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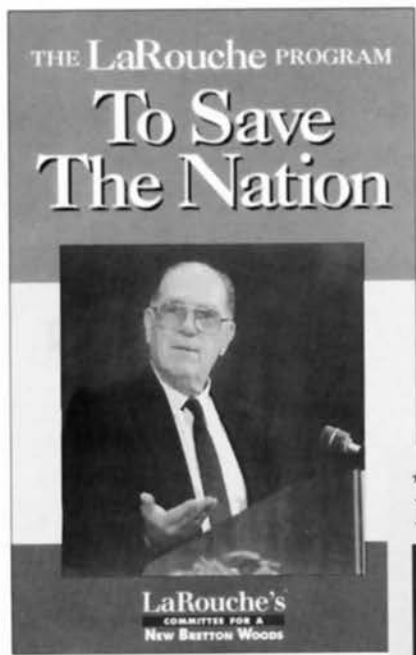
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AIDS: The Deliberate Catastrophe
Wall Street Wins Mexico's Presidential Election
LaRouche Battles Gore for Soul of Democratic Party

**LaRouche: Call Them
'The Baby Doomers'**



LA ROUCHE *for* President



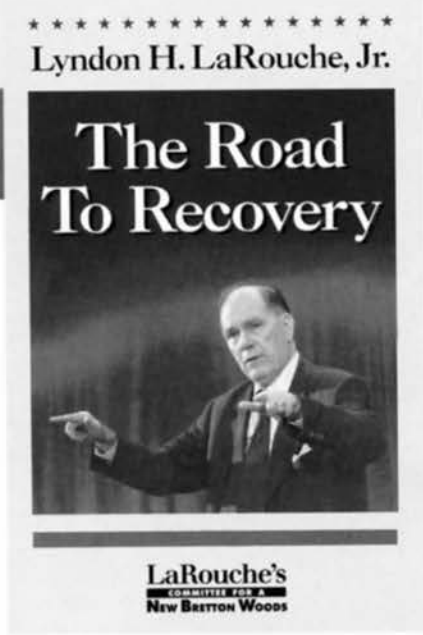
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*World Wide Web site: <http://www.larouchepub.com>
e-mail: eirns@larouchepub.com*

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205, Wiesbaden, Federal Republic of Germany
Tel: 49-611-73650. Homepage: <http://www.eirna.com>
E-mail: eirna@eirna.com Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

In Mexico: EIR, Río Tiber No. 87, 5o piso, Colonia Cuauhtémoc, México, DF, CP 06500. Tel: 208-3016 y 533-26-43.

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From the Associate Editor

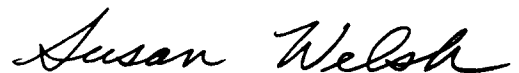
With less than a month remaining before the Democratic National Convention of Aug. 14-17, the LaRouche political movement, and forces allied with it on policy issues, have committed themselves to doing what might seem to be “the impossible”: preventing the march toward fascism, which is signified by the fact that Al Gore and George W. Bush are widely assumed to be the inevitable Presidential candidates of their respective parties.

In our last issue, *EIR* published selections from the Ad Hoc Democratic Party Platform Hearings, which were facilitated by LaRouche’s Presidential campaign committee in order to allow a *real debate over policy*, since the Gore clique in the Democratic National Committee had used brass-knuckle tactics to absolutely forbid any such debate. The full proceedings of those ad hoc hearings are now available in a 96-page booklet, of which *1 million copies* will be distributed nationwide before the convention. And not only distributed, but also *read*, by citizens who are otherwise quite likely to stay home on Election Day: the people whom President Franklin D. Roosevelt called “the forgotten men” of America.

That, we concede, is a helluva task. But without such a powerful intervention into the mental processes of the electorate, there is no hope for this nation.

Lyndon LaRouche’s article in this issue, “Call Them ‘The Baby Doomers,’” is a key additional clip of ammunition being deployed before the Convention, in the fight for the soul of the American voter. Take your time with it; it’s not a “quick read,” but mastery of the concepts presented there is absolutely vital to your future and that of your posterity. LaRouche puts it this way: “Clearly, if Bush or Gore is chosen, the popular majority of the people of the U.S. will have shown themselves lacking the moral fitness to survive, will have avowed themselves as, collectively, functionally insane—at least for the present time. They can, and might survive; but that depends on whether or not enough among you, the readers, will help me lead our people back to sanity in their thinking about economic matters.”

For a chilling glimpse of what is in store for the world if we fail, see the articles on AIDS in *Economics*. Our staff is preparing a special report on this matter, for an upcoming issue.



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“Baby Doomers” Al Gore (right) and George W. Bush, with children in (left to right) Ibero-America, the Congo, and North Korea.

18 Call Them ‘The Baby Doomers’

By Lyndon H. LaRouche, Jr. “Gore and Bush are intended to be either fascist dictators themselves, or place-holders for the fascist tyrant to supersede either of them. That is why thuggish intellectual perverts, such as Bush and Gore, were selected to be the ‘only’ contending candidates to be considered at this time,” writes LaRouche. “That can change, and suddenly; but, for the moment, that is the way things are.”

“I am determined to save the people of this nation from the worsening disaster,” LaRouche writes. But, “we must bring the people of this nation to the maturity of intellect and morals which only the adoption of the Classical tradition in science and culture can bring about. . . . No longer must you permit yourself to demand that political leaders come down to your level; it is time for you to reach upwards, seeking out the best in those leaders, of course, but, more urgently, in yourselves.”

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Chiang Mai Moves Ahead as G-8 Ignores Financial Reality

by Kathy Wolfe

Asian financial officials at the “World Economic Symposium on Global Economy and Asia in the 21st Century,” in Fukuoka, Japan on July 7, discussed expanding their May 6 “Chiang Mai initiative” for Asian currency defense, by creating a regional exchange-rate system pegged to a basket of currencies, instead of to the dollar, the Swiss daily *Neue Zürcher Zeitung* wrote on July 8. The proposal, first made in 1997 by former Japanese Vice Finance Minister Eisuke Sakakibara as part of his Asian Monetary Fund (AMF) plan, was hailed by Dr. Yu Yongding of China’s Academy for Social Sciences. China’s participation in the Chiang Mai move, Yu said, reflects Beijing’s “growing interest in Asian regional economic cooperation,” which he said should be strengthened.

China’s currency, the yuan, will soon be revalued, de-linked from the dollar, and tied to a currency basket with more weight for the Japanese yen and the European euro, Dr. Yu told Denmark’s *Jyllands-Posten*. Tokyo is “now awaiting confirmation of this move from Beijing,” one Japanese official told *EIR* on June 13; “there is an entirely new level of China’s interest in” the Chiang Mai/AMF idea. The Fukuoka forum was organized by Japan and Malaysian Prime Minister Dr. Mahathir bin Mohamad to produce an “Asian position” for Japan to present at the Group of Eight finance ministers, foreign ministers, and heads of state meetings on July 8-23.

In Korea, plans for South-North détente also moved ahead as South Korean President Kim Dae-jung’s government called for major Asian and world investment in North Korean infrastructure reconstruction as the best way to jump-start the entire Asian regional economy.

The global financial crisis meanwhile continued with the July 12 collapse of Japan’s giant Sogo Department chain with \$9.3 billion in bad debts to 73 banks, dragging the Tokyo stock market down 4% to the critical 17,000 level as investors dumped bank stocks and Moody’s threatened to again down-

grade Japan’s credit rating. Southeast Asian currencies such as the Indonesian rupiah, Thai baht, and Philippine peso are also dropping to 1998 crisis levels, giving lie to the “Asian recovery” myth.

Yet, the G-7 finance ministers meeting in Fukuoka on July 8, and the G-8 foreign ministers meeting in Miyazaki, Japan on July 12-13, ignored these developments. The G-8 finance ministers issued a communiqué on July 13 endorsing instead, increased International Monetary Fund austerity conditionalities and praising Information Technology for allegedly causing a world economic boom. They also praised “rapid globalization” and “the open economy.”

In fact, as Lyndon LaRouche emphasized in a June 16 *EIR* article, “Regional Organization under a New Bretton Woods,” the IMF globalization policy is precisely what is sweeping the world swiftly toward disaster. “The present financial system as a whole is hopelessly bankrupt,” he wrote. “There is no way in which present financial obligations outstanding could be paid. Over-the-counter derivatives must be the first to go, followed immediately by other forms of derivatives and junk-bond indebtedness. . . . The world requires a new monetary and financial system, rebuilt from the ground-level of expanded present levels of physical output measured in quantities of employment and output in production of physical goods of newly produced infrastructure, agriculture, and manufacturing. A sudden and sweeping cancellation of all changes in monetary, financial, and economic policies since August 1971, is mandatory.”

‘Let Them Eat Yen’

Leading the globalizers was U.S. Treasury Secretary Larry Summers, who told Japanese Finance Minister Kiichi Miyazawa on July 7-8 that Japan must stick with its zero-interest-rate policy of hyperinflation, to keep feeding the United States the \$1 billion a day it needs to finance its huge

trade deficit. Sakakibara and other financial leaders have been pointing out recently that if Japan and the rest of the world do not continue to loan the United States this cheap cash, the United States can't pay for its deficit, which now tops \$365 billion annually. Under the policy, not only Japanese but also U.S. and European banks borrow yen for free from the Bank of Japan (BOJ). The yen, thus, is at a six-week low against the dollar, and Tokyo's *Nihon Keizai* predicts a heated fight at the BOJ's July 17 policy board meeting, where BOJ chief Masaru Hayami will argue that the zero-rate policy must end.

The BOJ, however, now faces a minefield thanks to its "made-in-U.S.A." zero-rate policy. Just as the yen begins to drop, needing higher rates to defend it, the Sogo and related financial crashes mean that Japanese banks are desperate for cheap yen to cover more than \$9 billion in bad loans. Prime Minister Yoshiro Mori, following more talks with Summers, made an outrageous and unprecedented public statement on July 14, that the BOJ should not raise rates "since the Japanese economy is not completely on a recovery track. . . . Other G-8 countries also want Japan to take care of its economy. I expect the Bank of Japan to make an appropriate decision."

The continuing lunacy from U.S. financial "experts" was, once again, expressed by U.S. Federal Reserve Chairman Alan Greenspan, who told the New York Council on Foreign Relations "Financial Crisis Conference" on July 12, that the "continued rapid growth in world trade" and "rising standards of living" are entirely due to the "new international financial system" we have—based upon "financial derivatives"! The only reason Asia had a crisis in 1997, Greenspan stated, is that Asian financial markets lacked the huge derivatives markets which U.S. banks have, which, he claimed, protect from crises by hedging.

The July 21-23 Okinawa heads of state summit is likely to be the "summit meeting from hell," Asian specialist Dr. Chalmers Johnson, president of the Japan Policy Research Institute, told *EIR* on July 13, due to the failure of U.S. and other G-8 leaders to address any of these situations. "On the eve of the summit, the U.S. military in Okinawa showed that it cannot control its own men," Johnson wrote in the July 19 *Japan Today.com*. On July 3, "a drunken Marine broke into a home and groped a 14-year-old girl sleeping in her bed. Only a few days earlier a group of drunken Marines got into a fight with a taxi driver to help one of their mates escape paying him. And on July 10, a drunken airman from Kadena Air Force Base ran a red light, hit an Okinawan pedestrian, and sped from the scene. With allies like these, the Japanese government does not need enemies. To add to the fiasco, Secretary of State Madeleine Albright declared she was too busy with the Mideast summit at Camp David to attend. . . .

"When President Clinton lands at Kadena Air Force Base on July 20, he will face some 25,000 Okinawans surrounding the airfield in a human chain. They will all be holding up red cards. This 'red card movement' is intended to show the Okinawans' true feelings by giving the American President the final sanction in European football. When a soccer referee

holds up a red card it means that a player has so violated the spirit of the game he must get off the field at once. That's what the Okinawans want Americans to do—get their bases off now."

Indeed, Dr. Johnson said, and Nikkei reported editorially on July 14, the Japanese now fear President Clinton will not show up for the summit, an enormous slap in the face to Japan.

Korean Reconciliation Continues

While U.S. policy flounders, the peace initiative taken between North and South Korea last month continues to gain momentum. Seoul's Vice Finance and Economy Minister Uhm Rak-Yong, speaking in Fukuoka, called on Asia and the rest of the world to support Korea's peace drive by investing in North Korea and backing rapprochement. "Based on the historic South-North declaration signed on June 15, our government proposes an undivided effort to ensure peace and prosperity by increasing economic cooperation with North Korea," he said. "To further encourage positive developments in Korea, the government hopes the international community will take a more active stance in enhancing economic cooperation with North Korea." Uhm said that the end of the Cold War in Korea would contribute substantially to the prosperity of states in the region.

President Kim Dae-jung and North Korean National Defense Commission Chairman Kim Jong-il's joint pledge on June 13-14 to promote Korea-wide reconciliation and economic reconstruction "were not empty commitments," Dr. Johnson said. "Within a few weeks, North and South Korea had agreed to visits by families divided by the Korean War and to repatriate political prisoners. Two genuine American allies, Italy and Australia, have already recognized North Korea, and the Philippines is set to do so. President Kim Dae-jung, whose initiative brought about these achievements, declared that the threat of war on the Korean peninsula is over."

The Association of Southeast Asian Nations Regional Forum (ARF) in Manila meanwhile agreed on July 7 to welcome North Korea as a new member at a meeting to be held on July 26-27 in Bangkok, the *Nihon Keizai Shimbun* reported. The ARF encompasses ASEAN members, as well as Japan, the United States, China, Russia, and South Korea.

The Japanese government will resume diplomatic normalization talks with North Korea as soon as possible, Foreign Minister Yohei Kono told President Kim Dae-jung and Foreign Affairs and Trade Minister Lee Jung-binn in Tokyo on July 13, Nikkei reports. Kono told Kim that Japan will try to have Seoul's "sunshine policy" for peace with the North reflected as much as possible in a document on matters involving the Korean peninsula to be compiled during the G-8 summit in Okinawa.

Japanese and North Korean officials are finalizing a first-ever meeting between foreign ministers. Japanese Foreign Minister Kono and his North Korean counterpart Paek Nam-sun are also to meet at the Bangkok ARF meeting in Bangkok on July 26.

AIDS: The Deliberate Catastrophe

by Jonathan Tennenbaum

In the context of the July 9-14 international AIDS conference in Durban, South Africa, the world press has been full of headline stories on “the AIDS plague,” declaring that Africa is a “dying continent.” According to the July 10 lead article of the London *Daily Telegraph*, “Scientists say that the scale of the plague is comparable to the Black Death in Europe in the 14th century.”

In terms of the incredible scale of infection and deaths through HIV and AIDS in Sub-Saharan Africa, reflected in recently released data, the comparison with the Black Death—which wiped out one-third to one-half of the European population in the mid-14th century—is indeed fully justified. For example, the director of the Health Studies branch of the U.S. Census Bureau, Karen Stannecki, speaking at the Durban conference, stated that the ongoing reduction of the population of Sub-Saharan Africa, by AIDS, is the first such instance since the 1347-51 Black Plague in Europe. AIDS is spreading throughout southern Africa at a rate that was unimaginable five years ago, she said, reporting that rates of HIV infection had risen to 20% or more of the adult population in Botswana, Lesotho, Namibia, South Africa, Swazi-

land, Zambia, and Zimbabwe. Millions are dying every year, and life expectancies are rapidly dropping to 30 years and below.

Why, after over a decade and a half of systematic government and media disinformation and cover-up, have the leading world press, as well as major international organizations, suddenly begun to express “shock” and “horror” about the incredible scale of the AIDS disaster in Sub-Saharan Africa?

What the press neglects to say, but what is a provable fact, is that the AIDS catastrophe is the result of *deliberate policy* on the part of leading circles in the Anglo-American and allied oligarchy, to depopulate Africa and other regions of the world.

The most damning evidence of this, is the 15-year history of systematic efforts by those circles, to prevent Lyndon LaRouche and his collaborators, as well as courageous public health officials and medical experts in a number of countries, from organizing a serious international effort to stop the AIDS pandemic.

Everything that is now happening in Africa, and in other regions, in connection with the scale and nature of the HIV-AIDS threat, was correctly forecast by LaRouche, and stated

Oligarchs Demand that Population Be Reduced

“I do not intend that birth control is the only way in which population can be kept from increasing. There are others. . . . Perhaps bacteriological warfare may prove effective. If a Black Death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. . . . This state of affairs might be unpleasant, but what of it? Really high-minded people are indifferent to suffering, especially of others.”

—Bertrand Russell, in *The Impact of Science on Society*, 1953.

“There are only two possible ways in which a world of 10 billion people can be averted. Either the current birth rates

must come down more quickly. Or the current death rates must go up. . . . There are, of course, many ways in which the death rates can go up. . . . Famine and disease are nature’s ancient checks on population growth, and neither one has disappeared from the scene.”

—Robert McNamara, president of the World Bank, at a banking conference, Oct. 2, 1979.

“AIDS is not a malediction, but the welcome remedy to reduce the population of the planet.”

—Earth First! founder David Foreman, quoted in the Italian newspaper *Corriere della Sera*, June 1987.

“In the event I am reborn, I would like to return as a deadly virus, in order to contribute something to solve overpopulation.”

—England’s Prince Philip, as quoted by the German Press Agency (DPA), Aug. 8, 1988.

repeatedly in public warnings beginning in 1985 (see box). He emphasized, above all, the role of International Monetary Fund (IMF)-style economic austerity and looting policies, in collapsing the nutrition, health, and sanitation levels in Africa and other developing regions, and thereby creating the conditions for the explosive spread of new and old epidemics. LaRouche also pinpointed the lies and cover-up which were being disseminated to permit AIDS to spread—such as the lie that AIDS is by nature a “sexually transmitted disease”—

and put forward a package of public health and other measures which would have brought the epidemic to an early stop and saved tens of millions of lives.

Dirty Tricks To Stop LaRouche

Not only were the necessary actions not taken—actions which were absolutely feasible and had the potential for overwhelming political support around the world—but LaRouche and his collaborators were targeted by a massive dirty opera-

LaRouche Warned of AIDS as ‘Deliberate Genocide’ Fifteen Years Ago

AIDS was a central focus of Lyndon LaRouche’s political activities throughout the period leading to the 1988 Presidential election. Already in his announcement of his intention to participate in the 1988 campaign, released in October 1985, LaRouche placed the HIV-AIDS issue up front. It began:

“The world today is threatened by the most deadly pandemic disease so far known to mankind, a disease far more deadly to its victims than the Black Death which wiped out between one-third and one-half of the population of Europe during the middle of the 14th century. This deadly pandemic is AIDS. . . . During the recent six months, a team of specialists has been advising me on the nature and spread of this pandemic. . . . Many important questions about the diseases can not yet be answered, but certain facts demand very clear courses of action by governments. Most of the world’s leading experts denounce the Switzerland-based World Health Organization and the U.S.A.’s Atlanta Centers for Disease Control (CDC) as behaving irresponsibly, and many accuse these institutions of circulating false information as part of a political cover-up. . . . Medical support is necessary . . . but medical support by itself will not stop the epidemic. . . . Public health measures must be taken on the Federal, state, and local levels immediately. We must identify and isolate the carriers of the AIDS virus, until we are assured that they are no longer capable of transmitting the virus. . . . We must provide treatment centers for the victims. We must correct lack of adequate public sanitation. We must improve levels of nutrition. . . . We must recognize that the spread of other epidemic diseases, including the recent explosion and spread of tuberculosis, contributed to the spread of AIDS. . . . The most important of the political issues threatening

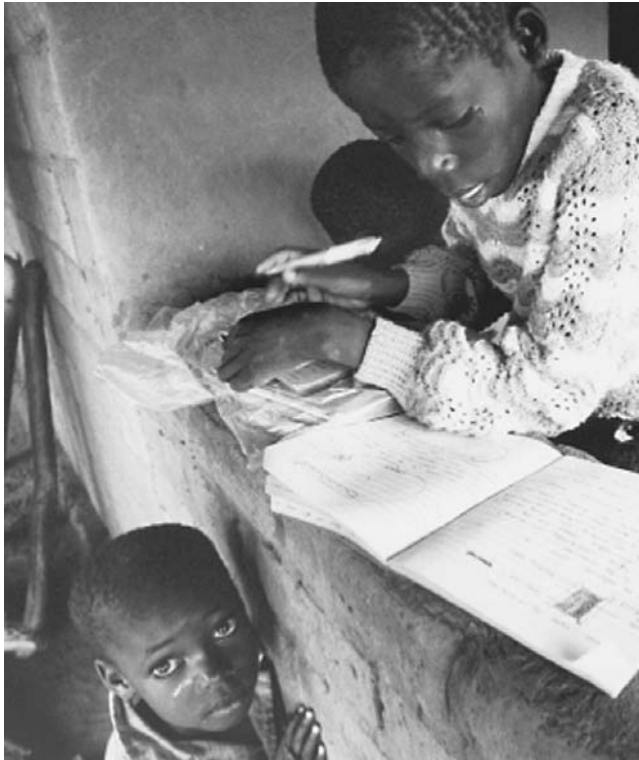
us now, AIDS, reflects the fact, that a 1988 Presidential candidate who is not campaigning openly for the nomination now, is not serious about the future of the United States.”

At the same time, LaRouche repeated his long-standing accusation, that the economic austerity and looting policies being imposed upon the African and other Third World nations by the Wall Street/City of London financial oligarchy via the IMF and related institutions, constituted *deliberate genocide* of a sort actually worse, and on a larger scale, than the crimes perpetrated by the Nazis. For example, in a July 1985 declaration LaRouche stated:

“The cheapest method for ‘cost-reduction’ in the camps to which the worn-out slaves are returned, is to place these worn-out slaves in crowded, filthy barracks, with assorted other ‘unusables,’ and to allow the spread of disease to decimate their ranks. This was the essence of the Nazi death-camp system. . . . The same method actually used to cause the deaths of the majority among those victims, are the methods imposed upon entire, increasingly numerous regions of the world today, by the Schachtian [austerity] policies of the International Monetary Fund.

“As for those who console themselves, that the death of as many as 300 million Africans, through the chain-reaction effects of IMF ‘conditionalities’ over the coming period is a far-away catastrophe . . . we have inside the United States already, no fewer than 30 million Americans in a ripe condition for assimilation and spread of pandemic infection. . . . When we continue to tolerate IMF policies already unleashing genocide against black Africa, and other ‘Third World’ regions, we exhibit in ourselves a lack of moral fitness to survive.”

For telling the truth in this way, LaRouche was systematically slandered as a “racist” and “fascist” in countless press articles, radio and television programs, books, and pamphlets. What could be the motivation of those who deliberately waged the Goebbels-like vilification campaign against LaRouche, *knowing full well* that they were thereby attacking the main political figure who could have organized effective international action to stop the spread of AIDS?



A boy orphaned by AIDS in northern Malawi does his homework at his grandmother's home, accompanied by two siblings.

tion by sections of the U.S. government and the Anglo-American backers of Henry Kissinger, escalating especially in 1986. This operation finally led to the prosecution and jailing of LaRouche and several key collaborators, at the high-point of their increasingly effective international campaign against AIDS (among other issues on which LaRouche's policies displeased the financier oligarchy).

The circles who targetted LaRouche in this manner were fully conscious of the fact, that LaRouche's analysis of the AIDS threat was correct, and that the measures he proposed would have been effective. This by itself is *prima facie* proof of a deliberate, conscious design to kill tens of millions of people in Africa and elsewhere through the direct and indirect effects of HIV-AIDS.

These facts in themselves justify criminal investigations and prosecution on the model of the post-World War II Nuremberg Tribunal for crimes against humanity. At the same time, they provide the essential background for evaluating evidence, documented in a number of locations, pointing to the conclusion that not only were anti-AIDS activities deliberately sabotaged, but also that HIV was *deliberately spread* among certain populations in Africa and elsewhere, as well as that the HIV virus itself is of an artificial, man-made origin.

At this point, only persons who are ill-informed or hopelessly naive, could dismiss out-of-hand the evidence pointing

toward the deliberate causation of the AIDS catastrophe. We cannot go into this matter here in detail, but only note the following:

1. Starting with Bertrand Russell's infamous call in 1953 for unleashing an artificial "Black Death" to kill off "excess population," leading figures of the Anglo-American oligarchy have repeatedly and openly spoken of the desirability or even necessity of radically reducing the world's population, especially the population of developing countries (see box). The goal of radical population reduction has been explicitly put forward, among other places, in documents of the U.S. State Department, and in especially brutal and explicit fashion in the infamous National Security Study Memorandum 200 of Kissinger. Leading population reduction fanatics, including England's Prince Philip, have openly expressed the hope, that a "killer virus" would emerge to "solve" the "overpopulation problem." And, in 1992, a World Bank internal study claimed, "If the only effect of the AIDS epidemic were to reduce the population growth rate, it would increase the growth rate of per-capita income."

2. There is no doubt of the scientific feasibility, in principle, of the artificial creation of an HIV-like human virus, through re-cultivation of closely related monkey viruses in tissue cultures, injections into humans, etc. There is a pattern of relevant research and testing, going back to the 1970s, in locations cohering with the appearance of HIV.

3. The pattern of initial appearance and spread of AIDS, and many features of its later spread in Africa and elsewhere, do not fit the natural pattern of spontaneously emerging natural diseases, but point to artificial manipulation.

4. The naive idea, that "no one would be crazy enough" to deliberately create, or deliberately spread a deadly virus like HIV, is refuted by the reality, pointed out above, of deliberate sabotage of attempts to stop the spread of HIV-AIDS, coming from the very same Anglo-American oligarchical circles who have openly stated their aim to reduce population "by any means."

A high-level international investigation is needed to pin down details and responsibility for the genocide which the AIDS pandemic represents in Africa. In the meantime, an emergency mobilization must be launched *now*, to save Africa and the world as a whole from the process which has been unleashed.

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AIDS Pandemic Threatens Africa with Extinction

by Colin Lowry

Two new reports released prior to the July 9-14 Thirteenth International AIDS Conference in Durban, South Africa, show that the rapid spread of AIDS, and the impending deaths of up to half the population in some African countries, is creating a catastrophe that may surpass the "Black Death" of the 14th century. Previous official reports as recent as the CIA's, completed in February, have continued to underestimate the severity of the epidemic. The UNAIDS Report on the Global HIV/AIDS Epidemic, and studies by the U.S. Census Bureau, provide new estimates of even higher HIV infection rates, lower life expectancy, and more deaths due to AIDS.

The situation is now so desperate, that the question of debt cancellation for developing countries suffering from the effects of AIDS has been raised by the Executive Director of UNAIDS. In his opening speech to the 13th International AIDS Conference, Dr. Peter Piot said, "Let's not forget that each year African countries are paying \$15 billion in debt repayments—that's four times more than they spend on health or education. We call on governments in the North and the international financial institutions to cancel the debts. Now." The statement by Piot is certain to ruffle the feathers of officials of the International Monetary Fund (IMF) and the World Bank. But, what about prevention and treatment of AIDS in Africa? UNAIDS says that it would cost \$3 billion a year for the most basic prevention and care for Africa alone, which is ten times more than what is being spent today. While the UNAIDS proposal is in the right direction, it does not address the lack of public health and medical infrastructure that would be needed to fight the epidemic.

'We Are Threatened with Extinction'

According to UNAIDS' new estimates, 34.3 million people worldwide are infected by HIV, and 2.8 million died of AIDS in 1999. In the countries of southern Africa, HIV infection rates range from 20% in South Africa, to 26% in Zimbabwe, and 36% in Botswana, the highest in the world. The average for this region that includes nine countries, is

now 20% of the total population. As staggering as these figures are, the real impact on the population is much worse. From these HIV incidence rates, UNAIDS calculates the increased probability that a person who is now 15 years old will die before reaching the age of 50. For a country such as South Africa, where the HIV incidence rate is 20%, a 15-year-old has only a 50% chance of surviving to age 50. In any country with HIV incidence rates of 15%, the likelihood is that one-third of the 15-year-olds alive today will die before age 50. In the case of Botswana, where 36% of the adult population is already infected, 70-85% of the 15-year-olds alive today will die before age 50.

Botswana President Festus Mogae told the conference, "We really are in a national crisis. We are threatened with extinction. People are dying in chillingly high numbers. We are losing the best of our young people."

The speed of the epidemic's spread has been shocking to many health experts. Consider South Africa, where there are now 4.2 million people who are HIV-infected. From surveillance data obtained from tests in antenatal clinics, in 1990 only at most 1% of patients were found to be HIV-infected. In 1999, 19.9% of antenatal patients were HIV positive. In Nigeria, which currently has the highest number of HIV infections in West Africa, at 2.7 million, the epidemic has exploded in the past ten years. In 1990, only 1% of women at antenatal clinics tested positive for HIV, and in 1999, up to 8% were infected.

Women now represent the majority of AIDS cases in Africa, with the bulk of new infections occurring in young women 15-25 years of age. With half the population expected to be wiped out in 20 years, the prospects for the next generation are just as grim. Infant mortality has increased by 15% since 1986 in Zambia, and 20% in Kenya, due mostly to the impact of AIDS. In Zimbabwe, 40% of pregnant women are HIV-infected according to studies from antenatal clinics. In Kenya, 21% of pregnant girls 15-19 years old are HIV-positive. Women of child-bearing age are dying at increasing rates, such as in Dar Es Salaam, Tanzania, where AIDS is responsible for 48% of women's deaths.

Life expectancy, which had slowly been increasing until the early 1980s, has now been slashed by 30 years or more, in most of Sub-Saharan Africa, due to AIDS. In Zimbabwe, without AIDS, life expectancy would have been 69 years, but is now only 39 due to the epidemic. In Botswana, life expectancy is projected to be only about 30 years for a child born today. Stanecki told the conference, that life expectancy in Africa is now at "a level that has probably not been seen since the start of the 20th century." For the first time, AIDS will cause negative population growth for South Africa, Botswana, and Zimbabwe, with a decline of between 1 and 3% by 2003. No disease has caused negative population growth of a nation since the bubonic plague of the 14th century, which killed 25 million Europeans. It took more

than 150 years for the population of Europe to recover to levels that existed before the plague.

AIDS Orphans

One of the most destructive impacts of the AIDS epidemic upon children in Africa, is the loss of one or both parents. There are currently 13.2 million orphans due to AIDS worldwide, with about 95% living in Africa. In many countries in Africa, 7-11% of all children are AIDS orphans. In Zimbabwe, which has only 12 million total population, UNAIDS estimates that there will be 1.1 million AIDS orphans by 2005. Some of these orphans are cared for by grandparents and extended family, but often there is no family left, so they end up on the streets in the cities. About half of AIDS orphans do not get even primary school education. In Zimbabwe, a study of secondary school students whose parents died of AIDS, found that none of these children returned to school, most having left to find some kind of work. UNAIDS projects that there will be 42 million AIDS orphans worldwide within a decade.

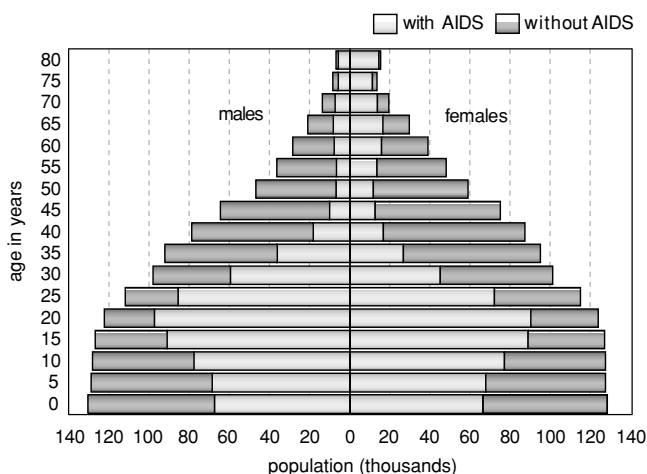
For the lucky children who are in school in Africa now, what will happen as more and more teachers and professionals die? In Mozambique, 30% of the teachers are HIV-positive. In Zambia, 1,300 teachers died of AIDS in the first ten months of 1998, which is about two-thirds of the number of teachers trained each year. In the Central African Republic, AIDS has reduced the number of teachers in primary school to one-third below what is required. Between 1996 and 1998, as many teachers died as retired. Due to the losses of staff, 107 schools closed, and only 66 remained open.

Workforce Wiped Out

Along with the UNAIDS report, the International Labor Organization has issued a study examining the impact of the AIDS epidemic on the workforce. The report forecasts a catastrophic loss of 61 million people from the workforce due to death or sickness from AIDS by 2015. This would be accompanied by drops in economic output of at least 25%. Projections for South Africa for 2020 are that 17% of the workforce will be eliminated, with a heavy impact on companies with experienced and highly skilled employees who will be difficult to replace. In many countries in Africa, companies are hiring and training two or three employees for one job, expecting only one to survive.

The agricultural sector has already been hit hard by the epidemic in Africa. Families that rely on subsistence farming are especially devastated by the loss of young adults. Women of farming families who have lost their husband to AIDS lose, on average, 60% of their farming income. While subsistence farming may only produce 20% of the GDP in some countries, it is the livelihood of as much as 80% of the population in Southern Africa. In Zimbabwe, the output of communal farming has fallen by 50% over the past five

FIGURE 1
Project Population Structure With and Without the AIDS Epidemic, Botswana, 2020



Source: US Census Bureau, World Population Profile 2000

years, in large part because of the deaths due to AIDS. Production of corn and cotton has fallen by 54% and 47%, respectively, over the same period. In Kenya, many sugar companies have suffered a 50% drop in productivity during 1993-97 due to loss of workers and increased expenses.

The loss of so much of the adult population and its effect on the workforce at the level that is now emerging, has never been seen before in history. The impact of the AIDS epidemic in the most severely affected countries will create a population structure that could not be created by the effects of war. The Census Bureau has generated detailed analysis of the projected population structure of Botswana in 2020 due to the epidemic, in which there will be more adults in their 60s and 70s than those in their 40s and 50s. The population structure, which normally would look like a pyramid, now resembles a chimney (see **Figure 1**). There are not enough young people below the age of 10 to replace the aging adult population of survivors. The “missing adults,” who would be in their 30s to 50s, have died off as a result of the AIDS epidemic. This would result in complete economic devastation, as there are not enough young adults in the workforce to support the old and the very young. The Census Report states, “What this means for society is hard to predict, since the world has never before experienced death rates of this magnitude among young adults of both sexes across all social strata.” But we are already seeing what this means in Africa—a Dark Age worse than what engulfed Europe in the 14th century.

Poverty and AIDS

South African President Thabo Mbeki has been slandered by the press around the world for insisting that poverty and its relationship to the spread of AIDS be discussed. In his address to the conference, he said, "The world's biggest killer and the greatest cause of ill-health and suffering across the globe, including South Africa, is extreme poverty." In bringing up the need for building real public health and medical infrastructure in Africa, he has hit upon exactly the questions that the IMF, World Bank, and many governments don't want to deal with. This epidemic will never be solved by throwing condoms into areas that have no hospitals, clinics, clean water, or nutrition sufficient to support the population. Only an approach that includes real infrastructure-building and development, combined with training of medical personnel and intense biological research, will turn the tide against the epidemic.

So far, most of the official responses from UNAIDS and the U.S. government to the AIDS epidemic have been woefully inadequate. The Clinton Administration has asked for a mere \$250 million to fund anti-AIDS efforts overseas for the 2000 budget. The flurry of media coverage and the release of multiple reports in the last four months about the unexpected severity of the epidemic, would lead one to believe that somehow everyone just now discovered that AIDS is a global threat. The fact is, that warnings and forecasts were made more than a decade ago by Lyndon LaRouche, which have been proven accurate.

In 1988, as part of his Presidential campaign, LaRouche went on nationwide television outlining a program of massive medical infrastructure-building and a crash research effort to combat AIDS, which he warned would become a threat to the very existence of nations, just like the Black Death of the 14th century. Also in 1988, *EIR* produced a detailed report analyzing the spread of the AIDS epidemic, and warned that measures needed to be adopted immediately to avert a catastrophe that would first erupt in Africa. The report was sent to the Centers for Disease Control in Atlanta, Georgia, which responded officially that AIDS "represented no such threat." Why were the warnings made more than a decade ago ignored, and why has the acknowledgment of the severity of the crisis taken so long? Helene Gayle, Director of AIDS Prevention at the CDC, was quoted by the *Washington Post*, saying, "We saw it coming, and we didn't act as quickly as we could have. I'm not sure what that says about how seriously we took it, how seriously we took lives in Africa."

Perhaps President Mbeki has part of the answer as to why the AIDS epidemic has been viewed without urgency by most of the industrialized nations. Addressing the International AIDS Conference and referring to Africans, he said, "They die largely because of world indifference, but most of all they die because they are poor."

Italian Parliament Readies Debt Moratorium

by Muriel Mirak-Weissbach

On June 23, Lyndon LaRouche was the guest speaker at a conference organized in Rome, by Italian Member of Parliament Hon. Giovanni Bianchi, on the proposal for a New Bretton Woods conference (see *EIR*, July 7, 2000, p. 12). While the American economist and candidate for the U.S. Democratic Presidential nomination, was presenting his proposed monetary reform to a group of political leaders, industrialists, intellectuals, and press, in the Cenacolo Hall of the Parliament, his host, Bianchi, was forced to be absent; the reason was that he, a Deputy of the Italian Popular Party (PPI), was himself engaged in presenting a bill to the Parliament, on a debt moratorium for the most highly indebted countries of the developing sector. Happily, Bianchi's bill was passed unanimously by the Chamber of Deputies on June 28, and is expected to be approved as well by the Senate.

That the two events—LaRouche's public appearance and the debate on the bill—were connected, was more than coincidental; in fact, LaRouche has been the inspiration for a series of extraordinary steps taken over recent months by the Italian Parliament. Among them, are the Senate's resolution for a New Bretton Woods conference to set up a new global financial system, followed by its presentation by Italian members of the European Parliament, to that body; and, a parliamentary inquiry, addressed to the government, regarding the reported violations of human rights by the Democratic Party's obstruction of LaRouche's political campaign in the United States.

The intense discussion of Bianchi's bill on debt moratorium, and the ongoing debate on the New Bretton Woods in Italy's political institutions, demonstrate a high level of political culture in the country, reflected in LaRouche's influence over decades.

The bill presented by Bianchi is known as the decree on "Measures for the reduction of foreign debt for countries with the lowest income and the highest foreign debt." If the Senate, as expected, also approves the initiative, the government will then be called upon to act.

The bill says that Italy will cancel foreign debts for a total of \$6 billion over three years, affecting about 62 developing countries, 41 Highly Indebted Poor Countries (HIPC's), and all the other nations which are eligible to

receive credits from the International Development Association. The decree allows the Italian government to take this initiative unilaterally, that is, without awaiting the decisions of the other creditor countries. In addition to debt moratorium, the government will be charged to take other initiatives, including debt reduction or renegotiation, or conversion of debt into credit for investments aimed at reducing poverty.

The developing countries are called upon “to respect human rights and basic freedoms, to renounce war as a means for solving conflicts, and to pursue the welfare and full social and human development, particularly with measures to reduce poverty.” These countries are also invited to present concrete projects and programs for agriculture, health, education, and infrastructure.

In addition, the Italian government would commit itself to call upon the International Court of Justice to comment on the “coherence between international rules dealing with the foreign debt of the developing countries and the general principles of law, and of the rights of man and of peoples.”

Originally, the bill had been formulated months ago by representatives of the present government, and was later further debated, with some changes in the text, under Bianchi’s leadership. His party, the PPI, is part of the government coalition, and Bianchi is a member of the Foreign Affairs Committee of the Parliament.

Bankers’ Arithmetic

In his remarks introducing the bill, Bianchi denounced the process which has led to the “slavery of foreign debt,” and detailed what *EIR* calls “bankers’ arithmetic,” or the looting of the resources and capital of poor countries, which are left afterwards with a bigger foreign debt. “Looking at the century which is passing away,” he began, “we can say that there have been many [positive] results; but at the same time, some other factors, together with few benefits, have produced true evils, among them the slavery of the foreign debt.” He elaborated on this with facts and figures. “Every baby born in the poorest countries of the world has a debt of \$360 to the richer countries and the international financial institutions. Instead of receiving education and health care, or even being able to satisfy its primary needs, this child will have to see the economy of his country suffocated under the burden of debts.”

Bianchi quoted from Pope John Paul II in his “Message for Peace Day 1999”: “In this context, I send a pressing appeal to international leaders in financial relations, to take into their hearts the solution of the worrisome problem of the international debt of the poorest countries. Some international financial organizations have begun in this regard, a concrete initiative which is worthy of support. I appeal to all who are involved in this problem, especially to the rich nations, to give the necessary support to assure the full success of the initiative.”

Continuing to explore the nature of the problem, Bianchi posed the question, “What is foreign debt? How does it develop?” and “Why does Sub-Saharan Africa, despite the fact that it paid its total foreign debt twice over between 1980 and 1996, now have a foreign debt three times greater than it had 16 years ago?” These are questions, he said, that the Foreign Affairs Committee, in the process of preparing the decree for parliamentary debate and action, “has tried to answer.”

The answers he gave to these questions were the following: “At the origin, there is the ‘meaningless’ financierization of the globalized economy: an excess of financial movements, starting from the Eurodollars at the beginning of the 1970s; the frenetic behavior of the stock markets; the lack of investment in infrastructure. Some data indicate that every day there is \$1.5 trillion in currency trading. It is clear that creditors have a great power not only on the economic-financial level, but also at the political level. Foreign debt, since its appearance at the beginning of the 1970s, has constantly grown. During 1982-90, the developing countries paid \$1.345 trillion, receiving at the same time \$927 billion. This means that they contributed to the creditors \$370 million per day, that is, \$260,000 per minute. . . . In the past 40 years, international debt has shown the following escalation: \$8 billion in 1955, \$16 billion in 1960, \$66 billion in 1970, \$573 billion in 1980, \$1.132 trillion in 1986, \$1.5 trillion in 1992, \$2.095 trillion in 1996, and \$2.171 trillion in 1997. One has to add that it is not easy to establish with precision the actual amount. Usually the data used are provided by the World Bank and the OSCE [Organization for Security and Cooperation in Europe], keeping in mind that between these two sources there are also differences.”

Bianchi quoted UNICEF to the effect that “world debt, and the policies applied with respect to it, cause the death of 500,000 children every year.”

After describing the initiative that the Italian government intends to undertake with the bill, Bianchi said: “The concrete strategies which, at the international level, should go together with the cancellation of debt, are not yet clear. In this sense, nothing has as yet been studied to review the rules of the international financial mechanisms, in order to create new credit lines for the poor countries, avoiding at the same time, setting in motion again the perverse process, maybe a worse process, in the new conditions imposed by globalization. . . . We have to avoid the risk . . . that debt cancellation should become nothing but a purely accounting exercise. . . . Italy has to pass this law immediately . . . so that the debt cancellation be translated immediately into real, measurable, and visible investments to favor the emancipation and development of the poorest populations.”

The “concrete strategy” required at the international level, to reform financial structures, does indeed exist, in the form of the New Bretton Woods proposal which LaRouche has taken to Italy.

Will Reality Block Neo-Liberal Economic Schemes in Russia?

by Rachel Douglas

The neo-liberal, free-trade formulas, to which President Vladimir Putin would seem to have surrendered Russian economic policy with the appointment of German Gref, Alexei Kudrin, and Andrei Illarionov to his government (see *EIR*, May 26, 2000, p. 9), have swiftly collided with the reality of the economic crisis, at home and abroad. The script, according to which Putin plays the role of “Pinochet”—Chile’s authoritarian enforcer of liberal monetarism and austerity—may be torn to shreds by that reality.

In what universe, is the Russian leadership acting? Lyndon LaRouche analyzed Putin’s “orbit,” during the Schiller Institute’s historic conference in Bad Schwalbach, Germany in May: “Russia is not an independent entity. It’s living in an Anglo-American-dominated New World Order. It is something, put under the category by the British, of ‘Pinochet Option for Russia—Russia Division of the Anglo-American World Empire.’ And Putin is trying to get the best bed in the Empire Train. . . . What is going to happen with Putin’s options, on the day when what he believes will not happen, will happen? When this system disintegrates—the system to which he’s adapted. . . . We would hope that the present government of Russia would reform itself, in conformity with the reality, which we know exists.” (See *EIR*, June 23, 2000, pp. 25-28 for entire passage.)

That hasn’t happened yet, but in a world where the British political establishment is in turmoil and the imminence of financial meltdown is a matter of open discussion among elites in Europe, there are signs of some reality-induced shifts of emphasis by Moscow. One is Russia’s intensifying diplomacy with its neighbors in Asia, which next will take Putin to a bilateral summit in Beijing on July 18-19, before he arrives for the G-8 consultations in Japan, and in which former Premier Yevgeni Primakov and some of his longtime close associates are involved in official capacities. Second, political disputes over the liberal economic agenda were reflected in Putin’s first annual “President’s Message” to the Federal Assembly, delivered on July 8, even though he reiterated that agenda.

Putin’s main theme was saving Russia from disintegration, through consolidation of a “strong and effective state.” He listed the priority categories of his government’s recently adopted 18-month economic program: defense of property rights, setting of fair rules for competition, more deregulation

of the economy, “lowering the tax burden,” bringing transparency to the banking system, and “a realistic social policy.” But, Putin refrained from any boasts about Russia’s recent alleged economic turnaround, which some of his liberal advisers and Moscow investment houses had trumpeted. Putin cautioned that the appearance of “optimistic” economic news, was only by contrast to last year’s depths, and was “largely the result of the favorable foreign economic conjuncture,” i.e., factors such as high oil prices, which could change at any moment.

The Russian President asked the members of the State Duma and Federation Council (lower and upper houses of Parliament, respectively), rather, to think about Russia’s *demographic reality*: “There are fewer and fewer citizens of Russia, each year. For several years now, the population has declined by an average of 750,000 persons per annum. Forecasts show . . . that in 15 years, there could be 22 million fewer Russians. . . . That is one-seventh of the country. If the current tendency continues, the survival of our nation is endangered.”

The Winter Crisis Is at Hand

The official rate of inflation in Russia, after hovering below 1% per month during January-May of this year, hit 2.5% in June. Commentators linked with financial institutions, hastened to blame Central Bank Chairman Viktor Gerashchenko for printing rubles with which to purchase the flood of dollars, accruing from the export of Russian oil and natural gas at current high prices. If Gerashchenko and the government were instead to revalue the ruble upwards, these commentators pointed out, Russia would invite a flood of imports at the expense of domestic production, and enter into a new spiral of economic crisis.

