

***TRANS-PACIFIC ALLIANCE
CAN RE-LAUNCH BANKRUPT ECONOMY***



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Introduction

Canada: *'From Sea to Sea to Sea'*

October 6, 2011

Eight nations in the world are said to be "Arctic nations": The United States, Canada, Greenland, Iceland, Norway, Sweden, Finland, and Russia. And while Russia, Greenland and Canada have the largest territory lying above the Arctic Circle, Canada remains the country with the poorest record of development [*] of its Arctic region among the eight Member States of the Arctic Council, the high-level intergovernmental circumpolar forum.

That situation is about to change dramatically. Canada will soon be afforded an opportunity to build a "true North strong and free" which would entail the actualization of the immense development potentials of the Middle, High and Far North regions of Canada for the mutual benefit of all Canadians and humanity as a whole.

A determining factor that will be affecting the rapid growth of Canada's northern regions is the strategic agreement reached last month between Russia and China to massively develop the Far East region of Russia [1]: Infrastructure building, railroad development, including the construction of the strategic Bering Strait Tunnel [2], resource development, city building and research & development centers, most notably the future Russian Space Cosmodrome to be built at Vostochny, etc.

Canada, who shares with only one other country (the United States) the distinction of being a country bordered by three oceans that wash substantial parts of its shores, is uniquely positioned to benefit from these exciting Asia-Pacific developments and to become an Arctic powerhouse in its own right.

The trans-Atlantic economy is a fast sinking Titanic

The combined disasters of the so-called "Euro crisis" [3] and the present meltdown of the financial oligarchy's casino economy have transformed the trans-Atlantic world into a fast sinking ship. The captain of this economic Titanic is the narcissist-in-chief at the White House who's mental state precludes him steering the ship of state out of harm's way; the ship's officers and stewards are disarrayed Europeans involved in various meetings but who are unable, in the short time that is available to them to reach an agreement, to save their passengers by making good use of the Glass-Steagall lifeboats.

Therefore the only policy for survival requires, firstly, to effectively and safely remove Obama from any real position of command, and, secondly, to put in place in Washington a Glass-Steagall law similar in intent and effect to Roosevelt's 1933 piece of legislation [4]. This would erect a firewall between commercial banks and investment banks, remove all the toxic waste from the banking system, and protect citizen's deposits. A Hamiltonian productive credit system will then have to be enacted by the United States Congress because once we eliminate the toxic waste from the banks' holdings, there will not be any real value of significance remaining in those banks. This new Hamiltonian credit will be used as a life line to restore, maintain, and increase services and infrastructures in the cities and states across America.

The next complementary urgent step will be to extend, by treaty agreement, that unique United States constitutional credit system to other nations interested in joint large scale infrastructure projects. This Hamiltonian credit system approach, and not a monetarist system controlled by the 'City' and Wall Street, would heretofore become the essential determinant of the way science-driven large scale infrastructure projects would be applied internationally.

NAWAPA, the Alaska-Canada Railway and the Bering Strait Tunnel

The launching of a world wide economic recovery program requires that an Obama-free United States join the above mentioned recent Russia-China agreements and consolidate a new three powers Trans-Pacific Alliance [5] for development that would act as the economic locomotive for the rest of the world. India would immediately join this new Alliance, to be followed soon by South Korea and Japan.

Canada would not hesitate for long in joining this new Alliance. The new Pacific orientation would make possible the launching of two North American “projects of the century”, both requiring the agreement and the participation of Canada: The North American Water and Power Alliance (NAWAPA) [6] and the Alaska-Canada Railway (Al-Can) [7].

The scale of the NAWAPA project dwarfs all preceding engineering accomplishments in human history: A one generation endeavour requiring a workforce of 6 million people in 3 countries, NAWAPA would bring 22 million acre feet of new water per year to Canada in order to meet agricultural needs, for flood control, to clean up the Great Lakes system and provide a sizable increase in available hydro-electric power. NAWAPA would generate 38 additional megawatts of hydropower per year in Canada alone.

It is also estimated that ‘with a restored, non-crisis-management approach to the hydrological cycle, breakthroughs would be made in the biospheric engineering of climate, plant life, ground water, and soils.’

Even more importantly, NAWAPA as a very large scale science-driven biospheric engineering endeavour would rekindle a sense of scientific and technological optimism world wide similar to the effect that the Apollo mission produced on the world population in the 1960’s.

Manned-space flight and the coming Age of Reason

Such a science-driven great project becomes even more fascinating when we factor in the revival of NASA’s manned-space flight programs in cooperation with its partners in the Trans-Pacific Alliance. This would represent a unique opportunity for expanding Canada’s Space Agency and building on our already close working relation with NASA.

The future exploration of other planets would thus be the crowning achievement of mankind’s millennium fight to free itself from the slavery of sense perception and to locate our true human identity in the quest to perfect our knowledge of the laws of the universe. Then the Cosmos itself will become the new horizon for mankind.

Gilles Gervais

Notes:

[*] 2 million people live above the Arctic Circle, 60% in Russia. North America’s (including Greenland) portion is only 3%. Murmansk (Russia) has a population of 325,100. Tromsø (Norway) has a population of 62,000. Iqaluit (Nunavut) has a population of 6,186.

[1] *Russia and China: Develop the Far East*, A Status Report by Michelle Fuchs in *EIR on line*, October 7, 2011

[2] Conference in Yakutsk, Siberia: *North Eurasian Infrastructure and the Bering Strait Crossing* by Rachel Douglas, *EIR on line*, September 2, 2011

[3] *G 20 Demands Global Weimar* by Helga Zepp-LaRouche, *EIR on line*, September 30, 2011

[4] *Step Two: Use Glass-Steagall Standard to Restore Credit* by Dennis Small, *EIR on line*, September 16, 2011

[5] LaRouche Emergency Address: *Trans-Pacific Alliance Can Re-Launch Bankrupt Economy*, *EIR on line*, October 7, 2011

[6] See www.committeerepubliccanada.ca video: NAWAPA: *Continental Implications*

[7] See www.committeerepubliccanada.ca *Bering Strait Tunnel, Alaska-Canada Rail/Infrastructure Corridors Will Transform Economy* by Richard Freeman and Dr. Hal Cooper

Lyndon LaRouche Congratulates Vladimir Putin: First Step on the Road to New Pacific-Centered Recovery

26 September 2011



Noted American economist and political leader Lyndon LaRouche issued a statement Sunday of warm congratulations to Russian Prime Minister Vladimir Putin, upon his nomination for the Presidency of Russia in the 2012 elections. He also congratulated Russian President Dmitri Medvedev, who nominated Putin for President at this week's United Russia party convention, and has announced his candidacy for the Russian Duma, as head of the United Russia slate.

"This Putin-Medvedev move is just the kind of strategic surprise the world needs," LaRouche said. "This assertion of leadership sends a clear message of defiance against

the British Empire's divide-and-conquer games, and represents a major step forward toward a new Pacific-centered recovery program for the entire world."

"Over the recent weeks, the Putin-Medvedev leadership has taken new initiatives toward cooperation with China, on precisely the basis of high-technology development, including space and nuclear, that the world needs in order to get out of the current depression. Once the United States, without Obama, joins with this Russian-China alliance, we have the basis for a Great Pacific Alliance, which will be the alternative to war and a New Dark Age."

"We are already seeing whining and screaming from lackeys of the British Empire, about this crucial decision. In fact, they have brought this development on themselves, by wrecking the trans-Atlantic economies through de-industrialization and globalization. People in the West have no right to complain."

"The Putin-Medvedev decision," LaRouche continued, "is actually a sign of hope for all mankind. What is required now is for the American population to dump its British-puppet President, and join with Russia and China to form the Great Pacific Alliance that can rescue mankind."

"This alliance is already in the making, as of the Putin-Medvedev announcement yesterday. Now is the time for American patriots to move decisively to dump Obama so we can join it, and take the necessary measures to save every section of the planet from an otherwise-inevitable collapse into the future envisioned by the British financial empire—depopulation and death."

Watch accompanying video: *Vladimir Putin Outflanks the British*
http://www.comiterepubliquecanada.ca/spip.php?page=article1&id_article=885

Trans-Pacific Alliance Can Re-Launch Bankrupt Economy

This program was broadcast on LPAC-TV on Sept. 30, 2011. Matthew Ogden was the moderator.



Ogden: This broadcast tonight comes in the wake of the dramatic events that we saw last weekend unfold at the United Russia party convention, with Vladimir Putin and Dmitri Medvedev, who announced their joint candidacy, with Vladimir Putin announcing that he will be standing for reelection as the President of Russia. This was immediately followed by the public humiliation of now-former Finance Minister Alexei Kudrin, by current President Dmitri Medvedev.

These events present to us an historic opportunity, an opportunity to open a new chapter in human history, a chapter which will be determined by the leadership worldwide of a Great Pacific Alliance: Russia, China, and a post-Obama United States. Now, in order to seize this opportunity, patriots in the United States will have to rise to the occasion and take the responsibility to reciprocate the bold and courageous actions which we saw exhibited by our friends in Russia, last weekend.

Tonight, we have a special international address by Mr. Lyndon LaRouche. Mr. LaRouche will present an opening statement, which will be followed by a short discussion, in which we'll take a few questions from members of the audience we have gathered here.

So without further ado, I'm proud to present to you, Mr. Lyndon LaRouche.

LaRouche: There's going to be some sad news in this, tonight. There also is, as compensation, the opportunity for a great step forward, in terms of the conditions of humanity.

Now, there are about three sections to what I have to say today. One has to recognize that we have entered into the most dangerous period in known history of civilization. We're at the point of a general breakdown crisis of the entirety of the trans-Atlantic region, especially the north trans-Atlantic region, in which the only alternative is to shift the center of attention, from the disaster in the trans-Atlantic region, to the optimism we can hope for in the trans-Pacific region.

That's generally the nature of the situation. The situation otherwise is this: There is a general breakdown process underway now. We are nearly at the

terminal end of the existence of the order of the trans-Atlantic world as we've known it up to now. Exactly what hour or even what day, this thing is going to collapse, we don't know, but the collapse is now, in its present form, barring a miracle, inevitable.

