out of control, because the policies which created it are policies which are being continued, insistently, even as the authors of those policies recognize—as the IMF has recognized—that they are producing these results. Now, are they really that stupid, or is this intentionally genocidal?

It is intentional genocide. They’re stupid too, don’t

FIGURE 3



Source: Eurostat

get me wrong; but this is intentional genocide. This kind of youth unemployment, the way it is being done, creating 50%, 60% youth unemployment, is second best only to gas ovens. And it’s happening *again*.

### Not Only Europe

Now, it’s not only Europe. There are some countries in Europe where this is going on, where one might have a problem pronouncing the name of the country, and even more difficulty locating it on a map. But there are other parts of the world outside Europe where the same policies are going on, places that you might consider even more esoteric, and whose names you might not recognize. Let me mention some such places, where there is now real youth unemployment of more than 40%.

Well, here’s a place. It’s called . . . *California* (**Figure 4**). Here’s another place. It’s called . . . Illinois. There’s also Mississippi, North Carolina, Nevada, Rhode Island. They all have real youth unemployment rates of more than 40%. Other U.S. states are in the range of 35-40% real youth unemployment, including New York, Michigan, Indiana, Kentucky, Georgia, South Carolina, and Oregon. And there is another whole slew with more than 30% real youth unemployment, in the 30-35% range (**Figure 5**).

Back in 2008, there were “only” three states in the United States of America where there was youth unemployment of more than 30%, and those states were California, Michigan, and Rhode Island. Today, in the first quarter of 2013, after four and a quarter years on Barack

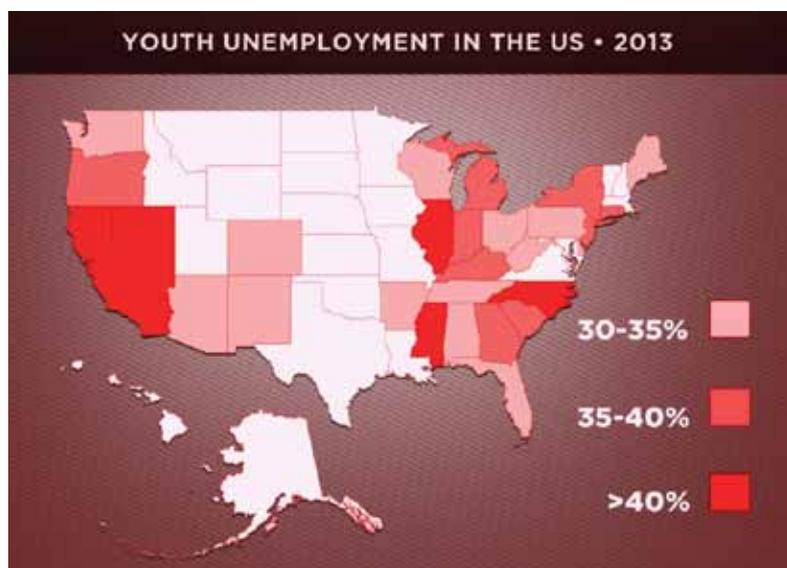
FIGURE 4



Source: Bureau of Labor Statistics/EIR

Obama's watch, the three states with more than 30% We have

FIGURE 5



Source: Bureau of Labor Statistics/EIR

unemployment of 2008, are now 30 states with more than 30% unemployment. That's a ten-fold increase in the number of states. Sixty percent of the states of the United States have youth unemployment rates greater than 30%.

Now, this is not accidental in this country, just as it is not accidental in what is going on in Europe. And it is a situation that we must stop. We must stop it in Europe, because as LaRouche as stated, they may have

the strength to identify the problem, as Manuel Alegre did in no uncertain terms. But they do not have the political strength, they don't have the historical institutional strength, to fight this battle and win it alone.