Economist Stanislav Menshikov, however, dismisses this analysis as “textbook monetarist formulas with little connection to reality.” Professor Menshikov wrote in his July 11 column in the *Moscow Tribune*, that the Central Bank increased the money supply by only 95 billion rubles in January-May, while Central Bank foreign currency reserves rose by \$7.5 billion, or 202.4 billion rubles. The surge in inflation, he suggested, was rather due to “steep rises in prices for electricity, gas, public transportation, rents, communal services, and some food necessities, including bread . . . [mostly] explained by actions of the natural monopolies. . . . The government

also added to inflationary expectations by sharply raising excise taxes on tobacco, alcohol, and gasoline.”

With questions remaining unsettled such as the price-setting prerogatives of the natural monopolies, and whether the Value-Added Tax is to be collected at the moment of delivery or the moment of payment for products delivered, a war of non-payment and non-supply broke out among the monopoly firms. In April, clashes between the natural gas monopoly, Gazprom, and United Energy Systems (UES), the national electricity utility, were calmed only by Presidential mediation. Three months later, they flared anew. On July 1, Gazprom cut off natural gas deliveries to nine power plants, for non-payment of overdue bills. The cuts hit many regions, including Central Russia, the North Caucasus, the Urals, the Volga, and the Northwest. In Vladivostok, the port city in Russia’s Far East, residential electricity was supplied for only eight hours per day in early July. As of Aug. 1, the government will impose stiff export duties on crude and fuel oil to force its availability for domestic consumption, something that usually happens later in the heating season; the oil companies, meanwhile, protest that Russian utilities fail to pay for fuel oil. As of July 12, UES announced that it had only 59% of the fuel needed for next winter, and would initiate new power cuts to its own debtors, on July 15.

Government Must Answer Glazyev

Ineffective in the face of these renewed impasses in the real economy, Premier Mikhail Kasyanov and other government members have had to respond to Dr. Sergei Glazyev’s criticisms of their 18-month program of measures, adopted June 28, and the ten-year perspective, worked out under Minister for Economic Development and Trade Gref. The latter, according to Kasyanov, is still to be finalized through consultations with the Russian Academy of Sciences, of which Glazyev is now a Corresponding Member, and whose economics leaders, Academicians Dmitri Lvov and Leonid Abalkin, have exposed the Gref document as incompetent. Glazyev, as Chairman of the State Duma Committee on Economic Policy, attended the June 28 cabinet session on the two programs.

In a TV interview on July 2, Gref went off the rails in his attempts to propitiate Glazyev, claiming: “I can describe [Glazyev] as a co-author of the program because we are very closely interacting with him. He is the chairman of the relevant committee in the Duma. He is a very competent person. . . . Of course, there is no full consensus to this day. Sergei Yuryevich Glazyev criticized some sections of the program. We agreed to cooperate further, to work on some moments.”

Kasyanov was interviewed the day of the cabinet session, for publication in the June 30 *Vedomosti*. Asked why he didn’t object, when Glazyev questioned the projection of a minimum 5% GDP growth rate under the government’s policy, Kasyanov acknowledged that Glazyev’s approach was fundamentally different, then proceeded to lay it out in some detail: “As for Glazyev’s statement, it manifests a

contest of different approaches and different schools of thought. Glazyev thinks, as he himself put it, in terms of driving engines of the economy. That is, two to four sectors are chosen in which financial resources are to be concentrated. Based on this logic, he says that the government’s program does not envisage such investments, and therefore a growth rate of 5% is unrealistic. Indeed, our program implies a different set of mechanisms. The situation will be improved not through all-embracing state investment because the Treasury does not have such resources. The state will create the necessary conditions in all the sectors of the economy so that they could earn and invest themselves.”

Kasyanov went on to tell about different types of deregulation, which he claimed would free the hands of businesses and launch growth in Russia. Then, he outlined his thinking on banking policy, which echoes both Glazyev, and former First Deputy Premier Yuri Maslyukov.

Vedomosti: “But you agree with Glazyev when it comes to investment instruments of the state. You save Promstroi-bank from bankruptcy, you are ready to finance the economy through the Russian Development Bank [RDB], and you restore Rosselkhozbank as a conduit for funnelling budgetary money into agriculture.”

Kasyanov: “I see no contradictions there. The banking sector today is in poor shape, to put it mildly. . . . Banks mainly use short money and often cannot afford to issue credits for more than three months. This is not enough in serious projects. Speaking about RDB, we see it above all as an instrument of credit policy. Take for instance, a project that takes two years to recoup its cost. Private banks are nothing loath to issue a credit, but they fear that something untoward will happen in the two years. To allay the fears of private banks the state will offer them to share risks equally with the RDB. In this way we want to attract capital to the real sector.”

Some of the government’s inflation-driving tax hikes have yet to be passed. The State Duma will interrupt its summer recess for a one-day extraordinary session on July 19, when it is supposed to deal not only with a political crisis over Putin’s proposed removal of regional governors from the Federation Council, but with the tax bills it has rejected so far: elimination of a 1% turnover tax, in favor of a sixfold increase of the gasoline tax, and other excise taxes. Without the tax laws, adopted as a package, Gref warned in July 12 in apocalyptic tones, “there will be nobody left — no governors for another term, no [Duma] deputies, and this government will be gone, because nobody will survive the next crisis.”

Gref also raised the specter of “default again,” like in 1998, if Russia is unable to channel revenues into making large foreign debt payments, which begin to hit next year. On the other hand, whether or not Putin secures the commitment of Russia’s G-8 partners, to restructure its \$42 billion in Soviet-era “Paris Club” debt, it could be high time for a complete change of economic policy in Russia, along with the rest of the world.

Deregulation Crushes Dairy Industry

Desperate farmers were tricked into voting for their own doom, by lying state and federal governments.

Australia's dairy farmers are facing devastation, after the dairy industry was officially deregulated on July 1. Farm income has been slashed by 25-40% or more, as farmers are now paid 12-20¢ less per liter. In the states of New South Wales (N.S.W.) and Queensland, milk quotas, which were worth \$360,000 and \$750,000 per farm, respectively, have become instantly worthless. Queensland farmers expect half the state's dairy herd to be sold for slaughter in the next two years, while the fate of the N.S.W. town of Bega, whose dairy farmers contribute about \$50 million per year to the local economy, and which is expected to be almost totally wiped out, is illustrative of what will happen all over Australia. An industry which supports 17,000 farms and upwards of 60,000 workers, is being decimated.

The scandal is not only the scale of the destruction, but the fact that the farmers themselves were duped into voting for it, by lying campaigns orchestrated by the federal government, and by state governments which stand to make a bundle by driving farmers out of business, according to the dictates of Australia's insane National Competition Policy (NCP).

The NCP was adopted by Australia's state governments in 1995, when they agreed to remove any "anti-competitive regulations" from their laws, in order to achieve "greater efficiency" and "lower prices". The NCP gives governments hundreds of millions of dollars in bonuses, based on how rapidly they deregulate anything and everything.

In the case of the dairy industry, the deregulation process was started

by the state of Victoria's former Liberal Party Premier Jeff Kennett, who was driven from office last October by voters enraged at his disastrous radical free-market policies. Though Kennett was gone, the greedy dairy farmers of Victoria voted in December to deregulate, figuring that the cheaper production costs, because of their wetter climate, would allow them to expand their market nationwide. Dairy farmers in the rest of Australia were then told that nationwide deregulation would be inevitable, both because the federal government was scrapping its 14-year Domestic Market Support scheme on June 30, which included disincentives to stop cheaper Victoria milk from swamping the rest of Australia, and, because, once Victoria had deregulated, constitutional guarantees of interstate free trade would mean that cheap Victoria milk would indeed undercut everyone else.

With this aura of "inevitability" about the process, dairy farmers in other states were asked to vote, not on whether they accepted deregulation or not, but on whether they would accept a \$1.74 billion "adjustment package" "promised by the federal government. The argument was made, "Yes, deregulation is disastrous, but you'd better take some money while you can." But, of course, voting for the money, meant voting for deregulation. Desperate, farmers in Queensland and N.S.W. went for the money.

However, there was no such inevitability about deregulation at all, because the Agriculture Minister in the new, Labor government of Victoria which replaced Kennett, seeing that

rural unrest had helped drive Kennett from office, pledged that deregulation in his state would go ahead, *only* if the \$1.7 billion compensation package were guaranteed. And, federal legislation stated clearly, that such compensation was conditional upon *all* states voting for it (i.e., to deregulate). Therefore, farmers in N.S.W. and Queensland (and Western Australia), had the power in their hands to stop it—had they only been told of it. (Last minute resistance in the N.S.W. Parliament, which may have derailed deregulation, because all states must vote for it, was squashed when the rural-based National Party caved in and sided with the Liberal and Labor parties.)

The big winners are the milk-processing companies such as Parmalat (Pauls), Bonlac, and Dairy Farmers, and the grocery retail giants like Coles Myer and Woolworths, which now pay much less to the farmers, and will raise their prices to consumers, as is now generally conceded. "Under deregulation, \$500 million a year will come out of dairy farmers' pockets and go to processors and retailers," charged Neil Baker, president of the newly formed anti-deregulation Australian Milk Producers Association.

But, there is no way the deregulation policy can be defeated as an isolated issue, as N.S.W. dairy farmer Graeme Muldoon, a spokesman for the Citizens Electoral Council, the Australian political party allied with Lyndon LaRouche, has been telling his fellow farmers all along. The only real solution, said Muldoon in a letter to Deputy Prime Minister John Anderson, is to break from the globalization policies which drive "competition policy", and go for a New Bretton Woods global financial reorganization, as proposed by LaRouche. "Anything else," Muldoon told this news service, "is suicide."

Business Briefs

Trade

Malaysia's Dr. Mahathir Boosts Ties to S. America

Malaysia Prime Minister Mahathir bin Mohamad said that Malaysia views Ibero-America as an important market, in keeping with Malaysia's "prosper thy neighbor" trade and economic policy toward fellow South countries, at a press briefing on July 6 with 15 journalists and editors from Argentina, Bolivia, Brazil, Chile, Colombia, Guyana, Cuba, and Peru. His remarks followed on the heels of Malaysian Finance Minister Tun Daim Zainuddin's five-day trip to Brazil.

However, Prime Minister Mahathir said, progress in this area requires tackling infrastructure deficits in the area of transportation. He specifically pointed to Argentina's shallow ports, and ports and internal distribution networks throughout Ibero-America.

Malaysia's Bernama wire service reports that he fielded a wide range of questions about his approaches to Malaysia's economic success, politics and leadership, criticism of the ringgit (Malaysia's currency) peg, cronyism, public and private sector relations, Asian values, and his vision for the 21st century.

Transportation

China Is Building Links to Southeast Asia

Yunnan province in southwest China is building a land-water-air transport network linking China to Southeast Asia, Xinhua reported on June 24. Yunnan is one of the provinces slated for development as part of China's "develop the west" policy. It shares a 4,000 kilometer border with Vietnam, Laos, and Myanmar, but is very mountainous, limiting accessibility and economic development.

Yunnan will allocate 180 billion yuan (\$23 billion) over the next ten years for the construction of eight highways, including to Thailand, Vietnam, Myanmar, and Laos. Every year, an estimated 2,500 km of roads will be built. China, Laos, and Thailand have

agreed to build a 1,800 km highway linking Kunming, the capital of Yunnan, with Bangkok, Thailand, scheduled to be completed in 2004. Work is ongoing, on an expressway between Dali and Baoshan in western Yunnan, which will serve as part of the trunk line linking China with South Asian countries.

Yunnan has completed a feasibility study for a rail line to link Kunming to Singapore, and two proposals are under consideration. The project has the support of Southeast Asian countries and the Asian Development Bank, and will be important for the economic development of the Mekong River valley.

Yunnan's rail link to Vietnam resumed operation in 1996, and handled 80,000 tons of cargo in the first quarter of 2000, double that of the same period in 1996.

River transport is also important. Yunnan has four rivers which flow into other Asian countries, with the Lancang-Mekong Rivers having the greatest potential for transport development. More than 150,000 tons of goods were transported from Yunnan to Southeast Asia last year. Under an agreement recently signed by the governments of China, Laos, Myanmar, and Thailand, the Lancang-Mekong will become a commercial route next year, and vessels of these countries will sail between Simao, China and Luangprabang, Laos.

Economic Policy

ILO Says, Globalization Has Flunked the Test

International Labor Organization Director General Juan Somavia said that globalization has been a failure, in remarks on June 23, as the UN Social Summit prepared to meet in Geneva.

Five years ago, at the UN Social Summit in Copenhagen, governments drew up ten commitments, including to eradicate poverty, and achieve full employment. At that time, governments gave globalization the "benefit of the doubt," Somavia said. "My conclusion is that five years after Copenhagen, what has gone on is a strong indictment of globalization and the global economy. . . . We can no longer give the present model of

globalization the benefit of the doubt. The results are in and it flunked."

Eurasia

Key Projects To Enhance Sino-Russian Cooperation

Over the next 10-15 years, China's cooperation with Russia is being aided by several projects, including construction of the Tianwan Nuclear Plant, the biggest Sino-Russian cooperative energy project, completed in October last year, and the operation of the Russian-made generators in the Shuizhong Power Plant, China's largest, Xinhua reported on June 24. Russia now ranks ninth among China's trade partners. Bilateral trade reached \$5.73 billion in 1999, up 4.4% over 1998. In the first quarter of this year, trade increased 26.7%, to \$1.42 billion. One Chinese expert is forecasting that bilateral trade could reach a record \$6 billion in 2000.

Xinhua noted that China and Russia had established close economic ties in the 1950s, when Russia contributed greatly to the industrialization of China. Now, however, Russian-Chinese economic cooperation remains far behind their political ties. In recent years, Sino-Russian premier-level subcommittees have been discussing cooperation in economy, trade, science and technology, energy, transportation, and the nuclear and space programs. The focus will be on big projects such as energy and power exploration, as well as the peaceful use of outer space.

In March, the two countries' energy departments discussed transporting oil and natural gas from Siberia to China, which could provide China with 35 billion cubic meters of natural gas annually through 2010, and oil exports could rise from the current 1 million tons to 20-30 million tons. In May, China and Russia agreed that they will set the development of energy and high-technology industries as their priority. In June, the Russians announced that they will participate in developing China's west, by building an enterprise in Xinjiang to produce electricity equipment, digging mines and oil in Qinghai and Xinjiang, providing machinery for the west, and helping China transport natural gas from western to eastern regions.

MOROCCO'S King Mohammad VI said that "it is particularly indispensable now to review the architecture of Bretton Woods and to come up with a creative formula for solving the acute problem of how to finance development," in a speech at the White House on June 21.

TUBERCULOSIS cases have increased by 80% over the last ten years in Great Britain, according to a report by TB Alert. In 1999, there were 7,000 cases. According to Prof. John Grange of the Center for Infectious Diseases, University College, London, TB cases have reach "crisis levels," and are at the same levels in London today as in New York City in 1989, shortly before an epidemic hit that city.

THE PACIFIC region now has a greater share of nuclear electricity generation (32.2%) than European members of the Organization for Economic Cooperation and Development (30.1%), according to the OECD's Nuclear Energy Agency. The figure reflects the nuclear expansion in Japan and Korea. Korea is 43% nuclear, and Japan is 38% nuclear. Ten reactors are under construction in South Korea, Japan, and the Czech Republic.

IRANIAN Minister of Roads and Transport Mahmoud Hojjati and Georgian Minister of Transport Merad Adeishvili met in Tbilisi on June 21. They discussed air, rail, and sea transport cooperation, and the possibility of shipping Georgian goods to third countries through Iranian ports, and the transport of Iranian goods to Europe through Georgia.

GEORGIA'S role as a pivot of relations and flow of goods between Europe and Asia is the focus of how that Caucasus nation is presenting itself at the EXPO 2000 world exhibit in Hanover, Germany. The concept of the "New Silk Road," with prospects for development of transport and trade links, cultural exchange, and the promotion of peace in the Caucasus itself, are presented.

Li Jingwen of the Chinese Academy of Sciences and a foreign scholar at the Russian Academy of Sciences, said, "Russian experiences and technologies can be directly used by our Chinese. . . . If Russia's political situation is stabilized, its economy will grow, and the cooperative potential will become a real force."

Kanstandin Remchukov, vice chairman of the natural resources committee of the Russian Duma (parliament), said that the Russian government has decided to prioritize development of economic and trade relations with China. Vladimir Portyakov, counsellor at the Russian Embassy in China, said that upgrading Sino-Russian economic cooperation will strengthen political ties and greatly affect their strategic interests in the Far East.

Israel

Water Is an Official National Security Issue

Officially recognizing that Israel is sliding into a water emergency, Prime Minister Ehud Barak called for convening a meeting of experts as soon as possible to deal with what is now referred to as a water crisis, the *Jerusalem Post* reported on June 23. The Israeli National Security Council took up the issue in a special session the day before. These moves follow forecasts that rationing drinking water in some parts of the country may become necessary toward the end of the year, because of the unprecedented depletion of the Sea of Galilee, Israel's largest water source.

National Infrastructure Minister Elyahu Suissa ordered Water Commissioner Ya'akov Efrati to immediately convene the Water Commission, in order to prepare an emergency program to prohibit the use of drinking water to irrigate private and public gardens, public parks, and soccer fields. They called for other measures aimed at saving 25 million cubic meters of drinking water per month, including decreasing potable water to agriculture and encouraging farmers to shift to crops that do not need potable water.

A delegation has also been sent to Turkey for talks on importing 50 million cubic meters of water to Israel over 5-10 years. Be-

cause of the infrastructure needed to transport the water from Turkey, the cost is estimated will top \$1 per cubic meter. By comparison, Yoseph Rosen, the head of Israel Corp., said that his company had offered a year and a half ago to build a desalination plant, but the government refused to incur the investment costs or financing, preferring to purchase only the final product. His firm prepared estimates indicating a price of 62-67¢ per cubic meter.

As *EIR* has emphasized, nuclear desalination is the only solution to the pressing water shortage in the Mideast.

Eco-Fascism

Mining Giants Fund Inquiry into Industry

A collection of 27 mining firms in the Global Mining Initiative (GMI), has commissioned a \$5 million study to assess whether the global mining industry will be in compliance with "sustainable development," in time for the tenth anniversary of the Rio Earth Summit in 2002. The study will be headed by the co-founder of Friends of the Earth, Richard Sandbrook, and the International Institute for Environment and Development, a London-based think-tank, who were engaged by the World Council for Sustainable Development at the request of the GMI.

Behind the GMI stands Queen Elizabeth II's minerals cartel. The GMI had its origins in a London meeting 18 months ago, between the Australian mining giant WMC's Hugh Morgan, Phelps Dodge's then-CEO Douglas Yearley, and Rio Tinto executive chairman Bob Wilson. Morgan, a Mont Pelerinite free-trade fanatic, describes how his company looks at the shift to sustainable development as a way to drive out competitors. The power of the "green" lobby is a reality, Morgan said, so companies bound by environmental constraints that make them uncompetitive are motivated to ensure that their competitors are also bound by the same constraints. Morgan quotes an American corporate executive telling him in 1995, "Hugh, you don't understand. Greenpeace runs my business today, and my strategy is to make sure Greenpeace runs your business tomorrow."

Call Them ‘The Baby Doomers’

by Lyndon H. LaRouche, Jr.

June 18, 2000

A recent re-reading of Justice Ferdinand Pecora’s 1939 report on the 1933-1934 U.S. Senate Investigation of Wall Street’s J.P. Morgan, et al.,¹ is a timely reminder, that there are two points of measurably great difference between the respective characters of crisis-wracked Wall Street, then and now.

First, the disaster now onrushing, is, not only quantitatively, but, as I shall explain, also qualitatively, a far greater threat than anything which the U.S. has experienced since the great Civil War of 1861-1865, the greatest financial crisis European civilization has experienced since the 1618-1648 Thirty Years War.

Second, the relevant difference between the morals of Wall Street robber barons of the 1920s, and those of Wall Street’s peddlers and their admirers of today, is that, the morals of those between thirty-five and fifty-five years of age, who are currently occupying leading executive and professional positions in government and elsewhere, are, in most instances, even far more distant from a sense of reality than their already foolish predecessors, those Flappers of President Coolidge’s time, who led the nation into the 1929-1939 Great Depression. This difference is, also, not merely quantitative, but, as I shall explain, also qualitative.

All considered, many, even, perhaps, most of those of that

1. Ferdinand Pecora, *Wall Street Under Oath: The Story of Our Modern Money Changers*, [New York: Simon & Schuster, 1939] (New York: Augustus Kelley reprint, 1968), 313 pp. with notes and relevant biography of the author.

so-called “Baby Boomer” generation now in key positions of day-to-day executive power, in finance and in government, were better named “Baby Doomers.” Pecora’s book, quoting liberally from Wall Street’s own testimony then, thus points only toward the common features of the crucial moral issues involved in this comparison, then with now.

The gist of Justice Pecora’s presentation of the facts, was that the leading Wall Street bankers of that time, had little or no interest in building up the nation’s physical economy, or improving the general welfare of the people. Quite the contrary. Then, as now, since the founding of the Bank of Manhattan by the British Foreign Office’s agent, Aaron Burr, the barons of Wall Street have been essentially predators.² Then, as now, they orchestrated the behavior of those whom they considered their lawful prey, the population in general, in the manner the celebrated cattle barons bred, herded, and culled their cattle. So, then, as now, the investing cattle, Wall Street’s customers, have been misled, sheep-like, into the relevant shearing-pens and slaughter-houses of finance and economy more generally. On the level of short-term to medium-term, day to day financial practice, the essential purpose of Wall Street’s orchestration of increasingly poppable, vast financial bubbles has been, then, as now, to lure more and more of the

2. Treasonous Aaron Burr was a personal asset of then head of the British Foreign Office’s “Secret Committee,” the same Jeremy Bentham who had personally directed Danton, Marat, and others in launching and continuing the July 1789-July 1794 Jacobin Reign of Terror in France. See Anton Chaitkin, *Treason in America: From Aaron Burr to Averell Harriman* (Washington, D.C.: Executive Intelligence Review, 1999).



Vice-President Al Gore (left) with adviser Leon Fuerth. *The American voters' choice between Gore and George W. Bush, writes LaRouche, "is like an old-time Utah death-sentence: Would you rather be hanged, or shot by a firing-squad? People who debate such choices, rather than rejecting them altogether, seriously need their heads examined, as I am examining the sick heads of our political parties here."*

investing public, into the pits where that public is swindled out of its present financial resources, while also imposing added debts on those same prey; and, when the victims' cash ran out, the swindlers continued to loot them *even of what the victim did not have*: milking as much as possible, in those and other ways, by added debts imposed upon even the victims' non-existent, but only conjecturable future incomes.

At the time of those 1933-1934 Senate hearings, the nation's conscience was shocked by the Dracula-like images of the Wall Street barons testifying on the hearings' witness-stand.³ Laws were enacted to outlaw and curb any repetition of the most outrageous among those Wall Street practices. For those laws, Wall Street hated Franklin Roosevelt then, and, as we can readily observe, has hated his memory ever since, to the present day. Indeed, for one who knows the pedigrees of the top Wall Street circles, then and now, behind the restructuring of corporate and partnership organizations, the family-style collation of baronies remain—with some pluses and minuses in the roster—essentially the same collation of root-entities today that they were then.

Beginning with the 1977-1981 Carter Administration, most of the regulatory measures and other reforms of the Franklin Roosevelt era, have been repealed; the predators have not only returned to their old anarchic ways, but have added evils which had not yet been invented at the time of the 1933-1934 Senate hearings.

Typical of the full-tilt return to the immorality of Wall

3. Most of those predators testifying explained their behavior, with words to the effect, "We vampires have our customary ethics in such matters."

Street's "roaring Twenties," is the recent, lunatic repeal of Glass-Steagall, that on the eve of the very kind of crisis which that act was conceived to address. The more obvious difference, today, is that today's swindles of the nation and its credulously investing public, are vastly greater, more savage, than anything examined before that 1933-1934 Senate Committee.

However, today, something qualitatively new has been added to the old. Instead of aiming simply to loot the economy, as Wall Street did then, this time, during the recent thirty-odd years, Wall Street has looted the economy with the literal, stated intent, not merely to bleed it, but to destroy it in the most literal sense of those terms.

The continuing, characteristic feature of the economic and related policies of the 1977-1981 Carter Administration, and its successors, has been to bring about what Carter-appointed Federal Reserve Chairman Paul Volcker described as a "controlled disintegration of the economy."⁴

Since the election of President Jimmy Carter, the continuing policy of the Wall Street-controlled Federal Reserve System, for more than twenty-one years, under Alan Greenspan as under Paul Volcker, has been to be the enforcer of an ever more aggressive effort to bring about the total "controlled disintegration of the economy"—both the U.S. economy, and

4. Fred Hirsch, former editor of the London *Economist*, wrote in *Alternatives to Monetary Disorder* (New York: Council on Foreign Relations, 1977), that "controlled disintegration in the world economy is a legitimate object for the 1980s." Paul Volcker, delivering the Fred Hirsch Memorial Lecture at Warwick University in Leeds, U.K., in November 1978, began his speech by citing Hirsch's dictum.

the world economy as well. The relevant measures of “floating exchange-rates,” “free trade,” “privatization,” “globalization,” and “democratization,” have been applied to the intended, combined effect of destroying those institutions of modern economy built up during the course of the recent five hundred years.

To understand the cause and cure for such periods in our national history, such as that of the “roaring Twenties” and today, it is indispensable to begin with a strictly rigorous, and appropriate, functional definition of mass insanity of that type. I mean the kind of popular mass insanity otherwise typified by the Seventeenth-Century Dutch tulip bubble, and the John-Law-style financial bubbles of the early Eighteenth-Century British monarchy’s Liberals and the duped lunatics of Voltaire’s and Rameau’s France. To grasp the deeper implications of such forms of mass insanity, we must compare what would have happened in the U.S., if a Wall Street military coup against the incoming Franklin Roosevelt Presidency, had succeeded,⁵ with what actually did happen, when British and Wall Street financier interests, such as, notably, England’s Montagu Norman and New York’s Brown Brothers, Harriman, succeeded, in January 1933, in bringing Adolf Hitler to power in Germany.⁶

1. The Fundamental Law of Economy

In taking up the issues thus posed, we must take into account the fact that the greatest global financial, monetary,

5. The coup project, exposed by Maj. Gen. Smedley Butler (USMC), was launched sometime between April-June 1933, and was to take place in either late 1934 or early 1935, using fascist paramilitary networks, armed through monies provided by individuals and organizations associated with the Morgan-Mellon-run American Liberty League. It was exposed by Butler in testimony before the House Un-American Activities Committee in November and December 1934. The coup project was not launched until after the failed February 1933 Miami assassination attempt on FDR, which killed Chicago Mayor Anton Cermak. See L. Wolfe, “Morgan’s Fascist Plot Against the United States and How It Was Defeated,” *New Federalist*, June 27, July 4, July 18, and July 25, 1994.

6. See Webster G. Tarpley and Anton Chaitkin, *George Bush: The Unauthorized Biography* (Washington, D.C.: Executive Intelligence Review, 1992). The relevant point to be stressed, is that the policies of the German Chancellor Kurt von Schleicher, against which the Norman-Harriman funding of Hitler was directed, were parallel to those of President-elect Franklin Roosevelt. Notably, the economic recovery policy of Hitler’s German opponents, was that of the so-called “Lautenbach Plan” adopted by Germany’s Friedrich List Society; these policies were derived from the same Hamilton-Carey-List American System principles which President Roosevelt applied to bring about the U.S. democratic form of economic recovery. Note, that the Wall Street financial backers of Hitler’s coup hated Roosevelt’s policies then as much as today’s Wall Street and Supreme Court, and their co-thinkers in the leading circles of the U.S. Democratic Party, also hate and fear the memory of FDR’s policies today.

and economic debacle in the several recent centuries of globally extended European civilization, is currently in progress; we are at the brink of the worst financial and monetary crisis in more than two centuries. We are presently on the steepest part of the slope of a boundary-condition [Figure 1], which separates the continued existence of the present world financial system from its doom. We have the chance to come through this crisis quite successfully, provided we abandon the foolish effort to maintain the present financial system and its policies in their present form. We, ourselves, our nations, can survive this crisis very well; but, to bring about that success, we must accept and deploy some very radical, very deep-going changes in the way governments act, and the way most people think at the present moment.

Thus, any subject of practical importance touching on those matters, can not be competently addressed in what have been heretofore generally accepted terms of reference. The proverbial rules of the game are about to be radically changed. Only fools will attempt to find ways to make the present system work better; it must be replaced, together with what many people, up to this moment, have come to accept as generally accepted ways of shaping changes in policy. Therefore, any competent discussion of practical matters at hand, must be a more deep-going reexamination of customary, but failed axiomatic assumptions. Such discussion, if it is to produce a happy outcome, requires more prolonged concentration-span, than is customary for most readers. There is no safe way to avoid those issues and survive. The readers must accept the challenge I offer to them here. So, we now proceed.

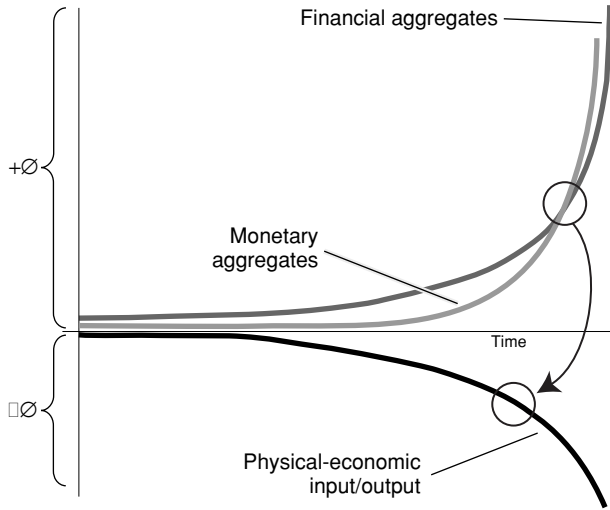
To address these referenced, and closely related issues competently, we must begin with what is best termed a *systemic* definition of the essential differences between the modes of popular economic sanity of both the 1920s and the 1946-1966 intervals, and the kind of popular economic insanity which has been spread and built up during the recent thirty-odd years, since the events of 1966-1968. By “systemic,” I mean a definition which is universally true, in the same, special sense as a *uniquely* validated universal physical principle in physical science, is to be acknowledged as true.⁷

In other words: By “systemic,” I mean a *universal characteristic*, common to all phases and other aspects of the specific physical, or analogous system being considered as a whole. I mean universal characteristic, as Gottfried Leibniz introduced this notion, and as Bernhard Riemann made this notion

7. The usage of *unique* here signifies a proof of the special quality needed to show that the principle being tested is necessarily applicable to the body of physical science’s practice as a whole, as Riemann’s 1854 habilitation dissertation, established this notion of the nature of principles underlying a relativistic physical-space-time manifold. See Bernhard Riemann, “On the Hypotheses Which Underlie Geometry” (“Über die Hypothesen, welche der Geometrie zu Grunde liegen” *Bernhard Riemanns Gesammelte Mathematische Werke*, H. Weber, ed. [1902]: [New York: Dover Publications (reprint), 1953]).

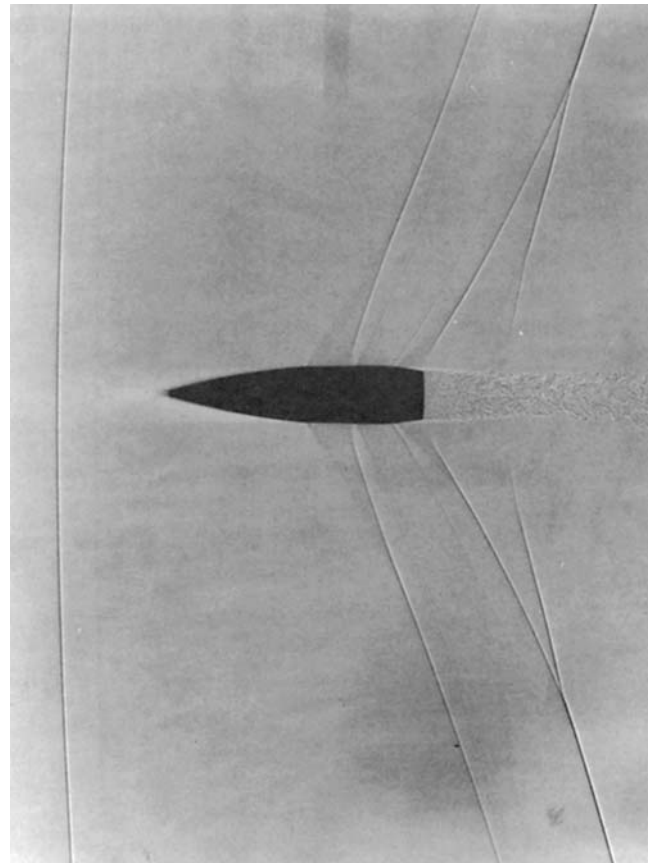
FIGURE 1A

The Collapse Reaches a Critical Point of Instability



LaRouche’s “Triple Curve” representation of an economy approaching collapse (a). With creation of money supply and of financial aggregates both growing at accelerating rates, the point at which the money-supply growth accelerates past even the growth of financial aggregates, is the boundary-point of entry into hyperinflation, as in 1923 Germany, or today’s globalized economy. At that same point, the deterioration of the underlying physical economy (lower curve) also accelerates. The hyperinflationary effect is like that of a shock-wave forming in front of a speeding projectile (b).

FIGURE 1B



of characteristic curvature the central feature of the Gauss-Riemann notion of a relativistic physical space-time.⁸

In that specific sense of *universal principles*: All competent study of political-economy, begins with two issues of elementary—which is to say “axiomatic”—principle: 1) What is man’s relationship to nature, as this is expressed, in effect, as measurable in physical terms, per capita, and per square kilometer; 2) What is that relation among persons, by means of which individual members of societies cooperate, to defend and enhance in common their physical power in and over nature? All fundamental matters of economic policies, whether of modern or the most ancient forms of human existence,

8. Actually, Leibniz’s use of this notion originates with the development of astrophysics by Johannes Kepler, where the related notion appears in the form of Kepler’s references to the *Mind* of the Sun, or the *Mind* of a planetary orbit. This usage has the same significance as Russian geochemist Vernadsky’s, Pasteur-linked argument, placing the principle of organization of living processes, apart from and above the characteristics of non-living processes as such. Notably, Vernadsky’s argument is to be contrasted with, and read as a systemic correction of the erroneous notions of his contemporaries Oparin and Chicago University’s Nicholas Rashevsky.

must return, always, to those two sets of questions. These define the framework in which the functional meaning of *human culture* is located for economics. This is as true for the most ancient, as for whatever will become the most distant-future form of human existence.

I now summarily restate those questions, in the degree to which that discussion is necessary for understanding the functions whose effects we are studying here. On that account, we must show, step by step, how these questions lead us, Socratically, to the required definition of a *functional* form of popular economic sanity.

Although the points I summarize again here, are elementary by nature, and although I have presented these notions in numerous lectures, and in rather widely circulated published writings, during the past decades, today’s customary textbook and other putatively expert learning has failed, so far, to master these ABCs of any competent economic science. It is indispensable that these ABCs be restated here. Otherwise, no one could truly make sense of the calamity now descending upon humanity, to say nothing of overcoming that calamity.

Always bear the following in mind, first and foremost: *From the standpoint of an attempt at a mathematical representation of the issues of animal ecology, the rise of the human population, and the changing demographic characteristics of such populations, sets the human species absolutely apart from, and superior to all other living species.* The separation of the higher apes from mankind on this account, is demonstrably absolute, not relative. Mankind is the only living species which is able to *willfully increase* the characteristic *potential relative population-density* of its species, not only in part, or by biological evolution, but as a species.⁹

It is this distinguishing characteristic of our species, upon which the notion of economy depends absolutely. All competent definitions of the terms of political-economy, or of the study of economy otherwise, depend absolutely upon the notion of this distinction *which is characteristic of our living species.*

In first approximation, such ecological studies of individual human behavior, are focussed upon man's increase in physical power in and over nature, per capita and per square kilometer of the Earth's functionally defined surface-area. This approximation isolates the role of the discovery of validatable universal physical principles, and the related role of the generation of technologies directly from experimental validation of such discoveries; this is the combined form of human action, through which man's power in and over our universe is increased. For simplification of the discussion, let it be understood that, in the remainder of this report, unless otherwise specified here, increase in such per-capita power, signifies net increase of power both per capita and per square kilometer.

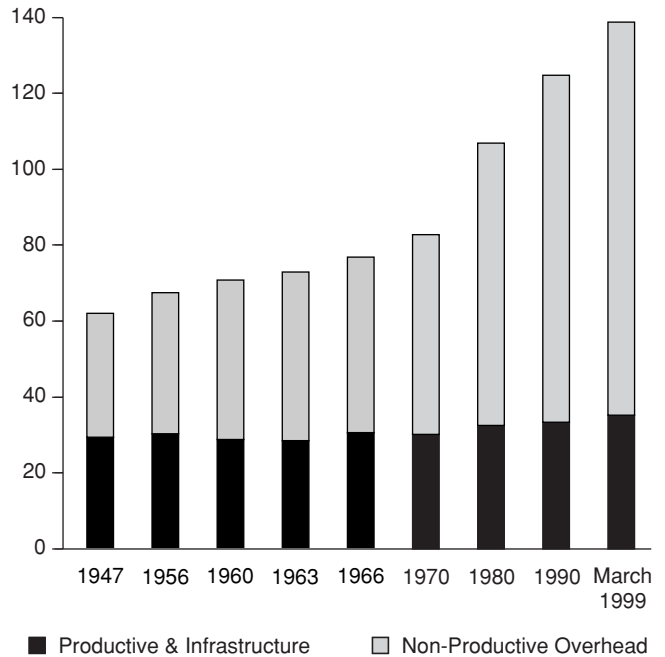
This defines an additional paradox. That paradox is sometimes listed under the topical heading of "the role of technological attrition." That is to say, that to maintain an immediate gain in per-capita power, it is essential that new discoveries, and related, axiomatically revolutionary advances in technology, be constantly supplied, that in order to offset the effect of technological attrition. Thus, the nature of the special power of the individual member of the human species, is not defined by the isolated, self-contained act of discovery of any individual universal physical principle; rather, on account of technological attrition, *it can mean only a continuing process of generating an endless succession of (axiomatically revolutionary) discoveries of validatable universal physical principles.*

This means, that man's power in and over the universe, lies not in individual acts considered individually; but, rather, that power lies, elementarily, in the continuing, developing

9. That is to say, that any study of human behavior, as compared to that of any other living species, which is not focussed primarily upon the functional notion of willfully induced changes in human potential relative population-density, is intrinsically incompetent by definition.

FIGURE 2
U.S. Labor Force, 1947-99; Non-Productive Overhead Grows

(millions of workers)



Sources: Bureau of Labor Statistics, Department of Labor; U.S. Department of Education; American Medical Association.

power of individual persons, to generate, as well as to assimilate, a continuing generation of new such discoveries, a succession of discoveries prompted by the emergence of the new conditions produced as a result of application of previous such discoveries.

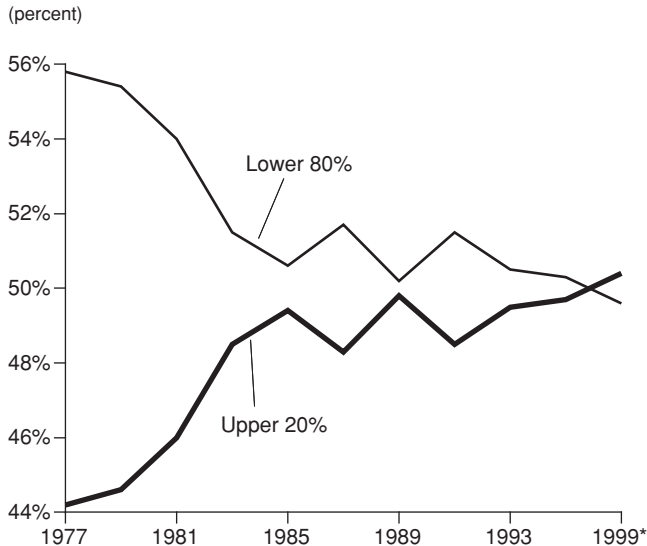
It should be stressed here, that, contrary to Paolo Sarpi,¹⁰ Immanuel Kant, and their followers, this distinction between the isolated *act* of discovery of a principle, and the action of continuing generation of successive such discoveries, has the same epistemological significance as the famous use of the notion of a *universal principle of change* by Heracleitus and Plato's *Parmenides* dialogue. This signifies the use of the word action as in the sense of a *continuing, generative principle of action.*

Lest the reader be misled into suspecting that this distinction between an act and action, might be put aside as an optional idea, the reader should be warned, that all of the most deadly follies associated with the doctrine of "free trade,"

10. Paolo Sarpi (1552-1623), leading figure of Venice since 1572, and father of empiricism.

FIGURE 3

Since Jimmy Carter: America's Richest 20% Now Make More than the Other 80%



*Projected
Sources: Congressional Budget Office; EIR.

including the role of “free trade” as a chief cause for the Great Depression of the 1930s and today’s global financial and monetary crisis, are among the fruits of overlooking the implications of the elementary point I have just stated.

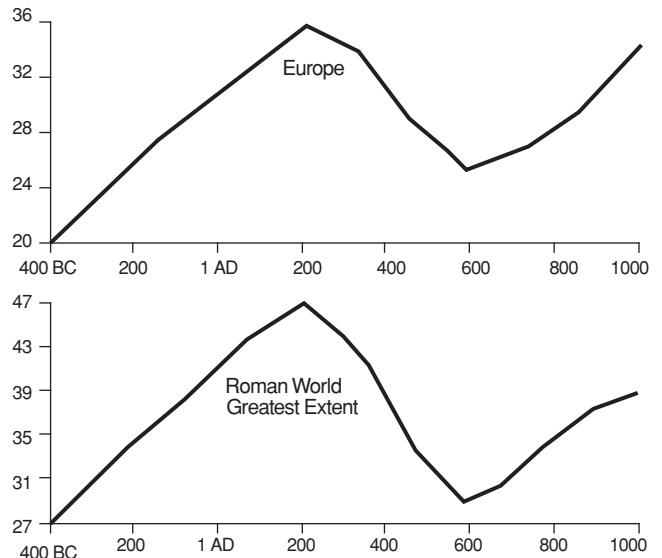
That is to emphasize, that the function of family-household income and related infrastructural settings, is to define and provide the necessary preconditions for fostering the maintenance of a rate of progress in knowledge and application of discovered universal principles, a rate of progress which is, at least, sufficient to resist the entropic effects of technological attrition.

If the physical and related cultural standard of family-household existence is lowered, through cut-backs in physical market-basket content of labor’s consumption, or, if the infrastructure is not maintained, or, some combination of both, then the rate of progress, as considered relative to technological attrition, will suffer. *On this account, the use of foreign cheap labor as a substitute for better-paid domestic productive labor, as through out-sourcing, is the cause for the collapse of the productive powers of labor in the importing society, and for a corresponding depletion of the society whose cheap labor is being exploited.*

Similarly, if the composition of employment, and of sources of family-household incomes, is shifted to the detriment of emphasizing high ratios of composition of technology-relevant operatives and professionals [Figure 2], then a

FIGURE 4

Population Collapse of the Roman Empire



Under the effects of centuries of policies which rendered large portions of the populations of the Roman Empire non-productive or idle, looting the remaining productive populations to support usury and parasitism, the physical economies of the Empire collapsed, and its total population along with them, over 400 years, into what are known as the Dark Ages.

high income for the other, non-productive, “overhead” and personal services classes of households, as for the case of the upper twenty percent of family-income brackets in U.S.A. today [Figure 3], ensures a functionally decadent economy, one headed in directions akin to the decline and fall of the Latin Roman Empire into its Dark Age [Figure 4].

For similar reasons, as leading U.S. economist Henry Carey emphasized, during the 1850s, the exploitation of slave-labor by a parasitical class of slave-owners, not only contributed nothing to the net income of the pre-1861 U.S.A.; but, as the post-slavery, 1861-1876 U.S. economic miracle illustrates, the product of slave-exploitation actually lowered the net real income of the U.S. economy as a whole.¹¹ Not only is slave labor a source of net loss to the national economy, but even underpaid labor, tends to become, similarly, a net drain on the economy considered as a whole.

The essential national-economic function of expenditure for maintenance of a standard level of high-quality incomes for family households, and for matching rates of growth of

11. Henry C. Carey, “The Slave Trade Foreign and Domestic,” in W. Allen Salisbury, *The Civil War and the American System: America’s Battle with Britain, 1860-1876* (Washington, D.C.: Executive Intelligence Review, 1992).

capital investment in technological progress, is to generate *the continuing, axiomatically anti-entropic, action of technological change*, by means of which the technology-driven productive powers of labor are increased.

Those apologists for “the peculiar institution” of slavery, and for the related bucolic-utopian moral imbecility of the Nashville Agrarians, such as the admirers of Robert Penn Warren and Henry A. Kissinger’s Harvard University professor, William Yandell Elliot, are to be compared, as a common social type, with the wastrel slave-holding class of ancient pagan Rome, whose very continued existence and influence ensured the collapse of that putrid slave-empire into a great Dark Age.¹² It is the symbiosis between such bucolic utopians and the parasites of Wall Street financial houses and law firms, which is, functionally, at the root of the presently ongoing threat of doom descending upon the U.S.A. today.

The essential economic role, and necessary form of scientific education, is to be derived from the set of considerations just summarized.

Scientific Education

To produce an adult population capable of sustaining the *action* of continuing technological progress, requires not merely a certain quantity of education, but a specific quality of education. Those who would base educational policies on standard testing methods, rather than Classical humanist methods, will tend to foster thus the kind of graduate who is well-rehearsed in babbling induced rituals, but whose ability to perform competent discoveries of principle, were more likely ruined, than helped by such mis-education—even to a terminal degree.