The first condition to be considered is the following: Since the trans-Atlantic region is in a breakdown crisis—that includes the United States, implicitly Canada, and Western Europe, and so forth—then we have to look at the alternative for organizing a recovery, which is in the Pacific region.

The condition for the measures which can be taken to overcome this crisis, is the immediate removal of President Barack Obama from office. Because, if President Barack Obama remains President, his presence will prevent the taking of those kinds of actions, which could save civilization from a deadly—most deadly—new Dark Age, a dark age which would explode in the trans-Atlantic region, and would spill over into the trans-Pacific region. That's the general condition.

Now, in order to save civilization, we start with our role in the United States. The role of Russia has already been mentioned, and things connected to that. But the solution starts in the United States, because Western Europe is in a hopeless situation: There is no national sovereignty in terms of Western and Central Europe today. There is no option for a recovery to be initiated in the trans-Atlantic region, that is, in the European sector, because the nations of Europe, or what had been nations of Europe, no longer exist as sovereign nation-states. They have no sovereignty with which to equip themselves. The British Empire, which is the owner of these nations, in fact, is of course an absolute disaster. So therefore, we have to turn our attention to the trans-Pacific region, which is also threatened, but is not in the stage of disaster that the trans-Atlantic region, including the United States otherwise, is involved in.

So therefore, what that means, is that we're going to look forward, with the help of this development in Russia recently, we're going to go to the trans-Pacific region—which of course includes our own West Coast, and it includes the East Coast of Asia as well. And we're going to go there, where they are not yet bankrupt, where they still have some semblance of sovereignty, as Russia has secured its own sovereignty with the actions of the past week, and we are going to depend upon our relationship on the Pacific side of Canada, the United States, and so forth, for a trans-Pacific development program, where these parts of the world are still somewhat organized. They function, they're not totally under British domination, and therefore, we can expect the program we might launch on a global scale, will

have its first prominent attention in the trans-Pacific region.

- Obama Must Go -

Now, in order to describe what we have to do in the United States, to do our part in this global recovery prospect, the first thing we have to do, is we have to fire the President of the United States. That does not mean necessarily that he's going to leave the Presidency entirely, at once. It does mean that he's going to be under conditions, under which he is being impeached or thrown out of office.

Now, the impeachment, or throwing out of office of a President of the United States, may take a little bit of time. First you notify him that he's in trouble; you may impeach him at that point; you may take other actions which could lead to his ouster. But once we decide that this President is going to be removed from office, in which his powers as President are in suspension, we then are ready to go with several actions from the United States, which will be relevant to the recovery we need.

The first thing we have to do, after putting this President out of power—that is, putting him in such a position where he no longer has either the power to make things happen, at least immediately, and in which he is no longer respected. He's not much respected anyway, but if we can neutralize him so he is no longer a really efficient factor in shaping the policies of the United States, as of that point, the first thing we have to do is Glass-Steagall. We have to re-enact the Franklin Roosevelt Glass-Steagall program. There is now a great deal of support for that, and it's spreading rapidly throughout the United States.

And it's attracting attention, also in Europe, notably. European nations now realize that Glass-Steagall is necessary for them. And the reason they recognize that, is because the European nations have no sovereignty: That is, the Western and Central European nations no longer have sovereignty. They are merely puppets and auxiliaries of the British system.

So therefore, what we have to do, is we act from the United States, having once, first, put Obama effectively out of control of the Presidency, by putting him under suspension, either because of charges which he's guilty of, for expulsion, for being thrown into prison perhaps; and because he's incompetent in other ways. He's also mentally insane. That is a fair thing to say. So, he should be out, without respect for him, no real influence anymore. At that point, Glass-Steagall can come through. However, as long as this President is President, with full control of his powers, unless he commits suicide or does something foolish like that, he will be able, probably, to prevent Glass-Steagall from being reenacted, or reenacted effectively.

So therefore, the first condition for saving the United States, in particular, from early destruction—. Now, let me emphasize what I mean by "destruction": I mean that the hyperinflation is so bad, has reached

such a point, that at almost any time, money can virtually cease to exist, which will mean a condition in which people, in the United States, for example, will start dying in large numbers, because that's what the situation is.

So we must have him out of office, or effectively neutralized, and we must have the Glass-Steagall then enacted. Under those conditions, the Federal government will be able to prevent mass death from breaking out inside the United States, and we can be on the first step of the road toward recovery. Without these preconditions, that's not possible.

- Shift to a Credit System -

Now, once we've enacted Glass-Steagall, you'll find that the total money listed, as being potentially money, or assets, or whatever, in the United States, is going to be not worth much. Most of the claims on money, in the United States, are presently actually worthless. The only thing is, they have not been officially declared worthless. We're living on hyperinflation, a hyperinflation which is about the same kind of thing that Germany, in 1923, experienced in October and November of that year [Figure 1]. We're in that situation now; that's our area. So, we're just a short distance, a short bit of time, away from a general breakdown crisis, in which Americans begin dying of starvation—en masse. So we must do that!

Now, what do we do next? Now, we've got control of the economy—at least nominally, but we don't have much control, because there's not much value there. We don't have enough credit available, even after enacting Glass-Steagall, in order to save the population of the United States.

So therefore, what do we have to do? We have to do something which was the effective intention of the Secretary of the Treasury when the Constitution was enacted: What we do, is we go to a credit system, not a monetary system, not a money system. In other words, the Federal government now says: "We, the Federal government, now pledge ourselves to go into debt, to provide assets, under which the economy of the United States can function, and the people survive." That will work.

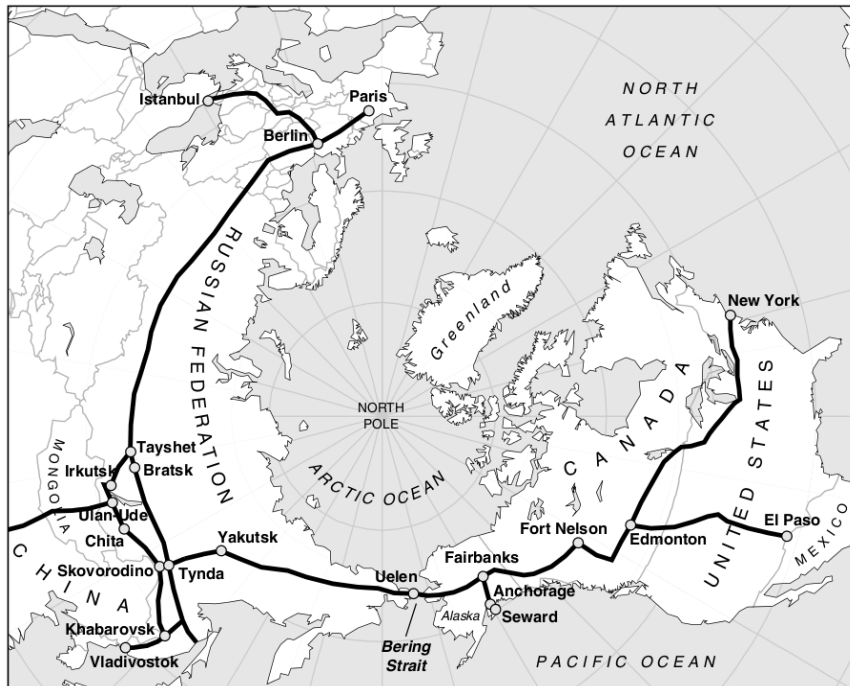
Now, this means, that in order to keep this credit we are creating, valuable, so it can do us some good, means we've got to do some big investing: We've got to launch a long-term program of physical investments, primarily, as well as health-care and the care for our citizens generally. But the basic thing is to increase our productivity, under a credit system, with large projects, especially large projects of very high rate of gain in technology and capital-intensity. It means we're going to have cancel all that legislation, since what Teddy Roosevelt did to prevent the development of the Western lands of the United States.

We're going to cancel all the green policies: We have to cancel the green policy. Reasonable things

against bad poison, and so forth, that's fine; but we're going to cancel the entire green program, and we must do it by one single act of Congress, immediately. Because otherwise we can not save the people of the United States: Green goes, or dies.

So therefore, we're going to have to invest in some very large, high-gain policies, in investments. The keystone is we're going to launch NAWAPA: Now NAWAPA is a long-term program, because some of the things will be done after I'm dead, but they have to be done, and they have to be started now. So on that

from the Arctic Ocean on down. The key thing on our side, on the Western side, and the Central States side, in the United States, will be NAWAPA. NAWAPA will be the driver, which goes together with giant projects, which are now underway, in terms of Russia, in the Pacific coastal area, and the adjoining area of Russia; it means that China has got major projects. And China and Russia have cooperation, because Siberia has vast assets, which are being developed now under current Russian policy, under former President Putin and current President Medvedev.



Those projects are going to develop the resources, and the Pacific Basin of Russia. Russia, in turn, has a partner to the south: China. China has a large population, where northern Russia has a relatively small, or not a dense, population. Siberia has resources, physical resources; China has people. Russia has a commitment to advanced technology; China now has a commitment to advanced technology. So therefore, the United States, and Canada, cooperating with Russia and China, and other nations—Japan will be happily jumping in on this; Korea will be happily jumping in on this; nations of South Asia will be happily jumping in on this. So therefore, we'll have large degree of activity, of high-technology, capital-intensive activity, as the characteristic in the trans-Pacific region.

basis, we're going to have a recovery program, which is effectively a full-employment recovery program, but more than just recovery. It's going to be generally high-technology, and capital-intensive, as NAWAPA typifies that.

- A Trans-Pacific Orientation -

Now, this then leads us to, what's the solution? As I said earlier, the intention is, that China, Russia, and other countries of Asia, or Asia-Pacific, are going to begin cooperating, as Russia and China are doing, and India will join in doing that. Therefore, we will immediately enter into a trans-Pacific orientation, as opposed to the present trans-Atlantic orientation. That is, the U.S. economy in recovery, under these conditions, will shift the center of its action to the trans-Pacific region, rather than the present trans-Atlantic region. Why? Because the Western part and Central part of continental Europe is no longer functional. We're going to try to save it, we're going to work to save it, but it can not really carry its own weight right now.

