

# EIR

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Putin Outflanks 'Ring Around Russia' Provocations  
LaRouche in Dialogue With Italian Political Leaders  
Dick Cheney Becomes Ever More Impeachable

## LaRouche Policy Statement: 'The Rules of Survival'



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# EIR

## From the Assistant Managing Editor

The underlying question posed in this week's issue is: Will the world adopt LaRouche's "Rules of Survival," or will it allow the foolish leaders who met at the G-8 Summit in Heilingendamm June 6-8, to impose their "Rules of Extinction"? We invite you, the reader, to come to your own conclusion, and then to act accordingly, by carefully considering what LaRouche has presented in his *Feature* article, "The Rules of Survival," in which he advises, that in the face of worst financial and strategic crisis of the post-war period, "there is still a potential escape-hatch which could open the way to recovery, if we seize that option now," by applying the principles used by FDR to wrest the world out of the Great Depression.

Unfortunately, judging by the crazed "*Après moi, le deluge*" mindset which characterized the discussions at Heilingendamm (see *Economics* for "G-8 Pass Up Opportunity on Hedge Funds"), the needed shift in policy will not come from the forces gathered at the Summit.

The notable exception was that offered by Russian President Vladimir Putin, "the judo practitioner," who delivered the required reality check (see *International* for "Putin Moves To Outflank 'Ring Around Russia' Provocations," with his proposal for a joint Russian-American anti-missile radar system in Azerbaijan, in place of the planned U.S. ABM installations in Poland and the Czech Republic, to counter the "New Cold War" intentions of Cheney & Co. Putin referred to the potential danger as an "apocalypse on a planetary scale."

Rumor has it that Bush's widely publicized "nervous stomach" at Heilingendamm was a reaction to Putin's challenge, as well as to the intense discussions on the sidelines, of the proposal for a Bering Strait rail-tunnel, inspired by LaRouche's recent visit to Moscow.

Or was it perhaps his dawning recognition that the impeachment noose is tightening around his Vice President's fat neck (see *National*, "Dick Cheney Becomes Ever More Impeachable," for the latest updates).

Finally, don't miss LaRouche's International Webcast, titled, "The World's Biggest Loose End," from Washington, D.C. at 1 p.m., on June 21 ([www.larouchepub.com](http://www.larouchepub.com)).



## Cover This Week

President Franklin D. Roosevelt (center) at the 1944 Quebec conference. On his right is an apparently disgruntled Prime Minister Winston Churchill; to his left, Canadian Prime Minister MacKenzie King.



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### 4 The Rules of Survival

By Lyndon H. LaRouche, Jr. From the standpoint of the financial system, the present world situation is hopeless. To survive, we have no choice but to change the system itself, the way Franklin Roosevelt restored the American System of political-economy, in what Winston Churchill correctly saw as a threat to the British Empire. The central feature of this report is the subject of those changes required, to “get us through the crisis, leaving the emptied hulk of the failed financial system itself behind us.”

## International

### 34 Putin Moves To Outflank ‘Ring Around Russia’ Provocations

The Russian President caught the Bush Administration off guard by proposing a joint Russian-American anti-missile defense facility in Azerbaijan. The Russian view is that the future of the world depends on the U.S. response, since if Washington and London continue their military and political provocations, the threat of nuclear war becomes very real.

### 38 LaRouche to Russian Journal: ‘The Enemy of Russia Is London’

An interview given to Andrei Kobayakov, director of the Russian web publication RPMonitor ([www.rpmonitor.ru](http://www.rpmonitor.ru)).

### 40 LaRouche Holds Dialogue With Italian Senators on New Monetary System

During Lyndon LaRouche’s three-day visit to Rome, he participated with Italian political and economic leaders in an *EIR*-sponsored conference on “The Future of the Economy: Market Radicalism or New Deal?”

### 42 LaRouche in Rome: Free Market or New Deal?

Speech to the *EIR* conference on June 6.

### 45 Gianni: How To Go Beyond Capitalism

Speech by Alfonso Gianni, Italian Deputy Minister for Economic Development.

### 47 Tremonti: Revive Hamilton’s Economics

Speech by Giulio Tremonti, vice-chairman of the Italian Parliament and former Economics Minister.