The essential principle of competent scientific and pre-scientific education of the young, is that the student must not merely learn a discovered principle and its associated technologies. By Classical humanist methods of education, I signify that the student must relive the reenactment of the discovery of every important earlier, validatable discovery of universal principle by mankind, and must reenact that discovery in a way which corresponds to the original act of discovery by an original, or relatively original historic figure of discovery. This traditionally Classical approach to education of the

12. Notably Elliot was both the sponsor and trainer of the U.S. career of Canada import Zbigniew Brzezinski and Henry A. Kissinger. For the implications of such connections read Henry A. Kissinger’s May 1982 autobiographical address to London’s Chatham House. To this day, the philosophical standpoint of both Brzezinski and Kissinger expresses that peculiar institution of utopian-bucolic decadence associated with Nashville Agrarians such as Elliot. Notably, Kissinger’s Elliot, like Adolf Hitler, and existentialists such as both Hannah Arendt and her Nazi intimate Martin Heidegger, are of a common type, customarily identified as the same decadent “Conservative Revolution” which dominates the U.S. Republican Party’s radical right of today, and also the current, radically positivist majority of the U.S. Supreme Court.

young, must be accompanied by emphasis upon the appropriate methods of experimental validation of original discoveries of universal physical principle.¹³

This approach to pre-science and scientific education, is aimed to foster in the pupil, the development of the mental habit of generating validatable discoveries. In that way, the student’s mind becomes attuned to the action of the continuing generation of both new physical principles, and of the technologies which emerge as by-products of successful designs of experimental validations of such discoveries of universal principle.

This, in turn, requires a quality of family and other relevant social settings, in which the same kind of relationship in sharing ideas, is fostered as an acquired habit of everyday life. In the child and young adolescent, the relationship to sharing ideas which have been generated as a part of experiencing a continuing action of validatable discovery of principle, occurs in the form and guise of play, a form of play akin to a happy child’s teaching new games to a happy pet puppy.¹⁴ It is the education of this natural, human quality of playfulness, through applying the play-principle to the pupil’s reenactment of validatable original discoveries of principles, which fosters the future emergence of the creative, rational, emotionally mature adult. Morose and sombre pedants and their classroom acolytes, are not likely to be exemplars of creative impulses, or aptitudes.

Let us understand, that *creative scientific thinking* is never derived from the methods of formal, deductive logic. The methods of Immanuel Kant, for example, typify the personality which is axiomatically uncreative, as Kant was the kind of person who may be clever, even very deviously clever, but never actually truthful in matters of principle.¹⁵ Creative reason is to be found away from the company of empiricists, sophists, and Kantians, in a domain beyond deductive argument, within the domain known, interchangeably, as *cognition* or *reason*, as Plato’s Socratic dialogues exemplify the

13. Typical is, that the student should not be misled into the delusion that physical principles are to be derived by deductive-inductive mathematical methods, as if at the blackboard. Rather, mathematical formulations are to be derived from the experimental validation of hypothesis synthesized in a cognitive (i.e., non-deductive) mode. The successive work of Carl Gauss and Bernhard Riemann, as diametrically opposed to Bertrand Russell and Russell acolytes such as Norbert Wiener and John von Neumann, typifies the demonstration of that specific kind of preference for physics over mathematics.

14. Cf. Friedrich Schiller, “On the Aesthetical Education of Man, in a Series of Letters,” on the role of “play-drive” (*Spieltrieb*) in creative thinking (*Friedrich Schiller, Poet of Freedom*, Vol. I, William F. Wertz, Jr., trans. (New York: New Benjamin Franklin House, 1985), pp. 223-298.

15. Kant, throughout his *Critiques*, insists that knowable truth does not exist. Kant’s argument to this effect, as in his *Critique of Judgment*, is read by rabid existentialists such as Nazi philosopher Martin Heidegger, Karl Jaspers, Theodor Adorno, and Hannah Arendt, as an opening for avowal of hatred against any effort to introduce the issue of truthfulness into a deliberation on opinion.

non-deductive function named, alternately, cognition or reason.¹⁶

This act of reason has three leading features. 1) *An ontological quality of contradiction*—what is termed an *ontological paradox*; 2) *the generation, by an individual mind, of a proposed (e.g., “synthetic”) solution for that ontological paradox*; 3) *an appropriate experimental form of validation of such a proposed solution*. These three features are typified by the Socratic method of Plato’s dialogues. The examination of the way in which such a three-step discovery by one mind may be shared with another mind, should supply the necessary clarification of meaning to be given to the term *cognition*.

There are two points in this three-step process of cognition, at which powers of sense-perception permit two minds to share crucial aspects of each successful discovery as a whole. Those two points are, first, the display of the evidence identifying the ontological quality of the relevant paradox, and, second, the experimental demonstration of the proposed principle. Otherwise, the difficulty is, that the faculties of sense-perception are, axiomatically, incapable of showing us *directly* the act of cognition occurring in another mind. It is only to the degree that two persons have shared the same action of cognition, relative to the initiating ontological paradox, that the two can recognize the nature and significance of the act of cognition to be a solution for the corresponding ontological paradox, as this is shown through the relevant experimental demonstration.

The capacity to infer from those two points of perceptible evidence, that the nature of the connecting, cognitive experience in another’s mind, is comparable to the experience in our own, is not obtained from single such experiences. Rather, through a succession of such individual experiences, something similar in effect to the infant’s conquest over infantile purlblindness occurs. A wide variety of validated cognitive experiences (and, reenactments of original such discoveries), is needed to bring the cognitive powers of insight to the degree of maturity needed to become efficiently conscious of cognitive processes occurring in the mind of others: i.e., *recognition*.¹⁷

16. Plato’s *Parmenides*, with its emphasis on the Eleatic Parmenides’ inability to comprehend a principle of change, typifies the distinction between a sterile, Romantic formalist, such as Kant, and a person developed in use of natural powers of cognition, of reason.

17. The cognitive conceptions which one such set of paradox-validation pairs is linked to others, is not simple. The principles which are derived from such validations are not equally connected to all other such discoveries. Certain such principles form a group of axiom-like universal principles (*phase spaces*), bearing more immediately on some aspect of the universe of principles than do others. For example, while living and non-living processes interact, non-living processes appear sufficiently well-represented by universal principles which have no coincidence with the principles of living processes as such. In the end, of course, living and non-living processes interact in the same universe, and to such included effect that every principle specific to living processes has an impact on the non-linear processes which they



A competent approach to pre-science education, requires a quality of family and other relevant social settings, in which the “relationship in sharing ideas, is fostered as an acquired habit of everyday life.”

Again, cognition is a form of action, which can be known as an alternative to mere sense-perception, only as an accumulated experience of numerous changes in one’s encounter with the phenomena associated with cognitive discovery. The result is one we often associate with the term *insight*, signifying cognitive insight. One “sees” how the other mind generated the proposed discovery which solved the identified ontological paradox. Nonetheless, once known in that way, it is known, and that with an increasing, validatable certainty, through a faculty of insight, cognitive insight, which is far more reliable than sense-perception as such. This developed quality of insight, is what we rightly recognize as truthfulness, as Plato’s dialogues define truth and justice.

Such cognitive experiences are the acquired skill of every

engage. That illustrates the point, that while all universal principles are ultimately interrelated, and efficiently so, the relationship among all is what modern relativistic physics terms “multiply connected,” rather than simply connected.

competent teacher of the young. Those who have not acquired that skill, are not competent to teach. The corresponding devotion to a Socratic quality of truthfulness, as opposed to mere opinion, is the moral quality which distinguishes the qualified teacher and classroom, from the dangerously immoral, all too commonplace, contemporary quack.¹⁸ Those who insist, on principle, as Kant and the existentialists did, following the empiricists before them, that there is no truth, but only opinion or custom, are, by self-definition, pathological liars, whose oath itself were intrinsically an act of fraud, and perhaps of treason, too.

Classical Culture

The process of cognition, as I have just, once again, summarily described it, has two interdependent aspects. In first approximation, it pertains to mankind's increased power, per capita, in and over the physical universe: ultimately, the entire universe. Yet, at the same time, it pertains to those social processes, by means of which the development of the individual's physical-scientific powers in and over that universe, are generated by individual persons and shared among other persons within society. These latter social processes *define human relations within society, as primarily rooted in cognition, rather than in mere sense-perception or fixed, biologically instinctive or other mind-sets*. It is those social processes, defined "axiomatically" in terms of acts of cognitive insight into matters of universal principle, which supply us the only meaningfully defensible, functional definition of the term *culture*. A scientific education of the type I have described summarily above, typifies the cognitive quality of *truthful* relations upon which the notion of a *Classical culture* depends.¹⁹

In the history of globally extended European civilization, since ancient Classical Greece, the specific significance of Classical Greek culture, is typified by the celebrated examples of a new mode of plastic-arts composition provided by surviving items of the work of the sculptors Scopas and Praxiteles. The transition, from the necrologic quality of the Archaic, to the capture of transformation in mid-motion, presents us clearly today the notion of true *ideas*, as distinct from sense-perception and mere symbolism. Later examples, include Leonardo da Vinci works such as his *The Last Supper*, Raphael

Sanzio's *The School of Athens* and *Transfiguration*, and Rembrandt's celebrated portrait of the blind bust of Homer peering *insightfully* into the blind, deductive stare of Aristotle. These kinds of artistic *ideas*, typify, in the domain of art, the same notion of *idea* associated with the validated discovery of a universal physical principle.

In the Classical Greek legacy, from Homer through Plato, most notably, we are able to trace successive transformations in the ancient Greek way of seeing the relationship of mankind to the mythical gods of Olympus, and also to the snake-god known variously as Python, Dionysus, and Satan, and to Python's Delphic mother, Gaea. Mankind rises from the status of virtual human cattle of the gods, to Aeschylean Promethean man casting off the shackles of the tragically evil and doomed Zeus, to Platonic man seeking reconciliation with the "unknown God" of Plato's *Timaeus* and the Apostle Paul's epistles. These transformations in human knowledge are congruent within that principled use of that term *idea*, which we must associate with a validated discovery of a universal physical principle.

Take, as an example, the development of the method of Classical polyphonic composition developed by Haydn, Mozart, Beethoven, Brahms, et al., built upon the foundations laid by such J.S. Bach discoveries as Bach's *A Musical Offering* and *The Art of the Fugue*. In Classical four-part composition, for example, the music is not degraded to mere voice and accompaniment, nor mere instrumental-like chordal textures. Like the very conception of the well-tempered system itself, in Classical, as opposed to Romantic composition, the musical idea lies beyond the reach of mere sense-perception; it lies "between the notes," in the idea generated by the polyphonic interaction among the registrally distinguished, participating human singing-voice species.

So, in great Classical tragedy, from that of Aeschylus and Sophocles, through Shakespeare and Schiller, the tragic principle lies in the failure of the relevant dramatic personality, the failure to discover the idea which defines a means for averting an otherwise inevitable tragedy, or, similarly, in Schiller's *Joan of Arc*, walking in the imitation of Christ, willfully sacrificing one's mortal life to death, even in torment, for the sake of bringing forth a nation.

All such Classical ideas, such as those of the ancient Classical Greek artists, François Rabelais, Miguel Cervantes, John Keats, Percy Shelley, et al., lie "between the notes" of mere sense-perception, in the domain of cognition otherwise termed *metaphor*. Universal principles are not properties of sense-perceptual objects; they are the qualities which exist, often, among deductively apparent objects, but not within them. These qualities underlie, and determine both the existence of those objects, and of the functional ordering of the relations among them. These underlying realities, are qualities which the human mind is able to access, but solely by those special forms of social relations known variously as *cognition* or *reason*.

18. This references Plato's notion of the Socratic quality of *agapē*, as contrasted, in his *The Republic*, to the perverted notions of law associated there with Glaucon and Thrasymachus. This same notion of *agapē* is celebrated in the Christian Apostle Paul's *I Corinthians* 13.

19. The ancient Sanskrit philologist Panini's definitions of language in terms of a principle of self-development, or the epistemological notion of "change" as associated with Heraclitus and Plato, are among the prime examples of a principle of what is strictly recognizable as *Classical culture*. The notion of the poetic principle, as summed up in the closing paragraphs of Percy Shelley's *A Defence of Poetry*, like John Keats' matching testimony, in the latter's *Ode on a Grecian Urn*, are also examples of the same *systemic* principle of Classical culture.



The Elgin Marbles, from the Parthenon in Athens. Unlike the necrologic quality of Archaic Greek art, the sculptors of the Classical period captured the transformation of bodies in mid-motion. This “presents us clearly today the notion of true ideas, as distinct from sense-perception and mere symbolism.”

The subsuming view of all forms of Classical artistic composition, both plastic and non-plastic, imparts the quality of *Classical* also to the development and use of language itself, as Panini’s celebrated argument points to this for Sanskrit. Dante Alighieri’s program for superseding Latin with a Classically-literate, metaphor-rich development of an otherwise crude, popular language, capable of imparting Classical ideas, that from the so-called crude forms of popular speech, points to the principle upon which the existence of the modern sovereign form of nation-state republic depends, upon which the very continued existence of modern economy depends absolutely.²⁰

The essential, underlying principle of any literate form of spoken and written language, is the principle of Classical metaphor.

Reason enters when dictionary-nominalist and other deductive-literal and symbolic meanings, are expelled to the anteroom, so that the discussion among thinking people may proceed without the disconcerting noise of pompous fools’ babbling.

Dante Alighieri’s work is of special relevance at this juncture. With that work borne in the back of the minds of each among us, consider a few examples most pertinent to the

20. Since we have come into a time when we must establish a community of common principles among nations derived from differing cultural backgrounds, it is indispensable that we employ a definition of Classical which is, on the one side, totally faithful to the notion of the European Greek Classic, but also serves to recognize a more general notion of Classical currents in development of cultures, such as those of the ancient Asian sub-continent, China, and so on.

matter of systemic definitions of economic principles. The first principle of any literate language, is the principle of Classical strophic, *sung* poetry. That is to emphasize, that all literate forms of language-usage, are dominated by prosodic coloration, for which neither flat, or nearly flat “greys,” nor post-modernist or other forms of merely arbitrary, stylized affectations, are tolerable substitutes. These musical qualities, which are the naturally provided potential, physiologically, of each individual human speaking-singing voice, are an integral and essential part of the ability to employ language to convey ideas, not only to convey meaning to hearing, but, even more crucial, to the cognitive-digestive processes of memory.

Hence, the continuing development of all literate languages, presents us a process of making the use of that language as precise as science requires, and as the influence of Classical forms of biologically predetermined prosody among registral voice-species, shape the evolutionary development of the language, thus, into a medium suited to the emergence of the cognitive precision which scientific education and work requires. Thus, often, what may thus be defined, strictly and properly, as defects in the manner of speaking of a person, will faithfully indicate corresponding flaws in the way in which they think about matters of science, or other matters, such as political-economy.²¹

21. Those born early during the preceding century may have a more or less vivid and painful impression of the progressive degeneration of the level of literacy in the writing and speaking habits of successive generations of university graduates, on this account. The changes in habits among television newscasters, for example, reflect this process of degeneration of speaking—and thinking—habits. The popularization of the changes in written style,



Statue of Dante Alighieri in Washington, D.C. “The essential, underlying principle of any literate form of spoken and written language, is the principle of Classical metaphor. . . . Dante Alighieri’s work is of special relevance at this juncture.”

The pivotal issue, in defining the relative literacy of a practiced form of language-culture, is the issue of Classical qualities of *metaphor*. It is the recognition of the way in which the natural potentials for development of languages adapt themselves to the requirements for expressing recognizable Classical metaphor, which enables us to define those qualities of used language which render that language capable of meeting the requirements of conveying ideas comparable to those of Classical physical science and Classical artistic composition.

In the history of modern Europe since the Fifteenth-Cen-

including punctuation, as reflected by the *New York Times*’ style-book, reflects a progressive decadence in the ability to compose statements which satisfy previously established requirements of scientific and other literacy. Among the corrosive factors underlying this decadence, the influence of the existentialists and the cult of Russell-Carnap-Harris-Chomsky linguistics, are among the most notable malefactors.

tury Renaissance, the best general example of this is the evolution of German Classical poetry and song, from the influence of Gottfried Leibniz and J.S. Bach, through the collaboration among Abraham Kästner, Gotthold Lessing, and Moses Mendelssohn, the pre-1806 Johann Goethe, and by Friedrich Schiller and Heinrich Heine, through the Classical song as first introduced by Wolfgang Mozart,²² and continued by Beethoven, Schubert, Schumann, and Brahms after him.²³ This point is best illustrated for the topic, economics, immediately at hand, by reference to the case of a validated discovery of a universal physical principle.

I refer the reader to the three-phase act of such discovery, as summarized above: *ontological paradox, discovery, validation*. All Classical metaphor, whether in plastic or non-plastic art, and in the general, literate usages of a language, expresses that same tripartite form. The appearance of such metaphor is most simply defined by reference to the notion of *an ordered set of multiply-connected physical-space-time manifolds*, as defined by Riemann’s 1854 habilitation dissertation.²⁴ Although it is not customary, to refer to the role of cognition in scientific discovery of universal principle as an expression of the same principle of Classical metaphor associated with artistic composition, the fact is, that the two sets of events, are epistemologically of the same nature. I have often addressed this in my writings; I summarize the relevant points here.

The essential form of any valid discovery of a universal physical principle, begins, as I have said, as an ontological paradox. This occurs as a manifest error of principle in pre-existing scientific opinion. The most typical example of this, is the case in which reality demonstrates not only that pre-existing scientific opinion is false to reality, but that this error reflects the lack of recognition of some universal physical principle. In the case in which the error is only of this form, we may say that, although we already know a certain number of assumed universal physical principles to be valid experimentally, there is an additional such principle which we have heretofore overlooked. This poses the challenge: What is that

22. Mozart’s setting of Goethe’s *Das Veilchen* was the beginning of the emergence of the Classical *Lied* on the basis of Mozart’s development of the principle of counterpoint which Mozart had recognized from his studies of Bach. See John Sigerson and Kathy Wolfe, eds., *A Manual on the Rudiments of Tuning and Registration*, Book I (Washington, D.C.: Schiller Institute, 1992), “Artistic Beauty: Schiller versus Goethe,” Chapter 11.

23. Relevant is the famous debate, respecting the musical form of a Classical poem, between, on the one side, Friedrich Schiller, Ludwig van Beethoven, and Franz Schubert, and, on the opposing side, Johann Goethe and the composer Friedrich Reichardt. *ibid.* Cf. a discussion of the deeper implications of the development of methods of contrapuntal polyphony, by J.S. Bach, in the proceedings of the May 2000 Bad Schwalbach conference of the Schiller Institute. (See “Cognition versus Information,” *EIR*, June 23, 2000, pp. 5-52.)

24. *op. cit.*

missing principle. If the relevant known principles are n in number, what is the missing principle, $n+1$? This describes a true, Classical form of ontological paradox, which is of the same, Socratic, characteristics as the function of metaphor in Classical artistic composition.

At that point in the study of an ontological paradox of physical science, the entirely sovereign powers of an individual person's cognition, must now generate the proposed new principle which would correct the error. If experiment shows not only that the proposed new principle solves the paradox, but also shows that the universe as a whole, not merely the particular, paradoxical experience prompting the inquiry, requires the addition of that principle, then we have shown that discovered principle to be truly, uniquely, a universal physical principle. That notion of a unique-experimental characteristic of any true universal physical principle, is the central feature of what are rightly defined as Gauss-Riemann multiply-connected manifolds.

It is the same in Classical poetry. The self-same experience confronts us with a paradox. The name we are accustomed to give to seemingly similar experiences has now been permeated with a double meaning, a contradiction in meaning. Two meanings for that experience now appear, meanings which are in mutual contradiction. What is the resolution of this ironical paradox?

Hamlet poses this to himself: "To be, or not to be . . ." Shall Hamlet continue his customary ways, which pre-assure his self-destruction, or shall he adopt new ways, of which he is fearful. He prefers to destroy himself, rather than risk any new ways, which might threaten his established, habituated sense of actions consistent with his sense of personal identity.

The underlying principle of the flank, in military science, has this same quality: to outflank the adversary, is to outflank his mind. So, presently, clinging to the "Sixty-Eighters'" acquired infatuation with the myth of "post-industrial" utopias, threatens most governments led by "Baby Doomers" with self-destruction, that by virtue of their Hamlet-like, tragic refusal to consider any course of action "but our own." Hamlet's decision to that effect, assures him that doom lurks for both him and the kingdom. So, he delivers the warning of forthcoming doom to Ophelia—whether she is intended to actually hear this, or not: "Get thee to a nunnery."

It is the same in economics. Faced with a crisis, technological progress affords a safe escape. Reject that progress and we are doomed to suffer a great catastrophe. The existing financial-monetary system is doomed? Bring that failed system to an end. Existing policies for globalization and the reign of free trade, doom us; end those policies and choose saner ones instead.

In general, empires have customarily fallen into dust, because those who dominate those cultures have so desperately associated their personal identities with the practices bringing

them to the verge of self-doom, that they would, like Zeus' mythical Olympus, in Aeschylus' *Prometheus Bound*, rather destroy themselves and the universe, too, than abandon their habituated, fatal mind-set, their habituated sense of social, cultural identity. In precisely that same sense, the institutions which have imposed the policy-changes adopted during the recent thirty-odd years, the anti-Franklin Roosevelt policies imposed during the course of the decades following the 1963 assassination of U.S. President John F. Kennedy, would rather destroy the world, and themselves with it, as U.S. Treasury Secretary Larry Summers seems wont to do, rather than abandon the erroneous habits and mind-set which have now brought them to the brink of doom.

Such propensities for tragedy, infect not only the wills of the ruling oligarchies. The legendary pagan-Roman cult of the predators, *vox populi*, has seized and possesses, tragically, the sense of personal identity of most of today's human cattle, the subject population—both voting and non-voting—in general.²⁵ Today's typical U.S. citizen locates his or her sense of personal identity, not in who and what she or he actually is, but in what each imagines the currently resident Satan of the local neighborhood, whose voice is "popular opinion" (*vox populi*), might tell them they must appear to be.

Thus, since the typical individual in today's sick society finds his or her sense of personal identity in the virtual-reality mirror of (largely popular-entertainments-orchestrated) mass popular opinion, rather than in the reality of society's relationship to both itself and the physical universe, the typical citizen of today is, in this degree, more often a pathology-afflicted, rage-brimming mental case, than a truly rationally human being.

This extremely popular form of today's mental illness, is not composed merely of isolable individual points of popular opinion. The presently prevailing mental illness, is predominantly pervasive, axiomatic, systemic in character. The mind of the typical individual, in the corridors of power, or in the cattle-pens where the television-addicts are gathered for spectator-sports and other entertainment, is a person whose body dwells, and dies, in the real, physical world, but whose mind dwells in the escapist fantasy-world of virtual reality, chiefly the fantasy-world known as popular opinion. They would rather be popular in Hell, than happy in Heaven, if living in Heaven means being libelled or snickered at, today, by passing spectators on the streets of Hell.

Thus, the mass of today's population presents us a specta-

25. The modern term "popular," is a derivative of the Latin term *populari*, which signifies "the predators." This signifies "popular opinion" as the shrieking horde of cultish spectators in the Roman Colosseum, or the cheering crowds in the grandstands of today's bodily-contact mass spectacles. Then, and still today, a popular-mass-media-cued "public opinion," and related popular entertainment, are the means by which the oligarchical cattle-masters of society herd their subjects, the mass of human cattle, into the shearing pens and culling pits.



“The mind of the typical individual, in the corridors of power, or in the cattle-pens where the television-addicts are gathered for spectator-sports and other entertainment, is a person whose body dwells, and dies, in the real, physical world, but whose mind dwells in the escapist fantasy-world of virtual reality, chiefly the fantasy-world known as popular opinion.”
Shown here: professional wrestlers at work.

cle akin to that of a mass of sleepers, each and all dwelling in a nightmarish fantasy, their dream world, that dream-world the virtual-reality nightmare world, of current popular opinion. To save the victims of such a state of affairs, if they were necessary, first of all, that they be reawakened. The shock needed to awaken them, is in the process of being delivered: a general crash, of one currently probable form or another, of the existing global financial and monetary system. That needed blessing, that shock, they are about to receive.

In such an awakening, the hope is, that the human individual’s inherent, inborn capacity for cognition will enable most of the people to readjust quickly to reality, abandoning that popular opinion which has so viciously misled and betrayed them. That happy change happened to the victims of the Coolidge era, when Franklin Roosevelt became President. The added problem is, that, unfortunately, there is no guarantee that the needed quality of leadership will be presented to the people. It did not happen in Germany, because the leading bankers of London and Wall Street—including Governor George W. Bush’s grandfather, Prescott, decided to put Hitler into power in Germany, instead of allowing Kurt von Schleicher to continue as Chancellor.

The combination of the leadership provided by Franklin Roosevelt and that exposure of Wall Street by the Senate Committee which was represented by Pecora, typify the way in which the U.S. population not only escaped the fascist coup which Wall Street had planned, but also was led into the New Deal decade of not only economic recovery, but also a large

degree of recovery from the insanity of the Coolidge 1920s. We must hope that that happy turn would be the result of that presently onrushing global financial-monetary collapse now in progress.

To sum up what has been said here so far: In most of known history, potentially doomed cultures are rescued only when two preconditions are satisfied. First, there must be a terrible, sudden shock, which terrifies the majority of the population into fleeing from those mind-sets which had been the mainstream of popular opinion, up to that shattering moment of onrushing, pent-up reality. Second, there must be constructive leadership, which leads the population, or at least much of it, into abandoning the corrupt habits of popular opinion-making which had led them, step by step, up to the moment of threatened self-destruction.

Thus, the crucial need, during those moments of deepest crisis such as that, is, first, to define both the currently popular insanity which must be rejected, and, second, to appeal to the cognitive powers of a leading layer among the population in general: to appeal to them to adopt a suitable new mind-set, replacing, quickly, previously popular beliefs, with sane ones. Such is the crucial strategic importance of the points, respecting cognition and Classical culture, which I have summarized here, up to this point. What remains to be done in this report, is as follows. It is essential that we clarify the nature of the popular insanity, including wild-eyed lunacy in the matter of economics, which has, excepting a few notables, gripped both our government, and most of our popular opinion, during the recent thirty-odd years.

2. Price Fantasies Versus Physical Reality

Every competent discussion of what is termed “economics” today, must begin with agreement as to the nature of the specific aspect of that subject-matter being discussed. Unfortunately, most university courses and popular discussion of this matter, proceed from a most remarkable ignorance of precisely this elementary prerequisite.

The incompetence predominating in those circles, is not merely a matter of technical shortcomings, or even, as in the case of Professor Milton Friedman’s circles, outright frauds; the majority of today’s stoutly held beliefs in economics and related matters, are insane in the strictest, functional sense of that term. To define the nature of the prevalent insanities, one must first define, at least summarily, what is both technically competent and personally sane.

Here, we are confronted by two overlapping issues. First, that presently generally accepted, entirely incompetent beliefs concerning economics, dominate both the government and the majority of the academically trained members of the economic profession. This occurs at a time when the existing global economic system is in the process of disintegrating of its own accord. Second, that the immorality associated with those beliefs, is an error which must be overcome, even removed, as a precondition for any possible economic recovery. Thus, what might otherwise be seen as currently popular morality, is actually *currently prevailing popular immorality concerning economic issues*. This is especially the case with that immorality presently prevailing in government and, also, most emphatically, among the upper twenty percentile of family-income brackets. This immorality must be radically changed, or, better, removed. The presently prevailing, academically preferred, actually insane beliefs respecting economy, must be replaced quickly by the authority of sane ones.

To that end, I proceed now, first to some fundamentals concerning the required definitions of economics in general.

Any functionally relevant use of the term “economics,” must begin with respect for the *historical specificity* of the concrete topical area to which this term is being applied. For example, the use of the term “economics” in a universal way, referencing inclusively so-called prehistoric expressions of human activity, as well as the species observable during so-called historical times, requires resort to the branch of physical science founded, and initially developed (1671-1716) by the great universal genius Gottfried Leibniz, the science of *physical economy*. In no way, can any other version of economic science be treated as *universally applicable*.

Otherwise, apart from the universal values addressed, uniquely, by the science of physical economy, in each other case, we are speaking of an inferior topic. In such cases, we are addressing what is, relatively, merely a subsumed family

of types, each and all such types bearing the name of either *social systems*, or *political economy*. Each such use of the term “economics,” must refer implicitly to a *specific historical setting*, such as, for example, the form of modern European national economy begun in the France of Louis XI. Within such a specific historic setting, and, within that category, such as European national economy, for example, we must address the specific class of social system associated with the type of national economy under immediate scrutiny.

Thus, for example, every effort to build up a theory of economy in general from the “ivory tower” starting-point of “a Robinson Crusoe model,” suffices to prove that the author of such an undertaking, like “systems analysis” founder John von Neumann, either bears the mark of an outrightly malicious faker, as von Neumann was, or, if innocent of malicious intent, is simply a hopelessly illiterate slob in the subject-matter of economics, and also in the matter of scientific method in general.

To situate the development of the extended European forms of modern economy into the period of the past 145 years or so (since the global impact of the U.S. victory in the 1865-1876 aftermath of its 1861-1865 Civil War), the following general observations on the matter of historical specificity introduce this discussion of the globally hegemonic forms of contemporary political-economy as such. Begin that discussion of historical specificity, by situating the proper meaning of the term “modern history.”

Currently prevalent convention has divided the periods of the existence of mankind, between what is called history, and what is usually termed pre-history. Currently popular-academic (and ideologically long over-ripe) English-speaking convention, dates the beginning of history to approximately the time, about 6,000 years ago, that a highly developed maritime culture of people, speaking, and writing in a language of the Dravidian group, established colonies in lower Mesopotamia, Yemen, Ethiopia, and Canaanite Palestine-Lebanon.²⁶ With the decline and fall of the culture established, as Sumer, by the Dravidian-speaking maritime culture, the local, relatively primitive Semites of that region, who had been previously colonized and assimilated by that maritime culture, began the long reign of successive ebbs and rises of that culture in Mesopotamia.²⁷

Thus, since before what bigotted modern convention persists in misidentifying as the beginning of history, there emerged an intersection and collision between the Middle East successors to the relevant Dravidian maritime culture and the culture of Egypt. Out of that intersection and culture,

26. e.g., Herodotus, *Herodotus: The Histories* (London: Penguin Books Ltd., 1996).

27. The Hebrews who came out of Egypt, under the leadership of Moses, while Semites, represented a culture opposite in many features to that of then contemporary Mesopotamia (e.g., the Mosaic cleanliness code).

what came to be known as today's globally extended European civilization, emerged in what has come to be known as ancient Greece.

The ancient Greeks, as we term them today, were also chiefly the products of a maritime culture, one whose roots are traced to origins including an Atlantic oceanic maritime culture flowing into the ancient Mediterranean, perhaps since as early as during the most recent post-glaciation melt, to a time more than 10,000 years ago. Ancient Greek culture, as it is designated today, would not have amounted to a proverbial "hill of beans" in the long run, but for the development of what has come to be known as a Classical Greek culture, as represented by Athens, the Ionian city-state republics, the Greek colonies in lower Italy, and ancient Cyrenaica. These ancient Greeks, whose principal cultural debt was, otherwise, to a culture they adopted from the legacy of the Golden Age of Egypt,²⁸ went a qualitative step beyond their Egyptian patrons, to establish the kernel of what became today's globally extended European civilization.²⁹

Out of those developments in ancient Greece we associate the Classical tradition of Pythagoras, Thales, Solon, the Golden Age of Athens, and Plato's Academy. The most significant feature of that Classical Greek legacy, is the developed conception of the *idea*, a conception best defined by the Socratic dialogues of Plato. It was from the further development of that Platonic legacy by the Christian Apostles, as it is most clearly articulated in the Gospel of St. John and the Epistles of St. Paul, that the best features of the past 2,000 years of now globally extended European civilization were spread.

From that point of historical reference, now so placed behind us, we focus here on three leading points which have axiomatic authority in any competent discussion of the principles, practice, and issues of modern economy today. We begin as all competent political-economy must, from the archetypal standpoint of the *universal* science of physical economy.

In the following pages, I focus upon the dominant economy of the world today, that internally conflicted form of world economy which developed within today's globally ex-

tended modern European civilization, that conflict which emerged since the revolution which erupted during the Fifteenth-Century Italy-centered Renaissance. That latter is the Christian Renaissance of the Classical Greek tradition, the Renaissance which marks the beginning of modern, globally extended European civilization, and, thus, provided the watershed for the formation of all forms of globally significant, mutually conflicting varieties of modern economy.

Three Crucial Points: Leibniz Revisited

I emphasize the several crucial points which I stated earlier in this report. These points denote the domain of *universal economy*, otherwise known as *physical economy*. In the course of outlining that case, I reformulate several among the crucial points introduced at the outset of the preceding section.

First, from the standpoint of any effort to construct a mathematical model of human ecology, the existence of the human species represents a fundamental ontological paradox within the schemes of currently, academically popularized notion of ecology itself. This is the paradox which sets our human species, universally, apart from and above all other living species. Mankind is the only species which is able to increase the *potential relative population-density* of its entire species *willfully*. This demographic result is measurable, in purely physical, non-monetary terms, per capita and per square kilometer.

In other words, just as the existence of living processes defines, paradoxically, the need to recognize the existence of an axiomatic quality of universal physical principle, one not found within the domain of functions inhering in non-living species, so human existence defines the existence of an efficiently universal physical principle, one not to be found otherwise among living processes.³⁰ The result is, that "animal ecology" were valid only as an approximation (a subsumed phase-space) of the corrected, higher form of a truly universal ecology, the universal ecology which includes the specific qualities of human ecology, the latter as distinct from the relatively impoverished, inferior axiomatic assumptions of merely animal ecology.

Second, this willful power unique to the human species, is expressed, in first approximation, by the action of adding, successively, validated discoveries (or, rediscoveries) of an axiomatic quality of universal physical principles. The expression of those validations in the form of derived new tech-

28. "Golden Age of Egypt," is the period of the erection of the great pyramids, nearly two millennia prior to Solon's reforms at Athens.

29. Cf. Plato, *Timaeus*, in *Plato: Vol. IX*, Loeb Classical Library (Cambridge, Mass.: Harvard University Press, 1975), or the translation commissioned by LaRouche, "Plato's Timaeus: The Basis of Modern Science," *The Campaigner*, February 1980. About 2,700 years ago, the conflict among maritime Mediterranean cultures, aligned the Ionian Greeks and Etruscans against the Phoenicians. The Phoenicians, in turn, tended to be aligned with Mesopotamia against Egypt. Egyptian accounts, as reported by Plato, and also by the Sicilian chronicler Diodorus Siculus, trace Egypt's history to the radiating impact of an Atlantic maritime culture which colonized the Berbers more than 10,000 years ago. Diodorus traces the real-life origins of the Mount Olympus cult of Zeus, according to accounts from Berber sources, to actually living figures of an Atlantic maritime culture established in the Atlas regions, near to the Strait of Gibraltar.

30. The first distinction, that of living from non-living processes, is that emphasized by a Russian universal genius, Vernadsky, for geochemistry. This approach of Vernadsky, as I noted during my studies of 1948-49, stands in contrast to the contrary, relatively reductionist views, of Russia's Oparin, and Chicago University's Nicholas Rashevsky. The responsibility for the second distinction, of cognition from ordinary living processes, reflects my own original work.

nologies, enables the qualitative, as well as simply quantitative increase of the power of the human species in and over the universe as a whole. This is expressed as the increase of the human species' per-capita power (Leibniz: *Kraft*, not *Leistung*) over nature. Hence, also mankind's increase in per-capita power over the universe, as measured per square kilometer of the Earth's surface.

The continuation of Leibniz's principles of physical science, by his anti-empiricist, anti-Kantian followers, such as Carl Gauss and Bernhard Riemann, led to the elaboration of the Gauss-Riemann notion of an ordered series of multiply-connected physical manifolds (i.e., Riemannian relativistic physics), in which the ivory-tower notion of a so-called *a priori* Euclidean manifold, is replaced by the principle, that there exist no valid universal physical principles in the universe, except those which are generated by aid of physical-experimental validation of a new discovery of an added (axiomatic) quality of universal physical principle.³¹ This, thus *expandable*, multiply-connected array of such principles, situates *the universal principle of change* governing mankind's willful increase of his per-capita power in and over the universe.³² These axiomatic relations can be represented only in

31. Of late, I have often used the example of Wilhelm Weber's experimental proof of the existence of the Ampère *angular force* of electrodynamics, as a suitable illustration of a Riemannian addition of a new (axiomatic) quality of universal physical principle. Notably, to appreciate the implications of this in a more general way, one should recognize that Ampère's discovery reflects his collaboration with the Fresnel and Arago who demolished Newton's incompetent doctrine respecting the propagation of light. On Ampère, see his "Memoire sur la théorie mathématique des phénomènes électrodynamiques uniquement déduite de l'expérience," in A.M. Ampère, *Electrodynamiques uniquement déduite de l'expérience* (Paris: A. Hermann, 1883); a partial English translation appears in R.A.R. Tricker, *Early Electrodynamics: The First Law of Circulation* (New York: Pergamon, 1965); see also Laurence Hecht et al., "The Significance of the 1845 Gauss-Weber Correspondence," *21st Century Science & Technology*, Fall 1996. On Fresnel, see his "Memoir on the Diffraction of Light," in Henry Crew, ed., *The Wave Theory of Light* (New York: American Book Co., 1900); see also Laurence Hecht, "Optical Theory in the 19th Century, and the Truth about Michelson-Morley-Miller," *21st Century Science & Technology*, Spring 1998. The fact that Weber's proof, developed in close collaboration with both Gauss and Riemann, combined with the work of Fresnel and Arago to define the axiomatics of electromagnetic phase-space, is a remarkably appropriate example for illustrating the implications of Riemann's 1854 habilitation dissertation and also Riemann's contribution to electrodynamics, in opposition to the follies of Grassmann, Clausius, et al. See Bernhard Riemann, "A Contribution to Electrodynamics," *International Journal of Fusion Energy*, vol. 3, no. 1 (January 1985), pp. 91-93; Enrico Betti "On Electrodynamics," *ibid*, pp. 89-90. Riemann's paper was delivered to the Royal Society of Sciences at Göttingen in 1858 and published posthumously in 1867, in Pogendorff's *Annalen der Physik und Chemie*, Vol. 131, pp. 237-243.

32. With the successive work of Gauss and Riemann, the universal characteristic of a physical space-time is expressed by its experimentally determinable curvature. This corresponds to Leibniz's definition of universal characteristics, and echoes the way in which Johannes Kepler had defined the determination of unique orbits, of unique characteristics, within the Solar System as a

terms of Riemann's specification for an orderable series of multiply-connected manifolds.

However, the realization of this potential increase in per-capita power, depends upon cooperation within society. This brings us to the third point, as summarized earlier here.

Third, the primary expression of forms of cooperation relevant to realization of the benefits of scientific and technological progress, is located in the domain of *cognition*, as I have defined cognition here earlier: *not in the realm of merely deductive forms of communication*. In other words, to communicate the discovery of a valid universal physical principle, from one person to another, the relevant act of cognitive insight must occur within the cognitive processes of the recipient. Communication of real *ideas* by deductive means, is impossible on principle. Hereinafter, this use of the term cognition, supplies the definition of the term *reason*, as distinct from mere logic.

This third point signifies, that a society efficiently realizing the social benefits of scientific and technological progress, can only be a society in which there is widespread and increasing emphasis on the cognitive element in social relations, as contrasted to a culturally inferior society, which, for example, teaches science according to the deductive-reductionist terms akin to the methods of a merely formalist mathematical physics. This means that equal emphasis must be placed on Classical forms of art and education, in the sense of the Classical Greek (Platonic) tradition. This must include the emphasis on such Classics in scientific education, in artistic composition, and also in preferred forms of publicly practiced entertainments.

Otherwise, a society may have significant scientific cadres, even of high quality; but, if the prevailing cultural standard within the society as a whole, is predominantly an expression of the hegemony of a reductionist-deductive popular ideology, such as empiricism or existentialism, the society's development will be technologically abortive, respecting the general net rate of its increase of the average productive powers of labor.

As I have stressed above, since the forms of communication required for execution of such insight, require mastery of what I have defined as Platonic forms of ontological paradox, otherwise called metaphor, the possibility of communicating the discovery of universal physical principles efficiently, depends upon a correlated form of development of the social relations among individuals, specifically their cognitive processes as such. This education requires the individual person's discovery of cognitive insight into these specific processes.

functional unity. Thus, an increase of man's power in the universe, through application of newly discovered, valid, universal principles, is expressed as such a change in curvature. Thus, an ordered succession of such changes, represents "change" in the sense of Heraclitus and of Plato's *Parmenides* dialogue.

In other words, *insight into the act of cognition conscious of itself*.

Self-conscious cognition, “cognition acting with consciousness of itself,” does not differ from a Platonic notion of principles of Classical artistic composition. This means not only the principles of Classical plastic and non-plastic artistic composition. It means the shaping of the use of language into the only form which is a truly literate one, contrary to the corrupting, virtually decorticating influence of empiricism. This must be a development and use of language, contrary to empiricism and other reductionists’ schemes. It thus reflects the users’ shared experience in the development and use of Classical artistic principles of metaphor, as much as universal physical principles. It also means the application of those same principles to the domain of statecraft as such.

As the Socratic dialogues of Plato are exercises in the successful development of individual scientific principles, through cognition, so the principles of Classical artistic composition are developed in the same cognitive mode.

Look at the relevant physical-economic application of a new discovery of a valid universal physical principle, as providing an example of what is to be recognized as the meaning of “cognition acting out of consciousness of itself.” The following discussion is directed to that point.

The paradoxes which lead to widespread qualitative improvements in knowledge and practice, are principally of two types. In the first instance, there are paradoxes which reveal a plain error in some conscious or implied choice of axiom. In the second case, we have the type of ontological paradox repeatedly referenced above: the case in which the error is attributable, not to a falsely adopted axiom, but to the absence of knowledge of some axiomatic quality of valid universal principle.

In all cases, the relevant paradoxes, of either type, are defined as such in an experimental way. By experiment, one means human physical action upon the universe. All verification of these paradoxes, and of the principles which overcome them, relies upon the relevant physical form of experimental action. Thus, for example, as Gauss and Riemann have demonstrated, in succession, it is not sufficient to demonstrate an apparent choice of principle; it is necessary to design and conduct an experiment which seeks to determine whether or not the proposed principle is *universally necessary*, necessary to all competent forms of physical science, for example.³³

We are not ignoring the issue of purely formal consistency, such as that which might be displayed on the classroom blackboard. If the error of inconsistency demonstrated, is not

33. Kepler’s derivations from the examination of the elliptical form of the Mars orbit, is an example of this. Gauss’s celebrated proof of the validity of Kepler’s definition of the orbit of a missing, destroyed planet, between the orbits of Mars and Jupiter, is an example of an experimental observation which proves the universal necessity of a proposed principle, in this case Kepler’s.

a correctable error of a deductive-inductive form as such, then it must tend to suggest the relevant involvement of some erroneous assumption of universal principle, or, of a related lack of some axiomatic principle which we need to discover. All latter such errors are resolved, not at the ivory-tower pedant’s blackboard, but by relevant methods of physical experiment. Test of consistency may be an invaluable, but, otherwise, merely auxiliary part of this process.

Thus, *all issues of principle, whether in physical science, or otherwise, arise from, and are resolved by, those types of physical action through which the human species increases its potential relative population-density*. In other words, in which an individual mind has contributed a valid, axiomatic principle, which, if socialized effectively, has the effect of increasing the potential relative population-density of our species as a whole. Thus, all such action, and the principles whose discovery relies upon such action, represents a quality of mental practice lying outside the domain of any merely deductive system of thought.

Such actions are, by their nature, intrinsically non-linear: not as “non-linear” is misdefined by such acolytes of Bertrand Russell as John von Neumann and Norbert Wiener, for example, but, rather, in the larger, higher sense of *transfinite*, as implicitly defined by the notion of a Gauss-Riemann series of multiply-connected manifolds. I.e., as associated with the changes in *approximately* measurable curvature, reflecting the ever-ongoing transition from one such physical-space-time manifold to a successor.³⁴ Since the true value of this measurable magnitude, depends upon a further extension of the still-ongoing process of change within which it appears, it is not a number as such, even though its value may be approximated by a number—it may adumbrate a number usable for some practical purposes of estimation; but, that is an aspect of the matter which need not be explored further in this present location.

For reasons previously stated here, the only form of human action which is universal, is that which expresses mankind’s increase of its species’ power in and over the universe as a whole. Only in such ways, can we define *truthfulness*. That is to say, that *truth* means, essentially, that set of axiomatic principles, defined as *universal*, which represent mankind’s physical-experimental determination of the discovery of universal physical (and other) principles of an axiomatic quality. Granting that our knowledge of universal such principles is always incomplete (e.g., imperfect), statements which are in accord with all presently known universal (axiomatic) principles are rightly deemed *truthful* in practice. We are untruthful, only when, either, we violate arbitrarily, available, previously known, valid principles, or when we, in clinging

34. This notion of transfinite can be traced efficiently to the work of Kepler on the determination of Solar System orbits. It corresponds to the equivalence between Leibniz’s definition of a universal characteristic and his conception of the Monad.

to already adopted principles, attempt to conceal, or simply ignore evidence at hand which shows that we are obliged to seek out an additional universal principle.³⁵

Persons—and social institutions—which govern the making and application of their policies according to this rule, are to be deemed truthful, at their worst. Those who do not heed that rule, are to be despised, or to be considered as insane, as the present policies of the Scalia-led majority of the U.S. Supreme Court are to be regarded as axiomatically untruthful, and the current economic and related policies of the U.S. government in general, as not merely negligent, and also untruthful, but also even clinically insane.

We must therefore say, also, that truthfulness is never static, passive, but always active. It is not only mission-oriented; it exists only as truthfulness is impelled and governed by the impulsion of an adopted, relevant mission. The general form of that mission, is what we rightly term progress, as, specifically, progress in the general welfare of all of the people and their posterity.

To summarize the crucial points listed thus far, we have the following.