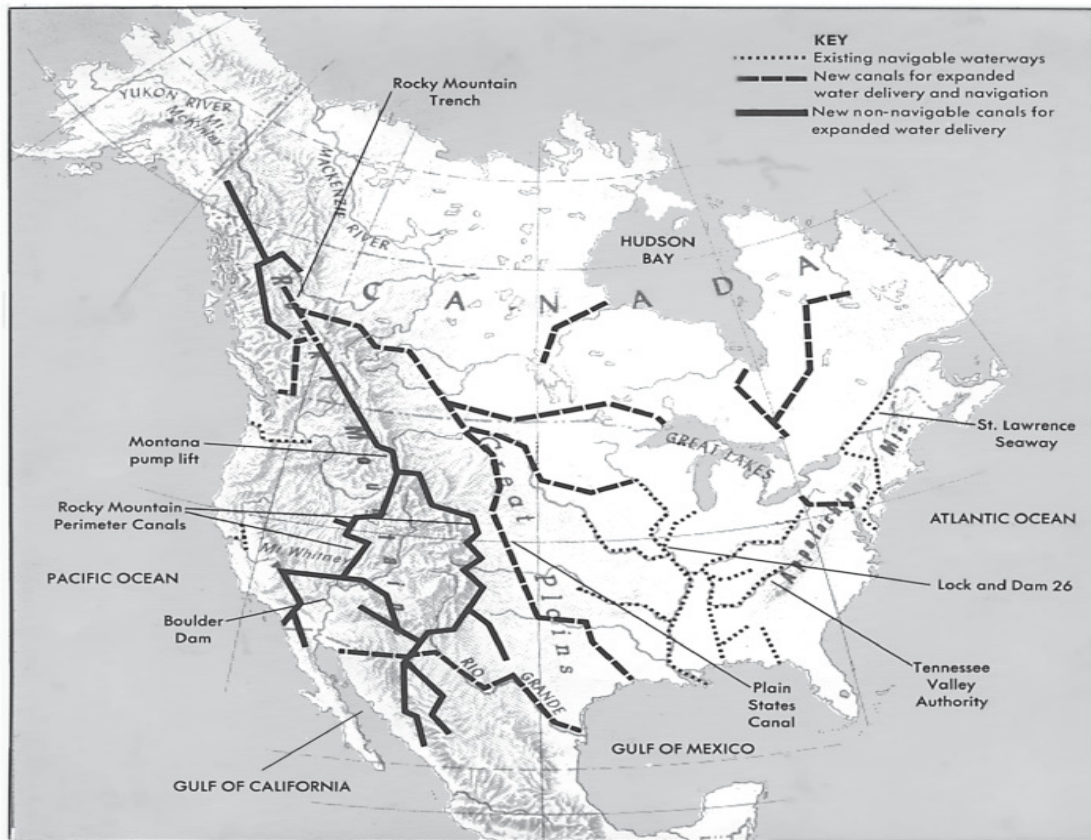
Therefore, we're going to live on the basis of high-powered investments in the trans-Pacific region,

During this period, we will then, at the same time, move to restore Western Europe to a system of sovereign nation-states. No more of the present policy of the British Empire. In fact, we will be very happy to see the British Empire disappear entirely! The English can live; the Irish have a right to live, finally, hmm? But the point is, Europe is going to be in a recovery mode, and it must regain its national sovereignties! The present system has destroyed continental Europe, at least the Western and Central part, which has to be rebuilt, and it has to be rebuilt by help from us and others. Because the market for German goods and for other goods from Europe, still exists, potentially, in terms of areas like India, China, and so forth. So we will have a recovery program in the trans-Atlantic region. But, it will be very slow, relative to what we will get quickly in the trans-Pacific region. That's our orientation.

- High Technology: From NAWAPA to Space -

Now, this means, of course, that high-technology projects are going to have to take over the

The NAWAPA Plan for Bringing Additional Fresh Water to the United States, Canada, and Mexico



United States. We're going to be the center, together with our friends in Asia, of a driver for this. We're going to operate on the basis of a credit system, not a monetary system; not just a money system, but a credit system. (That's not well understood by most people, but that's fine.) But this is the only option that we have, and it's a real option!

With the United States under a decent President and under decent leadership, we could actually spark this. Russia is now fully committed to moving in that direction; China is committed to moving in that direction; other parts of Asia are ready to move in that direction. The trans-Pacific effort is going to be successful. The completion of the election process in Russia will make this clear. The entry of India, which may be initially reluctant to buck the British, entirely—India will come in, too. So therefore, we will have a massive driver, in the greatest concentration of population in the trans-Pacific area. And that's going to be the hope for the future.

So, now we are shifted, then, from a trans-Atlantic focus, which has been our experience, ever since the beginning of modern European civilization; we're now shifting to the emphasis on a trans-Pacific region, and we're going to start developing some very high-technology developments. We're going to have extreme capital-intensity, which I'll explain; we need extreme capital-intensity. Small is not good. Big is

better! High technology makes it good; capital-intensity makes it better. And that's the way we're going to go.

Also, we're going to go into space. Obama's gone, space is back; NASA is back, and similar kinds of programs are back. We need them! We need the technology. We need advanced technologies of a type which are now virtually banned by this present U.S. government! We can not make it, without those technologies. So we're going to do it!

So, NAWAPA then becomes the driver from the United States side, of the development of the United States, as it had never been developed up to this time before, as was intended by John F. Kennedy, before he was slaughtered, before he was murdered. The murdering of Kennedy is what killed NAWAPA! It was ready to go! Kennedy had signed onto it. And only the assassination of John F. Kennedy stopped NAWAPA! So, as revenge, against the murderers of John F. Kennedy, we want NAWAPA fully back. And that is going to be the driver which is going to play a key role, from the Arctic throughout the Pacific region, of a transformation of the economic character of this planet.

And on the basis of this, we're going into space, as space has never been considered before. And John F. Kennedy would be happy. He'd be happy with the Pacific Basin program; he'd be happy with NAWAPA. He would be happy with defeating the people who murdered him. And we're going to do that. We're going

to keep our honor.

We also have another challenge, as one astronaut said recently, in a meeting, we can not confine the human beings' population to Earth alone. We must develop mankind's occupation of space. Mankind must take over more and more influence over the galaxy within which we live. And these are the kinds of projects which are required, to bestir the imagination and hope of the people of the United States.

Everything I've said here, I know well, is perfectly feasible. The problem is, we don't have much in the way of guts, recently, in our United States, or in Europe, the guts to undertake these kinds of projects which are perfectly feasible—projects which had been intended, as is typified by the case of NAWAPA: NAWAPA was clearly intended, it was clearly designed, to be implemented at the time that Kennedy was murdered, was assassinated. And he was assassinated because the British wanted a war in Indo-China, a decade of war in Indo-China. And the United States and the world has never retreated from these meaningless wars, these bloody, meaningless wars, which are typified by the Indo-China War, and the wars that have followed, and followed, and followed, and followed since that time.

- A Galactic Perspective -

So therefore, we have to go along with a galactic view, for many reasons—and our Basement Team is well aware of some of the features of this: just why it's important for us, to move in on the galaxy, and begin to take a hand in shaping the future destiny of the galaxy, at least on the fringes of it, to start with. We've got to do something. I'm not suggesting putting a pilot station in the galaxy someplace: We're in the galaxy already, anyway. But we're going to look at some of our neighbors in the galaxy, and see which ones are susceptible for our encroachment. And that, soon.

So that's our challenge. We have the opportunity, we have the necessity. We shift, immediately, with the help of our allies in Russia, China, and we know that India will come in; we know that Japan will be happy to come in; we know that Korea will be happy to come in; we know that Indo-China will be happy to come in. We know that Australia will be looking, "Who are the British?" the Australians will say. "We don't need them anymore." And with that organization and that approach, we have the possibility before us, of a future for mankind; it's a future for us to lead.

And with what has just happened this past Saturday, with the conference in Russia, the ice was broken, a new era has entered. And you're going to find out soon, if we don't all go to Hell in the meantime, and we get this thing going, you're going to find out that the United States, Russia, China, and also India, will be the leading nations which will define the driver for the to a generous recovery, and to a great future.

Okay, thank you.

Dialogue with LaRouche

Ogden: Thank you very much, Lyn. So, as I said, we have time for a brief discussion period. Let me ask Michael Kirsch to come up to the podium first.

Michael Kirsch: You started out discussing the fact that we have to move toward a Pacific orientation, because we see where the physical wealth is being built on the planet, and the question of loss of the currency value of the United States, due to the hyperinflation that's going on.

Date:	German Marks needed to buy one ounce of gold
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Jan 1919.....	170.00
Sept 1919.....	499.00
Jan 1920.....	1,340.00
Sept 1920.....	1,201.00
Jan 1921.....	1,349.00
Sept 1921.....	2,175.00
Jan 1922.....	3,976.00
Sept 1922.....	30,381.00
Jan 1923.....	372,477.00
Sept 1923.....	269,439,000.00
Oct 2, 1923.....	6,631,749,000.00
Oct 9, 1923.....	24,868,950,000.00
Oct 16, 1923.....	84,969,072,000.00
Oct 23, 1923.....	1,160,552,882,000.00
Oct 30, 1923.....	1,347,070,000,000.00
Nov 5, 1923.....	8,700,000,000,000.00
Nov 30, 1923.....	87,000,000,000,000.00

If we were to cut that, reinstate Glass-Steagall, we'd be sitting there with a lot less than we need.

Now, one thing you said, that I think some people might have missed, is the word "commitment," which you used a number of times to describe a different government than our own. The question of the relationship between the commitment of a government, and the creation of physical wealth, and the creation of value of the currency. What I'd like you to elaborate on, is why is it the case, and how does it work, that the process of building physical wealth is the basis for a restoration of our credit, as a currency?

- A Deeper Conception of Credit -

LaRouche: Well, credit, you know, is a funny thing. Because, when you're talking about credit, you're not talking about peanuts. You're talking about an

investment by more than one generation. All of the great projects which we need now, as in the past too, are projects which require multigenerational investment. They require the incurrence of debt, a debt which spans generations. And one of the great things that we have to master in this respect, is what is the nature of human beings, or what should be the recognized nature of human beings and their adopted purpose in living? Now, we think, well, we die, and that's it. That's the popular view. There're some mystical views, which really shouldn't be popular, because they don't make any sense. But what is the thing that can be done which bridges from one life, through death, to another life? What is that connection?