**49 Sudanese Ambassador to U.S.: Beware 'Hidden Agenda' Behind Sanctions**

In an interview on The LaRouche Show, Ambassador John Ukec Lueth Ukec described how the new U.S. sanctions only serve to wreck the difficult process of creating peace and economic development in Sudan. The real agenda is not the crisis in Darfur, he said.

**51 U.S. Sanctions Target Food and Agriculture**

**55 Economic Hit Men Aim at Ecuador President**

## Economics

**56 G-8 Pass Up Opportunity on Hedge Funds, Development**

By denying the reality of the bankruptcy of the world system, the participants in the G-8 "World Economic Summit" did not act on two initiatives that could have dealt with effectively with the world economic breakdown crisis.

**58 Rep. Frank to Bush: Time To Act on Hedge Funds**

## National

**60 Dick Cheney Becomes Ever More Impeachable**

Although the Democratic leadership has so far refused to put the issue of impeachment on the table, Vice President Cheney took three heavy body blows the first week in June.

**62 Momentum for Impeachment**

**63 National News**

## Departments

**59 Banking**

Principality-Based Regulation.

## Editorial

**64 Corruption in the Camp of LaRouche-Haters Cheney and Blair**



# The Rules for Survival

by Lyndon H. LaRouche, Jr.

May 24, 2007

*As I have repeatedly warned over the past decades, there are no “crystal balls” in any competent form of economics. There is no possible mathematical system, as such, which could predict the date the present world monetary system would crash. In every relevant crisis, there is a certain margin of free will, but only a margin. Therefore, forecasting must rely on a combination of two kinds of forecasting methods, which we must combine as one.*

1.) “Mathematically,” we should recognize that phase of the world system in which the economy was currently operating. For example, in 1998-2000, we had already entered what I had foreseen, in my 1995-1996 presentation of my “Triple Curve” schematic, as the area in which the detonation was ripe to occur, unless we acted as I had proposed, to stop it by a return to the model, of President Franklin D. Roosevelt’s Bretton Woods system. However, that presented us only the broad parameters of both the timing of the crisis, and its remedy.

2.) However, we can observe the relevant current state of voluntary disposition of relevant individuals and social strata, to assess whether or not the relevant institutions are actually on the verge of behavior which probably would, or would not trigger, or delay an already existing potential economic collapse, as now.

In Autumn 1998, action led by the Clinton Administration, postponed a general financial collapse which was already in progress then; but, the bills to be paid for that bailout, have been piling up, with interest added, ever since, including the added, monstrous costs of Vice-President Dick Cheney’s and Tony Blair’s lying to us to get us into a seemingly permanent and also hopeless Mideast war.

Now, from the standpoint of the financial system itself, the present world situation is hopeless; from that standpoint, a new dark age were now inevitable **unless we change the sys-**

**tem itself.** How soon? Who knows? What we can know, is the way we have already entered the current end-phase of that inherently failed system, a system which President Richard Nixon created in 1971-1972, a system which is soon to be gone forever, in one way or another. We can know the degree of ripeness for a crash, which is presently awful. We can assess the subjectively determined patterns of voluntary human behavior, which will determine whether or not a crash, already override in the tree, will be triggered, or delayed.

So, the conditions are ripe, and the time is “about now.” As Wall Street used to say: *The Bulls and Bears* might survive, but the hogs who go to market now will be slaughtered.

However, from my standpoint, as an economist who adheres to that American System of political-economy which Nixon’s crowd violated, there is still a potential escape-hatch which could open the way to recovery, if we seize that option now. That means applying the same principles to the different world situation, today, which were used by President Franklin Roosevelt to get us successfully out of that sudden, deep depression of 1929-1933, the depression which the policies of Presidents Calvin Coolidge and Herbert Hoover had hung around our nation’s neck.

It can be done, if you know the principles, and apply them competently. First of all, today, many among you, inside or out of government or party leaderships, must stop making the increasingly popular mistakes in action and judgment which had become prevalent political habits since about 1971. You must get out of the way most of our leading government officials had been thinking up to now; if you don’t, there is now no hope for the United States, or the world at large.

It was going to come to this, if you did not act appropriately to change our ways. Now, as in the moment of world war or peace, the time for that decision has come.