The discovery of valid new universal physical principles expresses, if but in first approximation, the specific quality of the human species' individual member, the which sets us apart from, and above all other living species. This activity, which thus incorporates scientific and technological progress, defines a healthy human nature as an efficient commitment to scientific and technological progress for the advancement of the potential relative population-density of the human species as a whole. Any person or society which rejects or resists that form of mission-orientation toward constant fostering of scientific and technological progress, is therefore a person, or a society, which is acting in defiance of human nature, in defiance of the nature and vital interest of the human species. Such as the disciples of empiricists Thomas Hobbes, Bernard Mandeville, John Locke, François Quesnay,³⁶ David Hume,

35. This definition of truthfulness is that of Plato's Socrates, versus the contrary notions of law expressed by Glaucon and Thrasymachus, in *The Republic*, for example. This notion of *agapē*, as expressed by Plato, is otherwise the principle of morality stated by the Christian Apostle Paul, in *I Corinthians* 13. It is in accord with that principle of the general welfare (or, *commonwealth*), as expressed, in opposition to the dogma of John Locke, in the opening paragraphs of the 1776 U.S. Declaration of Independence and the 1789 Preamble of the U.S. Federal Constitution. Thus, a judge who orders the suppression of evidence which may be relevant to the circumstances of an issue at trial, or in the matter of an appeal, is, in fact, perpetrating a crime against truth and justice.

36. Quesnay must be included among the empiricists. Although his apology for the feudal form of "globalization" is in the tradition of France's *Fronde*, Quesnay's elaboration of his frankly oligarchical, pro-feudalist notion of *laissez-faire*, is argued from the English empiricist standpoint of Paolo Sarpi, Galileo, Hobbes, Locke, Mandeville, et al. Moreover, Quesnay, like Voltaire and the devotees of the Isaac Newton myth, were members of a cult-formation, a network of salons, coordinated from Paris, by the same Venetian abbot Antonio Conti who created the plagiarism-soaked myth of Isaac Newton's scientific eminence.

Adam Smith, and the Utilitarians, are, by definition, not only functionally insane, but also axiomatically immoral.

However, as already emphasized, that expresses the relevant principle only in first approximation. Since the realization of the indicated imperative, requires what I have indicated as the premising of social relations upon cognition, rather than sense-perception as such, the possibility of realizing scientific and technological progress, depends upon coordinate progress in the discovery and general use of principles expressed as principles of Classical artistic composition. (This signifies, once more, the included extension of those latter principles to the development of language and statecraft.)

In other words, to adduce a principle generated by the sovereign cognitive processes of the mind of another person, one must not only re-experience that generation in one's own sovereign cognitive processes. One must be conscious of the quality of ideas one is re-experiencing, as *ideas* in the sense of Plato, rather than simple reflections of sense-perception. To be conscious of such ideas, is to be conscious of the fact that the nature of the human individual, and human species, is defined by both cognition, and the mission which inheres in the nature of cognition. Thus, the essence of the matter, is a mission to act in accord with cognition self-conscious of itself. This is the essence of human nature. That sense of mission is reflected in individuals' practice, as living according to a choice of vocation so selected.

Yet, once again, none of this involves the "ivory tower" philosophizing which is inherent to the sundry reductionists, such as the primitive materialists, deductive formalists, empiricists, Kantians, existentialists, et al. The echoes of simple sense-perception, which define the meaning of objects of thought for all varieties of the reductionists, the notion of static objects floating in otherwise "empty" linearized space and time, are to be rejected. The objects of *ideas* are not the reductionists' objects; ideas correspond only to transformations in the state of man's actions upon the universe. There are no static ideas; all ideas are of the ontological form of "becoming," of "change," in the sense that "change" (in the sense of "becoming") is the elementary form of existence for Plato.³⁷

37. For the fastidious, I append the following observation on the implications of this point. If real objects have the content of change, becoming, how can such mental objects exist as well-defined individualities? This question led Leibniz to his notion of universal characteristics, and his posthumously published *Monadology*. This notion first appeared in that general form in the work of Kepler. There, the orbit of each planet is predetermined by the characteristic of the Solar System as a whole. Thus, Kepler not merely specified the necessary existence of a planetary orbit lying between those of Mars and Jupiter, but gave a rather definite harmonic value for this missing, but necessary, and therefore destroyed planet. This turned out, with the work of Gauss, to be the fragments of a destroyed planet presently listed as the Asteroid Belt. The trajectories associated with such unique existence, are not reducible exactly to numbers, but can be approximated by numbers, subject to subsequent changes by refinement. Thus, such individuated processes are

Such ideas can not exist apart from their natural habitat; that habitat is the ongoing mission of constant, effective change in mankind's power in and over nature.

Just so in competent and sane economics. So-called "traditional societies" are, by their intrinsic nature, a state of bestialized mankind; such cultures are not merely immoral, but cruelly so, that by definition. Indeed, the famous Code of the Roman Emperor Diocletian, which became a standard for the worst among the European feudal oligarchies, prescribes the enforcement of such a bestialized tradition, from one generation of a family to the next. The notion of a "traditional" form of economy, is specifically characteristic only of societies in which a ruling oligarchy and its associated lackeys degrade the majority of society to the status of virtual human cattle, that in precisely the spirit of the Code of Diocletian.

Every competent form of modern economics teaching, even those which are but approximately competent, recognize the significance of the phenomenon of what I have referenced earlier here, as "technological attrition." If we impose the notion of "traditional economy" upon those treated as virtual human cattle, that society is self-doomed on that account alone, on account of technological attrition. When we rise to a higher level of technology of practice, technological attrition requires us to proceed to rise to a still higher-level; we are, again, and again, required to do that, by the factor of technological attrition.

Thus, we have two ways of looking at the same conception. First, human nature requires that we think in cognitive terms about man's place within the universe, as the succession of discoveries of universal physical principle, defines individual man's natural place in the universe. Second, we must recognize that man's relationship to nature, is not ordered through the mechanisms of mere sense-perception (e.g., pleasure and pain); individual man's relationship to the universe is through social processes which are elementarily cognitive, rather than merely sensory.

Thus, it is the adducible principles which govern our consciousness of our cognitive relationship to the ideas existing only within the perfectly sovereign cognitive processes of another person, which are the means by which we are able to cooperate in effecting those expressions of endless fundamental scientific and technological progress, the which are the characteristic of a moral human nature. In other words, the ability to muster the development of one's cognitive powers in ways which lead to individual contributions to generalized scientific and technological progress, is necessarily subsumed

definite, that in the sense Leibniz points to universal characteristics, and offers in his posthumously published *Monadology*. Admittedly, the academic mind disintegrates whenever it commits the folly of attempting to define such individualities from an axiomatic algebraic standpoint. In the geometric standpoint expressed by notions of a multiply-connected series of Gauss-Riemann manifolds, the difficulty which the stubborn algebraicist would impose upon himself, is essentially removed.

by a still higher principle, the principle of self-consciously cognitive relations among the individually sovereign cognitive powers of the individual members of society. Thus, the cognitively discoverable, universal principles of Classical artistic composition, not merely parallel, but directly subsume valid scientific discovery.

The Classical English poets, Percy Shelley, of *A Defence of Poetry*, and John Keats, of *Ode To A Grecian Urn*, would nod in agreement to what I have just said. So would Friedrich Schiller. Truth is beauty, and beauty is truth. Beauty is true metaphor realized. Beauty and truth are mankind's acting truly in accord with our special nature. Poets—true Classical poets in the Classical Greek tradition—are, indeed, the true legislators of mankind's progress.

3. What Drove Al Gore Mad?

On performance, Al Gore has been the worst U.S. Vice-President since Aaron Burr, the latter the treasonous asset of the British Foreign Office's Jeremy Bentham.³⁸ Almost certainly, unless something very unexpected intervenes, the intrinsically unelectable Al Gore will become neither the next U.S. President, nor, hopefully, even at this late date, the Democratic Party's nominee as Presidential candidate. It must be said, however, that an electorate which would reduce its apparent choices of leading candidates for President to a man as aberrant as Gore, or as Nero-like as the notoriously mean-spirited Governor George W. Bush,³⁹ is a people which, by and large, has presently misplaced its moral fitness to outlive the global financial, monetary, and economic collapse now descending upon mankind as a whole.

As the Vatican's Congregation for the Doctrine of the Faith has stressed, in presenting *The Message of Fatima*,⁴⁰ the fate of cultures is not predetermined by prophecies, but by critical choices, choice of the ways in which decisions of a systemic, existential quality are made. In threatening to reduce their own choices for the next U.S. President to either electing, or tolerating an Al Gore or a Governor Bush, it is the current majority of the people of the U.S.A. themselves, who have, so far, threatened to bring the most awesome kind of catastrophe upon themselves. That is to say, that the way

38. op. cit., Anton Chaitkin, *Treason in America*.

39. The son of that Prescott Bush who had played a key role in financing Adolf Hitler's rise to power in Germany, President George H.W. Bush, was fairly described as Caligula-like in his use of Presidential power. op. cit., Webster G. Tarpley and Anton Chaitkin, *George Bush: The Unauthorized Biography*. If anything, his son, Governor Bush, is dumber and meaner, even more Caligula-like than the father.

40. http://www.vatican.va/roman_cur./rc_con_faith_doc_20000626_message-fatima_en.htm. See also article by Helga Zepp-LaRouche, "Pope Publishes the 'Third Prophecy of Fatima: Urgent Summons to Repentance and Conversion,'" p. 38 in this issue.

in which prevailing popular opinion presently tends to guide U.S. behavior, is the mark of a people which, in general, appears to have, for the moment, lost the moral fitness to survive.

Were either Bush or, the less likely Gore to become the next President, it is virtually assured that the U.S., as a functioning nation, would not survive the relatively short-term time of peril immediately ahead.⁴¹ Indeed, already, more and more nations from around the world, have been recently distancing themselves from the U.S.A., that in the manner of passengers paddling away, with increasing displays of energy in doing this, from this new, sinking, doomed *Titanic*. For this reaction from most of the rest of the world outside the U.S.A., the spectacles produced by Secretary of State Madeleine Albright, Treasury Secretary Larry Summers, and the far-right Republican cabal in the Congress, are much to blame; but, it is the disgusting prospect of a future U.S.A. under a President Bush or Gore, or a United Kingdom under the continued ministry of British Commonwealth leaders such as Gore's crony, the Benito Mussolini-like Tony Blair, which the world at large finds, increasingly, most fearfully appalling.⁴²

41. What is currently in progress, is not a simple great depression, such as that of the 1929-1932 interval. The present looming crisis is what some economists of the past have classified, and debated, as merely a theoretical possibility: what confronts us at this moment is what has been classed as a "general breakdown crisis." Despite the official and other lying from Washington, D.C., the world as a whole is presently teetering on the brink of a sudden, chain-reaction blow-out of U.S. financial markets, which will bring the entire world to the verge of a planet-wide "new dark age" of perhaps several decades duration, like the "New Dark Age" which struck Europe during the middle of the Fourteenth Century. In fact, the world is now gripped by the acceleration of an onrushing hyperinflationary breakdown, repeating on a world scale what happened in Germany during the period between March and November of 1923. The much-discussed zooming of gasoline prices, is but one of the relatively early reflections of the state reached by Germany's 1923 hyperinflationary process during the late Spring and early Summer of 1923. The methods of monetary and financial pump-priming being used by the circles of Treasury Secretary Larry Summers and Federal Reserve Chairman Alan Greenspan, are all that is holding up the nominal asset-prices on Wall Street and related markets; this desperate pump-priming is the engine which is not, lawfully, spilling over into the early phases of a general commodity-price hyperinflationary spiral. In the present stage of the crisis, only a few months are required to transform the present pump-priming of financial markets into the kind of hyperinflation in which the U.S. dollar itself simply evaporates. Even at this very late date, the catastrophic physical-economic effects of this financial collapse could be brought under control, and an economic recovery launched. The lunacy of official Washington, is that it would rather destroy the world, including the U.S.A. itself, than give up its defense of an inevitably doomed "new economy."

42. Since the successive break-ups of the Warsaw Pact and the Soviet Union, the world has been under the increasingly tight grip of a virtual global dictatorship of five nations. Four of these are under the direct role of the Queen of England: the United Kingdom, Canada, Australia, and New Zealand. The remaining one is a U.S.A. ruled by a combination of Wall Street financial houses and law firms which professes itself to be more loyal to the Queen of England than the Constitution and people of the U.S.A. The financier-oligarchy presently controlling each and all of these nations is obsessed with

It must be said, therefore, that there could be no more suitable measure of the difference between sanity and insanity, than the difference between the culture of a people capable of choosing to survive, and the alternative. Clearly, if Bush or Gore is chosen, the popular majority of the people of the U.S. will have shown themselves lacking the moral fitness to survive, will have avowed themselves as, collectively, functionally insane—at least for the present time. They can, and might survive; but that depends on whether or not enough among you, the readers, will help me lead our people back to sanity in their thinking about economic matters.

With individuals, as with entire cultures, it is often the case, that the moral defects of the person have been acquired by choice. Observation of Vice-President Gore, in that office, and other activities, does not suggest that his obvious, many, and disgusting, personal mental and moral defects, are either biologically predetermined, or chemically induced. Whether by induced parental and other influences, or otherwise, his manifestly stubborn stupidity, his boundless cupidity, his sheer meanness of spirit, and the beastly quality of his feral propensities, are qualities of a type one acquires by choice. Something similar must be said of the observable moral and intellectual deterioration which is to be readily observed as in progress among those citizens who have chosen to hitch themselves to the cause of such a candidate as either Gore or Governor Bush.

To what degree, and in what ways, do the U.S. people, in general, find in themselves the desire to be represented by such tyrannically inclined, murderous thugs, such manifestly racist, half-witted degenerates, as a Bush or Gore? Among those who support, or who even merely tolerate the candidacies of such wretched public figures, there are obvious, but also obviously differing motives for, and expressions of their common folly.

Look first, at the patterns which tend to explain how such a depraved state of public morality came into its present influence upon our nation's political life. Then, that said, focus upon the internal mechanisms of the new kind of general insanity about economics which has taken hold in the U.S. during the course of the recent thirty-odd years, especially during the recent quarter-century, since the unfortunate election of President Jimmy Carter.

Public Morals: Then and Now

If only in first approximation, the reason for such depravity among the public, parallels the documentation supplied by Justice Pecora. The notable financial houses and law firms

establishing immediate world rule by a new Roman Empire over which they intend to exert their version of a "rule of law." Since these circles are, essentially, a pack of Hobbesian cut-throats by nature, they do tend to cheat upon one another; but, toward their commonly intended victims, they have policies which rival Adolf Hitler's and are, in fact, more of an active threat than Hitler's regime was ever likely to become.

of Wall Street, then and now, display a peculiar sort of professed perception of morality, a perception which were fairly compared to a search for good taste conducted among a tribe of fratricidal cannibals. If anything, the present specimens are generally more depraved than even their predecessors of the Coolidge era.

More remarkable is the depravity pervading most of the upper twenty percentile of U.S. family-income brackets. One might speak of them most gently, as of persons with a certain impediment which might prevent them from getting, like a camel, through “the eye of a needle.” In that stratum, which presently dominates both the leading circles of political parties, and the recent elections, we find frequently, especially among those under fifty-five years of age, a quality of general

depravity which is truly comparable to that of ancient Sodom and Gomorrah.

Among the lower eighty percentile of family-income brackets, there is, admittedly, a shocking incidence of those about as immoral as has become commonplace among the upper twenty percentile; but, the general problem of the increasingly poor is of a somewhat different political character, reflecting somewhat different economic circumstances [Figure 3]. Moreover, morally and otherwise, the composition of the lower eighty percentile is variously stratified.

Overall, especially since Wall Street’s mid-1960s launching of the U.S. Republican Party’s opportunistic “Southern Strategy,” we might be rightly reminded, more and more, of the conditions of life under what die-hard Confederates used

Third Prophecy of Fatima: A Summons to Repentance

by Helga Zepp-LaRouche

The full title of this statement is “Pope Publishes the ‘Third Prophecy of Fatima’: Urgent Summons to Repentance and Conversion.”

The official publication of the third part of the “secrets of Fatima” by Pope John Paul II, is a well-considered intervention into world history; it is an urgent warning, in the face of many existential dangers, to change the direction in which the world is presently heading.

The prophecy, which the apparition of the Mother of God made face-to-face with the three shepherd children of Fatima, Portugal in 1917, has about it something eerily fascinating in retrospect, from the very end of the Twentieth Century, for, from this vantage point, it is a forceful metaphor for the catastrophe of the Twentieth Century, with its two world wars, and the many wars which raged in the second half of the century. Also, similarly, resonating in the prophecy, are the rise and fall of the Soviet Union, the attempted assassination of the Pope, and the threat to the Church—and to the whole of human civilization. But at the same time, it contains the powerful summons to bring human freedom again into conformity with the will of God, and so to save civilization.

In a commentary on the publication of the third secret, Cardinal Joseph Ratzinger, Prefect of the Congregation for the Doctrine of the Faith, puts forward the interpretation, through Cardinal Angelo Sodano, Vatican Foreign Minister, that the third secret deals with events of the Twentieth

Century—therefore with things now in the past—but he also makes it very clear, that the terrors and the false doctrines of the Twentieth Century carry forward into our new century (“that it [the world] might be reduced to ashes by a sea of fire no longer seems pure fantasy”), and that they have a direct relevance for the decisions which we must face today: history as a painstaking ascent toward a level possessing the potential for creativity in the imitation of the Divine, or toward frightful destruction and self-destruction.

In the third part of the secret, the Pope and bishops climb a steep mountain, toward its summit, upon which stands a huge cross, made from rough tree trunks. The text of the secret reads:

“Before reaching there, the Holy Father passed through a big city half in ruins, and half trembling, with halting step, afflicted with pain and sorrow, he prayed for the souls of corpses he met on his way; having reached the top of the mountain, on his knees at the foot of the big cross, he was killed by a group of soldiers who fired bullets and arrows at him, and in the same way there died one after another, the other Bishops, Priests, and lay Religious, and various lay people of different ranks and positions. . . .”

Cardinal Ratzinger emphasizes, that by this image of the suffering Pope, we could suggest to ourselves a concentrated idea of a succession of Popes in the Twentieth Century, who, from Pope Pius X at its beginning, through the present Pope, shared in the suffering of the century, and took it upon themselves to lead the way with these sorrows along the “way of the cross.” Whoever has seen Pope John Paul II praying, with his stooped back, taking into himself the whole agony and pain of the poorest in this world, understands this image at once. It is the pure expression of *agapē*, of love of mankind, the unending ability to suffer along with mankind, and to not tolerate seeing mankind in misery.

to praise as their “peculiar institution.” The Republican alliance between Wall Street and the Confederate legacy, abetted by the electoral strategy of Vice-President Gore’s Democratic Party allies, has corrupted the nation, its courts, and its law-making, with an ominous, virtually treasonous regression toward the view of the majority as virtually human cattle, the view which was characteristic of feudalism, and is characteristic still of our republic’s ancient enemy, the British monarchy. Thus, as a result of the recent decades’ shift from commitment to civil rights, toward a view of the majority as human cattle, we have the following.

At the top of today’s social heap, there are those who consider themselves members of a privileged oligarchy. Under that financier oligarchy and its attached law firms, there

is a hierarchy of various ranks of oligarchical lackeys.⁴³ So, the pecking-order goes, stratum by stratum, down to the general rank and file of all of those considered virtually as human cattle, all the way down to the employed “field slaves,” and,

43. Wherever “Wall Street” is used in this report, it signifies both the class of financier-oligarchy referenced by Justice Pecora, but also the leading law firms associated with that financier oligarchy. This notion of Wall Street’s combined financiers and law firms, is congruent with the usage BAC (British-American-Canadian), which signifies that portion of the rentier-financier establishment which, like the Hartford Convention traitors of 1814, regards itself as an ebulliently muscular member of the current British monarchy’s Commonwealth. The term BAC refers otherwise to those members of the intelligence establishment who represent that Anglophile orientation and related connections.

But how can man be liberated from this terrible situation? A hint for understanding this metaphor of Fatima, has been provided by Sister Lucia, who, of the three shepherd children, is the only one still living, in a letter she wrote to the Holy Father on May 12, 1981—one day before the attempt on his life:

“And if we do not yet ascertain the complete fulfillment of the end of this prophecy, then we do see that we can gradually contribute to it with every further step we take. If we do not abandon the way of sin, of hate, of vengeance, of injustice, of the violation of the human person, of immoral behavior, and of violence, etc. . . .”

And is the world not, today, plagued by all these evils in the greatest measure? Cardinal Ratzinger emphasized, that the key word of the third secret is the triple call of the angel in the apparition, who cried, “Penance, penance, penance!”

Ratzinger writes:

“To understand the signs of the times means to accept the urgency of penance, of conversion, of faith. This is the correct response to this moment of history, characterized by the grave perils outlined in the images to follow. Allow me to add here a personal recollection: In a conversation with me Sister Lucia said that it appeared ever more clearly to her that the purpose of all the apparitions was to help people to grow in faith, hope, and love—everything else was intended to lead to this.”

Exactly here lies the central idea: that evil in the world can only triumph because the absolute majority of men have distanced themselves, in their freedom, from God, and tolerate or practice hatred, vengeance, injustice, violence, and so forth. If one would regard this sad condition of the world today with the eye of this great Pope, then one would see entire continents destroyed, mothers with no tears left to weep for their dying children, and men whose souls are dead, even though their bodies are still alive.

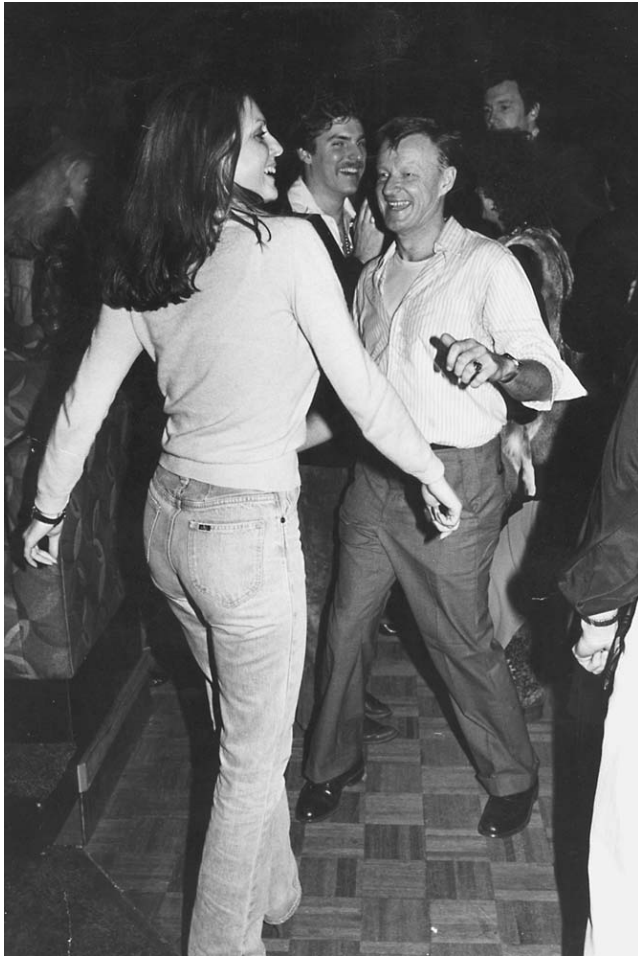
And the Pope directs a blazing appeal to us: Convert, before it is too late, not hate but rather love; not revenge, but forgiveness; not injustice, but justice; no violence, rather, respect for the human person, and peace! This is the message of Paul’s First Letter to the Corinthians, Chapter 13: “If I speak with the tongues of men and of angels, but have not love, I am a noisy gong or a clanging cymbal.”

Cardinal Ratzinger underscores in his commentary the missionary character of the secret of Fatima:

“Those who expected exciting, apocalyptic revelations about the end of the world or the future course of history, are bound to be disappointed. Fatima does not satisfy our curiosity in this way, just as Christian faith in general cannot be reduced to an object of mere curiosity. What remains was already evident when we began our reflection on the text of the ‘secret’: the exhortation to prayer as the path of ‘salvation for souls’ and, likewise, the summons to penance and conversion.”

Face to face with terrible dangers and catastrophes, the Pope would give man a task—a mission—not in the sense of a bureaucratic doctrine, but in the sense of the calling described by Friedrich Schiller in his *The Virgin of Orleans*, which Joan of Arc heeds and follows. Her nation, France, lies prostrate, occupied and destroyed by the English, and her King is a Romantic weakling, who indulges himself in impotent fantasies about the past. Then, Joan takes up the call of the Mother of God, to save France. She—a simple shepherd girl—follows this calling, without consideration for her own person, and leads the army to victory over the English, and saves her nation.

It is exactly these qualities which the Pope would address in us. Every man of good will is called upon to take up the mission, and not leave the world in its present condition.



Depravity pervades most of the upper twenty percentile of U.S. family-income brackets: Carter Administration National Security Adviser Zbigniew Brzezinski in 1979, at the opening of the New Age musical "Hair."

below them, the virtual outcasts. The latter are typified by convicts, who might have committed no relevant crime, but are nonetheless condemned, by aid of racial discrimination, to slave-labor in prison systems, or to similarly menial forms of existence out of prison. There is, also, presently among us, a general stratum of persons, totalling about 10% of the U.S. population, condemned to those Third World-like conditions in which the general life-expectancy has been depressed to Third World levels of fifty-odd years.

Thus, today's division of the population between those in the upper twenty percentile and the lower eighty, is a result of a quarter-century of economic, social, cultural, moral, and political degeneration of the U.S. society as a whole, a degeneration which has been accelerating since the aftermath of the assassination of President John F. Kennedy, and, more emphatically since the 1977 inauguration of David Rockefeller's lackey, President Jimmy Carter [Figure 3]. The most rapid rate of general economic and moral decline, since Car-

ter, has been experienced under policies introduced during the 1987-1991 period, the first years under Federal Reserve Chairman Alan Greenspan's term in office.⁴⁴

Over the course of the recent thirty-odd years, especially since the ruinous effects of the 1977-1981 Carter Administration, the population in general has settled into a habit of learning to adjust, with increasing submissiveness, with increasing political passivity, we might say even lethargy, to the perceived reality of ongoing economic, social, and political policy-shaping trends in government, Wall Street, and the Wall Street crowd's BAC-controlled major mass media. The pervasive immorality among family households occupying the lower ranks of the economy, is the immorality of "I must go along to get along," the perennial policy of those who prefer to live lives as tolerated serfs, rather than free men and women.

This tendency to salute and submit, like dutiful serfs, to whatever might be perceived as ongoing, established trends beyond one's power to change, converges upon the quality of a traditional society, as that might be inferred from the Code of the Emperor Diocletian. The result, is a manifest tendency for each distinguishable branch and stratum of the population, to attempt not only to learn to fit into its destined place, but, to attempt to survive while doing so. This is reflected in the lowered level of participation in elections, among the lower eighty percentile of family-income brackets. It is shown, even more clearly, in the willingness of even those who do vote, to be left flatly unrepresented in the internal affairs of the Democratic Party.

Wall Street and its lackeys from among the upper twenty percentile of family-income brackets (the "middle," or "Third Way," of pandering to the caprices of the "suburban" voters' blocs), dominate both leading party's machines, and the elections. Franklin Roosevelt's Democratic Party base, and the FDR legacy, have been virtually squeezed out of the controlling interests in what had once been his Democratic Party.

Thus, it is typical of today's increasingly racist Democratic Party leadership, that it was the Gore core of the Democratic Party machine which acted to bring about, and enforce, a 1999 nullification of the 1965 Voting Rights Act, a Democratic Party leadership which customarily condones and even participates in blatantly racist discrimination against what are usually classed as African-Americans, and the explicitly racist role of Jack Keeney's Criminal Division of the Justice Department, in false and malicious prosecution of elected African-American officials. Naturally, the Gore faction of the Democratic Party machine resorted to the son of that same Jack Keeney, to initiate the recently effected virtual obliteration of all of the gains of the Civil Rights cause dating from the 1960s.

44. Greenspan's long association with the fascistic variety of "Conservative Revolution" policy, that of Ayn Rand, fits the immorality Greenspan has displayed in his role as successor to Carter-appointed Federal Reserve Chairman Paul Volcker.



Snorting for Jimmy Carter, during the 1976 election campaign.

What I have just described as the moral degeneration of what is wryly, and widely called “democracy” today, is relatively new, a phenomenon of the recent quarter-century. However, the susceptibility, among our people, for such acclimation to imposed depravity, was already evident to me from studying the behavior of the U.S. population, at close quarters, during my childhood and adolescence, during the late 1920s and the 1930s. It was a phenomenon which was embedded, conspicuously, in “popular culture” during the period from the 1901 assassination of President McKinley, through the pre-crash 1920s, a trend which was carried over from the parental households to the children into the 1930s, and into the 1940s. The rise of philosophical pragmatism, as typified by the influences of Harvard’s William James and John Dewey, and the popularization of the childish “frontier” mythologies of Frederick Jackson Turner,⁴⁵ is a notable correlative of the kind of corrosive moral degeneration which took over more and more of the formation of so-called popular opinion, during the course of the 1901-1929 interval.

Then, such moral decay was usually referred to simply as “popular opinion.” It was merely consistent with the fostering of Walter Lippmann’s apology for the pagan Roman cult of popular opinion (*vox populi*),⁴⁶ that “popular” had already

45. Frederick Jackson Turner, “The Significance of the Frontier in American History” (1893), address to the American Historical Association.

46. Walter Lippmann, *Public Opinion* (New York: Macmillan and Co., 1947 reprint from 1922).

become, increasingly, a substitute for morality during the 1920s. Being a “popular” person, cautiously conditioning oneself to prefer “popular” fads, such as “popular music,” and so on, became typical of the trend toward moral degeneracy, then, and during the so-called “McCarthyism” period, later.

Typical was the role assigned to the high school or college cheer-leaders, sports figures, and public entertainers, whose function was to aid in determining which current fads and persons were to be generally acknowledged as being currently “popular” ones: which or who was to be admired, and which or who were to be deplored. There really was very little rationality in the matter of currently preferred tastes; it simply was whatever currently operating caprices decided.

Those abominably serf-like characteristics of the population under the “Teddy” Roosevelt, Woodrow Wilson, and Coolidge Presidencies, were pushed somewhat into the background, by the combined effects of the 1929-1934 period of the Great Depression, and the Franklin Roosevelt Presidency. Two features of this healthful shift in direction must be considered most urgently. First, was the sudden discrediting of pro-Wall Street outlooks, caused by the successive shocks of the 1929-1933 financial crises. Second, was the contrasting introduction of an element of renewed, typically American cultural optimism, engendered by Franklin Roosevelt and his incumbency. Thus, for as long as Roosevelt remained President, there was a prevailing net upturn in public optimism and morality. The reaction to the shock of the Pearl Harbor bombing, is a notable point of inflection to be studied in this

pattern of rise of cultural optimism.

Then, beginning with the death of Franklin Roosevelt, a long, recently accelerating, slide down, set in, back toward the cultural pessimism which had preceded Franklin Roosevelt's 1932 election-campaign.

For me, as for most others I knew in overseas war-time service, the depressing effect of the Truman succession, was more or less immediate, and it accelerated. I remained, personally, among the few who continued to be culturally optimistic; it is fair to say, that about ninety-odd percent of those with whom I had shared that kind of cultural optimism, prior to Roosevelt's death, soon lost it, at least in a large degree. The eruption of "McCarthyism," under President Truman, from mid-1945 on, especially with the Congressional election of 1946, was not a product of Senator Joe McCarthy; it was a product of the Harry S Truman Administration. Truman's reversal of Roosevelt's intention, to end the war by ridding the world immediately of Portuguese, Dutch, British, and French colonialism, and Truman's unleashing of the militarily unnecessary, contraindicated nuclear bombing of Hiroshima and Nagasaki, were crucial initial elements in fostering the post-war resurgence of cultural pessimism.

Among my generation, and some of their children, some of the optimism of the Franklin Roosevelt war years, was revived under President John F. Kennedy. Then, the shock effect of the 1962 missiles crisis, and, more profoundly, the assassination of President Kennedy, brought out the worst among a large ration of my generation's offspring, the "Baby Boomers." The prolonged war in Indo-China, and the assassination of the Reverend Martin Luther King, Jr., accelerated the moral decay, especially among that stratum of relatively more privileged suburbanite "Baby Boomers" in universities during the mid- to late-1960s, and beyond.

The sudden, deep cuts in the Kennedy space-program, already introduced under President Johnson, and the ruinous economic and related social policies of the "Southern Strategy"-oriented Nixon Administration, unleashed a revival of the old cultural pessimism—and racism—lurking in the legacy of the 1920s; but, this time, beginning 1977-1981, the pessimism—and insurgent revival of official racism—soon became, in general, far worse than anything seen during those 1920s.

So, it happened, that the name of the game today is, "be on the inside." It is shocking, and disgusting to consider the number of persons, then and now, whose "own mind" on almost any matter is borrowed from what is perceived to be current fads. Then, and more so now, the ultimate squelch of any unwanted statement of true fact, is, "You should know that none of the people whose opinion I respect would agree with you."

There is little difference, on principle, between the mechanisms of so-called popular opinion and entertainment-choices today, than what was represented by watching *vox populi* marching, thumbs up, into Nero's arena, to cheer for lions

eating Christians. Never forget that the Latin word *populari* as used then, would be translated as "the predators" today. "Popular opinion" is the popular form of general immorality; it is Hobbesian tradition of the slaves killing those among their fellow-slaves who threaten to deviate from the opinions which the slave-masters dictate. "Popular opinion," and the willingness to sell one's opinion to whoever appears to offer them a chance "to be on the inside," are, today, pretty much the same thing. Then and now, it has been the shackles which the slaves put upon one another, the shackles which lead free persons to transform themselves, too, into willing slaves.

It is not always so. As I have already emphasized, even during the early to middle 1960s. There have been better times. The popular support for the Civil Rights movement then, typifies the persistence of some of the best qualities to be found among our citizens and youth during this century.

For example: Thirty years ago, especially before the Carter Administration, the times, and the people, and our government and its laws and courts, were either much better, or, much less bad, morally and intellectually, than they have been since. Then, the likelihood that the person seated next to you could actually think, was much greater than it has been during the recent twenty-odd years, until hopeful signs of improvement during the most recent months. Such changes do not "just happen;" there have been reasons, some very important reasons. The fact that there were reasons for the change, does not make unfortunate conditions more tolerable; it only helps us to understand the problem involved, and once understanding it, perhaps recognize how to overcome it.

For me, the hopeful sign of the times, is that there is a significant trend of increase, again today, in the incidence of people who are willing to think, rather than regurgitate, knee-jerk fashion, what passes for popular opinion. Some observers measure political progress in the population by counting the number of persons who have come to agreement with their own opinion. I do not. For me, the important thing is signs of actual thinking, whether or not that change is associated with disposition to support my explicit proposals. If people will but think, I will risk assuming that we may hope to come to important, cognitive qualities of agreement sooner or later.

My own views to this effect, are colored significantly by my experiences during the 1930s and during World War II. Review what I have stated, above, on this matter.

During moments of crisis, while Franklin Roosevelt remained President, the tendency toward increased optimism, and matching increase in willingness to think, was a trend. With Roosevelt's untimely death, and President Truman's follies, pessimism crept in, and more or less took over. The degree of optimism which I had come to know during the war-time years, as long as Roosevelt lived, waned quickly and sharply under Truman, and, despite the brief upturn under President Kennedy, never really re-embedded in the members of my generation.

It was the spread of pessimism under President Truman,

and the “however” quality of the subsequent Eisenhower years, which caused most members of my generation, especially those who fled into white-collar suburbia, to plant the seeds of potential self-destruction in their children, creating thus the potential for the explosion of cultural pessimism—e.g., the existentialism of the “rock, drug, sex counterculture”—known as the “Sixty-Eighters” of the middle to late 1960s. The effect of this among the college-graduate layer of the so-called “Baby Boomers,” is key to understanding the scale and depths of the moral and general cultural decay which has gripped our nation, increasingly, during the recent quarter-century; it is this which set the stage for the immorality pervasive among the upper twenty percentile of family households today.

This is key to understanding the way in which election-results have been shaped, increasingly, during the recent quarter-century. As the culturally decadent majority among the upper twenty percentile, has dominated the political parties and elections, increasingly, since the 1984 elections, so the political parties’ top-ranking machinery has degenerated to the present point, at which wretches such as Governor Bush and Vice-President Gore are seriously considered by many, as almost assured Presidential nominees of their respective parties. Notably, there are certain differences in details, even important differences, but no significant difference in personal moral quality, between that pair today, and the Benito Mussolini and Adolf Hitler of the 1920s and 1930s. The choice between the members of such a pair, is like an old-time Utah death-sentence: Would you rather be hanged, or shot by a firing-squad? People who debate such choices, rather than rejecting them altogether, seriously need their heads examined, as I am examining the sick heads of our political parties here.

So, today, among the upper twenty percentile, pathological trends in behavior run to: “We are running things to protect our privileges,” against the eighty percentile which is viewed as desiring to eat what the upper twenty percentile intends to steal from health-care, social security, and other general-welfare accounts of the lower eighty.

Among the lower eighty percentile, the prevailing trend is either simply not to vote at all, staging a more or less hopeless rear-guard defense of what is being taken from them, while bidding for a few crumbs from the table of government and political-party machines controlled by a chiefly ultra-corrupt upper twenty percentile.

Not accidentally, during the past quarter-century, the United States government has become increasingly, outrightly racist. For a quarter-century, this racist onslaught against what the Civil Rights movement won during the 1960s has been led from the U.S. Department of Justice. The hard core of the Republican Party’s far right, leads a virtual revival of the Ku Klux Klan, and also in the Democratic Party, we have the Nashville Agrarian variety of Al Gore-like southern gentility. Recently, I emphasize, once again, the fact, that

since 1996, under Vice-President Gore’s increasing domination of the Democratic Party’s national leadership, the racism of the Justice Department and Taney-like Supreme Court majority, has been revived by the Democratic Party’s collaboration with Jack Keeney, Jr., the son of the Justice Department’s leading racist, to nullify the 1965 Voting Rights Act, all done with active encouragement, and vigorous support of this action from Vice-President Al Gore.

However, the recent decades of cultural and moral decay in our national life, are not merely repetition of cycles of alternating optimism and despair from our national past. Something new, more evil than we have experienced here earlier during this century, has been injected in the depressing course of the recent thirty-five years. The principal immediate victims of that evil, were those commonly called “The Baby Boomers,” those born either during World War II or not long afterwards.

The social stratum on which to focus most intently, are those presently under fifty-five years of age, in key governmental, corporate, professional, and related positions of leading executive authority today. It has been through the retirement and other attrition of more competent leadership, that our nation has lost much of its competence, gaining, in return, what threatens to become a most awful tragedy in our nation’s economic and social policies.

The simplest way to identify the new kind of insanity which that “Baby Boomer” stratum has brought into the national policy-shaping process, is to point to the fad which began to take over the most politically pro-active student layers in the middle to late 1960s university campuses, the fad most conveniently identified as “post-industrial utopianism,” that is to say the lunatic cult-belief in what is called today, “information society” or “The New Economy.”

Consider the way in which that fanatical, irrational cult-belief has been enabled to take over the leading currents in economic-social and related policy-shaping, and the special quality of doom now threatening us, were readily understood.

Post-Industrial Utopia

When the Democratic Party meets in Los Angeles, this mid-August, fifty-five years will have passed since U.S. President Harry Truman, at British instigation, dropped two fission-bombs, without any just cause for doing so, upon the helpless civilian populations of Japan’s Hiroshima and Nagasaki. As I have reported the most relevant essential facts in numerous published locations, the motive for that bombing was supplied by a circle within the British intelligence establishment centered around H.G. Wells and Bertrand Russell. The purpose for this development of nuclear-weapons arsenals, was first specified by Wells, back in 1913, and the actual initiation of the development of these weapons, was by Bertrand Russell himself, personally. It was sometimes self-styled pacifist Russell, whose policy caused the 1945 nuclear bombing of Japan, a Japan which had already been defeated

by forces commanded, with his celebrated regard for economy of time and losses on both sides, by General Douglas MacArthur.⁴⁷ The Russell nuclear-weapons policy, under which Truman ordered the bombing, was later published in the September 1946 edition of the Russell-controlled *Bulletin of the Atomic Scientists*.

The purpose of that 1945 bombing was, as Russell stated in that and other locations, then and later, was for the included purpose of setting the stage for launching a “preemptive” nuclear war against the Soviet Union. The deeper, longer-term purpose of that proposed threat of launching of “preemptive” nuclear war, was, as Russell stated repeatedly, to use nuclear weapons as a terrorist device for inducing all existing governments, including that of the Soviet Union, to give up national sovereignty and submit to one-world government, as Russell follower Henry A. Kissinger’s SALT I and the 1972 ABM treaty, were intended to push the world to the verge of such a result.

That has been the continuing nuclear-weapons and related policies of the United Kingdom’s monarchy and its U.S. dupes, such as the late John J. McCoy and McCloy-trained Henry A. Kissinger, ever since. Today, “world government,” otherwise better described as a new “Tower of Babel,” is also known by such names as “free trade,” “globalization,” and the world “rule of law.” It is, purely and simply, an intended revival of the old pagan Roman Empire, this time as actually a world-wide one-world dictatorship, exerted by a London-centered international financier oligarchy itself under the dynastic rule of “Caesar” Elizabeth II and her heirs.

The intended dictator of this new world government, is presently functioning as a group of five English-speaking former nations, four of which are governed by the presently incumbent British monarchy of Queen Elizabeth II: the United Kingdom, Canada, Australia, and New Zealand. The

47. For the information of those who may have overlooked, or forgotten my published documentation of this matter: The allied forces immediately under General MacArthur’s command had already won the Pacific war by about the time of the death of MacArthur’s key political ally, President Franklin Roosevelt. There had been some strategically unnecessary U.S. military undertakings by MacArthur’s factional rivals among the allies, but, nonetheless, the war had been won before President Truman adopted the nuclear-bombing operation. Furthermore, prior to President Roosevelt’s death, the Emperor Hirohito, through Vatican diplomatic channels, had been negotiating a peace settlement with the U.S.A., that on the terms ultimately imposed upon Japan. The chief difficulty in consolidating that negotiated surrender, was military factions in Japan which opposed the Emperor’s will in this matter, and there was some dirty work to similar effect among some factions of the U.S.A.-British alliance, including elaborate efforts to discredit the Monsignor Montini (later Pope Paul VI) who had mediated the peace negotiations. The policy of the MacArthur command followed the modern republican military tradition established by the relevant writing of N. Machiavelli: never launch new attacks on an adversary which has been already defeated in fact. MacArthur’s policy was to let the very effective naval and aerial blockade of Japan bring the relevant Japan military commanders to their knees before the will of the Emperor. It was to prevent such a surrender, that Truman ordered the nuclear bombing of the defenseless civilians.

fifth nation is that led by U.S. components of the British-American-Canadian (BAC) set, as typified by those who have been knighted by Her Majesty, such as Sir George Bush, Sir Henry Kissinger, Sir Caspar Weinberger, and so on. In short, the assimilation of the ruling, Wall Street financier oligarchy of the U.S.A. into an English-speaking union of this *Filthy Financier-Oligarchical Five*, is intended to rule the entire world forever more. That latter act might not be called treason technically, but what else, in fact, could any honest U.S. patriot call those U.S. oligarchs who have connived to force such a rule by “globalization” upon us?

Thus, when, during 1989-1991, the Warsaw Pact and Soviet Union were being dismembered, the British monarchy, together with President, later Sir George Bush, connived with France’s President François Mitterrand, to use the combined authority of the Four Power agreement governing post-war Germany’s Berlin, as the pivot for establishing what was intended to become an irreversible march to world government. The orchestration of Prime Minister Margaret Thatcher’s 1990-1991 war against Iraq, and, following that, the ensuing orchestration of an endemic 1992-1999, still bubbling Balkan war, chiefly at British direction, set into motion the effort to convert “an expanded NATO” into a weapon commanded by the “English-speaking powers,” to establish and enforce world government at Anglo-American imperial pleasure in perpetuity.

This use of terror by threat of nuclear weapons, to attempt to bring about the surrender of the U.S.A. (and others) to world government, was already in motion on other fronts of U.S. cultural life, at the time Truman dropped the bombs.

Witness, for example, a 1940s project, featuring such literally pro-satanic figures of the so-called “Frankfurt School” of Max Horkheimer, Theodor Adorno, and Hannah Arendt, in a propaganda campaign intended explicitly to eradicate the patriotic “American intellectual tradition” within the U.S.A. itself.⁴⁸ This overlapped the activities of other Bertrand Russell and H.G. Wells confederates, such as the Josiah Macy, Jr. Foundation of Bertrand Russell lackeys Gregory Bateson and Margaret Mead, et al., in concocting and promoting pseudo-sciences such as “information theory,” “linguistics,” and “systems analysis,” in working to outlaw competent science and even the practice of truthfulness itself, from U.S. public and leading private institutions.⁴⁹

The firing of General Douglas MacArthur, by President Truman, was a key part of the effort to destroy the patriotic

48. T.W. Adorno et al., *The Authoritarian Personality* (New York: Harper, 1950). Also, see Henry A. Kissinger, “Reflections on a Partnership: British and American Attitudes to Postwar Foreign Policy, Address in Commemoration of the Bicentenary of the Office of Foreign Secretary,” May 10, 1982, Royal Institute of International Affairs (Chatham House), London. Excerpts are published in *EIR*, Sept. 22, 1995, p. 33.

49. Michael Minnicino, “Drugs, Sex, Cybernetics, and the Josiah Macy, Jr. Foundation,” *EIR*, July 2, 1999, p. 37; and Jeffrey Steinberg, “From Cybernetics to Littleton: Techniques of Mind Control,” *EIR*, May 5, 2000.

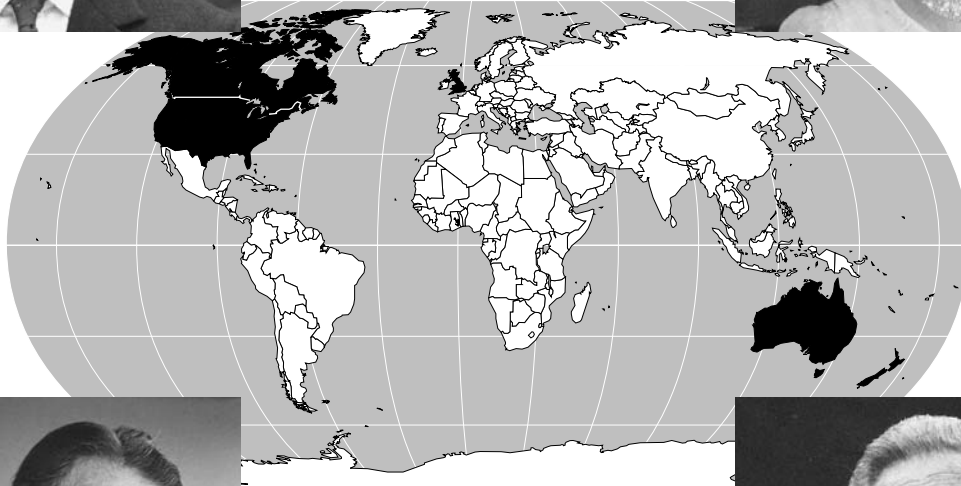
The Filthy Financier- Oligarchical Five



*Britain's Royal
Consort Prince
Philip*



Queen Elizabeth II



Sir Caspar Weinberger

The drive for "globalization" is nothing but an intended revival of the pagan Roman Empire, this time as a one-world dictatorship by a London-centered international financier oligarchy. The intended dictator of this new world government, is a group of five English-speaking former nations: the United Kingdom, Canada, Australia, and New Zealand. The fifth nation is that led by U.S. components of the British-American-Canadian (BAC) set.