We in the United States *do*, if we choose to muster that strength and those institutions; if we choose to act on the basis of what this nation was actually built upon, as opposed to the lunacy which we have been induced to tolerate—looking the other way, even as the smell from the concentration camps is under our noses. Yes, it doesn't take the form of cattle cars going there, but it certainly takes the form of 30, 35, 40% youth unemployment in our some of our biggest states. And then people tell us the Obama recovery is going just fine, thank you very much!

We have to take up this responsibility. And the specific way of dealing with this problem, the unique way of completely destroying the power of the people that are behind this policy of destroying entire nations intentionally through youth unemployment and related policies, is by passage of the Glass-Steagall Law. Because what this would do, is it would *bankrupt and banish and obliterate*—not “regulate,” not say “would you please change your ways”—it would banish the kind of criminal speculation which has destroyed our cities, is destroying our government, destroying our scientific capabilities, including NASA, and destroying our future, destroying our youth. If you destroy NASA, which is another form of our future, and if you create 30 states with youth unemployment greater than 30%, then you don't have a country—unless you act soon.

### The Honor of Doing Good

So in conclusion I would say that there are three reasons why we have to take up this responsibility for the world, and the European situation, in particular. One reason is a negative reason, the second reason is a positive reason.

The negative reason is that, if Europe goes down—both financially and also in terms of the physical econ-

omy—we are going to go down too, because this is a single integrated world financial system. It is a single trans-Atlantic banking system. The banks operate across the entire zone, and there is no way in the world that you will have a hyperinflationary blowout of the sort that's occurring in Europe, without it bringing down the United States as well. So that's a strong argument, a negative one, in the sense that, if they go, we go.

There's a positive reason to act to save Europe as well. The positive reason is that we need those forces to win this fight. We need allies in Germany, in Spain, in France, in Italy, in order to win the battle that we share against the common enemy, which is the British Empire. We will be strengthened to the degree to which they are also fighting, because it is a unified battle against a common enemy. So it's important to have them as allies in order for us to win our battle, so that we are not subjected to these policies of de facto economic concentration camps.

But there is a third reason that we must act, which I think is the most important one of all. It's really very simple: The reason is that, if we don't act, *we will be the lesser for it*. We will not be who we are. We will not be the nation that was founded on the concept of man that our intention is to *do good*. Not to be “do-gooders,” but to do good, to actually improve the general condition of mankind as a whole. This was the founding concept of the United States.

People will have perhaps heard of Cotton Mather. I want to read you a quote from a book of his from 1710, which is generally known as *The Essays To Do Good*, but the full title is *Bonifacius, an Essay Upon the Good That Is To Be Devised and Designed by Those Who Desire To Answer the Great End of Life and To Do Good While They Live*. What Mather said in this book—and these became the guiding principles upon which our country was founded—was: “It is an invaluable honor to do good. It is an incomparable pleasure. A man must look upon himself as dignified and gratified by God, when an opportunity to do good is put into his hands. He must embrace it with rapture as enabling him to answer the great end of his being.”

Now, this is a very profound idea. It is completely contrary to the British notion that everyone should just act on the basis of his own perversions and hedonistic pleasures, and avoidance of pain of the moment. The kind of theory of Adam Smith in economics, or the theories of Bernard Mandeville in his *Fable of the Bees*,

where they encourage people to be as perverse as possible, and somehow or other, the common good will supposedly emerge from that. And the British specialize in being as perverse as possible.

But the American idea, the basis on which our country was founded, and which is, in fact, that which distinguishes mankind as a species: the idea which, if we do not foster, we will be the lesser for it, is an idea which comes from the most profound ideas developed over the course of human history, during the great Renaissance periods of humanity. Because Mather, for example, was in touch with the closest associates and allies of the great philosopher and scientist Gottfried Leibniz in Germany. And what Leibniz developed was an idea which was in fact identical to this later expression by Mather, and which I think you will find quite familiar, if you have ever read the U.S. Constitution, for example.