So mankind, after all, is not simply another animal, which dies in its time as every animal does. Mankind is something different. Mankind has something that no animal has: the power of creativity, the power of introducing a higher state of organization by the human will, and no species on this planet otherwise, has ever been able to do that. Therefore, we do not simply die! Though that often happens to us, that people go on, from one life to another life following, and they don't see much of a connection between the two.

The point is to have a purpose in life which transcends death. And this is only possible through the creative powers of mind of the human individual. And therefore, this leads to what? It leads to something that no animal knows: credit. Credit! Because the things we invest in are the things we create, things which transcend the death of people, of individuals, the investment of a life in a transition to a new life which is a continuation of the old, even though the persons who were succeeding one another have died.

So therefore, the idea of credit is not a physical or financial conception. The idea of credit, first of all, is human. And no species known to us, other than human beings, knows what credit is! It doesn't exist for anything except for human beings, to our knowledge.

Therefore, we design a monetary system, or a financial system, based on a system of credit, which means the development of one individual, who transmits something which is of use to a second generation. And this is not a process of continuation; it's a process of development. And the unit of development is what we should call "credit."

Now, this was something that has been understood for a long time by some people. But this system, this concept of credit, is unique as a worked-out system, to the United States. The Massachusetts Bay Colony, for example, was a system of credit. The system authored in the founding of our Constitution was a system of credit. And the system of credit is not a monetary system; it's not a cash collection! The system of credit is the transition, and the continuation, of the activity of a life, through the transmission of a continuation of an effort, an intended effort, to a second life, and a life beyond that!

Credit is history: Credit is human history

And what we're going to require now, in order to get out of this mess, which has been created for us in the United States and other places, we're going to have to cancel this idea of money the way it's conceived now. It's conceived as animals, who eat, or whatever they do, and then die. But human activity, a human economic system, is not animals dying! A human credit system is the advancement of mankind, the powers of mankind, the accomplishments of mankind, from generation to generation. And the connection among the living, and the living that follow them, and the living that follow them, is credit. That's the true meaning of credit: that we pledge something to the future. We praise and protect something which was given to us, from the past, for the future.

And the idea of an economic system, a true economic system, a physical economic system is that: the system of credit. But the content of credit is not cash, the content is not money, the content is not notes and bills of exchange. The content is human creativity, from generation to generation.

People die, but humanity must never die. And once we have that concept, we've got it right.

Ogden: Thank you.

For our next question, Meghan Rouillard. Why don't you come up to the podium?

- NAWAPA and Galactic Processes -

Meghan Rouillard: Yes, Lyn, on the subject of the U.S. recovery, in the context of this new trans-Pacific alliance and orientation, I wonder if you could say more about the NAWAPA project. It also coheres with what is coming out of Russia, with Putin, not only as a project for the United States, but a project representing the colonization of the Arctic, which is also our interaction with cosmic radiation, and relates to this question of the prospect of man in the galaxy, mastering this domain. I wonder if you could say more about NAWAPA from that standpoint.

LaRouche: Well, see, mankind does something that no animal can do. Animals in a sense seem to do it—not by intention, but by accident, by the way they're designed. That mankind actually creates Earth. We take this thing called Earth, and we change it. And again, it's the same thing, it's the principle of credit: that our existence is the creation of a transformed Earth.

For example, this is exactly what we're facing now—NAWAPA's a perfect example of this. We're building a change in the weather, with water. We are now managing the water, at the same time we're building the works which transform the surface of the Earth, in its character, and therefore, we take control of our destiny. Again, it takes generation to generation to generation: credit to credit to credit to credit. And this

process is the legacy—or should be the legacy—of every human being. They never really die, in the sense that they may die mortally, but the meaning of their existence never dies, the meaning of their having contributed to mankind never dies. They become implicitly immortal in what they contribute to the future of the universe.

We have to think in these terms! We've got to get rid of this idea of money as being something filthy. I suppose it does get really dirty now and then, especially when it passes through the hands of our Presidents. But, nonetheless, we have to understand, that all economic values have to be seen as specifically human values, as tied to the proper function of the creative powers of the human being, powers that we don't know of as existing in any other species familiar to us. And therefore, we have to look at all of these things, not in terms of the cash nexus, but in the terms of a system of credit. And that's the way to look at this thing.

Ogden: Michael, do you have a follow-up question?

- Leave the Greenies Behind! -

Kirsch: Thank you. Something that I'd like you to elaborate on more, is something you just touched on here, the question of energy flux-density and economy. It's something that you've discussed over the years, and I think, hopefully we're now in a position to demonstrate this over a period of time in the coming years, and show how this works.

We've recently demonstrated this, on our Basement page on this website, the question of all preceding evolutionary periods of the Earth, from the Silurian to the Devonian, with the colonization of land by plants, to the Mesozoic to the Tertiary period, with the transition from dinosaurs to mammals, a continuous increase of work accomplished by the Biosphere. And we've seen that this is what the Earth has done continuously over time, and should give us a new metric for why human beings should do the same.

But could you elaborate on that as a new metric for economy?

LaRouche: Yes, yes, yes. Delighted to do so! We have to settle some accounts with some evil fellows who've been lying to people for a long period of time.

The characteristic of life itself, and also of human life in particular, is that which is lied about by the Greenies, by the so-called environmentalists. All environmentalists are by nature, liars, and perverts. Why? Because contrary to the Great Lie, nature is not fixed, nor is there a Second Law of Thermodynamics, except in the minds of idiots. The record shows, for particularly over a half-billion years of life within this galaxy, under the influence of this galaxy, and what has happened? There is constantly an increase, there is not a decrease, there is not a depletion! There is no such thing as zero growth. There's positive growth! The

universe as we know it, and especially life, is characterized by positive growth.

Why do some animals become extinct? Because the standard for existence of animal life is increased! The species which have not improved their energy flux-density become extinct, like the dinosaurs. And the Second Law of Thermodynamics is one big lie, based on the oligarchical system. There's no truth to this idea, of that kind of system—it's not true! Therefore, mankind's existence is based on the fact that mankind is the only species of which we know, which has the willful power to increase the energy flux-density of life as a whole, on our planet Earth, and beyond. And that's the meaning of this process.

The universe is moving upward, and leaving the Greenies behind! We have to understand that this process, that life—the work of Vernadsky and others points in this direction; there are many indications that point in this direction. But the nature of the thing is that an increase in energy flux-density throughout the planet, among the species that inhabit the planet, is the precondition for the survival of any species.

Any species that does not rise to a higher level, to progress, to greater energy flux-density—look, there's an explanation for this, which is rather important to consider. What's the problem? Why do people say that we're using up energy? Why do they say we have these kinds of problems? Well, because the planet is polluted by a certain kind of human being, who believes that there are too many human beings on this planet. Or that mankind is consuming and producing too much power. They want it to stay back to a more modest population, like the British now have ordered,—the British royal family has demanded, that the population, the human population of the planet be reduced, from the order of magnitude of 7 billion people, down to 1, or less! This is the official policy of the British Empire! It's a policy of mass murder!

It also is a policy which, if carried out, means that the human species will become extinct, by the virtue of this policy!

The fact of the matter is that mankind's ability to exist as a species, on the one hand, is the fact that mankind is able to increase the energy flux-density, which we're able to apply to the existence of human beings on this planet. And those who have a contrary view, are called the oligarchical system.

The oligarchical system is a bunch of fruitcakes, to use the term politely, who believe that mankind is divided into two groups of people [LaRouche uses British accent]: "a small, but honorable group of people, who believe that there are too many of the lower folk, and we have to reduce, and keep down, the number of lower-class folk," in order that the degenerates who call themselves oligarchs will be able to enjoy themselves more freely. That's what Bertrand Russell said: If we could kill enough people in each generation, people could procreate quite freely, because

they were going to die conveniently, after having their little pleasures.

And so, the issue here, is that the destiny of humanity, as the destiny of any species, depends upon—as has been demonstrated, by a half-billion years of living processes' we've investigated—depends upon increasing the energy flux-density per capita. It means increasing the size of the human population. Without those measures, there is no future! And the oligarchs will have to become extinct if they continue their policies. Well, if they wish to become extinct, that's their business, but they should not meddle in our bedroom.

Ogden: Okay, we have time for one more question, so let me ask Meghan to come up and ask a follow-up question.

Rouillard: Lyn, I'd like to address this trans-Pacific orientation from the highest standpoint, which you addressed in what you started with, which is the galactic crisis, which we've elaborated on the LPAC website. Given this known threat, we have a looming threat of an extinction, the galactic weather, the extreme weather which we face, and I do think—and I'd like you to say more—that this trans-Pacific orientation bodes well, or is a much improved situation for mankind with respect to that, much improved with respect to what we face in the United States currently, under Obama.

You have, in Russia and China, for example, a commitment to manned space exploration. You have the [Russian] Spektr-R telescope with 1,000 times resolution of the Hubble. The Chinese just launched an unmanned space station. You also have a serious commitment, for example, to serious scientific work on earthquake precursor research. So that's what the trans-Pacific alliance represents with respect to this crisis. I think people, though, need to get the counterpoint between that, and the prospects for mankind in the galaxy, under that system, contrary to what we have here in the United States, with Obama still.

- The Creative Universe -

LaRouche: Well, our Basement Team has done, over the past year or so, a good deal of study on this question, as we studied the history of life in the recent half-billion years, for example, within the range of this galaxy—not so much the galaxy as a whole, but, implicitly in the galaxy as a whole, in what we have been studying—we see, first of all, the progress, the evolution of living processes, and we have some

intimation of processes which were pre-living. But what we know of living processes: there's a constant evolution of species, from the simplest form of proto-life, to unicell life, and so forth all the way up.

And we see the evolution, of life in the planet as rising, in terms of energy flux-density, and we find this is natural! We didn't decide on this! The universe itself, the galaxy, decided to do this. And the existence of the galactic system, and the existence of life on Earth, and so forth, all depend upon the continuation of this increase of energy flux-density, which affects all kinds of things. It affects life, non-life; it affects human beings, and so forth, living species. And that's what we depend upon.