Sir Henry Kissinger



Canadian Foreign Minister Lloyd Axworthy with U.S. Secretary of State Madeleine Albright, June 16, 2000.



Gen. Colin Powell (now "Sir") with Bush Administration Vice President Dan Quayle, January 1991.

tradition of the U.S. military itself, making way for the emergence of what became notorious as the “utopian,” “anti-traditionalist” faction within both the military and strategic establishment more generally. These “Dr. Strangelove”⁵⁰ and other utopians, were the legacy of the Wells-Russell world-government-through-nuclear-weapons policy. The widespread destruction of the honor and quality of the U.S. military institutions through a prolonged dirty, useless war in Indo-China, put the utopians into the dominant position.

The wave of pessimism unleashed by the combined impact of the 1962 missiles crisis, the assassination of President Kennedy, the launching of the worse than useless Indo-China war, and the assassinations of both the Reverend Martin Luther King and President Kennedy’s brother Robert, turned a virtual majority among the most politically pro-active strata of university graduates, into a breeding-culture for what became the most savage converts to a new variety of the same Conservative Revolution which produced both the Nazi Party and the Horkheimer-Adorno-Arendt Frankfurt School in Germany. This social phenomenon was but another version of the same extreme cultural pessimism which had produced both those German predecessors, and such followers of Nazi philosopher Martin Heidegger as France’s Jean-Paul Sartre and Sartre’s Nazi-like Frantz Fanon. These utopian “New Leftists,” typified by the Weatherman cult, became the most rabid devotees of irrationalism in general, and the peer-group bellwethers of the politics of post-industrial, anti-progress utopianism.

The way in which Wall Street’s cabal of British-American-Canadian (BAC) oligarchy, variously coddled and culled the flock of these young utopians, who were marching, like Fourteenth-Century Flagellants, “through the institutions,” produced, as a net result, a selection of a new kind of upwardly mobile political, corporate, and professional elite, rising to the top positions which they have dominated increasingly, during the course of the last decade. These are, with relatively rare individual exceptions, the hard core of what I have identified by my choice of metaphorical double-meaning, as “The Baby Doomers.” Here, in this increasing influence of this stratum of leadership over the population as a whole, during the recent several decades, lies the core of that mass insanity

50. At the time the film of that name “Dr. Strangelove, Or How I Learned to Stop Worrying and Love the Bomb,” came into circulation, the rumors were that the leading character of the film, “Dr. Strangelove,” might be either Bertrand Russell’s lackey Leo Szilard, Hermann Kahn, or John J. McCloy’s ACDA lackey Henry A. Kissinger. Although Szilard’s 1958 Quebec Pugwash Conference address is the basis for the lunatic policy occupying center-stage in the film, all of these indicated suspects, and others, such as former Stimson protégé and Kissinger patron McGeorge Bundy, were more or less equally guilty of crimes perpetrated on behalf of the Wells-Russell version of nuclear-weapons based utopianism. To understand the policy underlying the proposed use of nuclear weapons, read H.G. Wells’ 1928 *The Open Conspiracy: Blueprints for a World Revolution* (London: Victor Gollancz, 1928).

which makes today’s global financial crisis far more deadly than anything from the 1920s and 1930s.

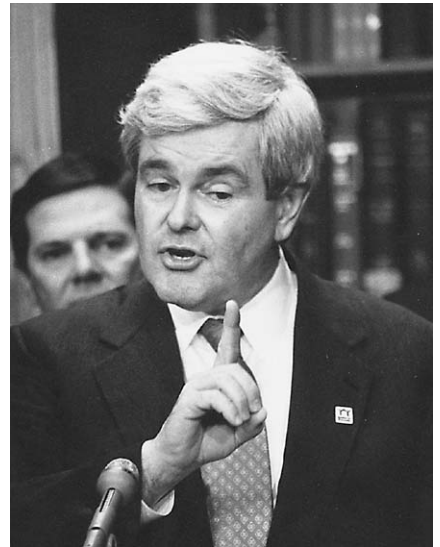
Today, that post-industrial utopianism has assumed the form of a doctrine named “The New Economy.” Vice-President Gore stumbled into those cult-beliefs, together with his cronies such as Alvin Toffler and sometime Speaker of the House Newt Gingrich, back during the Carter 1970s. Toffler typifies a strange sort of political left-sectarian from the vintage of the early post-war years, who had been picked up by the rabidly utopian faction’s circles within the U.S. military, and played a notable role in launching what became known as the cult of the “Third Wave,” from which Gore’s “Third Way” orientations were spun out.⁵¹

One of the leading elements among the currents from which this “Third Wave” sprouted, was the science-fiction cult of the late 1940s and early 1950s. The cult’s literature featured sundry varieties of blendings of odd bits of scientific terminology, with Wells-Russell-style sociological fantasies, with added blendings ranging from updates of “Buck Rogers” and “Flash Gordon” comic-strips of the 1920s and 1930s, to more sophisticated contemplations of a future world-government for the universe. Most of the world-government-oriented *Star Trek* television scenarios I have occasionally audited, have been baldly utopian “New Age” ideological trash, and mass-media brainwashing practices along similar lines.

Amid that pulpy tradition of utopian fantasies, there was included a featured, crucial, thematic philosophical current, copied directly from such pseudo-scientific acolytes of Bertrand Russell as “information theory’s” Norbert Wiener and “systems analysis’s” John von Neumann. The name of this theme was “Occam’s Razor.” “Occam’s Razor” is a piece of medieval irrationalism, attributed to William of Ockham, resurrected during the late Sixteenth Century, by Venice’s Paolo Sarpi, who was the master for house-lackey Galileo Galilei, and was also the controller of such figures as England’s Sir Francis Bacon and Thomas Hobbes. Since Sarpi, this neo-Ockhamite dogma became known as the English empiricism (and French Cartesianism), from which utilitarianism, Kantian irrationalism, and the modern logical positivism of Ernst Mach, Bertrand Russell, Carnap, Karl Korsch, Norbert Wiener, and John von Neumann, among others, are commonly derived.

The most notably relevant significance of the “New Age”

51. See Jeffrey Steinberg, “ ‘Anticipatory Democracy: Britain’s Tavistock Institute Brainwashed Newt.’” *EIR*, Jan. 12, 1996; and Michele Steinberg, “Gore and Gingrich: Same Policy, Same Future,” Feb. 5, 1999. New Age whacko Alvin Toffler called Gore and Gingrich, “the two leading futurists of American political life. . . . Gingrich and Gore knew that this was a revolutionary situation . . . that the old rules and old games no longer work.” What Toffler means by the “old rules,” is the principles of the sovereign nation-state. What Gingrich called the “Contract for America,” and Gore “Re-Inventing Government,” was identical to Toffler’s “anticipatory democracy”: a globalist dictatorship of social Darwinism.



Believers in post-industrial utopianism, which has now assumed the form of a doctrine named “The New Economy,” include, left to right: Alvin Toffler, Jimmy Carter, Newt Gingrich.

revival of the original Ockham, is that, under that dogma, cognition⁵² is outlawed. Actual fundamental scientific discovery is outlawed, as Kant demanded in his *Critiques*. Only “Dr. Spock’s” logic, is permitted to intrude upon what are otherwise luridly irrational fantasies on radically cultural-relativist themes. In essence, actual human nature—*actual reason*—is outlawed from the “science affliction” scenarios.

To assess the influence of such trashy science-fiction upon the young “Baby Boomer,” we must compare the problem such trash represented then, with the psychotic-killer-inducing effects of Nintendo (e.g., Pokémon) and related games and TV broadcasts, in producing, for example, “Littleton-type” mass homicides today. Add the effects of doctrines such as these referenced “Third Wave” science-fiction types, to the effects of the horror provoked by a mass-media-illuminated fear of nuclear extermination of “Mommy, Daddy, and me” among suburbanite children and adolescents of the 1946-1968 interval, and the kind of brainwashing which produced the phenomenon of today’s “Baby Doomers,” should be apparent to anyone who understands the special suggestible, immature natures of victims of such conditioning: such as the growing child and adolescent whose adult environment did not intervene to protect the child and adolescent from such brainwashing. Don’t quibble—don’t blame guns, for example; that type of conditioning, then and now, was and is brainwashing pure and simple, for which the responsibility for the crime lies with the adult world which allows it to be imposed upon its children and adolescents, even under the pretext of “free speech”-licensed, popular mass entertainment.

52. Otherwise known as the *docta ignorantia* of Cardinal Nicholas of Cusa, the same Cusa whose legacy was a prime target of both Padua’s mortalist pedant Pietro Pomponazzi and Venetian Ockhamite Sarpi.

This kind of conditioning, combined with the downshifts in intellectual and moral quality of educational policies and teachers introduced into public schools and universities, combined with the accelerating rate of post-World War II moral degeneration of so-called popular entertainment, fostered the ripeness for victimization of those reaching or entering adolescence at about the time of the 1962 missile crisis and the Kennedy assassination.

The cumulative result, combined with the fearful events of 1964-1968, was not merely a panicked flight from reality, but an hysterical impulse to destroy reality. This meant destroying the attachment to reality in their victims’ own individual minds, and seeking to destroy the reality which they perceived as having had, or threatened to push them back into a real world which they wished would go away. The anti-science and anti-technology, anti-industry, anti-industrial operative, and so forth, impulses expressed typically as the “rock-drug-sex counterculture,” and “leave nature as it is” fantasies of deranged ecologists, were the result. The greatest of these induced, irrational fears, was anything associated with the word “nuclear fission,” not actual nuclear fission, but anything which the most rabid victim of indoctrination of Chomskyian linguistics, might associate with “nuclear.” “Post-industrial utopianism” was the result.

“Post-industrial utopia” meant: “Eradicate industry; we must reduce the population which requires industrial growth, and suppress the farmers who feed a growing population, as well. *Eliminate the sovereign nation-state! Reverse progress!*” It has meant: Use HMO’s to hasten the extermination of what Adolf Hitler classified as “lives not worthy to be lived,” a pro-genocidal medical policy in full flight forward today. It has meant: Limit science to the eructations of formal mathematics, and call this anti-scientific science “information

theory,” the “Third Wave,” and “The New Economy.” The result was not a march of horrid creatures from some Hollywood black lagoon. It was something much worse; it was our own children, the Baby Boomers, who were transformed by my generation’s cowardly negligence, into the “Baby Doomers” who generally rule and ruin most of globally extended European civilization today. Under continued such rulership, civilization will not survive for the generation or more immediately ahead.

Gore vs. the Nation-State

Sanity is a state of mind in which a person’s intentions are efficiently premised upon knowing the nature of the species he or she represents, and knowing that in the context of his efficient relationship to the universe, the relationship on which our species’ continued existence depends. These are points already identified and covered in preceding portions of this report. Now, reviewing the topics before us in that light, examine critically some currently commonplace views on the subject of economy. Those will bring us to the required definition of currently popular forms of insanity respecting the matter of economics.

In its simplest expression, *insanity* in matters of economics, takes as its currently most typical form, the delusion, that a reduced current market money-price for a necessity of life, is *axiomatically* a gain to the purchaser, even if the price paid does not cover the costs cumulatively incurred by that society for maintaining the continuing production of that necessary good. The ruinous agricultural and agriculture-related policies of the U.S. government, especially since the inauguration of President Jimmy Carter, are an example of the quality of savagery to which that currently popular delusion carries matters today.

That false belief, which is axiomatic for advocates of “free trade,” betrays the fact, that a person gripped by that delusion, thinks of himself or herself implicitly, as a “hunter and gatherer” inhabiting a cornucopia of endless wealth; he is a parasite upon the bounty of nature, rather than as a producer of the means upon which continued human existence depends, even that level of existence represented by current levels of average consumption.⁵³

The excuse which the followers of Hobbes, Locke, Mandeville, Adam Smith, and utilitarians such as Jeremy Bentham have employed, to justify ignoring foreseeably incurred costs from consideration, is the lunatic’s argument, that economic

53. Dr. François Quesnay, the Physiocrat, based his lunatic doctrine of *laissez-faire*, as plagiarized by Britain’s Adam Smith, on the presumption that the feudal landlord, not the farmers, produced the wealth of the estate, by virtue of the magical powers associated with being the incumbent holder of title to the estate. E.g., the same parasite’s dogma of “shareholder value” upheld by a majority of the U.S. Supreme Court! The difference was, that Quesnay was more generous than the CEOs of today’s HMOs; although Quesnay classed farmers, economically, as human cattle, he said, at least, that he believed in sustaining those cattle to the point of keeping them alive.

processes are governed by principles which, by their nature, are not knowable by mortal man.

This is the argument which Lord Shelburne’s lackey Smith set forth in his 1759 work on “moral philosophy,”⁵⁴ the argument he also drew upon, later, as the excuse for introducing his doctrine of “free trade” into his 1776 anti-American tract, known as *The Wealth of Nations*.

Bernard Mandeville, whom Friedrich von Hayek’s Mont Pelerin Society (and Heritage Foundation) have adopted as the chief architect of their religious faith,⁵⁵ resorted to an explicitly demonic argument in his *The Fable of the Bees*.⁵⁶ Like those who, like George Soros, propose, today, to legalize the Lord Palmerston-like traffic in deadly drugs, that according to this same argument, Mandeville insisted that giving free play to vices, is the only way in which to assure public benefits as a consequence.

The argument of these fanatical irrationalists is, that by carrying the democracy of sin toward infinity, the right price for everything will ultimately spring forth from random interactions of that sort, that for reasons which are inherently incomprehensible by the human mind! Not only do they insist that the price will ultimately tend to be the right one, but that the economy will prosper by these methods. Apparently, reading Mandeville, or such avowed religious devotees of the demonic Mandeville as the Mont Pelerin Society’s Friedrich von Hayek and Milton Friedman, one suspects such persons to believe that only the certified deity of vice, the Devil himself, could control the way in which these wonderful results desired by Mandeville’s devotees are to be brought about.

How can we regard any person as either sane, or even truthful, if he, like the dupes of Mandeville and Adam Smith, claims to know what he insists no human being could know,

54. Adam Smith, *The Theory of the Moral Sentiments*, 1759 (Amherst, N.Y.: Prometheus Books, 2000). Smith’s point is summarized in a passage which was cited in Lyndon H. LaRouche and David P. Goldman, *The Ugly Truth About Milton Friedman* (New York: New Benjamin Franklin House, 1960), p. 107. Since Mr. Goldman later underwent a metamorphosis, which has him presently employed on behalf of what he described as the fascism of Friedman’s policies back then, a point of clarification about the book itself is in order. The book was outlined, and drafted in large part, by me, while I was travelling in Europe, and otherwise preparing my 1980 Democratic Presidential pre-candidacy against the disastrous President Jimmy Carter. I approved the manuscript prior to its publication, and, despite the subsequent transmogrification of Mr. Goldman, would consider it still valid, if dated, today. Goldman, then working on the economics editorial team for *Executive Intelligence Review*, took responsibility for completing and filling out my outline in cooperation with a fairly large number of other members of the staff. Notably, the quotations appearing on the back of the dust-jacket, were collected by Goldman, including the quotation from economist Arthur Laffer (of “Laffer Curve” notability): “You want to prove that Milton Friedman is a fascist? It’s easy. Quote him.” I would heartily endorse Mr. Goldman’s selection of those quotations still today, although, presumably, he would not.

55. Jeffrey Steinberg, “Von Hayek Hails the Satanic Mandeville,” *EIR*, Feb. 17, 1995, p. 34.

56. Bernard Mandeville, *The Fable of the Bees, or Private Vices, Public Benefits*, (London: 1934, reprint of 1714 edition).

but insists that the consequence he proposes will be, with absolute certainty, more beneficial than any other course of action? What a swindler such a fellow is! It is sheer lunacy, contrary to all reason, and yet it is held in awe, as if it were a law of the universe, among today's economists and political figures generally.

The relevant general fact of the matter is, that in any such idealized society of "hunters and gatherers," man is degraded implicitly to the status of a higher ape, not a human being. Such a man, were he actually turned into an ape, would have a potential relative population-density, as a species, of not more than several millions living individuals. (No society of human beings could survive for long, were its members to imitate the behavior of great apes successfully; but some human societies have destroyed themselves out of continued efforts to behave as members of a species they are not.) Since about two millions years ago, under the ebbs and flows of glaciation and corresponding falls and rises of the levels of oceans and seas, the environment of this planet would not support a humanoid-ape population higher than approximately the highest reached by the higher apes in general, during the highest population-densities for apes ascertainable from within the scope of recent millennia.

In contrast to what is known of population-densities of apes, we have significant information enabling us to reconstruct some fair estimates for the demographic characteristics of uniquely human populations as early as up to hundreds of thousands of years ago. One case, recently reported from Göttingen University studies, shows a human site in Germany with artefacts reflecting a high degree of refinement of the cultivated cognitive powers of the subject.⁵⁷ The most pertinent study, is the comparison of the estimable trends in world population and its demographic characteristics, for the recent 2,500 years, to those of European civilization as such. For the latter case, compare the demographic trends, and their fluctuations, prior to A.D. 1500, with trends, and their fluctuations, since. Then, add consideration of the impact of modern European technological progress on the productive powers of labor world wide.

The point on which to focus proportionally greater emphasis, for the discussion at hand, is the combined and interdependent, demographic effect of both cultural and scientific-

57. Hartmut Thieme, "Lower Paleolithic Hunting Spears from Germany," *Nature*, Feb. 27, 1997, pp. 807-810; Robin Dennell, "The World's Oldest Spears," *Nature*, Feb. 27, 1997, pp. 767-768. The proof that a specimen was produced by a human, rather than a higher ape, must be of the form in which the relic is reliably associated with artifacts which are themselves shown to be products of cognition. Most of the more popular datings for so-called "ages" of human culture and pre-historical developments, are results of the enthusiasms of, chiefly, British "Biblical archeology." While some of these are not so radical as to insist that the universe was created in Mesopotamia according to Usher's date of 4004 B.C., the general tendency has been not to offend the sensibilities that the birth of civilization was launched by Mesopotamia's semitic tribes, about 4000 B.C.

technological changes. On this account, nothing on the subject of demography, in pre-modern history, or pre-history, can even begin to match the success of the Fifteenth-Century, Italy-centered Renaissance, and the founding of the first true modern nation-states, those of France's Louis XI and England's Henry VII, as direct outgrowths of that Renaissance in general, and the Council of Florence most immediately. The influence of the manifold work of Dante Alighieri, including his *De Monarchia* and *Commedia*, defines the vantage-point from which to trace the role of both Cardinal Nicholas of Cusa's *Concordancia Catholica* and *De docta ignorantia*, in launching both the notion of the modern sovereign nation-state emulated by France's Louis XI and the founding of modern experimental science.

The crucially distinct feature to be emphasized, is the increase of the rate of both scientific-technological progress and popular cultural development, as made possible by the combined impact of the Renaissance and the establishment of a form of sovereign nation-state based upon the same principle emphasized in the opening paragraphs of the 1776 U.S. Declaration of Independence and the echo of this in the Preamble of the U.S. Federal Constitution, contrary to the moral illiteracy of U.S. Associate Justice Scalia. That is *the principle, that government has no moral authority, under natural law, except as it is efficiently committed to promote the general welfare for each and all of the living and their posterity: the so-called, in English, commonwealth or commonweal principle.*

The absolute right of a sovereign nation-state republic to assert its sovereignty, that in lawful defiance of overreaching efforts by supranational or other agencies, is derived from the state's efficient commitment to promotion of the general welfare. The authority of the sovereign state in this regard, lies not only in its commitment to serve that principle, but in the fact that no other institution but the sovereign nation-state republic, is capable of meeting that obligation. Indeed, the moral legitimacy of every other institution, such as morally acceptable forms of alliances, supranational facilities, and so on, depends upon the submission of that latter to the principle of doing no harm to the principle of absolute sovereignty of the nation-state institution.

Happily, the government of France has stated a policy apparently intended to the same effect, respecting the prospect for the emergence of a federation of perfectly sovereign nation-states in continental western Europe. If I read France's stated intention correctly, this is a policy intended to serve as revival, and of a continuation of that set forth in Nicholas of Cusa's *Concordancia Catholica*.

This same principle applies with full force to the law of warfare. The Versailles Treaty imposed by the victorious predators, at the close of World War I, was a crime against humanity, for which a complicit world paid the price of World War II. If a war is truly a justified one, then that war is lawful; but, the peace imposed by war must strengthen, not diminish,



The Cathedral of Florence. "Nothing on the subject of demography . . . can even begin to match the success of the Fifteenth-Century, Italy-centered Renaissance, and the founding of the first true modern nation-states, those of France's Louis XI and England's Henry VII, as direct outgrowths of that Renaissance in general, and the Council of Florence most immediately."

the principle of sovereignty of the nation-state, even for each and all of the defeated nations. The lessons recognized in the adoption of the 1648 Treaty of Westphalia, are of exemplary relevance on this point, lessons violated in Europe at the end of two World Wars, and violated afresh in the conditions imposed at the close of the Anglo-American powers' so-called "NATO war" against Yugoslavia, and 1990-2000 continuing war, and accompanying practice of genocide, against the people of Iraq.

No other institution conceived by man could replace those essential functions which could be performed only by such a state, either lawfully or in fact. To act to nullify such a state, is, in and of itself, a crime against humanity. That is to say, that to nullify the principle of sovereignty, is to deprive the people as a whole of those benefits, that protection, which no other agency could deliver, an agency which is indispensable to assure to all of the people their right to live and act according to human nature, rather than as human cattle.

The superiority of the sovereign nation-state over any different composition of society, has been the impact of the struggle for sovereign nation-states based on the general-welfare principle, which has created those social and physical conditions which are indispensable for the fostering of scientific discovery and technological progress. The growth of the world's population from levels seen at the close of the Fourteenth Century, to the levels of today, would have been impossible without the radiated impact on the world at large, of the emergence of the sovereign nation-state in at least a number of successful nations.

The principle of sovereignty, so defined, is the foundation upon which all competent notions of modern economy de-

pend absolutely. Any contrary view is, as I am in the process of showing here, functionally, *axiomatically* insane from the standpoint of economy, and most destructively so.

Proceed now to a critical technical point, and derive the remaining essentials of the argument from that.

The improvement of the demographic and other characteristic conditions of life of the individual members of populations, including their posterity, depends upon the present society's contribution to the benefit of the future. This requirement can be met only if the society (e.g., economy) as a whole is intrinsically, functionally *anti-entropic*. By *anti-entropic*, we signify, that to generate that output, the society must generate more than it must consume from the universe, to achieve and maintain that level of potential relative population-density. This can not be accomplished by reducing the incomes of the producers; it can be accomplished only by elevating the anti-entropic gain in the productive powers of labor.

There are three levels on which the sources of such entropy or anti-entropy are to be located and defined.

First, there is *entropy*, as defined, axiomatically, by an aprioristic interpretation of the typical behavior of non-living processes.⁵⁸

58. The great error of Clausius, Grassmann, Kelvin, et al., was to assume, on aprioristic reductionist premises, that calculations based on assumptions such as those employed later by Ludwig Boltzmann, et al., must be interpreted as having the authority of demonstrations of universal principle, that is, without consideration of either areas of the very small and very large not yet plumbed, and with total disregard for the manifest, relevant efficiency of both living and cognitive processes.

On the second level, there are living processes, which contain a universally characteristic, *anti-entropic* principle, a principle which is not properly adducible from reductionist definitions of non-living processes. The cumulative geological and related transformation of the planet Earth by action of living processes, is such that the ratio of product of biological activity to the rest of the Earth's composition, is increased, geologically and otherwise. That latter is but one significant illustration of the point.⁵⁹

Thirdly, there is human cognitive behavior, which expresses, universally, through the effectiveness of discoveries of universal physical principles, in increasing man's power in and over the universe, an *anti-entropic* principle not to be found within merely non-living processes as such, nor living processes other than cognitive human beings. The increasing part of cumulative and present human activity in defining the composition of the Earth and its activities, is the experimental proof of this.⁶⁰

Thus, on those grounds, we must recognize that the notions of "information theory," "systems analysis," "artificial intelligence," and "New Economy," typify an axiomatic element of insanity, respecting both economy and the nature of man, but an insanity which has been adopted among the believers in those currently rather popular fads.

Viable societies, and what we may recognize as their physical economies, are defined as viable because they are *characteristically* anti-entropic.

In other words, even by relatively popular standards of professionals' belief, a society whose profitability, or other measure of apparent growth, is generated through an increase of the entropy in the society's future relationship to nature, is a doomed culture. Without anti-entropy, economies, even mankind itself, were systemically doomed to extinction, somewhere down the entropic pathway it is travelling.

Whence, then, the anti-entropy which has produced the net increase of mankind's potential relative population-density during the recent five to six centuries? There are but two presently known, principled sources of universal anti-entropy in the universe: the anti-entropic principle of living processes, and the additional anti-entropy supplied, as a principled characteristic of human beings.

The success of the human species during its emergence out of some time during the recent two millions years of its existence in its present distinctive quality, has been entirely the result of the anti-entropy supplied by cognition to increase the potential relative population-density of our species. Thus,

59. Compare this with the argument of V.I. Vernadsky, e.g., in his *Problems of Biogeochemistry, II: The Fundamental Matter-Energy Difference between the Living and Inert Natural Bodies of the Biosphere* (New Haven, Conn.: Connecticut Academy of Arts and Sciences, 1944).

60. This, as expressed in those terms of reference, is my own original discovery of a universal principle, originally the outcome of my work of the 1948-1953 interval.

in doing exactly that, mankind is bringing more and more of the universe we inhabit toward a condition of true dominion by the human species as a cognitive species. We are *humanizing* the universe in this way, in this degree.

For the sake of clarity about what may be to many a new idea, let us repeat that crucial point:

In this arrangement, insofar as societies are successful in physical-economic terms, mankind is *humanizing* the world of living creatures, assimilating them into the processes of society. To the degree that anti-entropy is being contributed, in a different form, by living processes generally, mankind's progress *humanizes* those living processes generally. To sum matters up, viable forms of societies are fairly characterized as representing an ongoing process of *humanizing* the universe. Man, in short, is made in the image of the Creator of this universe, man whose commands upon the universe must be obeyed, when man speaks the language of the Creator, the language of cognition—the language of Nicholas of Cusa's Platonic *docta ignorantia*.⁶¹

The most simply stated significance of this three-level view of anti-entropy, is the following. In a successful form of physical economy, the per-capita cost of production, when measured in physical market-basket terms, is always rising; but, the per-capita output, as measured similarly, is always rising at rates which exceed the rate of increase of the cost of production. Most immediately and simply, this rate of gain is the result of fundamental scientific and technological progress.⁶² The mathematical form of representation of the gain so effected, is essentially Riemannian, as indicated above. This is, in first approximation, the mathematical form for representing anti-entropy as it occurs in physical-economic processes: as a change in the characteristic curvature of anti-entropic action within that economy.

It is not necessary to take up the details of those mathematical forms here. It is sufficient to take into account, that this is the form in which the fundamental principle of a science of physical economy must be recognized.

However, there is something of equal importance: taking into account those social relations among cognitive processes which make possible the transmission of the experience of an act of discovery of principle among the members of society. That accounts for the chief difference between forms of European civilization existing prior to the Fifteenth Century, and the vastly superior rate of progress in both science and tech-

61. Nicholas Cusa writes of animals as participating in man, as man, through cognition participates in the Creator.

62. "Fundamental scientific progress" should not be used to identify anything but the effect of discovery of a valid universal physical principle. "Technological progress" must derive its meaning in one, or both of two ways. Primarily, technological progress signifies those elements of a design of experiment which have proven essential to experimental proof of a universal physical principle. Secondly, it may also pertain to the effect of employing new combinations of those technologies, including application in newly chosen experimental media.

nology as a result of the impact of that Renaissance and the emergence of the struggle to establish and universalize the institution of the modern sovereign nation-state republic.

The principles relating to the issue of economic lunacy (or, sanity) are therefore summarized as follows.

The Road Back to Sanity

The sovereign nation-state implicitly assumed sovereign moral responsibility for that development of all of the territory of the nation in the manner and degree needed to ensure continued progress (anti-entropy) in the present and into the future. This pertained to the conduct and maintenance of public works and the promotion of the conditions required for ordering commerce and the production of goods as the public interest may require. This emphasized the government's responsibility for the education, health, and social welfare of the population as a whole. In order to meet these responsibilities, the state must assume primary responsibility for promoting scientific, technological, and cultural progress, and the participation of the population as a whole in these benefits.

The division of labor, between the economic functions of the state and the so-called "private sector," is clearly implicit in this outline. The function of the private entrepreneur, is to play a leading part in the development and application of scientific and technological progress in useful products. The function of the state, is to stimulate and protect such private economic initiatives as a benefit to the general welfare, while the state assumes ultimate responsibility for those undertakings which correspond to the state's inalienable responsibility for those matters which are intrinsically universal requirements of the total territory and the entirety of the population. This does not mean that the government itself must always conduct those economic functions; but, in all matters affecting the general welfare, the government must regulate, and also promote private enterprise to the degree this is necessary to accomplish those ends for which the government of the sovereign nation-state has a unique, unsheddable prime responsibility. The state may delegate authorities, but never relegate them in such a way that it relinquishes its own moral authority and responsibility in these matters.

The development of the population of a society operating at current levels of potential relative population-density enjoyed by leading economies, must begin the reproductive cycle of the economy, with an outlay of about a quarter-century, with little or no return, in bringing a newborn future citizen, from the relevant pregnancy and birth to the threshold of current standards of professional technological and related maturity. This quarter-century span represents outlay by both government and by the family household. This expenditure for developing a future productive adult citizen up to the level of the future's expectable technology and other conditions, exemplifies the principle of long-term capital outlays: of fifteen years to a quarter-century or more.

The essence of modern economy is a wide assortment of

capital outlays, expenditures which must be made significantly in advance of the year they will begin to deliver relevant benefit to the economy as a whole. For our purposes here, it is sufficient to note that such capital outlays are of types generally classed as short-term, medium-term, or long-term.

Some of these capital outlays will be offset by future income gained by some private enterprise. Others will be offset by fees for services, or through tax-revenues. Some will be activities supplied by the government. Some will be borrowed from other nations.

The question is asked: "From whence does the money for these capital outlays come?" To that, the modern economist competent in principles of physical economy responds: *The sovereign government exerts a monopoly over the issue of national currency against its power to create credit. This credit is issued, partially, in the form of the creation of new volumes of national currency.*

The issue of paper currency in the U.S.A. reflects a successful precedent in the actions of the Seventeenth-Century Massachusetts Bay Company, which, for a time, issued chits which functioned as a paper currency in trade among the inhabitants. When the British monarchy acted to destroy many of the original rights and liberties of that colony, the issue of a paper currency was discontinued. However, Cotton Mather campaigned for its reintroduction, and his follower Benjamin Franklin wrote and published an influential renewal of the proposal for such a paper currency. This precedent is reflected as an adopted feature of the U.S. Federal Constitution. The importance of what had been this unique contribution of the U.S. was well understood by Europeans who followed closely both the leading U.S. economists of the Eighteenth and Nineteenth Centuries, such as Alexander Hamilton, Mathew Carey, Friedrich List, and Henry C. Carey.

These monetary policies were virtually nullified by a foolish collection of more or less treasonously inclined Democratic Party leaders, such as Jackson, van Buren, Polk, Pierce, and Buchanan. They were destroyed by a foolish majority of the U.S. Congress, which betrayed U.S. sovereignty to the British gold standard. The introduction of the Federal Reserve System on the initiative of New York agents and accomplices of Britain's King Edward VII,⁶³ and the surrender of U.S. sovereignty to increased power of the Federal Reserve System, after the death of President Franklin Roosevelt, have all done great damage to that constitutional principle, and have caused most professional economists of today to be hopelessly misinformed and disoriented on this principle of econ-

63. The principal U.S. architect of the Federal Reserve System, Jacob Schiff, was the leading U.S. agent for King Edward VII's London banker, Sir E. Cassell, he the grandfather of the notorious Lord Louis Mountbatten's wife, Edwina. It was the same Schiff, who used his asset E.H. Harriman, to take control of U.S. railroads in King Edward's personal interest, thus brewing the same Harriman tribe which virtually created President George Bush, and which played a leading role in the U.S. financing of Adolf Hitler's rise to power in Germany.

omy and law. Nonetheless, the principle itself remains a sound one. More notably, it would be impossible for the U.S. to avoid a general, deep, and prolonged economic collapse, unless we responded to the now onrushing global financial and monetary collapse with a general currency and credit reform based on a revival of this much-neglected principle.

The proper monetary policy of a sovereign nation-state, is derived from the need for a supply of credit which is created by the will of a sovereign nation-state. This credit is issued against the current and future, combined public and private revenues of the sovereign nation. When issued as national currency, it is to be used as the Massachusetts Bay Colony did, to promote a condition of full employment and full production, mustering resources which would be idled, or insufficiently developed, unless this credit were provided. The use of public credit, and related issues of paper currency, as a monopoly of the government, in this way, not only increases the money-supply in the market; on the condition that it efficiently fosters the inclination of households and entrepreneurs to save, the savings so amassed, as through industrial banking, accelerate the velocity with which currency and credit circulate.

The success of such a policy, depends upon its effectiveness in bringing about an increase in the average productive powers of labor, and, thus, the potential relative population-density of the society. This depends, simply and obviously, on injecting a growing ratio of scientific and technological progress into production. It also requires the development of the territory of the national economy, as through public works which supply the basis for more productive land-use in that territory as a whole.

The only way to correct a bankruptcy, is to make the relevant economy more productive, as productivity is measured in physical-economic, rather than simply monetary terms. If the physical-economic policy is right, the monetary result can be managed nicely. If the physical-economic policy is wrong, no amount of monetarist and financial tribal dances and other mumbo-jumbo, will bring the economy to a state of health.

Right now, the knee-jerk reaction of those in power in most financial and monetary institutions today, will be disastrous. Their knee-jerk reaction will be the folly of a failed President Jimmy Carter: to demand fiscal austerity, and still more austerity, chiefly against the real economy, the physical economy, and in the form of greatly increasing suffering of the population, as President Jimmy Carter did, in flagrant defiance of the Constitution Carter had sworn to uphold: at the expense of the general welfare. Such austerity policies would be fatal to civilization under the conditions existing world-wide at this time. The correct reaction is directly opposite to that.

Instead of imposing austerity on the physical economy, in the misguided attempt to bail out bankrupt financial and monetary assets, sacrifice—as it were done surgically—the

disease that has sickened the economy, the speculatively bloated financial and monetary assets. Do this with the promptness, and in the degree necessary, to defend and increase the physical-economic rate of growth. This correct reaction will inevitably create a relatively much larger economic role for the sovereign nation-state, a sudden reversal of the recent quarter-century's global trend on that account, a result which would be greatly deplored by the deplorable, and expendable Mont Pelerin Society.

As I have spoken and written on this matter many times during recent years, the quick reaction to a generalized financial and monetary crash, the one already overdue and now inevitable, must be to restore precisely those kinds of protectionist, regulatory arrangements used to prompt the economic recovery of the U.S.A., Japan, Western Europe, and some other nations during the post-war period of 1946-1958—and somewhat later. This means, immediately, scrapping most of those “free trade,” “globalization,” and related dogmas, which have been popularized among governments during the past quarter-century under the lunatic “floating-exchange-rate system” which has brought the world to the present state of ruin. Such reforms are to be preferred, precisely because they represent tested precedents, which worked, whereas the departures from those policies, during the recent three decades, have been proven an inevitable, global catastrophe.

The result of such needed, sudden reversals in policy-direction, will be sharp increases in prices of many things, while holding down the costs of others. This will be a result of anti-free-trade, protectionist measures, which are indispensable to prompt and sustain high rates of new investment in both basic economic infrastructure, including the rebuilding of those education systems and health-care systems which have been destroyed, with increasing savagery during the recent thirty years.

We must restore to investors in goods-producing industries, the margin of income needed, over and above other costs, to maintain a rate of real investment corresponding to rapid, technology-driven increases in physical productivity and quality of product. We must rebuild the agricultural systems we destroyed, increasing the ration of the total labor force employed as industrial operatives, focussing upon “hard science” progress in production investment, and so on. We must bring about an accelerating “hard science”-oriented technological upshift, in composition of employment and investment, while downshifting the percentile of employees employed in the recently expanded categories of financial and other services. These changes must be made by governments, individually, and in cooperation with the so-called “private sector.”

In short, summing up these and implicitly associated measures, we must become suddenly sane in our economic and related policies, abandoning the lunatic follies which have dominated recent decades. It is virtually a rule, that every change in U.S. economic policy since Nixon should be

promptly reversed.

The use of the renewed sovereign powers of the nation-state, to build in required levels of combined public and private cost and investment-rates into the effective prices of goods, will not be a net increase in the cost of living of the lower eighty percentile of the family household-incomes; it will be a great, long-overdue reform, a restructuring of the composition of costs and incomes, returning toward overall ratios of employment categories more like those of the mid-1960s [Figure 2]. We shall cut the useless and diseased financial, monetary, and related “fat” out of the system, to return to the relatively much healthier structural ratios of income and investments of about the pre-1966 period.

In other words, physical production and payments to labor employment in that production, combined with an increase in the ration of the labor-force so employed, will shift the composition of total national income greatly in favor of today’s lower eighty percent of family-income brackets, while cutting the financial-speculative and otherwise parasitical fat out of their share of national income. The cause of the economic suffering of the U.S. population today, is not the burden of taxation; the suffering is chiefly the result of the taking of an exorbitantly growing ration of the total national income by those diseases of parasitism to which I have referred repeatedly here. As Captain John Smith warned his Virginia settlers: Cut out that parasitical “fat;” shift employment from today’s parasitical, and back to productive categories, and the economy will come back into a quality of balance not seen since Nixon and Carter successively unbalanced it.

The U.S.A. in particular will reorient itself to a global economic mission similar to that which President Franklin Roosevelt had intended, had he lived to see the end of the war. We in the U.S.A., like Japan, continental Europe, and the reemerging scientific technological potential of Russia, will be focussed upon a national export-mission, of providing those parts of the world which have presently greatly insufficient levels of overall physical-economic productivity per capita, with long-term and related technologies, exported by us, on the very low borrowing-costs made possible by a return to a 1950s style in protectionism and fixed-exchange rates.

The only way in which such a now desperately needed change can be brought about, is through reviving the unique potentials of the sovereign form of nation-state republic, as our Declaration of Independence and Federal Constitution intended we should become.

That is the road to sanity. We must use the great, sudden, “Pearl Harbor”-like shock, which the oncoming collapse of the present global system will deliver, to bring the American people (and others) back to their senses, back to at least a fair semblance of the sanity our nation once enjoyed. We must then act as patriots conscious that their vital interest in the general welfare of our republic, demands that we strike a great blow for the principle of sovereignty, before the backers of the Bushes and Gores of today plunge the entire planet into a

new dark age like that which struck Europe during the middle of the Fourteenth Century.

4. What Is New About This Present Crisis

The challenge confronting us has a long history. Many times in the past, nations, even entire regions of the planet, have been confronted with a threatened catastrophe which is the result of nothing so much as the foolishness of the majority of the population, foolishness which was merely aggravated by the follies of the most politically powerful governing strata. Sometimes, entire nations, even entire regions of the planet have been doomed chiefly as a result of the folly of the majority of their own people, in this way.

Sometimes, there has been a happy outcome of such a crisis, but sometimes not. When qualified leaders have appeared and been chosen to lead, as when Franklin Roosevelt became President in 1933, the nation has recovered, more or less, from its folly. Yet, sometimes, as in relevant German military and other leaders’ successive acts of submission to Anglo-American financier interests, in permitting Adolf Hitler to be put into power in January 1933, and the consolidation of Hitler’s dictatorship during the Summer of 1934, the result has been, that immediate calamity thus set into motion, led, more or less inevitably, into what became a disaster of an existential quality for that misled nation. Usually, however, even in those cases in which a nation was fortunate enough to be led to recovery, as President Franklin Roosevelt led the U.S.A., the nation, the majority of its population, has later relapsed into their self-destructive old ways, sometimes, as in today’s U.S.A., creating a far more menacing catastrophe than that which had been conquered during the recovery from the Great Depression of the 1930s.

On this subject, Solon of Athens’s constitutional warning to his fellow-citizens, is a relevant point of reference. After leading the Athenians in freeing themselves from virtual slavery, Solon, years later, found them drifting back into the old ways from which he had earlier led in rescuing them. He addressed that problem of decadence in ways which were found memorable among the founders of our Federal republic. The Declaration of Independence and Constitution show, the exemplary insight into the problem of constitutional law posed by Solon, for leading U.S. patriots of that time; but, neither our nation nor any other has, so far, defined and installed the cure for the kind of menacing cyclical patterns which Solon addressed. That is key to understanding what is qualitatively new about the presently onrushing, global financial and monetary collapse.

The qualitative difference is, that, similar to that experience of Solon’s time, Franklin Roosevelt’s Presidency saved the U.S. from the kind of fascism which the Wall Street coup-

plotters would have brought upon us; but, the decadence of our nation and its people, especially since the assassination of President Kennedy, has brought us now into a worse, more menacing state of moral, intellectual, and economic decadence, than that from which Franklin Roosevelt's leadership rescued us, nearly seventy years ago.

When we look around the world, we find that all parts of the world are menaced by that same corruption of the nations and peoples associated with the overreaching policies of the hegemonic, virtually imperial, Anglo-American bloc. The currently accelerating rate of collapse of the potential relative population-density of this planet as a whole, leads us toward the conclusion, that merely another recovery were not an adequate remedy for the present situation. It is apparently the case, perhaps already inevitable, that, at the present time, the world can not afford to risk a new cycle of recovery followed by decadence. It were likely, that the human race does not have the margin of safety to tolerate that mistake again; to risk a new cycle, would be to embrace the almost certain risk of plunging all humanity into a prolonged, planet-wide new dark age. That risk, is the new feature presented by the presently onrushing global financial explosion. This time, the reforms must strike more deeply into the root of the recurring problem.

Therefore, in light of the new element in the crisis, I have emphasized here, the importance of focussing attention upon the moral and intellectual corruption of the people in general, rather than condoning the popular myth, that the sufferings of the people are chiefly the result of the tyrannical abuses by a ruling few.⁶⁴ Those who cheat the mass of the people, are often enabled to trap them so, chiefly because of the people's own cupidity.

The U.S. Republican's demagogic taxation, regulatory, and governmental budgetary policies, since 1981, like the similar policies of the Carter Administration earlier, are typical of the way in which demagogues use the cupidity of the credulous populace, to ruin the future of the majority of not only the lower eighty percentile of the population's income-brackets, but also those greedy fools who lusted for such measures of "free trade" and "fiscal austerity." Thus did the politicians who pushed such policies of "deregulation," "free trade," and austerity, not only loot the majority of our population, but created, beginning with the Carter Administration, the chronic Federal and other debt-crises which have plagued us as a result of Carter's so-called "fiscal policies," ever since.

Thus, in the present crisis, the first obligation of any professed defender of democracy, is that he or she must see matters as Solon of Athens did: to hold the mass of the people chiefly responsible for the folly which lures them into bring-

ing their own suffering upon them.

What makes the overwhelming majority among the people of Europe and North America as typically self-corrupted by their own opportunism, as they are today, is to be found in the popularity of the reductionist form of philosophical conceits of the empiricist, Cartesian, Kantian, and existentialist. The relevant, contrasting principle to be considered, is the following summary of the argument made here earlier—as I have emphasized the same principle in numerous earlier published locations. The fact that these corrupting philosophical outlooks are rightly called "Romanticism," points explicitly to the origin of the corruption which is merely reflected by the modern empiricist, existentialist, and so on.

The proximate origin of all of the underlying evils in modern European society, is nothing other than the continuing influence of the characteristic philosophical and moral world-outlook of the general population of pagan Rome, whom the ancient Romans described by the name for "predator," the *populari*. Hence, the depravity of *vox populi* then, and of the kind of "popular opinion" described by Walter Lippmann and his admirers, today.

It is by appealing successfully to the baser impulses of the people, that demagogues succeed so often, as in the U.S.A. of the past several decades, in corrupting the majority among the people into ruining themselves as they have this the recent quarter-century to date.

Therefore, ask yourself the question which every child should be able to answer, before that young person should be considered morally qualified to graduate from adolescence to the authority of being an adult: "*Since, by now, you know that all individual human beings are born, and will die, what, when you are dead, will be your interest in having lived? Now, recognizing that challenge, how will you act to defend that self-interest, while you are still alive to qualify yourself to act according to that interest? Now, having thought about that question, consider another: What criticism must you make of persons who believe that their self-interest in living, is definable in terms of sense-perception, or of related notions of perception of pleasure and pain, or of gains in the immediate here and now?*" The adolescent who can not answer that question competently, is not yet sufficiently mature, morally, to be considered a responsible, sane adult, to be a true citizen.⁶⁵

Certainly, by that standard, very few of Wall Street's bankers and lawyers were morally sane in the time of Coolidge, Hoover, and Franklin Roosevelt; fewer are morally sane today. Equally rotted-out, are those who speculate in Wall Street and related conjecturable kinds of financial gains, and most of those who advise them in such ventures.

64. Friedrich Schiller's comment on the spectacle created by the degeneration of the French Revolution of 1789 into the Jacobin Terror, was, that "a great moment has found a little people." The same might be said of most of the failed reforms in all moments of crisis of nations and cultures.

65. Certainly the typical citizen of pagan Rome, holding thumbs down for the death sentence, in the Roman arena, expressed a pathetically, systemic immoral popular opinion, the opinion of a system of government which lacked the moral fitness to survive. Modern Romanticism is a legacy of the ethics of the ancient Colosseum.