Leibniz says: “It is the highest liberty to act in perfection according to the sovereign reason... I hold, therefore, that on these principles, to act conformably to the love of God, it is not sufficient to force oneself to be patient. We must be really satisfied with all that comes to us according to His will. I mean this acquiescence in regards to the past, for as regards to the future, one should not be a quietist with the arms folded, open to ridicule, awaiting that which God will do. It is necessary to act conformably to the presumptive will of God, as far as we are able to judge of it, trying with all of our might to contribute to the general welfare, and particularly to the ornamentation and the perfection of that which touches us.”

## We Can Change Our Future

Now, I'm not presenting this argument in theological terms. If you don't want to think of this in terms of acting according to “the presumptive will of God,” just add another “o.” Act according to “the presumptive will of the Good.” It's the same concept. Man is creative. Man has free will. We can change our future. We have morality.

And all of that which is best about our species is now being threatened. And if for no other reason than that, we owe a debt of gratitude to such great Europeans as Leibniz, we must now muster, as did our predecessors during World War II, to stop what is clearly the rise of a new form of fascism, which threatens the very existence of the nation and the world.

The LaRouche movement, and LaRouchePAC in

particular, have devised a very specific strategy and approach to this, which *will work*. It's not guaranteed that it will work, but it's the only thing that *can* work: We have to destroy the power of those people who have the contrary view of man, the evil concept that encourages deliberate genocide. And that approach is the mobilization around Glass-Steagall. We have them on the run. We have a mobilization going. The crisis is extremely great. We have Europeans whose eyes are upon us. There are letters and messages now pouring

in from people in Europe, appealing to, urging the Congress of the United States to act, and appealing to and urging us, the activists in the LaRouche movement, to act as well, to bring about the necessary changes.

We can do it, if we muster up. And I think that's what we have to set our minds and our arms to do now.

## A Note on Our Calculations Of Youth Unemployment

The sources for the data contained in our report on “The British Empire’s New Concentration Camps” are as follows.

For *Europe*, unemployment rates for youth (ages 16-24) came directly from the European Commission’s official statistical agency, Eurostat; the data was not further elaborated, despite the fact that the reported numbers unquestionably *understated* the actual level of unemployment, since the [method used by Eurostat](#) is similar to that used in the United States. It omits consideration of those individuals who: a) have gotten discouraged and have stopped looking for work, and are therefore no longer considered part of the labor force; and b) hold only part-time jobs, despite the fact that they would like to have a full-time job.

For the United States, we began with the official national unemployment rate, both for the total labor force and for youth, which is provided by the [Bureau of Labor Statistics](#). For the end of 2012, the official youth unemployment rate was 16.2%, which is slightly more than double the overall official unemployment rate of 7.9%.

However, *real* unemployment is far greater than the official rate, as even the BLS has been forced to admit. In fact, the BLS itself provides a measure called “U6,” which it defines as: “Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor

force plus all persons marginally attached to the labor force.”

The [BLS additionally explains](#): “Persons marginally attached to the labor force are those who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the past 12 months. Discouraged workers, a subset of the marginally attached, have given a job-market related reason for not currently looking for work. Persons employed part time for economic reasons are those who want and are available for full-time work but have had to settle for a part-time schedule.”

For 2012, that [U6 unemployment rate](#) for the total labor force was 14.7%. However, U6 only considers those looking for a job in the last 12 months, and excludes those that were previously looking, but did not do so in the last year or longer, in many cases out of discouragement. When that category is added in, a better estimation of real unemployment at the end of 2012 is 16.9%—more than double the official rate.

A state-by-state breakdown of [official total unemployment rates](#) is published by the Bureau of Labor Statistics, and this was then used as the basis for pro-rating each state’s *real youth unemployment rate*, based on the total national parameters explained above. Although this method of calculation may slightly distort the specific state results (some on the low side, some on the high side), the presentation of the *rate of change* between 2008 and 2013, which is the central point made in the “The British Empire’s New Concentration Camp,” is fully justified and valid.

—Dennis Small