—Lyndon



Library of Congress

President Franklin D. Roosevelt delivers his annual report to Congress, March 1, 1945. There is still “a potential escape-hatch which could open the way to recovery, if we seize that option now,” LaRouche writes. That means applying the principles used by FDR to get us out of the Depression.

### Introduction

The world as a whole is presently caught within the last phases of a general breakdown-crisis, a crisis for which there is no true comparison, until now, within modern European history since the 1618-1648 Thirty Years religious war. In fact, the nearest resemblance to the current threat, is to be found in European history in the so-called “New Dark Age” of Europe’s mid-Fourteenth Century. In that mid-Fourteenth-Century collapse, half of the parishes of Europe were erased from the map, while the level of the population was reduced by about one-third.

That does not mean that an event like that is inevitable; it does mean that something probably even far worse than that medieval horror will soon hit the world as a whole, *unless* we make certain specific, willful changes in our nation’s, and the world’s economic policy of practice, and that right now. This present financial system itself, is already doomed; but, a change to the right choice of new system, to replace the present, failed one, a change back to the recovery policies of President Franklin Roosevelt, could still get us through the crisis, leaving the emptied hulk of the failed financial system itself behind us.

The central feature of this report is the subject of those necessary changes.

A successful recovery is probably still a presently available option; but, would be possible now only on the condition that we reverse every trend introduced to our nation’s general

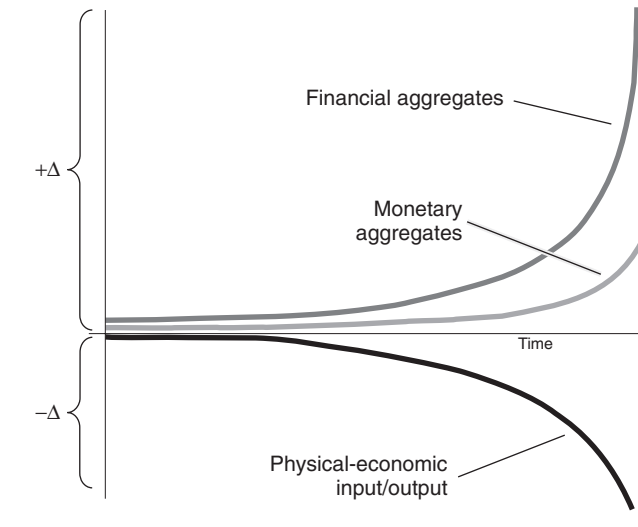
outlook on trans-Atlantic monetary-financial and economic policy, and also that of relevant other nations, since about March 1, 1968. We must return, in fact, to the systemic kind of political-economic policies of the post-war world economic recovery, policies which the U.S.A. would have continued, had President Franklin Roosevelt lived to complete his fourth term in office.

*With the exception of the interval from the March 1933 inauguration of President Franklin Roosevelt, through a point some time immediately after the assassination of President John F. Kennedy,* the world at large has been dominated, directly or indirectly, for about three centuries, by the effect of the economic doctrines of the Anglo-Dutch Liberal System of monetarism. This Liberal system, was the influence into which the fraudulently arranged U.S. 1964-1972 Indo-China war led, and trapped us, under President Lyndon Johnson. It was the influence which continued that war through, and even slightly beyond the first term of President Richard Nixon. Near the end of the Indo-China war, Nixon and George Shultz destroyed Franklin Roosevelt’s Bretton Woods system. That long Indo-China (official) war of 1964-1972, did much to ruin us, as the lies of Britain’s Tony Blair government and the George W. Bush Administration launched the similarly useless wars in Southwest Asia which have nearly completed our nation’s ruin today.

That occurred, notably, during the same time-frame which, for related reasons, the Soviet economy was also be-

FIGURE 1

## LaRouche's Triple Curve



*This 1995 “Typical Collapse Function” heuristic shows how the physical economy crashes, as monetary and financial aggregates soar into hyperinflation. The timing of such a collapse depends upon the voluntary actions of human beings, either to delay the advent of a crash (making it worse when it comes), or to prevent it by taking actions for the general welfare.*

coming increasingly unstable. The cultural influences which led to our own and the Soviet system’s ruin, were ultimately complementary, and could have been avoided only if the Soviet government had accepted the negotiations offered on March 23, 1983, by U.S. President Ronald Reagan. All escapes from the real-life tragedies of great nations occur only by “kicking against the pricks,” by choosing a certain pathway to safety which presently prevailing habits, as now, tended to forbid.