So we see that the universe is creative, in that sense. And this, of course, is quite an interesting theological point, that the universe itself is a product of pure creativity! And we have to look at ourselves, and look at the human species in completely different terms: What we have to look at, in terms of that creativity per se, is the idea of the Creator. And the disposition of the Creator is creativity.

We don't know exactly what this means, in total, because it's way beyond our experience as a living human species. But we see the universe out there is a very complicated thing, as far as we can get a hold of it. And we realize the one characteristic of this universe is creativity per se, the idea of a principle of a Creator, a constant process of Creation. And we have the pleasure, of having reached the point that we are willfully creative, as no other species known to us has been, and that we express the principle of the Creator, in the expression known as "mankind," the ability to carry creation willfully, into higher levels.

We feel a great optimism, because we know this thing called "creativity" which we experience in human behavior, is the principle that drives the universe. And therefore, we, as human beings, can feel the utmost confidence, the utmost pleasure and pride, in the fact that we are creative, a creative species, a willfully creative species, an epitome of what the universe is, as we otherwise know it: The universe is creativity per se. We express that principle of creativity as human beings, and we have a sense that humanity has struck upon a principle, which is beyond our imagination. But, being beyond our imagination is nonetheless true. It can not be doubted.

And therefore, we have an affinity toward our universe in that sense. I think that this sense of the affinity of mankind to mankind's universe, is the ultimate morality. It's the highest thing we know so far.

The Extended NAWAPA: Project Overview

The implementation of NAWAPA means making the bold decision to solve the long-term needs of mankind for the next 50 years, in the management of water and other presently known and new resources. It means a civilization taking its destiny into its own hands, by managing continental and global characteristics instead of local ones.

True Water Management: Due to North America's specific topographical shape, and ocean air currents, a quarter of all the rain or snow that hits the ground there each year falls in a narrow corridor of the continent, with 800 MAFY (million acre feet per year) running directly into the Pacific and Arctic Oceans, unused by the biosphere on land, and wasted. Meanwhile, a large swath of the western half of the continent remains dry, and barren.

NAWAPA will remedy this presently inefficient distribution of precipitation: Utilizing 20% of this runoff, 160 MAFY, strategically placed dams and tunnels will create a collection system of major new reservoirs and canals, taking advantage of the natural topography of the Rocky Mountain Chain, and effecting a distribution of water to parched lands and strategic waterways.

Through 22 MAFY to the Canadian Prairie Provinces, 69 MAFY to U.S. states, and 21 MAFY to Northern Mexico, 86,000 square miles will be irrigated, doubling the current irrigable acreage west of the Mississippi, and replacing the increasingly inefficient and limited sources of well water with a permanent source from gravity flow, relieving agriculture of pumping costs and restoring its productivity.

It is a known fact, that 40% of precipitation over continents (Category A) returns directly as runoff or groundwater discharge to oceans, while 60% of precipitation over continents (Category B) re-evaporates, and falls back onto land, recycling itself roughly 2.7 times over land before returning to oceans. By building NAWAPA, the 160 MAFY of normal Category A precipitation will be brought into participation with Category B, being used not once, but multiple times as it recycles as rainfall across the continent, before exiting the system.

Rail Lines: For an efficient construction of NAWAPA and an efficient use of the northern regions:

- Various Union Pacific and Burlington Northern Santa Fe rail lines from the Midwest into Idaho will need immediate double- and triple-tracking. The Canadian Pacific routes servicing the Fraser River and Rocky Mountain Trench areas will need immediate double-tracking.
- The Alaskan-Canadian rail system must finally be completed, with two routes of double-tracked line connecting Prince George to Fairbanks, and Dawson Creek to Fairbanks, for a total of 2,200 miles of track.

- 975 miles of double track to connect Fairbanks, Alaska with Igarka, Chukotka, including a 60-mile long tunnel and/or bridge crossing the Bering Strait.

Employment: NAWAPA itself creates, directly and indirectly, 4 million jobs, plus close to an additional 1.5 million jobs through application of nuclear technologies for the 30,000 MW pumping requirement of the system, for a total of 5.5 million new jobs.

Canadian-Great Lakes Revolution: On par with the revolutionary transformation brought about by the Erie Canal, which opened the Midwest to commerce and made New York City a metropolis, NAWAPA's barge canals, connecting Lake Superior to the Pacific; and Hudson Bay, Georgian Bay, the ore fields of Labrador, and Quebec to the Great Lakes, will turn once inefficient or inaccessible resource deposits, into easily accessible regions of development, leading to an explosion of new mining, processing, and industrial and research potentials, all along its banks, like the once great industrial corridors of the Mississippi.

Efficiency of Design: The NAWAPA design has the least amount of reservoirs and distribution systems for the greatest effect:

- **3,150** individual water resource projects authorized or proposed by the U.S. Army Corps of Engineers in 1966, with 2.7 billion acre feet of water storage capacity created;
- **369** individual water resource projects proposed 40 Feature EIR January 28, 2011 in NAWAPA, with **4.3** billion acre feet of water storage capacity created.

Industrial Bill of Materials and Processes: Constructing NAWAPA's dams, canals, reservoirs, aqueducts, and tunnels, will involve, at the least:

- Hundreds of millions of sacks of cement, nearly 100 million tons of steel, tens of millions of tons of copper and aluminum, and a vast array of new machinery required to construct the project and move approximately 32 billion cubic yards of earth;
- Drilling 50 tunnels with a total distance of over 1,000 miles displacing 860 cubic yards of rock, employing an unprecedented use of tunnel boring machines, and possibly new techniques;
- An undefined quantity of orders for the production of heavy electrical equipment, involved in: a) power generation stations, including forebay, penstocks, head gates, turbine wheels, generating units, and switchgear and, b) pumping stations, including large motors, large capacity pumps, valving, fittings, intake & discharge headers.

Nuclear Renaissance: The 2,450 foot Idaho

Saw Tooth Lift, necessitating 26,000 MW of power, will require sixty-five 400 MW modular nuclear plants, such as the GE-Hitachi PRISM. The settlement of northern and remote regions of the continent will lead to the long-awaited use of ultra-efficient, high-temperature nuclear process heat for synthetic hydrocarbon fuels, efficient chemical processing, and water desalination.

Hydropower: Because of its continental design approach, NAWAPA annually generates 38,000 MW of power for Canada, and 30,000 MW for the U.S., from gravity flow.

Hemispheric and Planetary Reorganization: NAWAPA's approach signifies a change in the organization of the planet as a whole, and its application will set off a pattern of sovereign nation-states, acting as sovereign nation-states, utilizing the full compass of their own territories for the scientific benefit and increasing power of their citizens. The increase of the infrastructural density and land management techniques will lead to a guaranteed increase in the productive powers of labour, per unit of relevant territory, and in greater rates than ever before, for every continent where the principle is applied.

Scientific Advancements: Along with its planetary effects as a continental water-management system, NAWAPA is a science driver in the true sense of the term:

- The implementation of a reservoir management system of its scale, over one continuous, active corridor of scientific coordination, will lead to unpredictable, but guaranteed qualitative effects in

overall technological and scientific management.

- The creation of 50 large tunnels, totalling 1,000 miles, typifies the great advancements to be made in geological mapping, as well as fundamental discoveries in the understanding of life's creation of the Earth's crust, and the nature of its useful biogenic ores.

- Creating a permanent presence of civilization in the northern regions will transform our current scientific perspective of the Arctic from isolated research stations in remote and dangerous conditions into an active scientific capability. With the Arctic's unique proximity to the singular electromagnetic conditions of the Polar regions, the complex of electromagnetic relationships, which define the Earth-Sun-Solar System magnetic interactions, and have determined the evolutionary processes of the biosphere, will finally be integrated into the power of man's understanding and economy.

- With a restored, non-crisis-management approach to the hydrological cycle, breakthroughs will be made in the biospheric engineering of climate, plant life, ground water, and soils.

- Through the close management of NAWAPA's 240 reservoirs, not only will the continent's production of fish and aquatic protein multiply several-fold, but new frontiers will be breached in reservoir science and water treatment methods, mastering the use and engineering of micro-organisms, fish, and plant control.

In accomplishing NAWAPA, man will be poised to begin mastering and making use of the integrated relationships which define life on Earth, and participate in creating its continued evolution, rather than being subject to the whims of nature and local conditions.



NAWAPA an Overview see the video http://www.comiterepubliquecanada.ca/spip.php?page=article2&id_article=222

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CONFERENCE IN YAKUTSK, SIBERIA

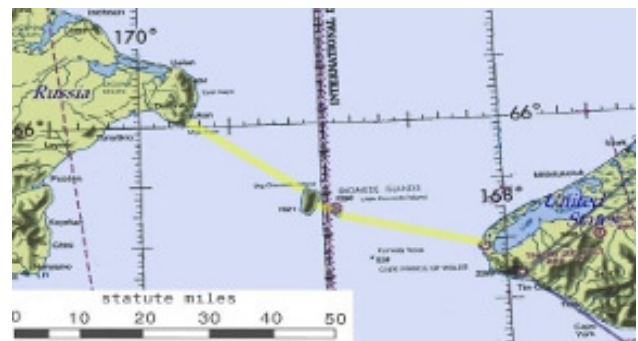
North Eurasian Infrastructure and the Bering Strait Crossing

by Rachel Douglas

Aug.28 — A three-day conference, "Comprehensive Infrastructure Development in Northeast Russia: from Limitations to Growth," took place Aug. 17-19 in the East Siberian city of Yakutsk. With participation from major Russian regional and national institutions, it was representative of "a spirit of optimism coming from a faction in Russia; one of the few important reversals of backwardness on the planet, so far, in recent years," identified by Lyndon LaRouche in the LaRouche PAC Weekly Report [1] of Aug. 11, 2011. A major focus of the Yakutsk event was the project to link Eurasia and North America by a multimodal connection, including rail, across the Bering Strait—a great project promoted by LaRouche since 1978, and a natural extension of the North American Water and Power Alliance (NAWAPA) design.