“The proximate origin of all of the underlying evils in modern European society, is nothing other than the continuing influence of the characteristic philosophical and moral world-outlook of the general population of pagan Rome, whom the ancient Romans described by the name for ‘predator,’ the ‘populari.’” Here: Roman gladiators.

The right response to that two-fold question, points directly to the reason the U.S.A., having been rescued from its own folly by the leadership of President Franklin Roosevelt, slid back, after Roosevelt’s death, into the spiral of moral, intellectual, and economic decadence which has gripped us for more than a quarter-century to date.

The answer is already implied in our review, above, of the principled features of the domain of cognition. We are human in the respect, that we are creatures whose primary species-characteristic is cognition. Man’s relation to nature, as a species, is lodged within the process of accumulating valid discoveries of universal principle over many successive generations, a process of accumulation which enables us to increase the potential relative population-density of our species, to increase the power of mankind in and over the universe, per capita and per square kilometer of the Earth’s surface. Human relations are those which serve as vehicles for the communication and shared practice of this cognitive knowledge. These relations have a discoverable character as valid universal principles—as Classical principles of artistic composition and related knowledge, just as discoveries of universal physical principles do.

These discoveries, taken together with the development of those relations, are, in their practice, the only form of human action in and upon the universe, by means of which mankind’s development and relative power is increased. The act of cognition is, unlike the domain of mere sense-perception, a domain of perfectly sovereign acts by individuals, acts which occur only individually, by and in individual persons. Thus the discovery, rediscovery, and transmission of the universal

physical and Classical-artistic principles by the individual, expresses the perfect, indivisible identity of the individual person, an identity which reaches to the earliest part of the universe, and the most distant yet to come. Thus, we say, that in successful exercise of the sovereign individual power of cognition, when that power is deployed for the general welfare of the human species, the individual lives not merely within the span of his, or her mortal life, but within *the simultaneity of eternity*.

The mentally healthy adult, is, therefore, only that person whose most powerful motivation, is to contribute to his place in that simultaneity of eternity. The morally decadent adult—the aborted adolescent merely passing biologically, but not morally, for a true adult, is the individual who compromises that fundamental self-interest, for the sake of a “bowl of pottage,” for the gratifications associated with the empiricist’s definition of pleasure and pain. All the greatest leaders of mankind, like Solon, were able to act for the general welfare, only because they located their own personal self-interest in the way any healthy, mature adult is self-governed by the implications of cognition. A person such as Solon, or the Christian Apostle of the Epistles, values his joyful sense of the simultaneity of eternity so much, that the playful exuberance of cognitive creativity, on that account, serves as a power he or she is able to summon, through which the true leader overwhelms any contrary baser impulses within his, or her mortal self.

In the typical, pitiable case, the individual slides into moral decadence, by muddling what should be the clear distinction between one’s fundamental self-interest, as a cogni-

tive being in the simultaneity of eternity, and those shorter-term responsibilities associated with personal material responsibilities. So muddled, the empiricist, Kantian, or existentialist, turns values upside down, in favor of the reductionist's petty and immediate, chiefly sensual rewards.

The great distinction of the Reverend Martin Luther King, Jr., as a national leader — and more — of the 1960s Civil Rights movement, contributions which set him apart from nearly all others participating in that role, reflects exactly that joyful sense of the simultaneity of eternity within himself, as he expressed this clearly in his “mountain-top” address. Thus, do all true leaders resist vigilantly, the tempting, corrupting tugs upon their coat-tails, of “reminders” of personal interest and desire for popularity, and act against such temptations, by acting solely on behalf of the simultaneity of eternity, that as opposed to what morally less matured persons regard as a calculable appreciation of one's own “self-interest.”

The specific quality of corruption which has contributed the most to the decadence of the U.S. population (among others) recently, is policies, such as those of public and higher education, which reject the notion that ascertainable truth, as Plato's Socrates defines truth, for example, is superior to all contrary mere opinion. The tendency to degrade education, and policy-shaping generally, to mere learning of opinion, or of deductions from learned opinion, is at the root of the accelerating disaster called U.S. public education. The spread of the teaching and acceptance of so-called “existential philosophy,” exemplifies the moral rot which is destroying our nation and its people today. The characteristic feature of all such moral decadence, is the resort to the reductionist's caprice, of defining everything in the particular and the small, as in the so-called “Robinson Crusoe,” deductive models of economy.

The Morals and Sanity of Economics in Action

What I have just described is not some moral teaching to be imposed upon reality otherwise defined. This is not a “You shall not do this,” “You must not do that,” kind of moralizing. It is not a judgment imposed externally upon the act otherwise generated. It is as the Apostle Paul wrote in *I Corinthians* 13. It is a morality which inheres in the generation of the action. This morality is, once again, playfully exuberant in quality, a joyful sense of pleasure in doing good, as Cotton Mather and Benjamin Franklin emphasized. I explain.

The typical reductionist's view, places physical science and morality in separate compartments. Physical science, as commonly misdefined by such fellows, is viewed as morally *indifferentist*⁶⁶ respecting both the manner in which the act is generated, and also respecting its effect. For the reductionists and kindred fellows, the moral implications of the act and its

effect, are irrelevant to the act as such. Science, on the contrary, must, from the inception of that action itself, judge the morality of both the generation of the act and its effect. *There is nothing inherently murky in such a theorem; the sense of murkiness may arise in the reader's opinion, but only as a delusion, as a result of ignoring a point of universal principle, a point which ought to be obvious from the arguments I have developed at earlier points here.*

To sum up those earlier arguments on this point. The highest level of morality knowable by human beings, is expressed by the division among one level of apparent universal entropy, that typical of ostensibly non-living processes, and two higher levels, the quality of characteristic anti-entropy expressed, respectively, as life per se, and cognition. *Mankind humanizing the universe through cognitive action, is the highest scientific standard of morality in this universe.* Some may be pleased to recognize, that that argument coincides with a scientific reading of the relevant verses of *Genesis* 1; but, nonetheless, even those not Jews, Christians, nor Muslims, should recognize, as in the case of Plato's definition of the Creator of the universe (as the *Composer*) in his *Timaeus* dialogue, the fact of the matter is otherwise evident from the scientific evidence as such. That which contributes to cognitive anti-entropy in the universe is good; that which, in net effect, works to the contrary, is bad. *Thus, from that vantage point, the morality of the action lies in the characteristic relative anti-entropy truthfully expressed in the generation of that act.*

This general principle spills over from the study of the impact of human action upon the universe, into the action of the individual person. The moral individual action, is that which works toward the related effect in respect to the action of humanity as a whole.

These considerations are expressed even in what might seem to be relatively simple, ordinary ways.

The principles of sanity in economics, are derived, axiomatically, from the two fundamental principles of physical economy presented and discussed earlier: 1) The human species' increased power in and over the universe, as measured in physical terms, per capita and per square kilometer of the Earth's surface; 2) The relation among persons, by means of which individual members of societies cooperate, to defend and enhance in common their physical power in and over nature.

In practice, these principles are immediately expressed chiefly within the culture of the nation-state — or, what should be a sovereign nation-state. *On the condition that that nation's policies are efficiently directed to promoting the benefit of these principles among nations,* the individual's contribution to the nation, is implicitly a contribution to the human species as a whole, is an act lodged within the simultaneity of eternity. In all cases, it is the physical action, through which this contribution to the anti-entropy of the nation and world is effected, which is the primary focus.

66. As even Kant recognized the banality of typically British philosophical indifferentism, in the preface to the first edition of his *Critique of Pure Reason*.



The Rev. Dr. Martin Luther King, Jr. (center) reflected “that joyful sense of the simultaneity of eternity within himself, as he expressed this clearly in his ‘mountain-top’ address.”

Since a people can deliberate its self-government only through the medium of a common, literate form of language-culture, and also a common principle of self-governance, it is necessary that nations be both individuals, and truly sovereign ones. “Democracy” in a Tower of Babel, is a recipe for inevitable tyrannies. “Melting Pots” are a source of strength for nations, on the condition that the young are educated to a high degree of literacy in the form of common language-culture, in addition to whatever other languages might be in use. The cultural development of the population and the cognitively defined relations among its members, is implicitly an integral feature of that physical action.

However, it should be obvious to each such nation-state, that the effect of its actions, as a nation, on the world at large, must tend to strengthen the development of a community of interest in both the existence, growth, and well-being of a community of principle among sovereign nation-states. In such a configuration, the citizen finds his identity as a patriot realized as that of a world-citizen, through his or her nation’s participation in a community of sovereign nation-states.

This patriotic individual’s view of the necessary form of physical-economic action, without any initial concern for either money-price of purchases, or nominal price-valuation of titles to property, defines the proper meaning of economic sanity.

The notion of price must be derived, not from the stand-

point of monetary theory, but from a determination of the typical cost of maintaining a family household at the level of cultural development and potential relative population-density to which the nation intends to rise. The cost of that household, is then determined according to both the level of productivity and the rate of increase of *physical-economic* productivity, per capita, to be achieved by the society as a whole.

Crucial in determining both feasible levels of productivity and also necessary physical cost of household income per capita, is the determination of the life-expectancy of the population, and the birth rate. The determination of the physical-economic bill of consumption for such households, is then to be applied to the division of labor, and composition of directly productive and other employment in the society. This estimate must include provision for the physical implications of a chosen, or otherwise expected pathway of scientific and technological progress. By stipulating the margin of profit as a margin of physical-economic growth, rather than in monetary terms, and stating this solely in physical-economic, rather than financial terms, we are able to synthesize estimates for national income and national product, in mutually cohering physical-economic, non-financial terms. The interdependency among the indicated “market baskets,” thus defines a notion of estimated physical-economic price, a price gauged against a standard household of an operative employed in

direct physical production of necessary components of that national-economic market-basket.

The subsequent assigning of a financial price to that family-income requirement, provides us the means to create a relative scale for assigning market-value to the money issued as national currency.

That does not mean that the real economy will work exactly as such an expert synthesis of national income and national product suggests. Rather, such a carefully crafted synthesis provides society, government, and others, a rational basis for assessing the way in which the results of policies of practice should be measured. When such a synthesized estimate is crafted, we must present such an estimate with the warning, that individual initiative will cause the outcome to differ, for better or worse, from the normative estimate I have just outlined. The function of the estimate, is to provide us a mechanism of analysis for assessing the impact of those deviations, and of the individual initiatives which have contributed to such (beneficial, or other) changes. This synthesis also serves as a model for the sane view of economy and economic matters by individuals within society.

A moment later, here, I shall clarify the nature of the referenced discrepancy between projected and actual performance of the economy as a whole. At the present moment, continue to focus upon the issue of the economic outlook of the sane adult individual.

The sane individual adult views his or her role in the economy, in terms of actions which induce those kinds of changes in mankind's relationship to the universe, which tend to foster improvements in the potential relative population-density of mankind. The economically sane individual believes that these actions must be taken in a timely fashion, because the results of the actions are deemed indispensably necessary, or will tend to bring about a physical improvement in mankind's relative power in and over the universe.

At the same time, in the same spirit, the sane adult seeks those forms of development of the immature members of the household in the community at large, those which both foster mankind's increased power in and over the universe, or which are necessary to foster the acquisition of, and transmission of knowledge which will foster more effective cooperation in effecting mankind's efforts to increase our species' physical power in and over the universe.

The sane adult does not think primarily in terms of money as wealth, but simply recognizes the functioning of money as a medium of sale and purchase of products and services whose consumption will benefit the ongoing effort to increase mankind's power in and over the universe.

It is fair to say, that the sane adult can say to the other members of his or her family and community: "You need me, for what I can contribute to our common interest," a common interest which reduces to maintaining the processes by means of which man is enabled to increase our species' power in and over the universe. Within the scope of "You need me," the

individual demands the right to exert a relevant degree of sovereignty in dealing with his own affairs. The sane adult requires the right to exert some discretion in defining that right. A sane society demands that he enjoy precisely such freedom.

Such individual rights include the right of the child to relevant nurture, including the education which brings the child through the perils of adolescence, into sane maturity. This maturity must include the development of the cognitive powers of the young, and the circumstances in which the young individual is free to exert that principle of happy play which is intrinsic to cognitive activity. The development of the young, includes the right to have access to that knowledge and related personal development, which is relevant to all of the opportunities with which the ongoing, forward development of society might confront the person in the process of becoming an adult.

This principle of freedom extends to the latitude provided to the immatured and matured, to seek to develop their cognitive potentials for validatable discoveries, and to concentrate on effecting such discoveries. True entrepreneurship, as distinct from the intrinsically less creative publicly held corporation, allows individuals relatively greater latitude to innovate in ways which are of physical-economic contributions of some importance to society. And, so on, and on, thus listing various ways in which individual human nature requires a certain degree of latitude for doing what society at large might have previously regarded as among "unexpected developments."

Here, we touched the point on which doctrinaire socialist theory was inevitably a failure. However, at the present moment, it is not the failures of doctrinaire socialism, which constitute an active current threat to society. Excepting the case of the economic model known as the Hamilton-Carey-List American System of political-economy, so-called "capitalist economy," as customarily defined for today's prevalent mass news-media and popular opinion, has also been, all circumstantial factors considered, inevitably, globally, a failure even worse, and more dangerously so, than that of doctrinaire socialism. What, then, are the sane alternatives to both doctrinaire socialism and the Adam Smith variety of so-called "capitalism"? What does that question reveal, respecting the way in which a sane form of sovereign nation-state economy must function?

The axiomatic failure of doctrinaire socialism, was essentially its denial in practice of the function of the cognitive powers of the individual, in generating an increase in the productive powers of labor. The myth-ridden reliance upon the supposed "innate (*epiphenomenal*) wisdom" of the proletarian, was an imitative reflection of the same reductionist method associated with the characteristic delusions of the so-called Eighteenth-Century English and French empiricist-Cartesian Enlightenment. The Enlightenment, as typified by Bernard Mandeville, Adam Smith, and Jeremy Bentham, saw

the right price, and right policies of a society, as solely the consequence of some mysterious statistical principle of free interplay among individual wills and individuals' willful actions. The doctrinaire socialists adopted the same method of apologetics, to argue that such socialist interest is the mysterious quality of wisdom secreted by the collectively interacting wills of the "working class." These socialists proposed that the remedy for the ills of society, is a state operating in the so-perceived interest of that "working class."

Thus, unfortunately, the policy-interest of that "working class," was assumed by the doctrinaire, to be defined in the same mysterious, morally perverted fashion that Mandeville, Adam Smith, and Vice-President Al Gore have defined, the same kind of irrational, statistical, so-called "democratic" process for their mystical, proposed, British capitalist style in utopias.

The moral appeal of the doctrinaire socialist cause, which it had no need to regret, was its stated commitment to the general welfare of all of the population, especially the welfare of those which the oligarchical tradition, including the modern financier-oligarchy, relegated effectively to the status of either chattel slavery or human cattle in another form. The socialist thus appealed to a just cause, but his proposed remedy for injustice, was simplistic, mistaken, and ultimately a failure. The root of that mistake, was to treat mankind as Friedrich Engels did, as virtually a more highly evolved beast, rather than as actual, that is to say, cognitive, beings. The typical error of all of the doctrinaire socialists, on this account, was to lump the essential intelligentsia of society, its driving-force for actual progress, into the status of an alien political class, into the minestrone of a lackey-like *petit-bourgeoisie*.

This mechanistic delusion of those doctrinaires, had the effect, not only of lumping the naturally secreted intelligentsia of the people as a whole, into the same pot with sundry oligarchical lackeys and the like. It is right for any person, or persons being treated as virtually human cattle, to fight for his freedom, and to choose his friends, and adversaries accordingly. However, to create a fraudulent doctrine of "class struggle," such as the dubious Friedrich Engels' doctrines of "the opposable thumb" and "the horny hand of labor," the anarcho-syndicalist delusion that ideas are drippings of sweat on the workshop floor, is a myth intrinsically as counterproductive as it is also immoral, anti-scientific, and generally disgusting.⁶⁷

A Classical humanist could have no principled quarrel with the socialist, if that socialist would have come to his

67. Notable is Engels' praising Franz Mehring for eradicating "the Lessing Legend." This referred to the key role of Gotthold Lessing, in collaboration with Abraham Kästner and Moses Mendelssohn, in launching the Classical revolution, against the British and French Enlightenment, in late Nineteenth-Century Central Europe (and beyond). The fight between the Classical and the Romantic, finds Engels on the side of the reductionist standpoint of Nineteenth-Century Romanticism, thus denying the existence of those cognitive powers which distinguish man from beast.

senses on this matter of human nature, on *the issue of the function of the intelligentsia in the European Greek-Classical tradition in science and art*. If the socialist recognized his error on this count, and corrected it, the former doctrinaire would recognize the economic-policy implications of the critical leading role in progress of *such a Classical intelligentsia, an intelligentsia which should be organically rooted in the cognition-oriented, mass education of the entire population*.

That socialist should have heeded historian-poet-tragedian Friedrich Schiller on the tragic lesson of the French Revolution's degeneration into a Jacobin Terror: *A great moment had found a little people*. He should have paid closer attention to the poet Shelley's *A Defence of Poetry*; it is the poets—the Classical scientific discoverers of universal principles, and the Classical composers of great art, who are the true expression of the interest of the people as a whole, those often unheralded legislators who lead the lawful way into progress. All known progress in the history of mankind, has been the fruit of the influence of poets of that kind. The true interest of wise nations, lies not in popular opinion, but in the leading role of its cultivated cognitive intellects, perhaps "a philosopher king" as Plato defines this.

It is not the capitalist system, as Marx or any other opponent of the Leibniz-Franklin-Hamilton-Carey-List-Lincoln American System of political-economy defined capitalist system, which led the way to the physical-economic successes in technological progress and rise of standard of living in the U.S.A. or western Europe. It was the role of the scientist, Classical artist, and cognition-driven entrepreneur, such as the technologically progressive farmer, which the Carter Administration sought to render extinct, not the financier-oligarchy-controlled corporation, which generated the scientific and technological progress on which the sometime excellence of the products of large corporate enterprises depended.⁶⁸

This successful contribution of the entrepreneur depended, in turn, upon large-scale public works, and kindred undertakings of government, and the role of government in regulating domestic and foreign trade, banking, and currency, which created the environment indispensable for the success-

68. There is, admittedly, a certain specific quality of difference in the historically typical world-outlook of the farmer and the industrial operative, for example. There is nothing wrong with the independently owned, family or intra-family farm; indeed, the highest quality of economic result has been, and will continue to be produced by that arrangement, if the conditions of public policy afforded to that farmer are sane ones. The problem has been, that the financier oligarchy, and governments complicit in the nefarious doings of that oligarchy, have used an orchestrated political and economic conflict between farmer and urban dwellers, including industrial operatives, as a matter of divide and rule, as I have addressed this political issue in my *The Road To Recovery*. Otherwise, there is a functional difference between the conditions of life and work of such a farmer and the industrial operative, for example. The farmer assumes personal, primary immediate responsibility for the entire product; the industrial operative lives by means of an intense, increasingly complex, day-to-day interdependency in the production of a stream of qualitatively improving products.

ful role of the technologically innovative entrepreneur. This, in turn, depended upon the role of Classical thinkers in the struggle to establish those forms of education, in which the commitment to discovering the truth or falsehood of any opinion, especially the popular ones, produced the thinkers who could innovate in the way progress required.

The conflict of interest, during the preceding centuries and now, assumes the form, chiefly, of a conflict in vital interest between a ruling financier oligarchy, and that majority of a population—such as the lower eighty percentile of today’s family-income brackets—which the ruling financier-oligarchies regard virtually as human cattle. That is, in a manner of speaking, evidence of a certain kind of “class conflict.” The objective should be, not to bring about the supremacy of any class, but, rather, to free society from the grip of such evils as the legacies of the pagan Roman empire, including the ruling role of today’s financier-oligarchies over virtually the entirety of the world.

The American System of political-economy, that of President Abraham Lincoln, for example, provides the only presently available working model, of the kind of political-economy which meets today’s requirements, and is free of a required leading role of a financier oligarchy. That system, premised upon a government-regulated division of labor between the public and private functions of a healthy national economy, is the point of reference from which the discussion of adoptable norms for new forms of development of national economy, and international cooperation, should develop.⁶⁹

I must now clarify one crucial point respecting the principled characteristics of the true entrepreneurial firm, before coming to my summary on the subject of the deadly political implications of today’s prevalent economic insanity.

Insanity and Linearity

As I have elaborated this in sundry earlier published locations, one of the most common contributions to economic lunacy, both among economists and the population generally, is the popular delusion, that economics is rightly an offshoot

69. The core of the power of the financier oligarchy in dominating, and corrupting modern sovereign nation-states, lies in the establishment of central banking systems which put the creation of money and credit outside the control of the sovereign nation-state. There can be no sovereign nation-state economy, in fact, without the sovereign control of a national currency and national credit by methods of national banking, along the lines indicated by the U.S.A.’s first Treasury Secretary, Alexander Hamilton. The so-called “independence of the Federal Reserve System,” or the authority of the IMF system, are examples of the way in which an international, Anglo-American-dominated, global financier oligarchy continues to loot, rule, and ruin the world at large. The U.S., by the principles set forth within the 1789 Federal Constitution, outlaws such financier-oligarchy control, and implicitly demands national banking. The entire constitutional economic system is designed, from the outset of the Federal Republic, in such a way, that without national banking, since Aaron Burr’s founding of the Bank of Manhattan, our economy has been repeatedly corrupted by the overreaching power of the London-centered global financier-oligarchy.

of financial accounting. The same popular delusion, but expressed in a more vicious, more pernicious form, is the belief in mathematical economics, as defined by Bertrand Russell acolyte John von Neumann, et al., and the cult of “information theory,” popularly associated with another Russell acolyte, Norbert Wiener.⁷⁰

Recently, former Director of the International Monetary Fund, Michel Camdessus, warned against the currently continuing folly of the U.S. and certain other governments, in failing to recognize the urgency of reforming the present global financial and monetary system. In this connection, Camdessus explained that the collapse of the U.S.-based Long Term Capital Management (LTCM) entity, during August-September 1998, had brought the entire global system to the threshold of a general collapse, but that nothing had been done at that time to deal with the fact that the global system was already overripe for such a catastrophe.⁷¹ The state of affairs has become much worse, because of the measures which the U.S. Clinton Administration, and other G-7 nations took, during October 1998, and since.

The crux of the LTCM case as such, was that the organization’s foolishness was directly the result of basing its policies on a Nobel Prize-winning mathematical-economics formulation, the Black-Scholes formula. That profoundly incompetent, but Nobel Prize-winning formula, is typical of the methods used by leading institutions of that global, London-centered international financier oligarchy which rules and ruins the entire world’s present financier and monetary systems today. The LTCM case is an excellent choice of example, of the follies and consequent disasters inhering upon either economists’ or governments’ excessive reliance upon financial accounting methods, and of any attempt to construct a method of economic analysis which is based upon the linear assumptions widely prevalent in academic economics doctrine today.

At root, behind the lessons to be learned from the LTCM catastrophe, are the delusions to which I have just referred:

70. Lyndon H. LaRouche, Jr. “The Becoming Death of Systems Analysis,” *EIR*, March 31, 2000.

71. On June 19, Camdessus gave a speech at the French foreign trade insurance firm COFACE in Paris, in which he admitted that the world financial system had been on the verge of total collapse in 1998.

Camdessus said of his own role as IMF Managing Director: “I had the illusion that I could be an architect; and in reality I was only a fireman. . . . The world [financial system] is little able to reform itself without a crisis; but when there is a crisis, it reforms itself very little. . . . I am very worried.” Camdessus demanded “real rules” to govern financial liberalization, financial offshore centers, and speculative hedge funds.

According to the June 21 *Le Monde*, “Camdessus revealed that in Autumn 1998, when the Long Term Credit Management speculative fund went bankrupt and a wind of panic was shaking the markets, we were, in Camdessus’s own words, ‘very, very close to the precipice.’ Had a second fund collapsed, the world system would have collapsed.” Therefore Camdessus urgently called for a “reform” of the global financial system, before “the next catastrophes” happen.

1) The delusion, that competent economics can be derived from today's generally accepted financial-accounting practice, and 2) the delusion, that those methods of so-called mathematical economics taught in most of the world's universities during recent decades, are not intrinsically insane. Focus upon this two-fold source of the common failures of governmental and other economic policy-shaping today.

The core of the issue here, is the fact, that on the one side, current practice of financial accounting and most academically revered economics dogmas, are based upon a lunatic, anti-scientific presumption, the presumption that economic processes can be represented, with reasonable approximations, by *linear* mathematical methods. The fact of the matter is, that both scientific and technological progress, and cognitive processes, are intrinsically non-linear in ways and degrees which render ridiculous the efforts of Russell acolytes, such as Wiener and von Neumann, to concoct an explanation of the meaning of "non-linear" which evades the definitions, implicit and stated, supplied by Gauss-Riemann principles of multiply-connected manifolds. A few of the simpler aspects of this point are sufficient for the purpose of locating the pivotal issues of economic sanity.

The general problem for science as such is twofold.

The first point is, that in competent physical science, we *do not* attempt to derive the principles governing a process from formal mathematics — e.g., as if at the blackboard, or by a digital-computer model. Instead of trying to create a map of the world by mathematical deduction, we must create a mathematics which conforms to the actually existing physical map, as Kepler's and Gauss's successive revolutions in astrophysics typify the use of the physical-experimental map to define mathematics. The foolishness of the Black-Scholes formula is, that the very idea of using such a formula for defining an economic process, even a real-life financial process, is an act of insanity in and of itself. The woes of Vice-President Al Gore's cronies and financial backers at LTCM, were inevitable, and the firm's sufferings a just payment for its foolish reliance on a device as inherently silly, scientifically, as the Black-Scholes formula.

That is the same kind of foolishness, carried to an extreme which shows, as David Hilbert discovered the proverbial hard way, the intrinsic incompetence of the way in which "information theory's" Norbert Wiener and "systems analysis's" John von Neumann thought about the real world.

The second point is, that in competent physical science generally, and in competent economics in particular, we do not rely upon the measurement of things; we rely, instead, on the study of actions, not "Euclidean," linear, space-time relations among things as such. All measurements of things and their apparent space-time relations, must be grounded in the study of a specific quality of action. In this case, by action, we signify, primarily, a *change in state* of the process being considered, a *transformation* within the process studied.

All other kinds of measurements are made as subsidiary to standards of measurement (e.g., formulas, constants, etc.) derived from experimental definitions of transformations associated with change in state.

The most important class of such transformations, is Riemannian: a change in the multiply-connected array of universal principles. This array may represent our study of the universe in general, or a subsidiary sort of universality, a *phase-space*, such as that represented by the science of physical economy in general. All the most significant forms of *action*, those associated with qualitative changes in state, correspond to the kinds of ideas associated with cognition, not with sense-perception as such.

For example, an increase in the typical productivity of an economy, as productive is defined in physical-economic terms, is the result of such an *intrinsically non-linear* technological or cultural transformation, or of a combination of both. These transformations can not be predicted by what are generally accepted, and intrinsically linear financial-accounting methods. In general, all such changes are essentially qualitative, not quantitative as such. The effect may be reflected in terms which could be measured as if the changes had been quantitative, but the action by means of which that change was induced was not determined in a way which is simply quantifiable in a linear way. The same rule applies to the specific kinds of physical processes associated with qualitative transformations to higher levels of productivity. The same applies to downshifts in levels of productivity.

All such downshifts and upshifts pertain immediately to mankind's *physical* relationship to nature, man's physical transformations in the universe. Generally, we mean changes in state. Thus, it is the quality of *physical* action performed by the productive operative, or other personal actor, which is the primary point of reference for defining the characteristics, direction, and manifest rate of change of real economies. Thus, it is the ratio of *physical* actors, such as production operatives, to total employed adult population, and the ratio of that employed population, in general, to the total population, which provides the competent economist, or manager of an enterprise, the structure for the evidence to be taken into account. That, and only that, represents a sane view of economic processes; contrary views are intrinsically not sane ones.

Other aspects of the composition of the total population must be taken into account. These include the demographic composition, and sickness-rates among the total population, and also of each of its functionally distinguishable component sectors. This includes, presently, such factors as the dependency of an educated total population on average life-expectancies approaching eighty or more years, for example. These include, similarly, both birth rates and mortality and illness rates among infants and children. For example, a high birth rate among a prosperous, healthy, long-lived people, combined with high rates of investment in both basic economic

infrastructure, and scientific and technological progress, virtually assures high rates of real economic growth. These examples typify the way in which qualitative factors determine the likely and actual directions in which an economy will go, often contrary to what short- to medium-term reading of financial-accounting estimates suggests.

It is actions which express an improvement in such qualities of which the population and its activities are composed, which are of primary importance for economic analysis and long-range forecasting. It is the choices of changes in those physical qualities, which are the *action* on which the economist or other relevant executive or professional must principally focus his or her attention. These kinds of action, including the fruits of scientific progress, are intrinsically non-linear in a way quacks like Russell and his acolytes would, and did deny. These are the actions which, as causes, determine the physical-economic rate of growth.

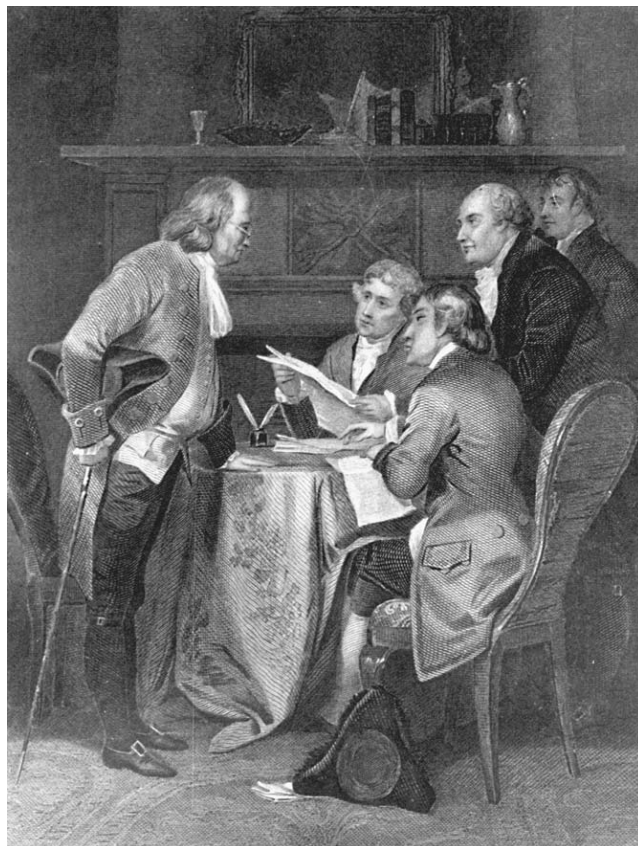
A Symbol-Minded Pair

The natural political constituency for characters as deranged as both Governor George W. Bush and Vice-President Gore are, is the *symbol-minded* dupes of what have been, up to the last financial-market reports at this moment of writing, a large ration of the upper twenty percent of family-income brackets, especially those who share the world-outlook predominant among those employed in financial services. It is such symbol-minded dupes who exert the largest degree of influence on the Republican and Democratic parties' machines at this time.

To call them symbol-minded, is not a witty sort of insult; it is a simple statement of fact. They believe that money, even imaginary money, a mere financial-accounting symbol, is a primary value, the ruler which holds sway, as if self-evidently, over all things consumable or otherwise pleasurable. This kind of symbol-mindedness has a long history behind it. If we take into account a few selected, typical elements of that history, we can better understand, and, therefore, deal more effectively with the kind of lunacy which pervades the minds of most in that upper twenty-percentile bracket today.

In contrast to those lunatics, the American Revolution of 1776-1789, was made possible by the growing political influence of a cultural revolution spreading throughout Europe. This was the so-called Classical revolution, led by the avowed defenders of the legacies of Gottfried Leibniz and Johann Sebastian Bach, the leading cultural opposition to the French and British Enlightenment of that time.

The scientist, and leading then-influential advocate of Leibniz's work, Göttingen University's Abraham Kästner, Lessing, and Moses Mendelssohn, were the central figures in this revolution. Without the direct and effective intervention of these leaders of the Classical-Greek resurgence, there would have been no Carl Gauss, no Bernhard Riemann, no Josef Haydn, no Wolfgang Mozart, no Friedrich Schiller, no



Benjamin Franklin (left) and other members of the committee that drafted the Declaration of Independence, 1776. Copy of engraving after Alonzo Chappel.

Johann Goethe, no Ludwig van Beethoven, no Franz Schubert, no political liberation of the Jews in Central Europe, and so forth and so on. It was this Classical upsurge, to which Benjamin Franklin was personally and directly linked, which viewed the American republican cause's victory over the British monarchy as the hope for the cause of freedom inside Europe itself.⁷²

If we trace the Classical influence into the Seventeenth-Century North America around the Winthrops and Mathers, and the role of Mather follower Benjamin Franklin, it was the influence of Leibniz, through these and related channels, which is chiefly responsible for the political philosophy and economic thinking of the 1776 Declaration of Independence, the Preamble of the 1789 Federal Constitution, and the 1789-

72. Kästner, the founder of anti-Euclidean geometry, was the teacher of Carl Gauss, the principal host of Benjamin Franklin at Göttingen, and the teacher and collaborator of Lessing. It was chiefly Moses Mendelssohn, who was, together with members of his family, pivotal in conveying the influence of J.S. Bach on Mozart, Beethoven, Schubert, and many others. It was Emperor Joseph II, a sponsor of Mozart, who implemented in Austro-Hungary the Mendelssohn program for the political liberation of the Jews.

1791 economic policies of U.S. Treasury Secretary Alexander Hamilton.

After more than a dozen years of the disastrous confusion and corruption within the Federalist Party, after President George Washington's retirement and death, it was this legacy which was revived, around the publishing house of Benjamin Franklin's adopted successor, Mathew Carey,⁷³ and among the American Whigs gathered around the Careys, Henry Clay, John Quincy Adams, and the Carey-Clay-Adams protégé Abraham Lincoln. It was this legacy, which Franklin Roosevelt had inherited by descent from his Hamilton-allied ancestor, which Roosevelt tapped for his role as national leader during 1932-1945. It is a political-cultural legacy which, I am proud to say, is also my own.

These observations supply us a bench-mark for mapping the implications of the symbol-mindedness typical of today's core supporters of today's leading politician substitutes for Tweedledee and Tweedledum, Bush and Gore.⁷⁴ Go back to the crucial issues between the British monarchy and American patriots during 1714-1789 (in particular). Locate these issues of that period within the context of the issues already implicit in the founding of the Massachusetts Bay Colony, the founding which set the cornerstone for the later emergence of our republic.

The British monarchy which was brought to power in 1714, as a legacy of the tyrant William of Orange, was a captive creature of the wide-ranging Venetian financier-oligarchy of that time. That oligarchy had reestablished its roots in England under Henry VIII, strengthened that control through the accession of James I, and, with the defeat and death of Queen Anne by the Duke of Marlborough's accomplices, established the newly created British monarchy as the leading rival of the Netherlands for the position of the dominant financier-oligarchical sea-power among the nations of Europe. It was the political implications of the Venetian financier-oligarchical influence, from about the time of William of Orange's coup d'état in England, through the accession of George I, which defined an irrepressible conflict of interest between the leading forces in the North American English-speaking colonies, and the established British monarchy, a monarchy which became increasingly an instrument of the British East India Company.

This conflict is made clearer, by emphasizing that the

73. This moral renaissance in American politics was launched by the combination of Henry Clay's "Warhawks" and by an influential book of Mathew Carey, *The Olive Branch; or, Faults on Both Sides, Federalist and Democratic. A Serious Appeal on the Necessity of Mutual Forgiveness and Harmony* (Freeport, N.Y.: Books for Libraries, 1969, reprint from 1815). It was the team of President James Monroe and Secretary of State John Quincy Adams, which, allied with Speaker of the House Henry Clay, brought the American Whigs into being as an powerfully organized force.

74. Even they seem to have great difficulty in defining the differences between them.

1776 Declaration of Independence features an explicit rejection of the philosophy of John Locke, and of the policies of Lord Shelburne's lackey Adam Smith. Smith, for example, was deployed to work on a quasi-Physiocratic design for crushing the economy then developing in the North American colonies, and also for ruining the American patriots' admirers in France. Smith's *Wealth of Nations* was composed and published in 1776 with the specific, included intent of destroying the cause of the American patriots.

When one contrasts such typical American writings as Hamilton's 1791 *On the Subject of Manufactures*, to the symbol-minded mentality of Adam Smith and his followers, the significance of such symbol-mindedness in leading U.S. circles today, should be immediately recognized. In Hamilton, production of real wealth is primary; money and credit must be organized to ensure that they work to the ends of the physical economy's development along the lines described in that report to the U.S. Congress. The symbol-minded supporters of Bush and Gore today, are instinctively the American Tories of 2000, as Anton Chaitkin, for example, exposes those perennially treasonous Tories in his *Treason in America*.⁷⁵

These symbol-minded modern American Tories, have adopted, and imposed a doctrine of usury, as a replacement for the former notion of a *physical* profit of enterprise. That is to emphasize, that formally, from the time Franklin Roosevelt first became President, until the calamitous election of fascist Professor Milton Friedman's Richard Nixon, the economic and related policy of the U.S. have been, predominantly, at least, in the Hamilton-American Whig tradition. Under all patriotic U.S. Presidents, it had been the function of the state to develop basic economic infrastructure, and to promote the benefits of hard-commodity trade and productive enterprise, to the end of promoting the general welfare of the nation and its population as a whole. Under those Presidents, and with the support of what emerged as the American Whig current in U.S. political life, regulatory and related restraints were imposed and maintained, to protect this American System of political-economy from the shark-like encroachments of the symbol-minded, pro-usury faction.

From the period of Wall Street's preparing for the November 1968 Nixon election-victory, commitments were already being put into place, leading toward breaking up the post-war Bretton Woods system of fixed exchange-rates, and also virtually ripping out the general welfare clause from the Preamble of the Constitution, as the Mont Pelerin Society's fascist Professor Friedman had insisted be done. The pivotal assault was the break-up of the former Bretton Woods agreements, in mid-August 1971, and quickly succeeding establishment of a ruinous, global floating-exchange-rate system, instead. The 1977-1981 Carter Administration, continuing

75. op. cit. *Treason in America*, Chapters 6-12.

the Friedmanite legacy of the Nixon Administration, looted and virtually destroyed what the 1933-1966 development of the U.S. economy had built up, from out of the wreckage left behind by the Coolidge 1920s. Deregulation, and related actions, created a ruin from which the economy has never recovered; and subsequent Presidencies made the situation consistently worse than Carter left it.

Today, there are only a few scattered surviving relics of the great work built up over about three decades following Franklin Roosevelt's election. The economic power within the U.S. no longer lies in our nation's production of wealth, but in the production of the symbolic power to buy up what is a rapidly diminishing rate of output of the world's real wealth. Ironically, most of this national purchasing power depends upon an avalanche of funds our nation borrows, with no means to repay, from the rest of the world. Taking into account the soaring U.S. current account deficit, the additional trillions borrowed annually from abroad, and the forces of hyperinflation beginning to show themselves in some commodity markets, the U.S. is sliding toward a bankruptcy of the symbols, as well as substance of financial power. As part of this, quality employment in modern productive technology, is exported to cheap-labor sources abroad, spreading and deepening the misery among the lower eighty percentile of our family-income brackets.

When that hyperinflated mass of nominal financial assets collapses, as is inevitable, soon, one way or another, reality will strike. An economic and social crisis beyond belief will be the immediate, and now early result — unless there is establishment of a new monetary system, empowered to put the old system through drastic measures of bankruptcy-reorganization.

The crucial point is: there never was a rational reason this had to happen. There is no rational reason, for example, that there is poverty suffered anywhere in the U.S.A. today. But for the downward plunge begun with the Nixon Administration, programs such as the Kennedy manned Moon landing program, had put us on a course of forced-draft scientific and technological progress, which, combined with the 1960s Civil Rights revolution, would have eliminated most of the kind of want which has been increasing in the U.S.A. since 1970-1971. Look again at Figure 3, showing the decline, since 1977, in the percentile of total national income of the lower eighty percentile of family-income brackets. This was never necessary; it was a creation of "The Baby Doomer" generation, first as a politically potent new, Carter constituency of "Sixty-Eighters," and, a decade later, a generation which had been culled and groomed to enter the higher ranks of executive and related power in and outside government.

The Looming Threat of Fascism

The result of this implicitly treasonous ruin of our once-great economy, is the presently rather immediate threat of a

fascist regime in the U.S.A., and also elsewhere, in many nations around the world. Otherwise, the front-running status of Presidential pre-candidates such as Governor George W. Bush and Vice-President Gore, were not possible.

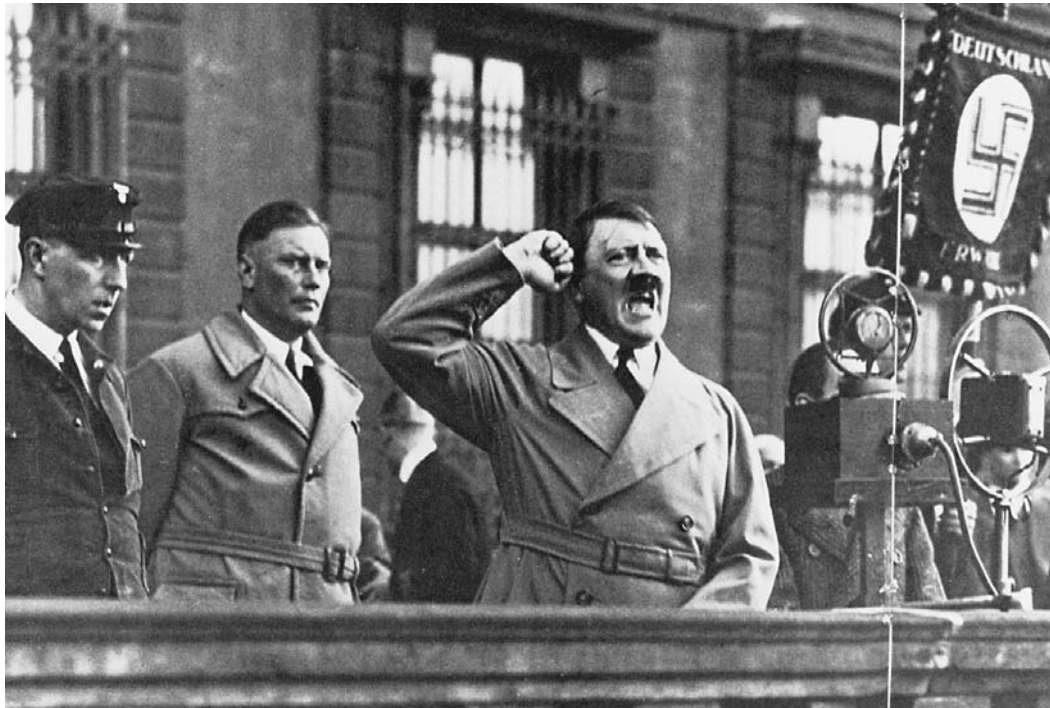
Am I saying that these candidates are fascists? Absolutely. For anyone who has studied the European history of the so-called Conservative Revolution, which gave us Mussolini, Hitler, and the Frankfurt School, among others, Bush and Gore, like Prime Minister Tony "Mussolini" Blair, are strictly fascist types, steeped in exactly the same variety of ever-decadent European Romanticism which produced the fascist insurgencies of the 1920s and 1930s. Gore and Bush are of this European tradition; the shading of difference between them, on the one side, and the Mussolinis and Hitlers, is that these candidates represent the "Southern Fried" varieties of the same intellectual currents which gave the world European fascism.

For the benefit of those who squirm at that characterization of Bush, Gore, and Blair, I summarize the relevant points concerning the development of fascism in modern Europe since the first notable case of fascism, that of France's Napoleon Bonaparte.

Fascism, as Benito Mussolini insisted, for example, was the intent to establish a form of modern state modelled upon the pagan Rome of the Caesars. The tendency in this direction was not new to medieval and modern Europe; it was the crisis conditions under which the attempt was made, as by Bonaparte, Mussolini, Hitler, and others, which made the attempt so menacing, so capable of being carried out. The specific distinction of modern fascism, since Napoleon's dictatorship, is that it has been, as Britain's Lord Shelburne intended, a step toward resurrection of a global world empire based upon dedication to a ruling financier-oligarchical form of interest.

On that account, Mussolini and Hitler were products of special conditions resulting directly from the continuation of circumstances established by the post-World War I Versailles Treaty, a Treaty appropriately associated with a notorious Ku Klux Klan fanatic and incumbent U.S. President, Woodrow Wilson. However, although Versailles created that potential, the rise of the fascist regimes was not inevitable. It was the financier oligarchy of London and Wall Street — typified by the circles of Montagu Norman, Averell Harriman, and Governor Bush's grandfather, Prescott Bush, et al., who combined forces, in support of Norman's Hjalmar Schacht, to foster that potential, and usher the otherwise unelectable Mussolini and Hitler, like Gore and Governor Bush today, into state power.

Although neither Mussolini nor Hitler were elected to their positions as Roman-style dictators, the popular forces rallied behind them were a numerous plurality, and fully in the modern fascist tradition established by Napoleon Bonaparte. The root of that fascist tradition, was, and is today,



Wall Street and the City of London financed Adolf Hitler, whose popularity was in decline, knowing that if they could not push him into power then, the possibility of doing so would evaporate. So, today, with Wall Street's backing for the otherwise unelectable Bush and Gore.

the legacy of ancient pagan Rome, or what is known in modern European civilization as the anti-Classical, *Romantic* tradition in politics, science, and culture generally, the same tradition represented by the British and French Eighteenth-Century Enlightenment. Fascism, as typified by Napoleon Bonaparte's capture of power and reign, is the natural outgrowth of that anti-Classical Enlightenment, just as the founding of the United States was an outgrowth of the Classical legacy.

To recognize the seriousness of the fascist potential represented by otherwise unelectable political figures such as Blair, Bush, and Gore today, we have but to compare today's circumstances with those which developed in France beginning July 14, 1789, the occasion of the London asset's, (a Benjamin Franklin adversary) the Duke of Orléans' storming of the Bastille as part of an election-campaign for the former French Finance Minister, Orléans' and London's candidate for Prime Minister of France, Jacques Necker, who had just bankrupted the government of France.