Ironically, the varieties of Marxist economic systems, while differing, in some of their well-known political objectives, from other branches of what had been laid down as the British economic dogma, were, axiomatically, no exception to the deeply underlying principles of the Anglo-Dutch Liberal System of political-economy. Karl Marx and his followers had emphasized this connection repeatedly.<sup>1</sup> Furthermore, despite the hostility between the Soviet and “Western” Anglo-Dutch varieties of monetary systems, the two were closely interrelated, especially so since the Soviet system’s bringing within its borders the virtual “Trojan Horse” of the Bertrand Russellite, pro-Malthusian dogmas

1. The outcome of Karl Marx’s doctrine was: 1.) The British (i.e., Anglo-Dutch Liberal) System was the first and only “scientific” doctrine of political economy, a political-economy which was 2.) assumed to lead into the inevitability of “capitalism’s” “scientifically necessary,” Marxist successor.

of Cambridge systems analysis.

Thus, viewing matters broadly, since 1763, there have been only two significant models of modern world economic systems, world-wide: on the one side, two differing varieties of the same “Adam Smith” model, Anglo-Dutch and pro-Marxist, spun out of the British version of Anglo-Dutch Liberalism; and on the other side, the contrary tradition which had been established under our Constitution, as our American System.<sup>2</sup>

The presently continuing, essential difference between those two leading species of world systems, lies in the fact, that the Anglo-Dutch Liberal System (which, incidentally, includes fascist varieties of economies) is a monetary system whose root was derived from the tattered remains of a so-called *ultramontane*, medieval system of “globalization”; that was the medieval form of empire, which had been established under the curious partnership of Venice’s financier oligarchy with the Crusading Norman chivalry.

The implied design of modern Anglo-Dutch Liberal System, expresses a slight, but crucially significant change from the Fourteenth-Century failure of the old, medieval form of the imperialistic Venetian system. It was a change made in the attempt to crush the reforms which had been expressed by the great ecumenical Council of Florence, an attempted defeat of the Florence reforms which evolved into the reactionary form of the late Sixteenth and early Seventeenth centuries’ new, Liberal Venetian system, a new system introduced by Paolo Sarpi. Sarpi’s so-called philosophical Liberalism, has been the reform at the root of the Anglo-Dutch Liberal dogma of monetarism. That is the Sarpi reform which has remained the keystone of all monetarist dogma and policy, and the present drive toward an imperial form of a new Tower of Babel, which is called “globalization” today.

The British East India Company was established as an imperial power, with the February 1763 Peace of Paris, as followed by the ruin of France in the 1789-1815 rampage of both London-steered Jacobins and Count Joseph de Maistre’s Martinist freemasonic redesign of Napoleon Bonaparte. The more or less inevitable fall of Bonaparte, established the British Liberal system of political-economy as hegemonic internationally, almost to the present day, but with the single significant exception of those decades during which the world-system was under the strong influence of the American System of political-economy.

2. In large degree, not only was the work of Adam Smith copied from France’s Physiocrats Quesnay and Turgot, but much of Smith’s viciously anti-American tract, his *Wealth of Nations*, was virtually plagiarized, in large chunks, from the Turgot whose confidence Smith thus violated. Smith’s own views are presented more clearly in his 1759 *Theory of the Moral Sentiments*. Despite the successive corruption of the U.S. economy since the deaths of Presidents Franklin Roosevelt and John Kennedy, the residue of the differences between the American System-based and the Liberal system continues to the present day.



## Sea-Power & Economy

In sundry published locations, I have had occasion, as now, to return attention to the subject of the historic advantages, during past history, of maritime development over inland development. I emphasize "historic," since the advantages are not relevant for all times and places, but, have, nonetheless, crucial significance during known long waves of history, and also some of the pre-history of mankind, this until the upsurge of the changes implicit in recent qualities of relevant technological progress. That subject has special relevance in the context of the past role of the British Empire in creating the institutional foundations of the presently onrushing threat of a general collapse of civilization world-wide. (Look in the basement to learn why the house will collapse.)