The discussions reported from the meeting demonstrated what LaRouche emphasized in the LaRouche PAC Weekly Report of Aug. 24: that if the United States does what we must, regarding productive employment in rebuilding the real economy, "probably the most enthusiastic partner of the United States in such an undertaking as this, would be Prime Minister Putin of Russia.... Putin's announced project objectives are in this same direction. Russia is a very important country, despite the hard times it's come upon in recent years, because it commands a vast area of rich natural resources, and has an industrial and transportation, and so forth, skill, and scientific background, that it can be a major factor in collaboration, not only with China, which it already tends to collaborate with, but also with a Europe coming out from under the mess that exists there, now."

The Yakutsk discussions also, together with debates around the financing of related Siberian and Russian Far East goals, dramatized that it will be impossible to build great development projects as some kind of rearguard action, seeking financing for them within the dying global monetarist system. They require cooperation among nations, each operating with a genuine *credit system*, as LaRouche has defined it, and



with the principles thereof governing agreements among them.

Those principles include the orientation of all lending to physical-economic activity, and its strict protection, under the Glass-Steagall principle, from cannibalization by financial speculation.

Development Corridors

The Yakutsk conference was hosted by the government of the Sakha Republic-Yakutia, with sponsorship from Russia's Council for the Study of Productive Forces (SOPS) and Chamber of Commerce



Alexander Granberg, a specialist in regional development projects who vigorously advocated building a tunnel across the Bering Strait, until his death last year (see EIR, Sept. 3, 2010), and who was an endorser of the November 2009 "Call To Put the LaRouche Plan to Save the World Economy on the International Agenda." Last year, the SOPS design of the Bering Strait project won the Grand Prize for innovation at the Shanghai World Expo-2010.



Dr. Victor Razbegin, acting head of the SOPS, told a pre-event press conference in Moscow on Aug. 12 that the Yakutsk conference would subsume a discussion of prospects for creating the multimodal corridor between Eurasia and America, as well as a Chamber of Commerce and Industry business summit for Arctic regions. In April 2007, Razbegin spoke about the Bering Strait project at a Moscow conference on "Megaprojects of Russia's East," where a paper by LaRouche, "Mendeleyev Would Have Agreed," was presented; Razbegin also sent a paper to the Schiller Institute's September 2007 event in Germany, "The Eurasian Land-Bridge Becomes a Reality."

At the Aug. 12 press conference, Razbegin said:

The only segment that remains before the continents are linked is 4,000 km in Russia and 2,000 km in Alaska and Canada, so this is a key, pivotal project for developing the entire infrastructure of our Northeast. The project is for building an integrated main line, not only a railroad, but a highway and an electric power transmission line, linking the power grids of the continents. After we build this segment, four out of six continents will be interlinked by these systems."

The regional SakhaNews agency gave extensive coverage to the conference, as did *Gudok* ("the Whistle"), the Russian Railways newspaper. Russian Railways CEO Vladimir Yakunin, whose position in charge of the state-owned company gives him ministerial rank in Prime Minister Vladimir Putin's Cabinet, was involved in planning the event. *Gudok* of Aug. 8 interviewed Fyodor Pekhterev of the Institute of Transport Economics and Development, on how the

and Industry. The SOPS, a joint organization of the Russian Academy of Sciences and the Ministry of Economics, has its roots in Academician Vladimir Vernadsky's KEPS organization, the Commission for the Study of Natural Productive Forces, of 1915-30. The Council was formerly headed by the late Academician

Russian Railways line to Yakutsk, continuing on to Magadan on the Sea of Okhotsk, and to the Bering Strait coast of the Chukotka Region, will link to Alaska. TPP-Inform, the Chamber of Commerce and Industry media outlet, reported Aug. 23 that the conference had drawn 500 people, including from Russia, China, South Korea, the U.S.A., and some European countries.

Building Railroads

The construction of a rail line to Magadan, and then all the way to the Chukotka village of Uelen, as the potential terminus of the Bering Strait crossing on the Russian side, is defined as a "strategic" project in Russian Railways plans for 2016-30. The company's strategy through 2015 includes construction of the first leg, a railroad from the Baikal-Amur Mainline (the BAM, or second Trans-Siberian railroad, built in the late Soviet period) to Yakutsk, capital of the Sakha Republic. Until now, this city of 250,000 people, located at 62°N, has had no rail connection to the rest of Russia.



Proposed Lena River rail utility bridge in Sakha Republic, Russia. The Lena crossing is the designated starting point of the railway to the Bering Strait.

The Russian Railways program and the other federal programmatic document for Siberia and the Russian Far East, the "Program for Economic and Social Development of the Far East and Transbaikalia to the Year 2013," have both come under heavy pressure for cutbacks since full-scale financial turmoil broke out in 2007. While Russia's multi-hundred-billion reserve fund, amassed from the proceeds of selling oil and natural gas, was spent to bail out the banking system, budget monies assigned to these programs have often simply not been disbursed. Yakunin and other allies of Putin have fought tenaciously to save them. One of their strongest arguments is that, without the repopulation and development of these regions, it will be impossible to preserve Russia as a unified nation.

Victor Ishayev, the presidential envoy for the Far East Federal District (FEFD), informed Putin in an Aug. 16 meeting, that "the reduction of federal budget

spending, assigned for implementation of [the 2013] Program measures in the FEFD, totalled 80%." Last December's federal budget law cut 147 billion rubles (approximately \$24 billion) from this spending for 2011-13, which was already a 62% reduction, and another 35 billion rubles of the disbursements which *were* confirmed, went to purposes not included in the Program.

Ishayev asked Putin to throw his weight behind key projects in the Far East. He proposed the speedy formation of a working group to prepare the technical specifications for the long-discussed bridge connection between Sakhalin Island and the Eurasian mainland, which will not only allow greater economic integration of Sakhalin and the Primorsky Territory on the mainland coast, but also represents a potential rail route to Japan.

Ishayev also reiterated the importance of building a second leg of the BAM, to handle increased freight as Siberia's raw materials are developed. The older, more southerly Trans-Siberian Railway is already operating at capacity. Speaking at the Yakutsk conference, Interfax reports, President of the Sakha Republic-Yakutia Yegor Borisov forecast that existing East Siberian resource development plans will increase BAM freight traffic four- to six-fold by 2020. In early 2010, Ishayev and Yakunin gave a joint press conference on the needed expansion and upgrade of the BAM, for which they were attacked in *Novaya Gazeta*, the paper co-owned by London's favorite, ex-Soviet leader Mikhail Gorbachov.

On June 14 of this year, Yakunin met Putin, to give the Prime Minister a comprehensive briefing on Russian Railways investment activity and plans, including the completion of guidelines for expanding high-speed rail service in many parts of Russia. According to the Russian Railways publication RZhD-Partner, Yakunin reviewed the priorities for rail in Siberia: the second branch of the BAM, modernization of the Transbaikal Railway, and pushing ahead to the north. "Have you made it to Yakutsk yet?" asked Putin.

Yakunin replied that the railroad to Yakutsk should be completed next year. The first 266 km of the 800-km track from Berkakit on the BAM, to Yakutsk, had already entailed construction of 45 bridges and moving of 29,000 cubic meters of earth, when it was completed two years ago, EIR reported in January 2010. Yakunin also informed Putin that "there is a creative discussion going on, over whether to build a bridge or a tunnel" to cross the Lena River. The Lena crossing is crucial for the Yakutsk vicinity, as well as being the designated starting point of the railway to the Bering Strait.

Where Will the *Money* Come From?

Vasili Usoltsev, deputy chairman of the State Duma Committee on Problems of the North and Far East, was quoted in an Aug. 18 Voice of Russia radio report on the Yakutsk conference, saying that "the first

and main question is to preserve the population and attract population flows" to the area. This will mean roads and railroads, he said, but also new projects such as "creation of a Far East grain corridor," and "a powerful electric power system"; both are being integrated into a new strategy for developing the Far East and the Transbaikal areas to the year 2025.

On Aug. 11, Russian Federal Space Agency head Vladimir Popovkin affirmed another aspect of the country's Far East development, announcing that construction of the Vostochny Cosmodrome space launch center and science city will begin next month. Over five years, 30,000 workers will build research centers, an academy for young scientists, an astronaut training center, and space manufacturing facilities in the Amur Region near the Russian-Chinese border.

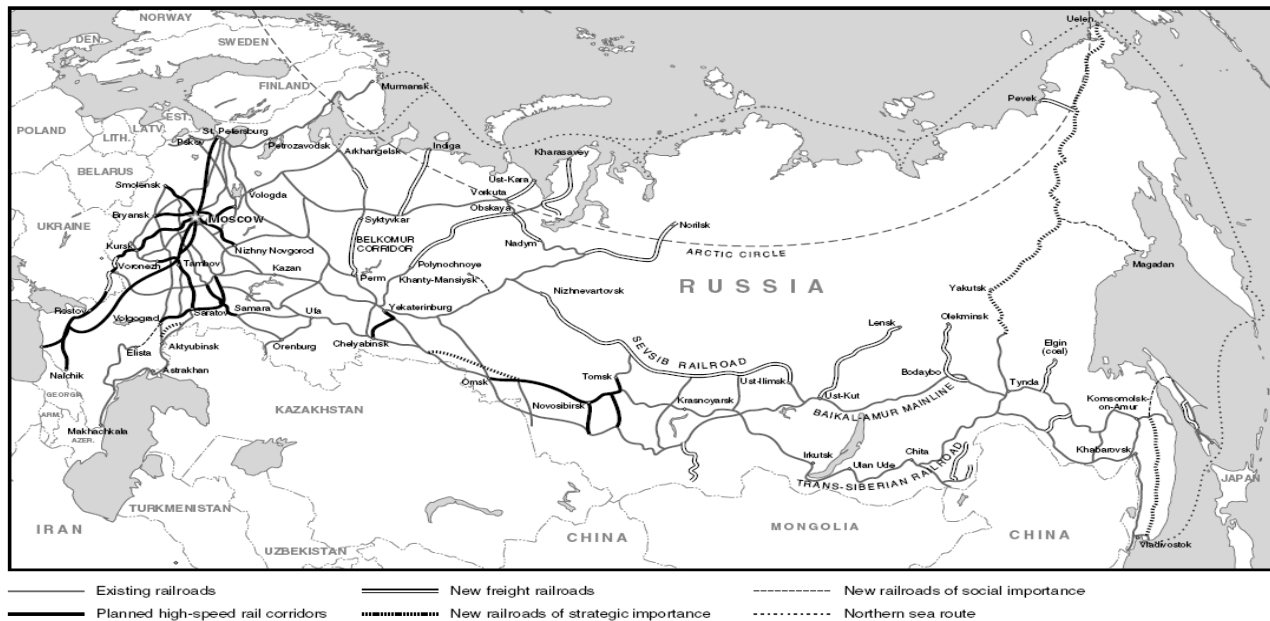
In view of how the previous decade's package of development programs for the region has been savaged by budget cuts, various schemes have emerged to address the question of "where the money will come from" for all these projects, at the Yakutsk conference and elsewhere. Gennadi Alexeyev, a Sakha Republic official, said that his diamond-rich region wants to co-finance the Bering Strait crossing project, especially if the Russian federal budget falls short.