All of the events leading into the Bonaparte coup d'état, including the role of Orléans and Necker, were directly the result of the orchestration of the Jacobin Terror by the head of the British Foreign Office's secret committee, Lord Shelburne's protégé Jeremy Bentham. Bentham and his committee directed the Jacobin terrorists from London, where Bentham personally had housed and trained Danton and Marat, for example. Most of the famous speeches of the terrorists within France's revolutionary government, were actually written, in London, by Bentham's secret committee. It was,

for example, on the order of the British government of William Pitt the Younger, actually the work of Bentham, that the Austrians incarcerated the Marquis de Lafayette in the dungeon at Olmütz.⁷⁶

By 1792, France was being invaded by virtually all of the nations of Europe; the defeat and dismemberment of the nation were considered virtually assured. The Jacobin regime responded to this hopeless situation, by passing the prospectively inevitable defeat of France to the hands of a defense minister Lazard Carnot, who was already known as, and soon proved himself one of the genuine military geniuses of the century. By the Spring of 1794, France's forces under the direction of Carnot, had been revolutionized to such a degree, that not only were all of the invading armies defeated, but the new model of French army had been built into a virtually undefeatable force on the continent. At that point, the dictators Robespierre and Saint-Just moved to have the declared "Organizer of Victory," Carnot, guillotined. It was an ill-advised venture on their part; it was they who went to the guillotine, instead.

However, in the meantime, the national intellectual elite of France had been so much butchered and otherwise decimated, that it was no longer capable of echoing the perspective of constitutional reform intended by Lafayette et al. at the beginning of the revolutionary crisis. Bentham's London and the Habsburg chancellors von Kaunitz and Metternich, had

76. The rescue of Lafayette, through the efforts of his wife, was the true-life basis for Beethoven's opera *Fidelio*.

accomplished their intended end, of eradicating that faction in France whose support had been chiefly responsible for the victory of the American struggle for independence, and, hopefully, soon eradicating the United States itself. France's military victory, and the scientific and technological revolution launched by Carnot, Monge, Legendre, et al., had given France the potential to be the leading nation-state power of this planet; but the hecatombs of the Jacobin Terror had stripped France of much of what had been the needed leadership in depth.

So, in such circumstances, Barras brought Napoleon out of obscurity into power, and Napoleon repaid the favor by dumping Barras, and then went on to declare himself the new Caesar of Europe, creating a regime based, from top to bottom, on the anti-Classical Romantic tradition of ancient pagan Rome. He did not omit the step of declaring himself *de facto* Pontifex Maximus of the state religion.

It was the triumph of Napoleon as Emperor, which turned the tide in Europe against the Classical legacy of the late Eighteenth Century. The stunning impact of Napoleon's triumphs, especially after the crushing of the Prussians in the twin battles of Jena-Auerstadt, was that the Romantic movement in politics, philosophy, and art, became the widely sponsored trend in political fashion throughout Europe. Hegel, and to a lesser degree Goethe, were caught up in the German side of the cult of Napoleon Bonaparte, with Hegel emerging as the Prussian state philosopher of the Metternichean, fascistic Carlsbad decrees, and Hegel's accomplice Savigny setting forth both the neo-Kantian dogma of Romanticism, and setting forth a form of the Romantic dogma in law which set the stage for the emergence of the Nazi law-system of the 1930s and early 1940s. Thus, did a revived Rameau supersede Bach and Beethoven, through Liszt, Berlioz, and Wagner. Thus, the Romantic wave of cultural pessimism, from Schopenhauer, through Savigny, and Nietzsche, led to the rise of Nazis such as Adolf Hitler and Martin Heidegger.

But for the success of the circles of then-deceased Friedrich Schiller's circles of friends, around Wilhelm von Humboldt, in orchestrating the Prussian reformers' role in orchestrating the defeat of Napoleon in Russia and during the ensuing Prussian Liberation Wars, the triumph of the Romantic movement would have been virtually complete.

To understand the fascist threat represented by the incumbency of Blair and the candidacies of Bush and Gore today, we have but to compare present circumstances with those of post-Jacobin Terror France. Given a spoiled and demoralized nation, such as Germany in the wake of the 1923 hyperinflation, or a France in which none of the political viable contending forces were positioned to assume responsibility for government, the danger of a Romantic, which is to say Caesar-like dictator, was a grave possibility. If one simply eliminates a qualified leader or two, as Montagu Norman, Harriman, et al. orchestrated the dumping of Germany's Chancellor von Schleicher in favor of Hitler's

dictatorship, a modern Caesar, like the Emperor Napoleon, is a likely result.

Remember, that at the time Hitler was put into power, by forces of Montagu Norman, Harriman, et al., Hitler's popularity was in decline. As stated by Hjalmar Schacht, those backers of Hitler acted out of desperation, knowing that if they could not push him into power then, the possibility of doing so would evaporate. So, just as an intrinsically unelectable Gore's shallow support, is now rapidly evaporating, thus tending to ensure a Bush victory—or an Electoral College jam-up, Wall Street's drive to make the otherwise unelectable Bush and Gore the only candidates presented as likely winners, now assumes a quality of desperation, like that which motivated London and the Harrimans, et al., in the case of Hitler's waning chances.

Gore and Bush are intended to be either fascist dictators themselves, or place-holders for the fascist tyrant to supersede either of them. That is why thuggish intellectual perverts, such as Bush and Gore, were selected to be the "only" contending candidates to be considered at this time.

That can change, and suddenly; but, for the moment, that is the way things are.

Behind all of these matters we have considered in this report, one of the crucial points we have underscored stands out above all else. The often bitter lesson to be learned from an aging Solon's warning to his fellow Athenians, is, that, to the present day, humanity has not grown up to true moral and intellectual adulthood. As Schiller warned, in assessing the spectacle of the Jacobin Terror: *A great moment has found a little people*. In the present circumstance, I am determined to save the people of this nation from the worsening disaster which you my fellow-citizens have brought upon yourselves by your tolerating the current epidemic of intellectual and moral littleness of spirit. However, there are some things on which we must come to agreement, soon, if we are to succeed in rescuing this nation, and the people in it.

We must bring the people of this nation to the maturity of intellect and morals which only the adoption of the Classical tradition in science and culture can bring about. This must become our policy for education, and our policy for shaping what is referred to as "mass culture." We have reached the point at which the fate of civilization depends upon the happy appearance of a modern Solon or two, to rescue you once again from the looming disaster which your own negligence of the general need for intellectual and moral development, have once again brought upon us.

No longer must you permit yourself to demand that political leaders come down to your level; it is time for you to reach upwards, seeking out the best in those leaders, of course, but, more urgently, in yourselves.

The slogan which ought to be on the lips on every American on most occasions, is: "Please stop doing that!" I hope, that having said what I have said here, you will. Our nation's future depends upon it.

Wall Street Wins Presidential Election in Mexico

by Gretchen Small

National Action Party (PAN) candidate and former Coca Cola executive Vicente Fox won a decisive victory in Mexico's July 2 Presidential elections, defeating the candidate of the ruling Institutional Revolutionary Party (PRI), Francisco Labastida, by over six percentage points. Fox's victory was hailed by the U.S. government and the international media as a "triumph of democracy," which, they crow, will put an end to 70 years of "dictatorship" over Mexico by the "authoritarian" PRI, and provide a much-needed boost for globalization's now-shaky grip over Ibero-America. Many called it a political revolution equivalent to the fall of the Berlin Wall.

The rave reviews are not surprising: Fox was backed all the way by London and Wall Street financial interests, and there are good indications that he got a quiet boost from the U.S. government, as well. Fox has been given an assignment. As the *Wall Street Journal* put it on July 5, his job is to use the "political revolution" which got him elected, "to fan the free-market revolution."

Fox has taken up his job with gusto. "A country which does not submit to the rules of the financial markets, is a country which will pay the price," he told *CNN en Español*, in one of the dozens of interviews he has given since his election victory. My mission, he said, is to run "a government which does not get in the way of investors." So blindly submissive is Fox to foreign interests, that he announced publicly that he is hiring *foreign* firms to help him pick his cabinet!

Fox's economic advisers have already been on the phone with Mexico's Wall Street creditors, to assure them that the new administration will "squeeze more bang out of a bare-bones budget," by such measures as quickly selling off the state electricity sector, cutting federal payments to the states, and extending a value-added sales tax to the most basic of necessities: food and medicine.

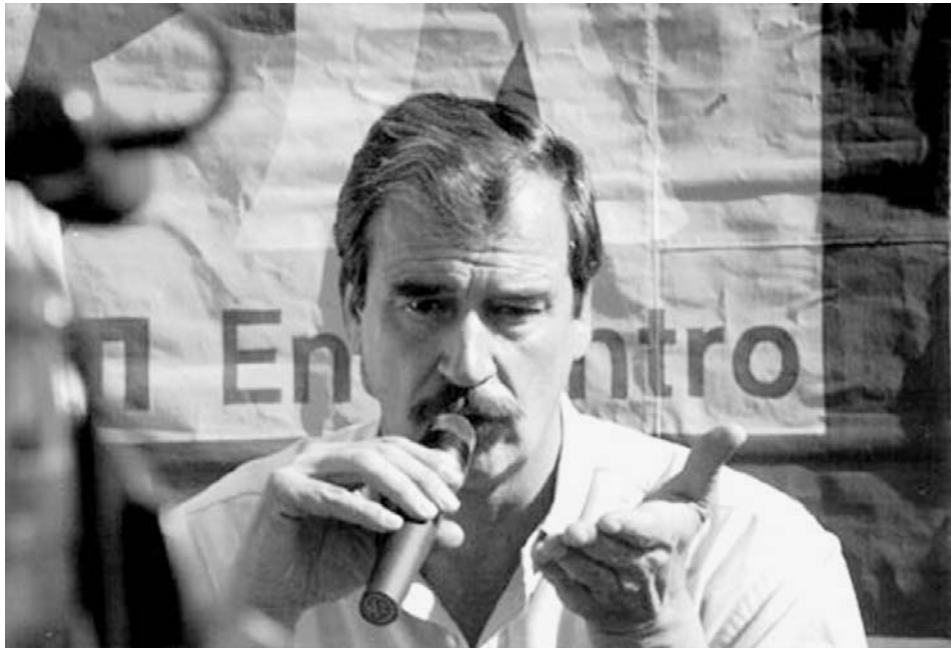
What is on the table, however, is more than simply deepening the looting of Mexico; Fox's controllers are going for nothing less than the final annihilation of Mexico as a nation. With Fox's victory, the Wall Street crowd is "Preparing to Remake Mexico," as the *New York Times* headlined its July 7 lead editorial on Fox's victory.

Fox announced in his first post-victory press conference—to which only foreign correspondents were invited, naturally—that he intends to radically reform the structure of the three branches of government (executive, judicial, and legislative), as well as Mexico's military, its foreign policy, and its economy, in order to make Mexico more enticing for foreign capital (see Mexican MSIA statement, below).

A Scab Foreign Policy

One of the most dramatic changes Fox promises to make, is that of reversing Mexico's historic policy of fierce adherence to respect for sovereignty and non-intervention into the affairs of other nations. In several interviews, Fox announced that he is "determined to denounce cases of clear violations of human rights, political killings, or behaviors that are not democratic. We need to make some adjustments in the Estrada Doctrine of non-intervention." For decades, Mexican foreign policy, whether under good Presidents or bad, has been constrained by the "Estrada Doctrine," enunciated at the turn of the 20th century, under which Mexico recognizes only nation-states, and not particular governments. That is, that the internal affairs of each nation are matters of their own sovereign concern, and not matters upon which the Mexican government would comment or act.

The *Miami Herald's* chief Ibero-American analyst, globalist ideologue Andrés Oppenheimer, captured the ecstasy which this decision aroused in U.S. State Department circles,



Mexico's President-elect Vicente Fox. Fox's problem, is that he was elected not so much out of support for his program, but by deep hatred for the very economic program which he now proposes to intensify.

that a major shift in hemispheric affairs can now be effected. "Mexico has long been the biggest stumbling block for collective efforts to support democracy and human rights" in the Americas, he wrote. Signalling that Fox will play ball all the way, a senior Fox foreign policy adviser assured Oppenheimer that if Fox had been President of Mexico at the time of the General Assembly of the Organization of American States in Windsor, Ontario in June, "Fox would have taken a very different position. He would not have fought against the U.S. proposal to condemn [Peruvian President Alberto] Fujimori's re-election."

A North American Common Auschwitz?

According to Fox's vision, the radical restructuring of Mexico's government is but a step in laying the foundation for a future North American Common Market, which would end the sovereignty of Canada, the United States, and Mexico alike, some 20 to 30 years hence. Fox told *CNN en Español* that he looks forward to the day in which the three countries "come to have a common North American parliament . . . open borders . . . consistent plans for our natural resources, of ecology, economic development . . . a single currency, and a single central bank."

Texas Governor George W. Bush was one of the first to welcome Fox's victory, which he called "historic." Small wonder. Fox is a New Age remake under a conservative profile, of the policies of Carlos Salinas de Gortari, the former Mexican President (1988-94) who was President George Bush's partner in erecting the North American Free Trade Agreement (NAFTA), which has decimated the physical economies of the United States, Canada, and Mexico.

NAFTA was conceived as a stepping stone toward a full

North American Common Market, a scheme cooked up by the Henry Kissinger and New York Council on Foreign Relations crowd back in the 1970s. Fox told CNN that he has already discussed his eliminate-the-borders proposals with U.S. Congressmen, members of the Clinton cabinet, and "with Henry Kissinger himself." He now looks forward to a partnership with a President George W. Bush come next year, to finish the job, and turn the entire region from Canada to Mexico into one giant slave-labor Auschwitz.

What Fox has already proposed to the United States, is that together, the two countries implement fascist controls on Mexican labor—now, not 20 years hence. While he has told Mexicans that he is requesting that the United States significantly increase the number of visas it issues for Mexicans (currently limited to 70,000 a year), less publicity has been given to what he has "offered" in return. Those details were leaked in the July 7 *Wall Street Journal*, which reported that it had received a copy of the Fox campaign working paper on immigration policy. Fox is prepared to accept "co-responsibility in regulating the flow of undocumented migrants" to the United States, the document states, which "means restricting in some ways the free travel of Mexicans within the Republic." Various "dissuasive" measures are proposed to stop migration. The Mexican government would strip illegal migrants of their rights to *ejido* lands (communal farmland), while family members who remained behind would be declared ineligible for any programs for the poor.

As "carrots" to keep people within Mexico, the Fox team proposes to offer special financial and tax incentives for foreign investors to set up *maquiladora* assembly plants in the interior of the country, rather than along the border where the majority are now located. "It's not very nice, but if you can

get 250,000 legal visas, then for the country as a whole it's good," one of Fox's advisers told the *Journal*.

The interests running Fox have like-minded plans for U.S. citizens, as well. On May 5 of this year, the *Houston Chronicle* published an article by the New York Council on Foreign Relations's Walter Russell Mead, outlining steps to deepen NAFTA. One of his proposals, for "Medicare transportability," is outright Hitlerian. Mead proposes, that to cheapen U.S. Medicare costs over the next decades, the U.S. and Mexican governments should reach an agreement under which "millions" of retired Americans would be driven into Mexico—where costs are low because its people have been sold into slavery under NAFTA—as a "cheap and relatively easy" way to cut costs.

Not So Quick, There

Talk is one thing; it is another to implement such policies. There is an element of bluff in these proclamations that the proud nation of Mexico is soon to find itself ripped to pieces. With the global financial system nearing terminal blow-out, Wall Street hopes they can terrify Mexicans into capitulating without a fight, before they have time to regroup, and rally to join the nations acting to defend themselves. Although Fox seeks to co-govern now, he is not to be inaugurated until Dec. 1.

Fox's problem, is that he was elected not so much out of support for his program, but by deep hatred for the very economic program which he now proposes to intensify. The voters who swept the PRI out of office came largely from the urban middle class and new young voters, not allied to any political machine. They turned against the PRI as the party which for 12 years had implemented NAFTA, which destroyed Mexican agriculture, replaced the country's already-limited industrial manufacturing base with *maquiladoras*, drove tens of millions of the middle class into bankruptcy and poverty, and tens of millions of already-poor into outright starvation.

Sixteen million Mexicans voted for Fox (42.6% of the turn-out), but 18.5 million people voted for the PRI and for Cuauhtémoc Cárdenas's Democratic Revolutionary Party (PRD) combined. The PRI received 36% of the vote; the PRD, 16.6%. And, while Fox's "Alliance for Change" coalition (formed by the PAN and the small Mexican Green Party) won a majority of the seats in the Mexican Chamber of Deputies, and won the two governorships that were up for re-election (Morelos, and Fox's home state of Guanajuato), the PRI held on to the largest share of the Senate seats (60), and the PRI still governs 21 of the 31 Mexican states.

The PRD is preparing itself to capture the leadership of the left-wing forces for that right-left battle which it would hope to see explode in the country. The big question is, what will become of the PRI? Leadership changes and maybe even a split are likely, following its beating at the polls, but reports of its death are certainly premature.

The fundamental divide within PRI ranks during its past

18 years of backing International Monetary Fund policies, has been the battle between the technocrats, who argue, like Fox, that finance capital rules the world, and so-called "dinosaurs," as the nationalists in the PRI who believe in national economics and real constituency politics are known. Recognizing that "the fate of President-elect Vicente Fox's ambitious reform program hinges on the future of the defeated PRI," according to the July 10 *Wall Street Journal*, Wall Street is concentrating its attention—and undoubtedly, some of its money—on who wins the battle now raging between those two factions.

Given that a straight technocrat takeover of the PRI remains politically difficult, Wall Street is promoting the ascension of Roberto Madrazo, the Governor of the state of Tabasco, as an acceptable new PRI head. Although Madrazo parades as a "dinosaur," he has long been known as a key operative of the filthy Carlos Salinas machine.

Others, such as former Puebla Governor Manuel Bartlett, have called upon nationalists in the PRI to block a drive by "economic groups" with big money, to seize control of the party. The PRI "lost its moorings" when it bought into the idea that neo-liberal, free trade economics was the only option, Bartlett stated in several prominent interviews following the Fox victory. This was "an epidemic. . . . International bodies like the IMF, were pressuring all the countries to follow." He dismissed the "lynching environment" against the PRI, as driven by the fact that "the PRI is an obstacle, because it has been a nationalist party." The only way it can preserve its historic force now, Bartlett is saying, is for it now to put itself forward as the *opposition* to Fox.

A Wolf in Fox's Clothing: The Reelection of Carlos Salinas in Mexico

The following statement was released by the Ibero-American Solidarity Movement (MSIA).

Vicente Fox's election victory on July 2, confirms that the final phase of Salinism has begun. The idea of "change" is a cruel joke with which Fox's candidacy was sold to a population tired of the neo-liberal, free trade policies imposed by the International Monetary Fund (IMF) and the World Bank. With the "democracy" party over, his economic and political program remains as the purest continuation of Salinism. In fact, this is nothing less than the reelection of the most despised former President of Mexico, Carlos Salinas de Gortari.

A full one-quarter of the Mexican electorate voted for Fox, of the National Action Party (PAN). They voted for the executioner of all those who swallowed the "Fox populi"

myth, just like the Roman proletariat at the Circus Maximus, who lowered their thumbs in favor of the lions and against the Christians. In the Mexican circus, with Fox in power, there will be no bread, but lots of circus.

It is ironic that Mexico ushers in the election victory of Fox, the candidate of Wall Street and the City of London, at precisely the moment that the disintegration of the international financial system is accelerating, and the opposition to globalism from various nations across the planet, is growing. Just as U.S. Democratic Presidential pre-candidate Lyndon H. LaRouche has forecast, we are in a phase characterized by hyperinflation (of asset prices, more than of consumer goods), which immediately augurs a total disintegration of the system, just as occurred in Weimar Germany in 1923. Entire regions are distancing themselves from neo-liberal globalism: Asia is moving toward the Asian Monetary Fund, Malaysia expelled the speculators; Europe is taking some steps, however timid, to try to extricate itself. And around the world, including in the United States, growing forces are calling for a New Bretton Woods system, as proposed by LaRouche.

In this context, Fox's election is like Mexico having just acquired a second-class cabin on the sinking financial *Titanic*.

Wall Street Is Ecstatic

For the moment, Wall Street is ecstatic. Fox is the man they have chosen to do what neither Salinas de Gortari, nor President Ernesto Zedillo, managed to do: take the economic policies of the past 12 years, to the extreme of treason.

Fox's mission, which his bosses in the globalist mafia have assigned him, will now begin: to do away with the Republic, demolish the institutions, sell off the national patrimony, surrender national sovereignty, dismember the national territory, annihilate the Armed Forces, dollarize the economy within a continental free-trade agreement, and promote drug legalization—in short, to turn Mexico into a narco-republique.

The Institutional Revolutionary Party (PRI) was ousted as punishment for its submission to an IMF-World Bank dictatorship that has, under the governments of Salinas de Gortari and Zedillo, subjected Mexico to the most savage usury. These are the same globalist policies that have favored speculation and usury, to the detriment and destruction of industry, food production, and productive employment.

The drama of the past two decades is summarized by the fact that Mexico paid its 1980 foreign debt three times over, in interest charges alone, and yet today *we owe four times the amount of that 1980 debt!* This is perverse arithmetic. Herein lies the explanation for the theft, the looting, and the fact that more than half of all Mexicans are today living in conditions of poverty. This usury of Wall Street and the City of London, is the mother of all corruption.

While it is true that former President Miguel de la Madrid began the turn toward neo-liberalism, it was Salinas de Gortari who led the neo-liberal assault, with economic shock programs and the dismantling of national institutions.

The 1994-95 bankruptcy of the national banking system, the direct result of the bankruptcy of the economic policy itself, was not enough to cause Zedillo to abandon that policy. He followed the same guidelines throughout his mandate, whose most aberrant expression was Fobaproa, which not only did *not* reactivate a productive credit policy, but which asphyxiated the government's own ability to dictate a policy of economic recovery.

The PRI lost the election, because it refused to break, clearly and emphatically, with these policies. Like Faust, it made a pact with the devil of Salinism. And now, not just the PRI, but all of Mexico, must pay the price for its stupidity and cowardice.

Fox To Finish the Job

The dangerous businessman's pragmatism that Fox wants to impose as his philosophy of government—"My style of government will be entrepreneurial," he told foreign reporters—endangers the very existence of the nation-state.

On the pretext of providing security for foreign investment, Fox accepts each and every dictate of the IMF-World Bank globalist mafia. He shamelessly declares, "A country which does not submit to the rules of the financial markets, is a country that will pay the price." James Baker III, former Treasury Secretary and Secretary of State in the Reagan and Bush Administrations, travelled to Mexico as an "election observer," where he expressed his confidence that Fox will guarantee "a greater opening to foreign capital, new privatizations, and greater decentralization." Fox will also meet Wall Street's other demands:

1. "Fascism with a democratic face": the same ultraliberal economic model that the "Chicago Boys" imposed on Pinochet's Chile, and which now returns with a "democratic" veneer.

a. Dollarization, which is the surrender of monetary sovereignty, as an aspect of total integration with the U.S. economy. This is part of the old "Project of the Americas," of Henry Kissinger and his Trilateral Commission.

b. A tax reform with the intent of eliminating oil income from the government budget, and using it instead to pay the country's foreign debt. Simultaneously, the population would be more and more impoverished through a worsening tax squeeze.

c. "Guarantees and more guarantees" to international investors, followed by the privatization of the Federal Electricity Commission, as a prelude to the ultimate looting scheme, the privatization of Pemex.

d. Through "managerial" methods, they would even privatize the government: Fox has announced that he has hired five international firms to help him recruit members of his cabinet and other government officials.

e. Fox is so imbued with Salinism that he is already talking about bringing back Salinas's ineffable and powerful Finance Minister, Pedro Aspe, and the former assistant director of the Banco de México, Francisco Gil Díaz. There is also talk about

keeping in the Fox government such Salinistas as Luis Tellez Huenzler, Herminio Blanco, and José Angel Gurría, all proven servants of the globalist mafia. Not to mention Salinas's Brazilian friend Roberto Mangabeira, who already holds an important position among Fox's advisers.

2. On matters of public security, Fox announced the creation of a super-ministry of Security and Justice, withdrawing those functions from both the Government Ministry and the Attorney General's office. Fox wants a frightening "FBI," probably organized by the "untouchable" U.S. FBI, which would strip Mexico's political authorities of responsibility for public safety.

a. Fox also has on his agenda a pompous "Transparency Commission," set up by the World Bank through Transparency International, and responsible for carrying out an "anti-corruption" circus. This is the chosen method for getting rid of political enemies, while at the same time distracting the population from the implementation of economic measures, even more painful and cruel than those in place. The circus and the war will begin shortly, directed against nationalist forces both inside and outside the PRI, and in particular against the Armed Forces for supposed "human rights violations," as has been successfully carried out in Argentina, Colombia, and elsewhere.

3. The Chiapas case: weaken the Armed Forces and legalize drugs.

a. Fox has sent messages seeking to renew negotiations with the Zapatista National Liberation Army (EZLN), and is already granting its conditions: "We can accept the Larrainzar agreements," and "I can withdraw the Army." This represents in effect the Mexican edition of Colombian President Andrés Pastrana's policy, which has been to remove the military from entire regions of the country, to surrender them to the narco-terrorist Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN), which have cost the country a river of blood. With this "peace policy," Pastrana has only succeeded in separating out entire chunks of Colombian territory, which have been turned into "coca republics" run by armed bands and financed by the drug trade.

The threat that this policy poses, can be seen in the most recent developments in Colombia, where representatives of 21 foreign governments met in the FARC-controlled "demilitarized zone," to pledge support and funds for the supposed "manual eradication" of coca and poppy plants, and for "crop substitution." Also under consideration is giving the narco-terrorists more funds, in exchange for the promise to stop their policy of extortion and kidnapping! This can only serve the objective of drug legalization, which the FARC itself has explicitly proposed.

The election of the Democratic Revolutionary Party (PRD) in the Federal District (Mexico City) is a key component of this political scenario for the country. Like Fox, the PRD represents pure "New Age" and globalism, only from the "left" instead of the "right."

b. Apart from the promise to surrender Chiapas, Fox says that he will subject the Mexican Armed Forces to "redefinitions in order to adapt to a globalized world, and to the times in which the country is living." In other words, implement the globalist campaign to annihilate the Armed Forces, guarantors of national sovereignty.

c. To finish off Mexico's federal pact, not only does Fox insist that he will give "financial and political autonomy to the states and townships" so that they can freely participate in the global market, but at the same time, he promises to erase national borders, through his proposal for full and total integration with the United States.

d. Among the products that will freely circulate in "globalized" North America, will be narcotics. It is no accident that Jorge G. Castañeda, one of Fox's main advisers and possibly foreign minister in his government, has repeatedly declared in favor of drug legalization. And Fernando Canales Clariond, PAN Governor of Nuevo León, has not been the least bit shy in backing the proposal, which is also the main demand of megaspeculator George Soros, the "messiah" of democracy in Ibero-America.

Sovereign Nation-State vs. Tyranny of World Government

The interpretation that somehow Fox's victory represents the incarnation of 21st century "conservatism," in opposition to modern "liberalism," is an extremely dangerous construct, designed by the international financial oligarchy centered in London. Also dangerous is the idea of restaging a new fratricidal "Cristero War," like the one which wreaked such havoc with the country in the 1920s and 1930s.

A division between supposed "Masons" (PRD and certain sectors of the PRI) and supposed "Cristeros" (PAN and other sectors of the PRI), is already being encouraged from several sides. Amalia García, leader of the PRD, told the July 2 *New York Times*, that the battle is about to begin between the corrupt and reactionary forces (read, linked to the Catholic Church) on the Fox side, and the liberals and progressives (read, anti-clerics) of the PRD. Fox tried to pass himself off as a Cristero during his electoral campaign. Evoking such a scenario could plunge the country into a new civil war. That is the apparent intent of the globalist mafia, the same oligarchy out to dismantle the nation-state and to conserve the international tyranny of free trade, through "democratic" bread and circuses.

The Anglo-American puppet-masters know that the only way they can impose these measures is under conditions of civil war, like what Mexico suffered repeatedly in the 19th century, and in the 1920s and 1930s. This is the old Venetian tactic of manipulating patriots on both sides of a fraudulent dividing line between "clerics and anti-clerics," to bury them in a fratricidal war, precisely as Venice achieved during the terrible religious wars in Europe of the 16th and 17th centuries.

Fox-ism is dangerous, not because it is “conservative,” but because it is globalist. It is premised on the pagan “New Age” doctrine of hedonistic radical liberalism. Thus, the support for Fox by such prominent “leftist” liberals as Castañeda and Adolfo Aguilar Zinser, submissive servants of liberal economics who defend drug legalization and abortion.

The current situation can only be understood in the context of the contest between a decadent and disintegrating globalist faction on the one side, which is moving aggressively to impose supranational financial, political, and institutional mechanisms, and the patriots who oppose them, on the other side.

Dismembering the Republic

Our true battle today is the defense and development of the nation-state against globalization, the enemy of national sovereignty. This means, on the international front, fighting—as if it were life or death, because it is—for the New Bretton Woods, which Lyndon LaRouche has proposed.

On the national front, we must return to being nation-builders, and join in a great patriotic alliance with all forces which, no matter their religion, want to build up Mexico and defend it from the globalizing predators.

If this be “nostalgia,” as President Zedillo once charged, then we confess that, yes, we are “nostalgic”—for food, housing, energy, infrastructure, and productive jobs.

Camp David Summit: Last Chance for Mideast Peace

by Jeffrey Steinberg

President Clinton began intense closed-door meetings with Israeli Prime Minister Ehud Barak and Palestinian Authority President Yasser Arafat at Camp David on July 11, in an effort to craft a final agreement for peace between Israel and a future Palestinian state.

Barak’s arrival at the Maryland retreat was delayed several hours, as he faced a no-confidence vote in the Israeli Knesset (parliament). Barak won the vote when opposition parties, and defectors from his ruling coalition, failed to get the 61 votes needed to bring down the government and, in effect, freeze the peace process. Just a day before the Camp David summit began, three parties left the coalition government, ostensibly over concerns that Barak would make extravagant concessions to Arafat at Camp David.

The National Religious Party, the Russian émigré party of “refusenik” Natan Sharansky, and the Shas Party quit the coalition, after they failed to control Barak’s negotiating position at the summit. Foreign Minister David Levy, while not leaving the government, did announce that he would boycott the Camp David meeting, to express his concern that Barak might go too far in concessions to Arafat.

Sharansky, once the darling of the international human rights apparatus, has played a particularly disgusting role in the efforts to halt the peace process. He issued a dissenting report on Barak’s planned land concessions on May 30, which was picked up by the Zionist Organization of America, one of the more rabid of the right-wing outfits within the American Jewish establishment. And, he has repeatedly called for Barak to form a national unity government with Ariel Sharon’s Likud bloc, a move also aimed at sabotaging any final resolution of the negotiations. Sharon, the “butcher of Lebanon,” has been on record for decades asserting that “Jordan is Palestine,” and that all the Palestinians should be forcibly expelled across the Jordan River.

All this maneuvering reflects the fact that the political institutions in Israel, as well as the powerful Zionist Lobby in the United States, are divided over whether to go ahead with the peace deal. Also, right-wing members of the U.S. Zionist Lobby, aligned with George W. Bush, fear that a Camp David breakthrough would be used by President Clinton to boost the sagging Gore campaign. So, they are mobilized to block the summit from succeeding.

Before leaving Israel for Camp David, Prime Minister Barak went on national television to remind the political mis-

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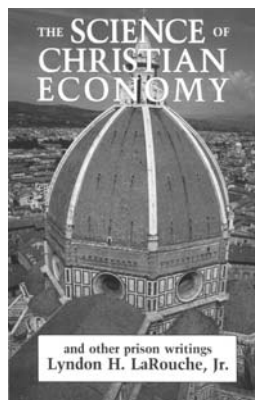
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chief-makers that he was elected by the Israeli people as a whole. Recent polls suggest that over 60% of Israelis strongly support his efforts to make peace with the Palestinians, Syrians, and Lebanese, and an even larger percentage accepts that there will be a Palestinian state.

Israeli sources have told *EIR* that Barak is prepared to follow up a deal at Camp David with early elections and a referendum on the peace agreement, to expand his popular mandate and force the hand of those in the political establishment who are on the fence or in opposition, on the question of peace.

Furthermore, in the weeks leading up to Camp David, the Barak government leaked most of the details of the plan he will be presenting at the summit, the key ingredients of which are: turnover of 90% of the West Bank to the Palestinians; transfer of control over the Arab quarters of East Jerusalem and several suburbs of Jerusalem to the Palestinian Authority; permission for a fixed number of Palestinians in the diaspora to return to Israel; and creation of a security buffer zone along the Jordan River, separating the West Bank from the Kingdom of Jordan.

Just before the no-confidence vote, Barak had met Egyptian President Hosni Mubarak and Jordan's King Abdullah.

Water, Water . . .

One of the most pressing issues to be solved—in addition to territorial issues, including Jerusalem—is the growing crisis over lack of fresh water. The day Camp David began, Israel's Ministry of Environment warned, "After several years of drought, there simply isn't water, and, according to all the measurements, the situation is getting worse." Environment Minister Dalia Itzik told the *New York Times* that within a few months, Israel will exhaust its supply of drinking water.

As Lyndon LaRouche has warned for years, unless the water crisis is solved, Mideast peace will never be achieved, despite the best intentions of Clinton, Barak, and Arafat. Only through investment in massive desalination programs, including nuclear-powered desalination, will the economic foundations for peace be securely laid.

Until very recently, President Clinton has let it be known that he will not take on the right-wing Zionist Lobby apparatus, for fear that they will turn on Presidential candidate Al Gore and the First Lady, who is running for Senate in the Zionist Lobby's backyard, New York. If that sorry situation does not change, there is little prospect of the summit succeeding—and at that point, Barak and Arafat will both be in deep trouble, and the entire Middle East on a possible confrontation course.

President Arafat has already made it clear that he will declare Palestinian statehood on Sept. 13, when the final status talks are supposed to be completed, if there is no breakthrough at Camp David. If a breakthrough occurs, statehood would be an integral part of the deal, and would come about with Israeli approval.

Will Blair Ouster Ruin Al Gore?

by Mark Burdman

Powerful elements within the British establishment have, during early July, initiated a no-holds-barred campaign, that is being carried out in the extremely nasty and brutal manner characteristic of British political operations, to destabilize British Prime Minister Tony Blair. The aim is to remove Blair from office as soon as possible, and to propel opposition Conservative Party leader William Hague into power. This is hardly a "British internal affair," but has the most significant international ramifications, particularly concerning the Presidential ambitions of U.S. Vice President Al Gore.

Blair himself is showing extreme symptoms of nervousness and unease, in response to the destabilization, to the extent that the British media are talking about him "unraveling" and "crumbling." "People and Politics," the leading weekly show about the British political scene, broadcast by the government-owned British Broadcasting Corp. (BBC), was savage about Blair on July 8, proclaiming, "Tony Blair has, until now, been the master of 'spin' and control, but now he is beginning to spin out of control."

Best estimates are, that Blair's decline is causing panic in the Clinton White House and in the Gore Presidential campaign. Blair has, since coming to power on May 1, 1997, built a close relationship with President Bill Clinton. But more than that, Blair and his entourage are, ideologically and politically, very close to Gore. Blair's "Third Way" and Gore's "New Democrats" and "triangulation" policies, are identical. Blair's removal from power, and replacement by Hague, would do extreme damage to Gore, given the influence of London on U.S. political processes, both directly, and through London's allies on Wall Street.

Hague, by contrast, is backed by those British elements, typified by Hollinger Corp. and Telegraph newspaper chain owner Conrad Black, and by London *Times* former editor Lord William Rees-Mogg, who are fully committed to a George W. Bush Presidency in the United States. As City of London sources have stressed to *EIR*, there is a realignment in the U.S.-British "special relationship," toward a Bush-Hague axis, in a post-Clinton era.

A 'Message' to Blair

The viciousness of the destabilization was displayed on July 6. On that date, Blair's 16-year-old son Euan was found on the ground, dead drunk, in London's Leicester Square. He was hauled to a police station, and reportedly gave a false

identity, until he was correctly identified as Blair's son.

While the incident was followed by much tear-jerking, soap-opera-type pronunciations from Tony Blair about father-son relationships and related matters, the fact is, that the British Prime Minister, and everybody else in the know, is fully aware, that what had been done on July 6, was an intelligence operation, with the aim of communicating to Blair: "Now you know we can get your family, and you'd better find a way to listen, and get yourself out of office."

From top to bottom, the story about Euan, as reported by the media, makes no sense. Supposedly, he was celebrating the end of his school-year exams, and drank too much. But Leicester Square is not just anywhere in London; it is one of the seediest areas of the city, notorious for rampant alcoholism, drug-taking, and trade in "rent boys," the British term for young male prostitutes. The fact is, the son of a Prime Minister is always supposed to be protected by a comprehensive security screen. The only possibilities, then, are that some dirty operation was run by somebody, or somebodies, *within* the security screen, or that, for reasons unknown and unexplained, there was a stripping of the security screen, to allow someone to carry out unusual hanky-panky.

A very well-connected British source commented to *EIR* on July 12, as soon as the Euan Blair matter was brought up to him, that he was certain that "somebody loaded his drinks." He said it was most extraordinary, that the Prime Minister's son, of all people, would end up on Leicester Square. According to this source, "This was all an ideal set-up. Somebody must have arranged all this."

This individual stressed, that the British press, after its initial spectacular coverage of the affair, was told "to stay away" from the story, because of its obvious explosive implications.

Policies Fall Apart

In response to this and other shocks, Blair began to show signs of becoming psychologically deranged.

The week of July 3 had begun badly for him. While in Germany two days earlier, he had made an odd proposal, that violent hooligans, after being picked up by police, should be marched over to pay an immediate fine, without being formally charged. This was supposed to be a novel idea, for "fighting crime." But the idea was universally lambasted; on July 8, BBC reported that British police ridiculed the idea as "ludicrous and unworkable." It became all the more bizarre, when the "drunk Euan" affair occurred less than a week later.

On two other fronts, Northern Ireland and Europe, Blair was watching his policies shatter into pieces. Throughout the week of July 3, and up to the point of our writing, there have been violent confrontations in Northern Ireland, between police and Protestant militants, who were protesting the refusal of the British government to allow them to carry out the traditional "Orange Order" march. The violence has involved Molotov cocktails, setting buildings and cars ablaze, and more.



British Prime Minister Tony Blair. The British establishment has launched a campaign to oust him quickly, which doesn't bode well for Vice President Al Gore.

This march is supposed to commemorate the victory of William of Orange over James II, in 1690, and expresses the triumphalism of "Protestantism" over Irish Catholicism, especially as the marchers insist on marching through a Catholic neighborhood in Northern Ireland—somewhat like the Ku Klux Klan insisting on marching through Harlem in New York City.

The violence was particularly embarrassing, and ruinous, for the much-touted "peace program" for Northern Ireland worked out by Northern Ireland Secretary Peter Mandelson. Mandelson is a long-standing Blair intimate, and one of the chief architects of Blair's "Third Way." It should be kept in mind, that the Protestant militants are, to a significant extent, aligned with the British Conservative Party.

The "Third Way" also has suffered a stunning reversal in continental Europe. After he was elected by a landslide, Blair and his "Third Way" were heralded by many on the continent as the "wave of the future," and Blair was being groomed by key elements of the British establishment as a Prime Minister who could penetrate and manipulate Europe, on behalf of British geopolitical interests, from within. But the recent efforts of French President Jacques Chirac, to create a "core

Europe,” centered around France and Germany, and excluding Britain, have isolated Blair, and wrecked one of the key pillars of this strategy.

Blair was already reeling from electoral humiliations of May 4, especially the victory of maverick Labourite Ken Livingstone as London Mayor. In early June, Blair suffered a second setback, when he was booed, jeered, and heckled by the normally staid Women’s Institute (see “Britain’s Tony Blair Is Decomposing Like Gore,” *EIR*, June 30, 2000; “Debacles of Britain’s Blair Undermine Gore, ‘Third Way,’ ” May 12, 2000).

‘The Emperor Has No Clothes’

During the week of July 3, an obviously unbalanced Blair made a series of wild gaffes, in statements to the British Parliament.

First, was when he spoke of a new memorial honoring Australian soldiers who had died in combat during World War II, and announced that this would be a commemoration for “the Americans” who died in the war. This was greeted by hooting and jeering, at which point he started mumbling, “I mean ‘the Australians.’ Forgive me, forgive me.”

Second, was when Blair declared, to the shock of supporters and to the derision of the opposition, that his government was all “spin, not substance.”

Third, was in a contorted formulation, in which he stated that Hague would, in the future, be British Prime Minister.

Such behavior led *Sunday Times* commentator Melanie Phillips, in an article on July 9 entitled “The Crumbling of Blair,” to write: “Is Tony Blair losing the plot? The acid test for any Prime Minister is how he reacts to adversity, both personal and political. It is alarming to see how badly Blair is failing on both counts. . . . Under fire, he is visibly crumbling, startlingly demonstrated by his gaffe-laden performance at Prime Minister’s questions last week. . . . He can’t take the heat. . . . It’s a big mistake to think his control-freakery is a sign of strength. On the contrary, it is a sign of considerable weakness. . . . The phenomenon of Blair is the construction of an artificial political personality.”

Phillips charged: “Blair lacks any firm political beliefs, is ignorant of history, and unable to think complicated issues through. . . . Faced with serious criticism, the Prime Minister panics because he has nothing on which to draw for a convincing response. He’s been in a sweat ever since the health service fell to bits last winter, and he realized he’s being expected to deliver results which he hasn’t got a clue how to achieve. He is the emperor with no clothes.”

Blair Is ‘Dumbing Down’ Britain

During the week of July 10, a new flank opened against Blair, hitting him on what is, ultimately, his most vulnerable flank: the devastation that he is bringing to British culture and the British economy.

A leading British writer, Trinidad-born Sir Vidia Naipaul,

gave an interview to the magazine *Tatler*, in which he charged that Blair and his government are “vandalizing” and “destroying” British culture, the arts, historical identity, and language. He warned that “this appalling government” is systematically “dumbing down” Britain, thereby “creating a cultural void that will have a long-term effect on the economy.” He stated that, “for the first time in 50 years of living here, I feel depressed by a government.”

He affirmed: “I am depressed by their dreadful use of rhetoric, the misuse of language. I hate all their language. They don’t believe half the things they say, and they are trying to cover up their lack of belief. . . . [Blair] comes at the end of a period of destruction going back 50 years. But yes, yes, he is in command now, holder of the black flag, the skull and crossbones.”

Naipaul’s attack was covered, front-page, by the *Daily Telegraph* on July 11, and was then extensively reported on, on the widely listened-to Radio 4, that same night. A British source told *EIR* the next day, that Naipaul’s violent polemic was the equivalent of a “bomb that has exploded. This is a very formidable attack.”

These debacles have worked to Hague’s advantage. On July 11, the *Telegraph* ran an interview with Hague, with a picture showing him confidently smiling, and a caption quoting him that Blair’s ratings are on a “permanent downward slope.” The Hollinger daily touted him as “the down-to-earth, unspun voice of Middle England. There is a new air of confidence about Mr. Hague.”

Hague told the paper that “there is a huge amount of disappointment and dissatisfaction with the government, some of which has turned into enthusiasm for the Conservative Party. There are millions of people who feel very let down by the government.”

The *Telegraph* noted that, this summer, Hague and his wife Fion “will be holidaying in the Deep South of the United States”—undoubtedly an occasion for making further buddy-buddy with George W. Bush and the Bush networks.

On July 7, the same *Telegraph* ran a long interview with “Dubya,” in which he exulted that the British-American relationship is “more special than special. . . . The Brits have been very loyal allies, and I hope the alliance is viewed in the same way the United States has been loyal allies to the Brits.”

But in the vicious environment of the current British power wars, a “message” may also have been delivered to Hague, perhaps by pro-Blair loyalists in the secret services. On July 11, a key Hague adviser, John Morgan, who had advised Hague on “image” and related matters, was found dead, under mysterious circumstances. According to preliminary police reports, Morgan had “fallen” from his third-floor apartment, in the Albany district of London. No explanation has been given for how or why this happened. Morgan was well-liked in his social circles, and had no apparent major problems or conflicts. Foul play is more than likely, in this case.

Iran Offers New Partnership to Germany

Revitalized economic and cultural relations will contribute to the restoration of peace and stability in the world.

The visit of Iranian President Mohammad Khatami to Germany on July 10-12, was historic in several ways: Not only was it the first visit of an Iranian leader in 33 years, since the visit by the Shah in 1967, but it also featured one of the rare moments of diplomatic relations, in which the highest level of statecraft, one based on Classical philosophy, was in evidence.

When leaders are guided by Classical statecraft, they are enabled to define a wider horizon for a nation. This is a principle diametrically opposed to the kind of geopolitics practiced today in global diplomacy, particularly Anglo-American diplomacy.

This Classical approach became visible in Khatami's remarks when signing the Golden Book of Berlin, the German capital, on July 11. There, he said that he liked being in Berlin, because the city is indeed something very unique in the world: The fall of the Berlin Wall in 1989 not only reunified Berlin and Germany, but it also was a "symbol of the awakening and birth of a wise nation and its successful efforts to gain . . . its due dignity." The fall of the Wall thereby symbolized a "point of departure for majesty, authority, and progress for all of the world." Khatami said he believes "that improved ties between Iran and Germany not only would benefit both nations, but it would contribute to the restoration of peace and security in the world."

Progress is a right belonging to all nations, Khatami said, and Iran and Germany, each with a long history of civilization-building, have a common

mission to cooperate, along with "other nations that respect freedom, sovereignty, and justice, to make use of the global potentials" to bring about this better world for all nations. In a prime-time TV interview broadcast on Germany's Second Channel on July 11, Khatami added that Iran and Germany are particularly qualified for this broader world mission, as neither has a tradition of colonialism.

The day before, in a speech in Berlin to several hundred invited representatives of German industry, Khatami said that Iran was important as a partner in politics and economics for Germany, because of its unique geostrategic position bordering the Indian Ocean, the Caspian Sea, and the Central Asian region. Investments in the developing industry of Iran, he said, would be to the broader benefit of several hundred million human beings living in that region, and economic development would help establish peace. Two investment projects in Iran's petrochemical sector, each with about \$500 million in funding by German, French, and Italian banks, were made public during Khatami's visit—with more projects already under discussion.