As I have stressed, repeatedly, in published material over the recent quarter-century: in all known history, and traces of pre-history, the advantage had always lain, until now, with the superiority of maritime culture's potential strategic advantages over those of inland settlements. This is typified by the founding of the known development of Mesopotamia by settlers from a non-Semitic sea-going culture based in the Indian Ocean; and, it is otherwise typified by the wider archeological evidence of the superior economic and general cultural development of maritime cultures represented in coastal locations, over evidence pertaining to development of inland sites. The progress of civilization's initial developments has been chiefly upriver from coastal settlements.

This advantage of maritime powers, such as the British Empire, was first seriously threatened with the appearance of national railway systems, especially with the related emergence of the post-Civil War United States of America as a continental power. Today, with the prospect of a shift into the combination of nuclear-fission as a power-source in general use, and the emergence of magnetic-levitation mass transport systems, the so-called "geopolitical" advantage of sea-power, the relative advantages of maritime over inland cultures, has entered a waning phase.

However, in the better known part of the earlier portion of the history of European civilization, the portion since about 700 B.C., a crucial test of landlocked versus maritime cultures came to a head in the Mesopotamian-based Achaemenid-versus-Greek conflicts. The strategic pattern of all European and related cultural history since that time, up to the present day, has been set by the ambiguous outcome of the victory, led by Athens, against the Persian Empire's attempt at decisive use of what was apparently overwhelming force, against Athens and its allies. Athens' coalition defeated the Achaemenid Empire by outflanking the Persian forces on land with victory at sea; but, then, Athens lost the longer war, to the Persian "fifth column's" infiltration of the leading families of Athens themselves, through the Delphi cult's spread of the influence of Apollonian-Dionysian modes of Sophistry, much like the modern "Baby-Boomer" culture, among the youth of the leading families of Pericles' Athens.

This Sophist corruption of the leading families of Athens, brought about the long war, the Peloponnesian War, which destroyed Athens' power, as the enemies of the U.S.A. used the assassination of President John F. Kennedy as the opportunity to manipulate the U.S.A. into that process of self-destruction effected through fraudulently induced long wars in Indo-China, as under Presidents Johnson and Nixon; and, more recently, an unwinnable, spreading, long war in Southwest Asia, this time, under Vice-President Dick Cheney's proverbial "Trilby," President George W. Bush, Jr.

The immediate precedent for the political weakening of the U.S.A. by the residual maritime power of Anglo-Dutch Liberalism, was inherited from the precedents of the Mediterranean maritime power which was crushed, momentarily, by Alexander the Great's alliance with the Ionian cities and Cyrenaicans, against Tyre, and, later, by the Romans against Carthage and Syracuse, and by the methods of the maritime power which came to be controlled by Rome and Byzantium, in playing their respective parts in establishing and retaining their imperial power for as long as they did.

For example: Alexander's margin for final victory over the Persian Empire, had been accomplished by the preceding reduction of the Persian Empire's maritime bastion at Tyre, a victory which would have been impossible without the preceding appeal by Alexander to his virtual cousins in the Cyrenaican priesthood, which resulted in the revolt of Egypt against the Persian Empire, and, in turn, in Alexander's victory.

To similar effect, the roots of what became the British Empire, are to be found in the shift of power in the Mediterranean from Byzantium to Venice, a shift which resulted from the use, initially by Byzantium, of Saxon pirates from Jutland and nearby Scandinavian maritime locations, against Anglo-Saxon civilization, and the key role of declining Byzantine power in deploying the same northern sea-raiders, together with the Normans as such, against the remains of Charlemagne's reign. The internal decline of Byzantium's vitality, opened the door for the emergence of a new hegemonic imperial power, the Venetian financiers' imperial maritime power of the Eleventh through the Fourteenth centuries.

This rise of Venetian power was not only typical of the forerunners of what became known as British imperial geopolitics of the late Eighteenth Century and beyond. The Anglo-Dutch Liberal form of maritime power was itself a product of Paolo Sarpi's reform of Venetian-directed maritime power, shifting the base of Venice's financier-oligarchy, from an increasingly weakened strategic position as a maritime power in the upper reaches of the Adriatic, into what was to become the maritime power based in the northern regions of the North Sea, the English Channel, and the Baltic.