Russian Railways issued a press release on Aug. 22, announcing that it will be unable to carry out its Far East development program for 2011-15 without more government backing. "The main constraint in implementing fully the proposed activities for the development and modernization of the existing railway network in East Siberia and Russia's Far East is the lack of financial resources," said the statement. "Given the scale of the problem and the significant amount of investment required, Russian Railways believes that solving these tasks without the appropriate government support will be impossible."

So many Russian think tanks and so much of the Russian media are controlled by financier interests, including London ones directly, that the inevitability of "private financing" for infrastructure development has become a constant drumroll in the press. RIA Novosti, writing Aug. 16 about Ishayev's push for the BAM expansion, asserted that "experts believe" that the project will cost 1.1 billion rubles, and "will have to be financed through private investments."

At the Yakutsk conference, Sakha Republic official Alexei Struchkov boasted that public-private partnerships (PPPs) would be the route to obtaining financing for Far East infrastructure. He said that the republic will submit draft enabling legislation at the federal level for changes to investment laws, and is drafting a regional "Law on Public-Private Partnership," detailing incentives for private investment in Yakutia. A plenary session of the conference was devoted to PPPs; it was chaired by Yermolai Solzhenitsyn of McKinsey & Company, son of the late Russian writer Alexander Solzhenitsyn. *Vedomosti* financial daily reports that Russian Railways, for its part, has submitted a plan to

Planned Russian Railroad Development to 2030



the government for issuance of "government infrastructure bonds" in the amount of 400 billion rubles, to finance rail construction needs not covered by the federal budget, through 2015. Officials of the Economics Ministry and Finance Ministry have attacked the scheme, with an official of the latter insisting, "You can't do that. Government bonds are issued only to finance the deficit."

But in Yakutsk, several of the participating officials laid out a truly grandiose perspective for continental development, including the Bering Strait project. It is on a scale that cannot be addressed merely by bond schemes within an otherwise collapsing system, and it certainly should not be left to the type of financial vultures which dominate the PPP process under globalization. It is a matter of state policy, and the outlook of these Russian officials confirms that leading circles in that country would be immediately in tune with a real shift by the United States to an American System credit policy, keyed by the Glass-Steagall principle, and as elaborated by LaRouche in his latest seven-point guideline for solving the global breakdown crisis.

Alexander Levintal, Ishayev's deputy:

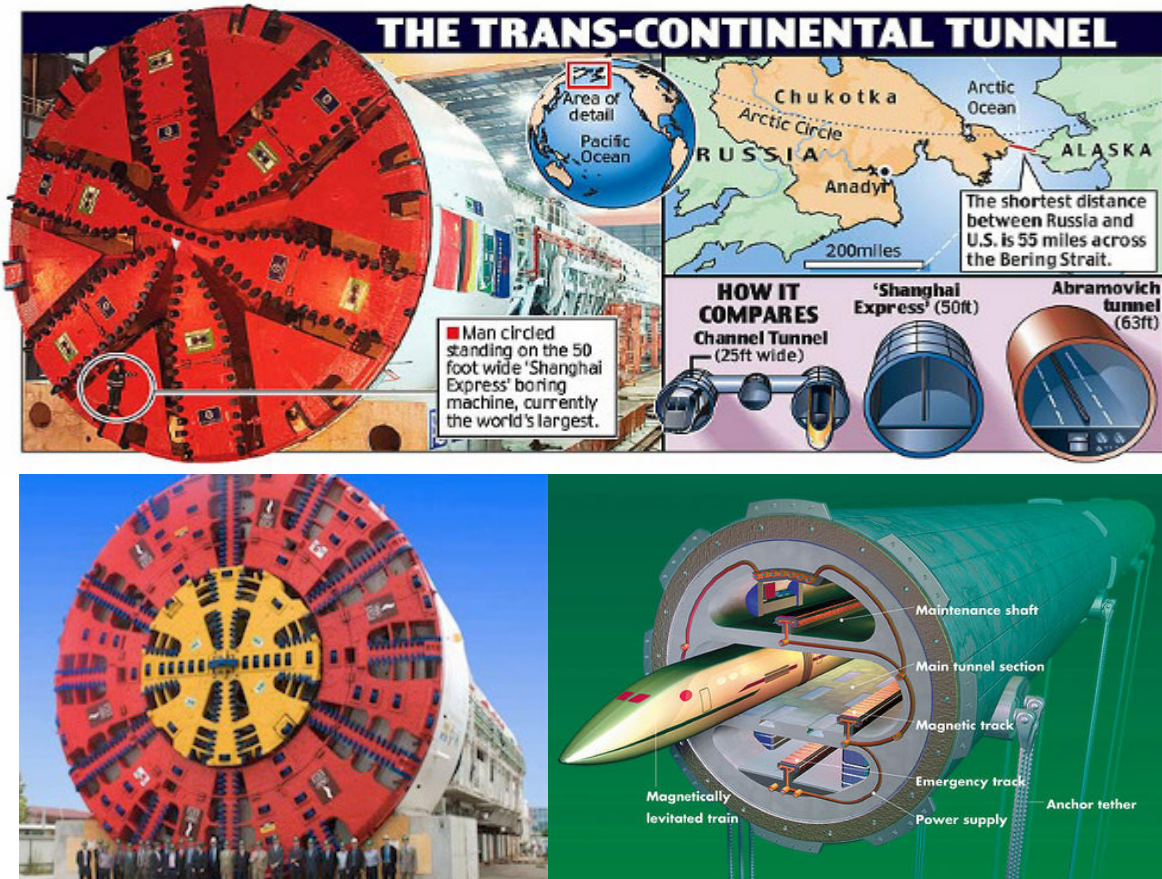
"We should see advanced development of road and rail infrastructure here [in the Russian Far East] and improvement in the investment climate in Russia as a key aim," including construction of the corridor to the Bering Strait.

Senator Aslambek Aslakhanov, formerly an advisor to Putin:

"We have reported on this project to Putin, and it seems that we convinced him. He wanted the Economic Development Ministry and the Transport Ministry to weigh in.... I immediately told the Prime Minister they would oppose it." (But, added Interfax, in fact the Transport Ministry is supportive.) "The geopolitical aspects of the intercontinental rail line would be difficult to exaggerate: It will not only ensure the strategic integrity of our state, but will develop the infrastructure of the Far East and Siberia as a whole."

Victor Razbegin:

"There is very great interest in this project from governments, as well as private investors. It represents absolutely new possibilities for organizing world freight flows. This involves almost 5% of all freight flows in the world.... Investment is not an obstacle.... The project will pay for itself within 15-20 years. You can understand why. For Yakutia, building the railway has already reduced the cost of delivering a ton of freight by a factor of 7 or 8. This project is key from the standpoint of developing the entire infrastructure of northeast Russia.... *The main problem is political.* It is difficult for the participating countries to reach agreement: Russia, the U.S.A., Canada, and the East Asian countries which have a stake in it.



Foonotes

1. <http://www.larouchepac.com/node/19062>

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"Russian-American Team: World Needs Bering Strait Tunnel!" May 4, 2007.

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Lyndon H. LaRouche, Jr., "The World's Political Map Changes: Mendeleyev Would Have Agreed," May 4, 2007.

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Appendix I: Urgent Appeal for a Global Glass-Steagall

Breakdown Crisis Out of Control: Urgent Appeal for a Global Glass-Steagall System

by Helga Zepp-LaRouche

This Appeal was translated from German. To join Mrs .LaRouche in her appeal to parliaments and governments that they must protect their citizens by adopting a two-tier banking system immediately, please follow the instructions below.

August 12, 2011—It would be better if leaders found the courage to openly admit what is now obvious: The global breakdown-crisis of the financial system is out of control; it is global; there is a danger of a meltdown of the financial system and the real economy, which threatens to dwarf the Crash of 1929 and the subsequent Great Depression—and that governments have no idea what to do. Most of them have the dreadful suspicion that the European fiscal union dictated by London and the draconian austerity measures associated with it will not solve the problem, but indeed will create conditions throughout Europe such as those they are now seeing with the riots in Great Britain.

It is no wonder that we are also dealing with an unprecedented crisis of the credibility of governments, which have placed themselves at the mercy of "the markets" for the past four years, since the crisis erupted in July 2007. And instead of restraining these markets by re-regulation, they got roped in, with one "emergency" after another, to greater and greater concessions to the power of financial institutions, thereby transforming hundreds of billions of the private debt of the speculators into government debt, for which the population is now being punished, with huge austerity programs in the public budgets.

The financial sector, with one new "bailout" after another, expresses its gratitude by launching new speculative attacks, first against Greece and other EU "peripheral" states, and most recently against France and Germany, and by betting with credit default swaps (CDS) against these countries "as if the end of the world had come," according to Handelsblatt). At the same time, the credit downgrades of various countries by the rating agencies has produced a contraction of the completely uncontrolled so-called shadow banking, which, because of the leverage effect of credit derivatives, is causing a geometrically accelerating collapse. Ironically, it turns out that precisely the "most profitable"—and also the most risky—sector of the casino economy is the Achilles' heel of the system.