But investments and specific projects, important as they are, are only "mere details," Khatami emphasized, in an interview with the daily *Frankfurter Allgemeine Zeitung* on July 12. Rather, political and religious philosophy should be the fundament of politics, he explained, saying that his ideal is the Platonic state, in which the politicians are philosophers. "I am proud

of having been a book-reading intellectual before I became a politician," he said. He added that, for him, thinkers, not politicians, are the real heroes of the "dialogue of civilizations" that he proposed. Khatami "has, as it seems, come to Germany as a thinker and politician: as a philosopher king," the daily commented in its article, headlined "Philosopher King Khatami Is Showing Another Image of Iran."

At the state luncheon that German President Johannes Rau hosted in Berlin on July 11, Rau reflected the high level of discussions, saying that "Islam belongs to the spiritual sources of Europe. . . . Indeed, the classic, enlightened Islam itself was herald and guide of the modern age, between the 9th and 14th century. In mathematics and cartography, in philosophy and medicine, it was Islamic scientists who transferred the knowledge of Greek Antiquity to the medieval West. The writings of Aristotle and Plato would have been lost to us, without the translations by Ibn Sina and Ibn Rushd. Wise rulers like Emperor Frederick II [Hohenstaufen] or Alfonso the Wise of Castile worked with Islamic scientists."

Rau also mentioned that Germany's great 18th-century Classical poet, Johann Wolfgang von Goethe, had been inspired by from the writings of the 14th-century Persian poet, Al Hafiz. Goethe's *East-West Divan*, which Rau quoted from, was born of this poetical dialogue between Germany and Persia.

On July 12, Rau and Khatami were in Weimar, the cradle of the 18th-century German Classics, to unveil a monument dedicated to Al Hafiz. In this context, it was made known that Iran would like to establish an Al Hafiz Institute in Germany, maybe in Weimar, in parallel with the re-opening of the Goethe Institute in Tehran, which was closed down in 1987.

International Intelligence

Greenpeace Greeted by Brazilians: 'Go Home!'

The Greenpeace vessel *Amazon Guardian* met with trouble when it tried to dock at the Brazilian port of Belem on June 25. Before it landed, producer associations, representing 95% of the industrial agricultural and commercial producers in the state of Pará, sent a letter to state and federal authorities, and to President Fernando Henrique Cardoso, protesting Greenpeace's activities in the Amazon. Appended to the letter, was a pamphlet by the LaRouche co-thinkers of the Ibero-American Solidarity Movement, "Greenpeace: Shock Troops for World Government."

Greenpeace sent the *Amazon Guardian*, which flies the British flag, for a high-publicity visit up and down the Amazon River, to "expose" illegal lumbering and "threats to the Amazon."

At Belem, the ship was greeted by a protest by lumber workers, carrying signs, "Greenpeace: A Club Run by Europeans"; "We Know How To Protect Our Jungle, We Don't Need You. Greenpeace Out!" Paulo Adario, the coordinator of Greenpeace's Amazon campaign, disembarked and tried to appease the protesters, but had to beat a hasty retreat, when they angrily accused him of stealing the food from their children's mouths. One lumberjack challenged Greenpeace to a public debate, so he could expose how they lie about Brazilian producers.

Protesters were interviewed for TV news, denouncing Greenpeace as a tool of multinational cartels that want to steal the Amazon from Brazil.

France Urges EU To Hold Summit on Balkans

European Union foreign ministers met on July 10 in the first General Affairs Council since France began its semester rotation as EU president on July 1. Austria, Belgium, and Sweden urged that the body end the sanctions against the Yugoslav regime of Slobodan Milosevic. French Foreign Minister Hubert Védrine said later, "The debate brought out a real skepticism about the sanc-

tions policy. . . . It is clear that up to now they have not reached their political objective."

The European leaders supported France's call for a Balkans summit meeting. German State Secretary for Foreign Affairs Christoph Zoepel praised the French proposal as "an excellent idea that could provide the jump start we've been waiting for for this region."

But, British Foreign Secretary Robin Cook complained that the proposal for a summit in Croatia in November to include the European Union, Albania, Bosnia-Herzegovina, Croatia, Kosovo, Macedonia, Slovenia, and the Serb opposition, was too narrow.

Austria Threatens Action against EU Sanctions

The continuing European Union sanctions against Austria, imposed when the party of populist Jörg Haider joined the Vienna government, pose a grave dilemma for the EU: Whatever projects France has to strengthen the single currency, the euro, during France's EU presidency, could be vetoed by Austria, in retaliation for not lifting the sanctions. Austria, which is not one of the 11 member-nations of the euro zone, is planning a voter referendum that will authorize Vienna to take "appropriate" steps to have the sanctions lifted. Austrian Chancellor Wolfgang Schuessel has already hinted that he might be forced to veto any EU projects that require unanimity of all 15 EU members. This puts the French, in particular, in a difficult situation: Having been a driving force behind the sanctions, they now have to take the first step toward lifting the sanctions.

In addition, Denmark will hold a referendum on the euro in September, and the fact that the government is backing sanctions against a "small EU country" such as Austria, is not making the EU popular in a small country like Denmark. A majority of Danes are currently against joining the euro. Swedish citizens will also be voting in September whether to hold a referendum next year on joining the euro.

The Gordian Knot could be cut by a "grand gesture" from the French govern-

ment, of the sort that a Charles de Gaulle would have the wisdom to make, wrote former Austrian Cabinet Minister Erhard Bussek in Vienna's *Die Presse* on July 6. Sadly, he concluded, that kind of wisdom is lacking in France today.

Inkatha Proposes Merger with South Africa's ANC

A proposal for South Africa's Inkatha Freedom Party to merge with the ruling African National Congress was floated at Inkatha's 25th annual congress on July 8, by chairman emeritus Frank Mdlalose. Signifying approval during Mdlalose's speech was Inkatha President Mansosutho Buthelezi. The proposal was issued just before the ANC's national conference, which began on July 11. During the apartheid regime, the two groups were at war with one another for many years.

Mdlalose said, "After all, we all know that the IFP's and ANC's major differences, earmarked in 1979 in London, [were] the armed struggle and sanctions, and these are things of the past." Mdlalose noted that the IFP's roots were inextricably tied with the ANC's. Inkatha national spokesman Musa Zondi elaborated: "The ANC, IFP, and PAC [Pan-African Congress] do not have the luxury of pursuing politics for the sake of politics. The second phase of liberation, from poverty, disease, and ignorance, beckons."

ANC provincial chairman S'bu Ndebele remarked, "Black South Africans are faced with a state of emergency, and we cannot afford to entertain petty divisions." He described the Inkatha message as "profound" and "a breath of fresh air."

In a related development, the youth groups of the ANC and of the ethnic Dutch Afrikaners issued a joint statement on June 15 committing themselves to building a united, non-racial South Africa. President Thabo Mbeki told a conference of the two groups on June 16, that South Africans "have a common obligation to ensure that we do indeed address the racial disparities we all inherited from the apartheid system," lest "at some point in the future, we will experience an enormous and angry explosion by those who remain disadvantaged."

SRI LANKA'S Parliament approved re-imposing emergency laws, according to India's daily *The Hindu*, on July 7. The laws give sweeping powers to the security forces to arrest any suspect and impose media censorship. Ten days earlier, the Supreme Court ruled that a previous censorship law was illegal. Support came from Opposition stalwart, former Finance Minister Ronnie de Mel, who stressed that he believes President Chandrika Kumaratunga can solve the country's problems.

GERMAN TEENAGERS spend the greatest number of hours playing video and computer games, a World Health Organization study of 15-year-olds in 24 countries found. In 1997-98, over 45% of boys in Germany and Norway said that they spent more than four hours a week at electronic games.

BENJAMIN NETANYAHU'S attorney denied that his client, the former Prime Minister of Israel, is the target of another investigation by the National Fraud Squad, according to the *Jerusalem Post* on July 9. The denial came after *Ha'aretz* reported that the fraud squad was looking into Netanyahu's purchase of an apartment in Jerusalem in 1995. It is alleged that cosmetics king Ron Lauder helped him purchase the apartment.

THE PAKISTANI military regime of Gen. Pervez Musharraf announced on June 5 that it will court-martial Lt. Gen. Khwaja Ziauddin, former Inter Services Intelligence chief. In October 1999, Prime Minister Nawaz Sharif had dismissed Musharraf as Army chief, and named Ziauddin to replace him, ultimately precipitating Musharraf's coup on Oct. 12.

TWO BOMBS exploded in separate locations in Russia on July 10, killing 9 and wounding 20. One bomb went off at a market in Vladikavkaz, the capital of North Ossetia, and the second was in Rostov. The Vladikavkaz market had been bombed in March 1999, during nationwide terror attacks.

Indonesia Warns West against Interventionism

Hours after the European Parliament endorsed a call, on July 6, to explore how the international community might help to restore peace on the Indonesian island of Maluku, possibly by sending "international observers," Indonesian Foreign Minister Alwi Shihab convened a meeting of 83 foreign ambassadors in Jakarta, warning against any interference in the country's internal affairs. Maluku has been suffering increasing violence between Christians and Muslims, forcing the Jakarta government to impose a civil emergency on June 26.

Shihab emphasized that the government would not tolerate any separatist movements, including in Papua (formerly Irian Jaya), and that the government would use all means necessary to maintain the country's territorial integrity. "The Indonesian government strongly opposes any kind of foreign interference in Maluku," he stated. "It is hoped that the international community will show its understanding and support the efforts by the Indonesian government to restore law and order in the provinces of Maluku and North Maluku and promote reconciliation among the people in these two provinces. The government of the Republic of Indonesia welcomes all international humanitarian assistance extended to the people of Maluku."

Shihab indicated that the conflict in Maluku cannot be attributed solely to religious disputes, and suggested that local economic disparities are being fanned by "certain forces" seeking to destabilize the country.

FARC Making Profits Kidnapping Children

In early July, Colombian Bishop of Villavieja, Msgr. Alfonso Cabezas, charged that the narco-terrorist Revolutionary Armed Forces of Colombia (FARC) has turned its "demilitarized zone" into a "concentration camp for kidnap victims." The Colombian Bishops Conference has urged the FARC to open up the DMZ (also known

as the Coca Republic) to an international committee, to verify the FARC's claim that they are not holding kidnap victims there. FARC mouthpiece Raúl Reyes retorted, "These statements are far from contributing to the reconciliation of Colombians and to the peace process."

On July 6, Attorney General Alfonso Gómez Méndez declared that his office has confirmed that at least 2 of the 143 kidnapped children whom the FARC is still holding for ransom, are in the DMZ, from which government forces are prohibited. Three-year-old Andrés Felipe Navas Suárez, kidnapped in April, is being held for a ransom of \$8 million, and nine-year-old Clara Oliva Pantoja, seized in March, is being held for \$5 million.

Paparazzi Face Charges for Stalking Diana

Paris Magistrate Devidal, the second judge who was responsible for the probe of the Paris auto crash that claimed the lives of Princess Diana, Dodi Fayed, and their driver Henri Paul on Aug. 31, 1997, is about to place one of the most notorious of the paparazzi under investigation for his role in stalking Diana and Dodi while they were in St. Tropez on France's Riviera, just before the fateful trip to Paris. Jason Frasier is to be formally charged with several criminal counts, sources in Paris told *EIR* on July 7. According to a source, it is expected that several other paparazzi will also be formally charged with crimes. This could signal that an investigation of the crash, which was shut down prematurely last year, will be reopened.

The same sources reported that the widow of paparazzo James Andanson has filed a formal complaint with the French authorities, charging that her husband's death was a murder, which, under French law, automatically triggers a formal investigation. The death of Andanson, who was said to have "ruthlessly stalked" the lovers, was ruled a suicide. As *EIR* wrote in the July 7 issue, it is believed that Andanson was the owner of the white Fiat Uno that fled the scene of the crash that killed Diana and Dodi.

LaRouche Dems Battle Gore for Soul of the Democratic Party

by Debra Hanania-Freeman

When Lyndon LaRouche launched his campaign for the year 2000 Democratic Presidential nomination in January 1999, he did so with the issuance of a book, *The Road to Recovery*. In the very first paragraph, LaRouche told the reader, "It is time to rebuild that Democratic Party of core constituencies, which President Franklin Roosevelt forged under the crisis conditions of the earlier Great Depression. All of the related considerations of this attached report, titled 'The Road to Recovery,' are implied in that proposed campaign-slogan for the Democratic Party's Year 2000 Presidential primaries."

Those who know LaRouche, know that he rarely engages in rhetoric. His assertion that it was time to rebuild the Democratic Party of FDR was based on the fact that, in the midst of the Great Depression, when this nation faced destruction, FDR's leadership saved this nation by forging a coalition, a Democratic Party based on what he called the "forgotten man." It was a social force that gave him the power to do what he knew had to be done to save the nation: to take on the "economic royalists" and to break the back of Wall Street. He "reinvented" the Democratic Party as the party that would stand up to Wall Street. It was the only way FDR could force through the social and other programs that were necessary to protect the general welfare of the vast majority of the American people.

Gore Ends Party of FDR and JFK

Al Gore, and a small gaggle of operatives in the Democratic National Committee's (DNC) Washington, D.C. office who have, at least for the moment, seized control of the party, have a completely opposite view. Indeed, in what is being hailed as Gore's final consolidation of his control over the Democratic Party, the DNC produced a "draft" 2000 Democratic Party Platform that the U.S. media are calling "the final obituary for the Democratic Party of FDR and JFK."

The draft platform was unveiled almost immediately upon

the adjournment of a day of hurriedly planned "Platform Hearings" held in St. Louis on July 6. CSPAN, which broadcast the "hearings" live, indicated in its coverage that the DNC had convened the hearings in response to what CSPAN called "a minor revolt" in party ranks that resulted in the historic Ad Hoc Democratic Platform Hearings, facilitated by LaRouche's campaign, that had occurred in Washington, D.C. on June 22.

If the carefully orchestrated DNC hearings were meant to parody the Washington hearings in form, they certainly did not in either intent or content.

The St. Louis hearings were announced with less than one week's advance notice. The witnesses had all been pre-selected, and requests by leading trade union and Democratic elected officials, including several who played key roles in the Ad Hoc Hearings, for an opportunity to present testimony, were promptly denied. Highly placed sources close to the DNC report that Elaine Karmarck, a senior Gore policy adviser, oversaw every aspect of the drafting process, and had made it very clear from the outset that anything that didn't mirror Gore themes would not be allowed.

North Carolina Gov. Jim Hunt, who is counted among those being considered to be Gore's running mate, chaired the drafting committee. At a St. Louis press conference following the day's last witness, Hunt declared, "You don't win unless you appeal to Republicans and Independents. This is a platform that does that." A clearly pleased Karmarck, who held court in the back of the room, said, "This is a Gore document. It reflects his campaign policies. It reflects the themes he talks about. And, it reflects the fact that he is in firm control of the party, that he has beat back any and all opposition."

The draft committee must submit its final document to the actual Democratic Platform Committee, chaired by Sen. Richard Durbin (Ill.), at a meeting in Cleveland on July 29.

After that, delegates to the Los Angeles National Democratic Convention will weigh whether or not to give final approval to the document. Gore operatives say final approval is a mere formality. Indeed, they say, the absence of any internal party conflict over the platform is so absolute, that Gore's DNC Chairman Joe Andrew has indicated that he sees no reason to even schedule a floor debate on the platform during the Aug. 14-17 Convention. In the end, this may turn out to be "whistling past the graveyard."

Indeed, the historic Ad Hoc Platform Hearings were necessitated by the DNC's refusal to host comprehensive hearings. The DNC argued publicly that "since the economic fundamentals are sound," there was no reason to do so. In fact, however, there is more to the story.

The Gore operatives who control the DNC believe that Gore's quest for the Presidency is dependent on the party's ability to appeal to what they call "New Democrats" — largely yuppie suburbanites who supported the Gingrich revolution — and to do so at the expense of the party's traditional constituency groups. One Gore operative admitted that platform hearings would only highlight the vast differences between what Gore represents, and what those constituencies, which are largely comprised of that 80% of the American people who make up the lower-income brackets, both want and need. Gore strategists argue that "those people" will vote for Gore anyway, because "they have nowhere else to go."

The draft platform the Gore crowd produced in St. Louis is a striking escalation of their destruction of the party. And, many Democratic leaders are quietly conceding that, if it is allowed to stand, it will not only pave the way for a Bush victory in November, but that it will also mean defeat for Democrats at every level of government.

A leading member of the Congressional Black Caucus, who asked that he not be named for fear of Gore reprisals, said, "I don't know why it is so hard for these boys to understand that the issue is not that our folks will vote for Bush or vote Republican. They won't. But, they just won't come out. And, as long as the Gore people keep this up, there ain't nothing we're going to be able to do or say to get folks to come out."

Why should they? Karmarck and Hunt are absolutely correct when they say the platform they have produced is one that Republicans and Independents can support. Karmarck's characterization: "It's true that the old Democratic Party created the New Deal and the Great Society and, unfortunately, all the domestic spending programs that went with them. But, today, Al Gore believes we should pay down the debt every year until we can give our children, the independence, self-sufficiency, and prosperity that will come from an America that is debt-free. And, that is what the platform says." Indeed, it is what the platform, sounding more like a Republican manifesto of fiscal conservatism, says.

Karmarck continued, "The old Democratic Party supported a lot of bad trade legislation; protectionist stuff. But today, Al Gore has made the Democratic Party the party of

free trade. Republicans talked about welfare reform, but Al Gore's leadership made us the party that reformed welfare. Al Gore has made the Democratic Party the party of fiscal discipline. Remember, we eliminated the deficit. Listen to Al Gore's speeches. He is going to reject these efforts by the advocacy groups to use our surplus for a major injection of money into existing and new programs. Al Gore will make sure the surplus funds are used for debt reduction. The old Democratic Party was the home of peace advocates and opponents of the Vietnam War. Today, under Al Gore's leadership, Democrats support an interventionist 'forward engagement' military policy. And, on top of all of this, we are responsible for the greatest economic boom in postwar history."

And, although Karmarck didn't refer to it, the platform endorses tougher penalties, including the death penalty, for violent criminals. When asked what really distinguishes the Democratic platform from the GOP platform, Karmarck was quick to note that the Democratic Party is pro-choice, and "supports the full inclusion of gay and lesbian families in the life of the nation."

LaRouche Presents a Different Direction

When LaRouche addressed the Ad Hoc Platform Committee, he presented a totally different direction. And, his testimony set the stage for all of the witnesses who followed. He said, "We have the worst financial crisis in modern history. . . . We need programs to deal with it . . . and we need leadership, leadership typified in the past by people like Abraham Lincoln and President Franklin Roosevelt. With that combination, we can survive. . . . We will fix up our infrastructure, go back to high levels of productive employment, restore our health-care systems, restore our power systems, restore our transportation systems, restore our education system, and get some good old-fashioned clean morality into our nation. Under those conditions, we can survive. That, I think, is the guts of the platform which the Democratic Party must shape during this coming period."

The battle lines couldn't be clearer. The only question that remains is which view will prevail. There is no question that LaRouche stands as the man who not only represents the tradition established by Democrats like FDR and JFK, but who, unlike Gore, is prepared to challenge the interests of Wall Street to protect the interests of the vast majority of the American people. It is no surprise that Gore has resorted to outright thuggery and vote stealing in an attempt to lock LaRouche out of the August convention. But, LaRouche has pledged to dedicate his campaign apparatus to the production and distribution of 1 million copies of the full proceedings of the Ad Hoc Democratic Platform Hearings between now and the convention. And, there is nothing Gore can do to stop that, or to stop what some believe will be the almost inevitable revolt that it will produce. (For copies of the proceedings or for a 90-minute videotape featuring the highlights, contact the campaign committee, LaRouche's Committee for a New Bretton Woods at 1-800-929-7566.)

Petition Drive, Strikes Fight To Save Hospitals

by Marcia Merry Baker

Last spring, a petition began circulating at thousands of hospitals across the country, whose signers hope to pressure lawmakers to relieve the disastrous impact of the 1997 Balanced Budget Act on the financial condition of hospitals. The American Hospital Association (AHA) originated the drive, and aims to collect 2 million signatures by this fall. Among other things, the 1997 BBA mandates reducing Federal payments to hospitals for Medicare and Medicaid patients. Within only a few months of implementation, the first round of payment cuts pushed hundreds of community hospitals into the red, or deeper in debt. In response to pressure from an AHA petition last year, the White House and Congress helped restore some of the mandated Balanced Budget Act cuts earlier this year, but the 1997 law still stands, and specifies deeper cuts ahead.

The predictable effects of the Balanced Budget Act (BBA), coming on top of more than two decades of “managed care”/health maintenance organization (HMO) cuts, and predatory raids by hospital chains, have imposed impossible financial burdens on hospitals. In a letter initiating the petition drive, the AHA wrote that we must “take our crusade beyond the hospital walls and into the community. Because patients and communities stand to be most hurt by reduced access to health care services caused by the excesses of the BBA, we need to enlist them in our cause [with] a community petition drive . . . to call on Congress and the Clinton-Gore Administration to help local hospitals. We are asking you to recruit hospital volunteers and trustee leaders to take the petition to their friends, neighbors, colleagues, civic and religious organizations.” The letter ends, “Senators, Representatives, and the Administration must be held accountable . . . especially in an election year, when candidates are seeking the support of their constituents.”

This marks a shift from the original stance of the AHA, which, in the 1970s and 1980s, advised medical institutions to try to “adjust” to the stringencies of the era of managed care, first authorized by the Dec. 29, 1973 “Health Maintenance Organization and Resources Development Act.” But now, it is life or death for the health care system of the nation.

For example, in Pennsylvania, four out of five hospitals cannot cover operating costs. During July, staff at the premier West Penn Hospital in Pittsburgh (542 beds, founded in 1848) have been circulating the AHA national petition daily in the cafeteria. In Iowa, 91 out of the state’s 126 hospitals are in the red. In Massachusetts, two-thirds of the hospitals are losing

money; hospital margins are at a *negative* 3%. Besides the threat to delivery of medical treatment, local communities are suffering losses of jobs and tax base. From just 1998 to February 2000, Massachusetts lost 9,900 health-care-related jobs.

Strikes, Too

At many hospitals, staff strikes are under way, or threatened, because employees are making an issue of being unable to carry out their health-care tasks, under the conditions of overwork and underpayment that now prevail.

On July 6, a successful one-day strike against ten Northern California hospitals was held by Service Employees Union Local 250, to protest conditions now endemic under managed care. The strike, conducted by about 4,000 hospital workers, including technicians, licensed vocational nurses, respiratory therapists, clerks, and cooks, and honored by many nurses, is part of the SEIU hospital workers’ national campaign for safe staffing levels in hospitals. There are several other ongoing hospital strikes in the San Francisco Bay area, including those at two Stanford hospitals, where 1,730 nurses are in their fourth week of a strike.

The SEIU Local 250 statement calling for the July 6 action notes: “We are striking only because we believe that there is no other avenue available to pursue our goals for the improvement of patient care, and that the harm from allowing existing conditions to continue unabated is greater than the harm from the action we are taking to correct them.” Local 250 is on record calling for universal health care, instead of managed care, for all Americans.

In California and other states, the mass circulation document released in May by the LaRouche Presidential campaign, titled “Ban HMOs Now, Before They Get You and Yours,” is getting wide attention. On July 5, the Alameda County, California Democratic Central Committee passed a resolution against HMOs that was introduced by Democratic Party leader Judith Nuerge, active in the LaRouche nomination campaign. The resolution follows passage on May 22 of a similar resolution by the City Council of Cleveland, Ohio (see *EIR*, June 2, 2000). The California resolution calls on Federal, state, and county governments “to investigate the provision of health-care services by health maintenance organizations and managed-care organizations.” (A provision urging their abolition, if warranted—a proviso modelled on the Cleveland resolution—was deleted before passage.)

The California resolution further states that “comprehensive, high-quality health-care insurance coverage should be available to every resident of Alameda County,” and that “the financial practices of certain health maintenance organizations and managed-care organizations often serve to limit quality health-care services to those in need of medical treatment.” Copies of the resolution will be forwarded to the Alameda County area governments, the state government, the U.S. Congress, and the Democratic National Committee.

We Must Take a Stand To Defend Health Care

by Dr. Kildare Clarke, MD

Here are excerpts of testimony delivered to the Ad Hoc Democratic Platform Committee Hearings, in Washington, D.C., on June 22. Dr. Clarke is Associate Director, Emergency Room, Kings County Hospital, Brooklyn; and a member of the Doctors Council, New York.

Unfortunately, we are talking about people's lives, life and death. We are not talking about soybeans, coffee beans, or livestock.

What has happened over the years, is that the Wall Street people have recognized that they could convert health care, the necessity of existence, into making money. Therefore, they have created various organizations, such as HMOs [health maintenance organizations], the PPOs [patient provider organizations], and other forms of health-care organizations, and tried to fool the public, that "those greedy doctors" were making a tremendous amount of money, and the health-care cost is going up astronomically, and we need to control it. Therefore, they were going to be the "good people," to control these health-care costs.

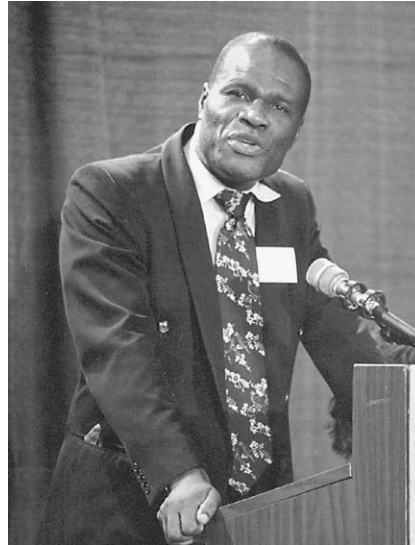
Instead, what has occurred? Money from the health-care industry, has been put in the pocket of most of these people. Remember, these are not people who are trained physicians. Yet, they are dictating the terms and condition of your health-care delivery. . . .

Case in point. At Kings County Hospital, it takes one year—one year from today—to get an ophthalmology examination—an appointment to the eye doctor. If you have a GU [genitourinary] problem, the next appointment is nine months away.

Remember, you have read about prominent people recently come down with prostate cancer. The diagnosis was made by prostate-specific antigen [PSA] testing, and also by physical examination. Remember, these are prominent people who got these examinations done by their private doctors, at some of the most esteemed medical centers in New York City.

Yet, these very same people cut out the funding which would be necessary to support the municipal hospital system, so that the poor can get the very same test, which is important to find out if they have prostatic cancer. . . .

These are not very costly tests. But one has to look at the *magnitude* of what has gone on here: The poor, black/Hispanic male, who cannot afford the health-care cost, meaning they do not have insurance, the government is not provid-



Dr. Kildare Clarke. "We have to say: We will not work for the HMOs, we will not do anything for the HMOs. We will provide care for the patient, even if we do not get paid for it. But we must take the stand."

ing any health care for them—they can not get these tests done, because the government has removed all the subsidies to the municipal hospital system.

Yet, as a country, we are touting ourself around the world that we're the best country, the richest country, we provide the "best health care." There is a report, just came out in the paper about two weeks ago, where *the United States has fallen way below Sweden, England, Australia, and another country, in health-care provision*. That, to me, is a crime: That the richest country in this world, is still providing *less* health care to its inhabitants, than some of the poorer countries of the world. . . . The health care right now being given to most people in this country, those who can not afford it, which is a larger percentage of the population, than those who can afford it, is worse than the people get in other countries.

One might say: "Well, socialized medicine in England, or in Sweden, or, for that matter, in Canada, doesn't work." Yet, it might be true, it doesn't work—based on one perception.

To me, it works, and works efficiently. It provides the basic health care for the population, in comparison to the United States, which provides good health care for a smaller segment of the population, and almost no health care for the larger percentage of the population. . . .

And you can see this happening. You can see the merger of most of these HMOs. Case in point: In Southern California, where a lot of the HMOs have merged and taken over some of the hospitals, they have removed the emergency department. You can no longer walk into an emergency room, and get care.

What have they done? They have left one doctor on call, so that if someone shows up at the emergency room, somebody will call that doctor. *So, your life is in jeopardy. You could die, before that doctor gets to that hospital. . . .*

To me, I think, as physicians, we should take a stand. And our stand, should be that we have taken an oath to take care of the patient to the best of our ability. We can not abdicate

that position, and join with these HMOs, to literally mistreat, or maltreat patients.

We have to say: We will not work for the HMOs, we will not do anything for the HMOs. We will provide care for the patient, even if we do not get paid for it. *But we must take the stand.*

And I guarantee you, the public out there will support a doctor to move away from the managed-care groups. I do not have to tell you—it's published all the time in the paper, of various mishaps with HMOs, where people want certain treatment, the HMO said, "No, it's not covered by our plan," and the people who are making those decisions—maybe they are very lucky if they had graduated from high school. Yet, they are making major medical decisions, for your health care. . . .

I have to blame the public. It is your right; your health care is what determines whether you are rich or poor. If you are unhealthy, you will never be rich. If you are healthy, there is always the possibility to get rich.

Therefore, it is time that you, as a public, march, take up health care as an issue. Tell them: "This is our lives. We are going to make the determination as to *how* health care is delivered in this country, when it's delivered, to whom it's delivered, and not left up to these corporate executives."

I guarantee you, the medical profession will back you as a general public, to demand the best health care. As I've always said, and I will still maintain, the wealth of any country is solely dependent on the health of all of its inhabitants. If the United States wants to continue as the leading wealthy nation, then it better wake up, and recognize that its health care is far behind those of other countries which are less wealthy.

Therefore, it's about time attention is paid to the health-care delivery system in this country. And the United States government must take that lead. If the government does not wish to take the lead, then you, as a people, the public, and the medical profession, must take that lead, and demand that health care be the Number One Important Question and Issue which must be addressed in this country, not tomorrow, but today, if not yesterday.

I think it behooves you. People march for other issues. You've got to march for these issues. And, if your representatives do not want to understand what this is all about, then you have that right, to vote that person out of power.

Because after all, what is a government's function? If the traditional function of government, is not to make sure that you are healthy, that you are protected, and that there is reasonable housing and good education, then there is no need for government. You might as well govern yourself.

Therefore, it becomes important that you, as a people, take it upon yourself to demand this type of attendance to the health-care industry, and your health-care from your government.

Thank you very much.

NMD Test Failure Should Buy Time for Competent Decision

by Carl Osgood and Jeffrey Steinberg

At 1:39 a.m. on July 8, a dejected Lt. Gen. Ronald Kadish, director of the Ballistic Missile Defense Office, appeared before reporters in the Pentagon briefing room to report that the much anticipated intercept test of the National Missile Defense system had failed. He said that what was known at that time, was that the interceptor vehicle, known as the exo-atmospheric kill vehicle, had failed to separate from the booster rocket because of a failure within the booster. As a result, the intercept phase of the test never took place.

According to Kadish, and subsequent statements put out by the Pentagon, what happened that night went something like this: The test began when a modified Minuteman missile, with a target warhead and a balloon decoy, was launched from Vandenberg Air Force Base at 12:19 a.m. EDT. Twenty minutes later, the booster rocket, also a modified Minuteman missile, was launched from Kwajalein Atoll, about 4,300 miles away in the Pacific Ocean. According to program officials, the first stage of the booster successfully separated, but then the launch vehicle began to tumble slowly after an energy management maneuver designed to keep it within the confines of the test range, failed. The kill vehicle never received the signal that the second-stage rocket motor had completed its burn. That signal is required in order for the kill vehicle to separate and carry out its intercept function. A July 8 Pentagon statement emphasized that all of the kill vehicle's systems were operating "as designed" up to the moment when separation was to occur.

Kadish went to great lengths to explain that the booster that failed, was not the booster that will be used in the operational system, and therefore its failure should not have a great effect on the program. The Minuteman boosters are, as Kadish said, "surrogates" for the real booster, which is still under development (and eight months behind schedule). "The thing we were hoping to get out of this," Kadish explained, "was much more information on the interceptor portion of it." The program now has produced one successful intercept in three tries, the other failure occurring only five seconds before intercept, when the cryogenic cooling system for the interceptor's infrared seeker failed.

The real question is, how much effect this test failure has on the decision-making time-line for building the system. Unlike most Pentagon weapons programs, development and construction of the infrastructure for the operational system are proceeding in parallel, a high-risk approach which is driven largely by the conclusions of the Rumsfeld Commission, which predicted, in its 1998 report, that North Korea would have an operational ballistic missile capable of hitting the United States by 2005. The first decision point coming up later this year, is when to start construction of the x-band radar facility on Shemya Island, at the end of the Aleutians chain in Alaska.

Some top Pentagon officials are acting as if the test failure doesn't amount to much. After all, the failure occurred in a component that won't be part of the final system. Undersecretary of Defense for Acquisition, Technology, and Logistics Jacques Gansler, standing alongside Kadish, declared, "The rest of the system now has successfully worked twice," although the interceptor only worked once, so far. "So, in a sense," he said, "we've tested the major elements of this system sufficiently to say that the design is probably the one that's pretty solid."

Growing Institutional Reserve

Other top Administration officials, however, have shown a bit more reserve. Secretary of Defense William Cohen, speaking to reporters while on his way to Beijing on July 10, said, "I would reserve a judgment" on making a decision recommendation to the President, "until I get all the way through the analysis." National Security Adviser Sandy Berger, appearing on CBS's "Face the Nation" the day before, said, "The failure of the test . . . is important in assessing how far along this system is technologically."

The *New York Times*, perhaps reflecting a growing institutional consensus, editorialized that the failed test was the "clinching argument" that a decision should be put off until the new Administration comes into office next January. The editorial noted the "interesting offers" of a cooperative system of defense against limited missile attack, coming from Russian President Vladimir Putin, and further noted that the North Koreans are negotiating, apparently in good faith, curbing any further missile tests. None of the other states said to be threats to the United States are anywhere near having such long-range missiles available by 2005. "That leaves no compelling reason for ordering construction other than the perception that doing so might shield Al Gore from Republican attack. Partisan political considerations should not drive such an important defense decision," the *Times* concluded.

Sources close to the Joint Chiefs of Staff have additionally informed *EIR* that the current system design, with an arsenal of fixed anti-missile missiles in Alaska, is not considered viable, although some of the component elements of

the system, including the radar, detection, and advanced computers, are compatible with more sophisticated systems, relying on anti-missile weapons based on "new physical principles."

These sources emphasize that it is not at all unhealthy that a serious debate on the future of missile defense is now under way, and that the debate is international in scope, involving America's European NATO allies, Russia, China, and other leading nations of the Asia-Pacific region.

The latest test failure should, hopefully, ensure that the decision on deployment is postponed, that the fixation on the North Korean threat is tempered by the recent breakthrough summit between the two Koreas, and that the full scope of strategic and technological issues that must be addressed in deploying any competent system that could contribute, rather than detract from world peace and stability, are fully debated. The Summer 2000 issue of *21st Century Science & Technology* magazine will feature an article, "In Defense of Strategy," by Lyndon LaRouche, the intellectual author of President Ronald Reagan's original Strategic Defense Initiative, on current prospects for a comprehensive and competent global shield against offensive nuclear weapons, that is certain to add to the debate.

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GOP Rams Its Prescription Drug Plan Through House

It was partisan sniping and one-sided parliamentary maneuvering at its worst on June 28, when the House narrowly passed the GOP's prescription drug plan by a vote of 217-214. The process by which the bill was rammed through left much ill-will in its wake. The Democrats were so enraged that they attempted to sabotage the procedural motion which set the rules for debate, something which is rarely done. The process didn't allow for any amendments or points of order. Barney Frank (D-Mass.) called the bill "the most policy-driven, ill-advised, overly hasty piece of legislation on a major issue I have ever known."

The bill, called the Medicare Rx Act of 2000, establishes a new drug benefit program, to be administered by a new agency called the Medicare Benefits Administration. The benefits would actually be provided by private insurers under criteria established by the bill. Ways and Means Committee Chairman Bill Archer (R-Tex.) claimed that the bill allows Medicare beneficiaries "the right to voluntarily choose the drug plan that works best for them." The Democratic plan, on the other hand, he said, "is a big step toward Washington-run health care but a step backwards in helping seniors with the high cost of prescription drugs."

Democrats attacked the bill as extreme partisan election-year politics, and harped on the fact that the bill was passed through the Rules Committee at about 3 a.m. Pete Stark (D-Calif.), a member of the Ways and Means Committee, complained that the bill only benefits pharmaceutical and managed-care companies. Jim McDermott (D-Wash.) reported that one Republican had "let the cat out of the bag," when he had said, "It may be enough just to

introduce a bill, but if we don't even have a bill, we are open to charges that we didn't do anything."

The Democratic alternative, which Stark called "dependable" because it uses real resources, could only be brought to the floor in a motion to recommit the original bill back to the Ways and Means Committee, so that that committee could substitute the Democratic language for the GOP language. The motion was struck down, because the cost of the plan would have exceeded the amounts allowed under the budget resolution. The Democrats came back with a modified motion, but the weakness in the Democratic approach was revealed by provisions that would have required legislation to pay off the Federal debt by 2012, and another bill to guarantee the solvency of Social Security for 75 years before taking effect. The Democratic motion was defeated by a vote of 222-204.

Drug Seizures, Are Up along Southwest Border

On June 30, the House Subcommittee on Criminal Justice, Drug Policy and Human Resources, chaired by John Mica (R-Fla.), heard evidence that seizures of drugs, particularly cocaine and heroin, along the U.S. southwestern border, have risen dramatically in the last five years, as have prosecutions. The level of violence along the border has also increased, as Mexican drug traffickers have become more aggressive.

U.S. District Judge Royal Ferguson, of the Pecos Division of the Western District of Texas, reported that the number of drug-related prosecutions in his court has increased from 45 in 1995 to 386 in 1999, and is on track to

hit 600 this year. He emphasized that these prosecutions are all on trafficking charges, involving quantities of drugs from 40 pounds to 1,500 pounds.

Joseph D. Keefe, special agent in charge of the Special Operations Division of the Drug Enforcement Administration, reported that a significant quantity of the heroin crossing the border now originates in Mexico, rather than Colombia, and that this so-called "black tar" heroin is reaching purity levels as high as 84%. He also reported that Mexican traffickers now control substantial shares of the markets on the West Coast and the Midwest, and are actively pursuing markets on the East Coast.

While Mica did have some criticism of Mexican officials for allegedly being less than cooperative on interdicting cross-border trafficking, Chief Border Patrol Agent for the El Paso Sector Luis Barker indicated that the problems with Mexican border officials are more of a technical nature rather than deriving from corruption.

Campaign Disclosure Bill Signed into Law

On July 1, President Clinton signed into law a bill to require that organizations that are tax exempt under section 527 of the tax code report their contributions and expenditures. The President's signature followed a House vote of 385-39 on June 28, and Senate passage by a vote of 92-6 the next day. Clinton said that the bill was needed to close "a special interest loophole" that allowed such organizations "to raise unlimited funds to influence elections without disclosing where the money came from."

The bill came in the aftermath of a successful effort by Sen. John McCain

(R-Ariz.) to attach a similar measure to the fiscal 2001 Defense Authorization bill on June 8. Since nobody really wanted a tax provision on an authorization bill, the action immediately triggered negotiations which resulted in separate legislation and the vitiation of McCain's amendment.

The speed of the process was indicated by the fact that the House considered the bill under suspension of the rules, a procedure usually reserved for noncontroversial bills. Rep. Amo Houghton (R-N.Y.) said that this would "send a signal that, yes, we can do something on campaign finance reform." Democrats went along with the process, even though it didn't allow for amendments, "to perfect the reform . . . and to broaden it to be more comprehensive," as Rep. Lloyd Doggett (D-Tex.) put it.

Opposition remained more muted than might otherwise have been expected. In the House, Majority Whip Tom DeLay's (R-Tex.) presence was made known only because he was quoted by Democrats. In the Senate, Mitch McConnell (R-Ky.), while speaking against the bill, took no action against it in order that the Senate could focus on appropriations bills.

Labor-HHS Spending Bill Faces Veto, Clinton Warns

On June 30, after the Senate passed its version of the Labor-Health and Human Services and Education Departments Appropriations bill, President Clinton warned that insufficient funding levels in the bill would force him to veto it. The Senate bill, he said, "relies on unacceptable spending cuts and falls short on critical funding for education, health care, and worker training." The bill also "short-changes vital

health care programs, including domestic and global HIV/AIDS prevention and treatment," and many other programs. Clinton also complained that the bill short-changes education programs, including initiatives to reduce average class sizes.

Senate passage of the bill, by a vote of 52-43 on June 30, came after seven legislative days of considering amendments. The process saw the GOP turn back Democratic attempts to increase education funding and the attachment of the GOP's patients' rights legislation to the bill.

While the focus of little debate, the bill cuts supplemental block grants for Temporary Assistance for Needy Families (TANF), the program that was created by the 1996 welfare reform bill. According to a report by the Center for Budget and Policy Priorities, the reductions come to \$240 million and would hit hardest the states that have a relatively high rate of child poverty. According to the report, the cuts threaten welfare reform, not only in those states, but also in states that don't receive the supplemental block grants, because they send the message that "states cannot rely on the Federal government to provide the levels of TANF funding it promised when the welfare reform law was enacted."

House Gives Doctors Collective Bargaining Rights

The House passed a measure by a vote 276-136 on June 29, to give medical doctors and other health care professionals in private practice collective bargaining rights with respect to insurance and managed-care companies. The bill, co-sponsored by Tom Campbell (R-Calif.) and John Conyers (D-

Mich.), grants a limited anti-trust exemption for medical professionals so that they have the same rights as organized labor does under the National Labor Relations Act.

Supporters of the bill argued that the exemption is needed to "level the playing field." The need for the bill was perhaps stated most bluntly by Jerrold Nadler (D-N.Y.). "Today's health care marketplace," he said, "is dominated by six large companies which enjoy monopoly or near-monopoly power in certain areas of the country. These companies possess unchallenged power in their negotiations with health care providers because providers are restricted by anti-trust laws from bargaining collectively for more favorable terms." While Democrats overwhelmingly supported the bill, they punctuated their arguments with calls to pass, in the words of John Dingell (D-Mich.), "a meaningful, enforceable Patients' Bill of Rights."

Opponents of the bill argued that it would raise the costs of health care. John Boehner (R-Ohio), the pointman for the GOP leadership on patients' rights, claimed that the bill would "provide an anti-trust exemption to one group in the medical profession with no oversight." He warned, "To allow any group of Americans to form a cartel to prey on America's consumers is not good for our country." Ironically, and unfortunately, managed-care companies are doing exactly that.

In what may be an indication of how far the bill will go in the Senate, Majority Leader Trent Lott (R-Miss.) commented to reporters the day after the House vote that he would not be supporting the bill: "I don't think we need more labor unions in America, and that's basically what they're trying to do."

Editorial

AIDS and Al Gore

It is well known that Lyndon LaRouche and *EIR* have campaigned forcefully for an effective response to AIDS, as a *species-threatening* pandemic, ever since 1985. It should be obvious by now, that everything we did and said was completely right in all essentials. But why was it dismissed, and why were we vilified and persecuted for it? We now know some things about this side of the question, which we didn't know back in 1985-86. We now know of the then-secret U.S. National Security Study Memorandum 200, or NSSM 200, of 1972, calling for the reduction of the populations of major Third World nations as a U.S. national security priority. And we now know that a predecessor of NSSM 200 existed at the State Department as early as 1966. After NSSM 200, the next step in the population-reduction campaign was the Stockholm environmental conference of 1972, organized by the Canadian kook Maurice Strong. The massive attacks against us in the 1980s, were lies; we were exposing the hoax that AIDS can only be transmitted through sex.

AIDS was first found in two locations simultaneously: Kinshasa, Zaire, and San Francisco. Both were areas where the population had heavy interaction with blood banks.

Remember that before AIDS, there was no known human retrovirus. There was a retrovirus which infected green monkeys, which were immune to it, which went on from them to infect other monkeys and apes. It is relevant that chimpanzee tissues appear to have been used in the 1950s to develop experimental polio vaccines for use with humans in Africa, a continent which has always been an open field for any sort of obscene medical experiment. Once you discover and isolate a retrovirus, you can insert it into immune agents, such as a polio vaccine.

LaRouche's expressed view then, was that if AIDS were man-made, it were probably the result of a laboratory accident. But whether or not it were man-made, what followed its origins was an anomalous initial pattern of contagion. Its initial spread in Africa, can be charted almost directly from certain experimental inoculation programs. There is no explanation for the pattern but a mechanical spread, whether through inoculation programs or in some other way. The pattern of AIDS

epidemia now, is that of a disease of poverty, as South African President Thabo Mbeki has said. But that was not the case at the beginning.

Looking at the way in which LaRouche and his friends were persecuted around this issue, one might venture that perhaps some people were trying to cover their tracks. In the 1980s, we explained this hysteria by saying that, once the magnitude of the problem became publicly known, a budget would be needed to deal with it, but that some persons in authority were so morally insane, that they would rather deny the existence of the danger, than discuss that budget. The moral insanity was certainly there. But Dr. Alim Muhammad's testimony at the Ad Hoc Democratic Party Platform Hearings last month, showed that Cuba was able to contain the epidemic, at a much earlier stage of knowledge of the disease, without a big budget. This means that other avenues of explanation must be explored.

LaRouche did not say then, and is not saying now, that AIDS was created or spread deliberately. But he is saying that views like those Dr. Muhammad expressed at those hearings, should be more fully explored.

"This is me versus Gore," LaRouche says. Maurice Strong is the key continuity to H.G. Wells, and to the Bertrand Russell who wrote that we needed a pandemic disease every generation, so that the survivors could then procreate freely. Why was LaRouche targetted for his AIDS warnings of the mid-1980s, which later proved true? This was a conscious cover-up. Now, we are faced with a massive national security problem from AIDS, just as he warned. California Proposition 64, which LaRouche initiated in 1985, must now be used to morally discredit population-reduction fanatic Gore.

Along with other life-and-death issues, the AIDS question must be addressed through the mass circulation and replication of those platform hearings. That campaign is the center of everything. Everything essential is in those hearings, in the testimony of Dr. Muhammad of Washington, Dr. Kildare Clarke of New York, and Councilman Joe Jones of Cleveland, and in their give-and-take with the panel.

LaRouche is optimistic that he can unify the Democratic Party in this way; no one else has the credibility to do it.

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