No to a European Fiscal Union

In this dramatic situation, the agents of the British Empire—whether the Financial Times, or European Central Bank head Jean-Claude Trichet, or European Commission President José Manuel Barroso, who, with his demand for an increase of the capital stock of the

European Financial Stability Facility (EFSF), just two weeks after the July 21 EU summit, invoked a new "emergency"—are asserting that only the immediate establishment of a European economic government could stop the final collapse of the Euro zone. Only a European fiscal union would be bigger and more powerful than the markets, is the sophisticated argument.

Of course, such a European economic government—as was planned from the very beginning by the architects of the European Monetary Union—would be able to enforce, supposedly more effectively, precisely what "the markets" want anyway, namely the most brutal cuts, as are now being imposed on Greece, Portugal, Italy, Spain, and France—except that the states concerned would then have absolutely no veto right to protect the common good of their countries, with such already mentioned social consequences as we see in the British riots.

Such elimination of the last remnants of national sovereignty would be the last step in a whole series of violations of the national constitutions of Europe, as was confirmed yet again in the 2009 "Lisbon verdict" of the German Constitutional Court in Karlsruhe, as well as even in the EU treaties of Maastricht and Lisbon. The ECB, violating its own statutes, has, for some time, been buying up the junk bonds of bankrupt states on the secondary market—thus causing hyperinflation instead of guaranteeing the stability of the euro—and acting clearly against the interests of European states and the general welfare of the citizens. With this attack on constitutionality, which in the U.S. is taking the form of the White House-controlled "Super Congress," de facto destroying the power of Congress, and which in Europe is taking the form of an unconstitutional EU federal state, the representatives of this policy have deprived themselves of their own legitimacy. The evidence of their already visible failure is average youth unemployment of over 20%, which has produced a generation of the hopeless, with no future under the present system. A continuation and intensification of this policy, as would occur in a European fiscal union, would plunge the trans-Atlantic region into a new dark age, which would soon reach every nook and cranny of the Earth.

The Glass-Steagall Solution

Faced with this existential threat, there is only one way out: a global, two-tier banking system in the tradition of

the U.S. Glass-Steagall Act of 1933. The bill for a new Glass-Steagall Act, H.R. 1489, which was introduced by Democratic Rep. Marcy Kaptur (D-Ohio) in the U.S. House of Representatives, is now being cosponsored by 32 other Congressmen, and supported by the national trade union federation, the AFL-CIO; the National Farmers' Union (NFU); and numerous regional and local trade union and party institutions, city councils, etc.

I enumerate the necessary emergency measure:

1. All the countries of the trans-Atlantic region must adopt legislation for a two-tier banking system, based on Franklin D. Roosevelt's Glass-Steagall Act of June 16, 1933, the principles of which also existed in European countries until the early 1980s, with strict regulations under which the banking sector primarily had the character of industrial banks, and private savings could not be used for risky speculative operations. As was the case before the repeal of Glass-Steagall in 1999 by the Gramm-Leach-Bliley Act, commercial banks, investment banks, and the insurance sector will have to be completely separated from each other.

2. The commercial banks will have to be placed under state protection; the investment banks will have to bring their balance sheets into order on their own, without the help of taxpayers' money, which in practice means that toxic paper in the trillions will have to be written off, even if it leads to the insolvency of the banks.

3. Those legitimate areas from the old system that deal with the real economy or the productive lives of working people will be identified, and be held valid in the new system. Some categories of these claims will have to be frozen at first, because of complex interdependencies,

and then analyzed by a state institution, valued, and honoured.

4. A national banking system in the tradition of Alexander Hamilton must then issue long-term loans, within the new credit system, with low interest rates for productive investment purposes, which, by an emphasis on increasing energy-flux density and scientific and technical progress, will raise economic productivity.

5. The participating nations must immediately establish a system of fixed exchange rates.

6. For the reconstruction of the global economy, long-term cooperation agreements will have to be concluded among sovereign states, whose purpose will be to build well-defined infrastructure and development projects. These agreements represent de facto a new credit system, a New Bretton Woods system, in the tradition of Roosevelt.

7. Given the decades-long destruction of industrial and agricultural capacities as a result of the monetarist dogma, beneath the level required for decent living conditions for the world's current population of around 7 billion, the goal must be to achieve, through a science-driver, the next, higher platform of economic development, as Lyndon LaRouche has formulated this from the standpoint of physical economy. As an historical example, the increase in productivity achieved by President John F. Kennedy's Apollo program has lasted to the present day.

Join me in directing an urgent appeal to parliaments and governments to fulfill their constitutional duty and to protect the common good of those they represent, by adopting a two-tier banking system immediately.

ENDORSE THIS APPEAL!

We invite government and elected officials, labour, agriculture, civic, political and other leaders to endorse this call by sending an email to: aktion@schiller-institut.de with subject "I Support the Appeal for a Global Glass-Steagall System".

Please include: your full Name, the title of the Office you hold, the name of the Institution or Organization in which you hold an office, the Full Street Address, City, State or Province, and Country of that Institution or Organization, and contact information (Phone Number and Email Address).

Appendix II:
Glass-Steagall Bill Gaining Support

Glass-Steagall Bill Gaining Support

Sept. 13—The drive to restore President Franklin Roosevelt's Glass-Steagall Act is gaining traction in both Congress and the labor movement, although much more support is still required for passage of House Resolution 1489, the "Return to Prudent Banking Act."

With the addition during the past week of six new co-sponsors in the House of Representatives, the total is now 39, including Rep. Marcy Kaptur (D-Ohio), who introduced it on April 12. The new signers, all Democrats, are: **Michael Michaud** and **Chellie Pingree** of Maine, **John Oliver** of Massachusetts, **Larry Kissell** of North Carolina, **Peter Welch** of Vermont, and **Yvette Clarke** of New York.

Declared Republican Presidential candidate **Buddy Roemer**, a former four-term Congressman from Louisiana, responded to President Obama's phony jobs bill by saying that a reinstatement of Glass-Steagall is one of three major steps that must be taken to restore the economy.

Labor

Eight state labor organizations have now demanded that Congress restore Glass-Steagall (the national AFLCIO had already endorsed it on Aug. 8), and endorsed H.R. 1489. And the pace is quickening:

The **West Virginia State Council of the AFLCIO** endorsed H.R. 1489 on Sept. 12, urging the state's Congressional representatives to co-sponsor and vote for it.

The **North Carolina State Council of Machinists** (part of the International Association of Machinists) passed a resolution on Sept. 7 endorsing the bill, while criticizing the Dodd-Frank financial reform act for doing "nothing to prohibit the sale and trading of derivatives and other activities that helped bring about the 2008 financial collapse," while the "Glass-Steagall Law [had] sufficiently protected the public against the fraud, theft, and abuse brought about by its repeal. . . ."

The **North Carolina state convention of the AFLCIO** on Sept. 9 unanimously passed a resolution supporting H.R. 1489, citing the fact that the repeal of Glass-Steagall opened the door to the banking disaster of 2008, which was then followed by the bailout policy, which is bankrupting the U.S. economy.

The **Iowa Federation of Labor** endorsed the bill on Sept. 7.

State labor organizations that have previously endorsed it are the **New Jersey AFL-CIO**, the **Kentucky AFL-CIO**, the **California Federation of Labor**, the **Wisconsin AFL-CIO Executive Committee**, and the **Minnesota AFL-CIO**.

Cities

In addition, the city councils of Coatesville, Pa., and Parma, Ohio, recently passed demands for Glass-Steagall restoration, bringing the number of local legislative bodies endorsing the bill to 13.

The Parma resolution is titled "A Resolution in Support of H.R. 1489, the Return to Prudent Banking Act, and Declaring an Emergency." It says, in part:

"WHEREAS, H.R. 1489, 'The Return to Prudent Banking Act,' is now before the House of Representatives, which aims to revive the separation between commercial banking and securities business, in the manner provided in the Banking Act of 1933, called

Glass-Steagall Act; and,

"WHEREAS, an effective and stable banking system is essential to the functioning of our economy; and,

"WHEREAS, the current weight of trillions of dollars of debt foisted on the U.S. Taxpayers in the 2008- 2011 bailout of Wall Street has and is currently obliterating and destroying the economy of the United States and its people; and, . . .

"WHEREAS, the first step to solving this problem is the reinstatement of Glass-Steagall through the adoption and enactment of H.R. 1489; . . .

"NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARMA, STATE OF OHIO:

"Section1. That this Council hereby supports H.R. 1489, The Return to Prudent Banking Act of 2011. . . .

"Section4. That this Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare of the City of Parma, and for the further reason that this measure is necessary due to upcoming hearings on this issue. . . ."

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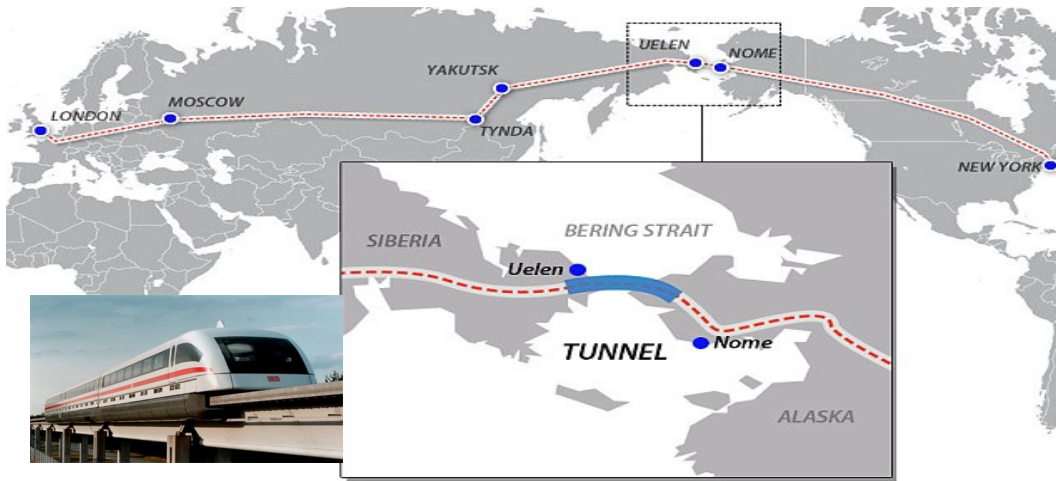
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