The great long-term threat to the Anglo-Dutch Liberal System's maritime supremacy, became visible in the development of the U.S.A. as what John Quincy Adams, when Secretary of State, had designed as a developed continental power, between two oceans, and northern and southern borders, be-





EIRNS/Bonnie James

*“Even the remarkable ‘intellectual development’ of some pet animals, is a result of a coupling of animal predispositions to the guidance supplied by actually human powers.”*

came the future great English-speaking, long-term threat to the global hegemony of Anglo-Dutch Liberal imperialism. The victory of President Abraham Lincoln’s U.S.A. over the British puppet, the Confederacy, and the explosion of internal development associated with the launching of the transcontinental rail system, changed the quality of direction of modern world history. Maritime power persisted, but its hegemony was effectively challenged.

Consider our republic’s most recently attempted destruction, which was launched by the Atlanticist Liberal faction with the death of President Franklin Roosevelt. That destruction, and the intended assimilation of what might emerge as our subsequent remains, had already been Anglo-Dutch Liberalism’s imperial outlook since no later than February 1763, and, most emphatically, since 1865-1879. After the U.S. victory over Lord Palmerston’s Confederacy puppet, the U.S. was a powerful state which could no longer be broken up by further attempts at breaking us into pieces by means of externally directed military force. Our U.S.A., which was spreading the influence of the American System of political-economy into Germany, Russia, Japan, and beyond, was then viewed by the British monarchy’s system as an intolerable threat, whose power was to be destroyed by one means or another. The British monarchy considered the most immediate threat to Anglo-Dutch Liberal imperialism as expressed by Bismarck’s American reforms in Germany; London intended to eliminate this Bismarck reflection of American influences, by pushing for a war between the two nephews of King Edward VII, Germany’s Kaiser Wilhelm and Russia’s Nicholas II. To this Liberal end, the assassination of U.S. President William McKinley, transformed the U.S. temporarily, from a rival, into a captive dupe and virtual ally, under fanatically Anglophile Presidents Theodore Roosevelt and Woodrow Wilson.

Typically, following the first World War, for which Presidents Theodore Roosevelt and Woodrow Wilson had prepared the U.S. to support Britain in its intended geopolitical conflict with the continental powers of Europe, Britain returned this

favor by preparing, during the early 1920s, to join with what had become London’s royal asset, Japan, for what was intended to be a decisive attack upon U.S. naval power, with Japan then assigned to prepare to take out the U.S. base at Pearl Harbor. Later, when Britain had been turned away from its intended accommodation to Nazi dictator Adolf Hitler, under pressure from the U.S.A.’s President Franklin Roosevelt, a desperate Japan, now allied with Nazi Germany, continued its part in what had been the earlier Anglo-Japanese plan for the attack on Pearl Harbor. Had our carrier task-force not subsequently defeated the Japan carrier task-force, the Nazi operations based in Mexico would have attempted a joint Germany-Japan conduct of a planned attack on California.<sup>3</sup>

President Franklin Roosevelt, was, of course, a far different case than either Theodore Roosevelt, Woodrow Wilson, or Harry Truman. FDR’s untimely death was welcomed among the ranks of U.S. and other proponents of some permanent form of global Anglo-Dutch/American Liberal world empire, such as what is lately called “globalization.”<sup>4</sup> For such reasons, some relevant influential financier circles, including a person close to top levels of the Democratic Party, have frankly declared, against me personally, as during the course of 2005, that their factional stooges within influential U.S. circles, would never permit a potential resurrection of President Franklin Roosevelt’s U.S.A., to come near to power in the U.S.A., ever again. These present-day apostles of “globalization” have acted against me, if with marginal success, within the Democratic Party, the relevant press, and elsewhere, accordingly.<sup>5</sup>

I shall now show why such fellows have often regarded me, explicitly, especially since March 1983, as a serious special kind of danger to what they wish to perceive are their special financial and related interests.

3. The celebrated case of U.S. General Billy Mitchell typifies the situation during the 1920s. In the context of the post-World War I negotiations of proposed pro-British parities in world naval power, knowledge of the intent of London and Japan to ally themselves with a planned destruction of a large margin of U.S. naval power, became a featured subject of U.S. war plans. The intended assignment of Japan to “take out” the U.S. Pearl Harbor base was well known. Mitchell’s intention, as this was presented during the proceedings of his court-martial, was to create a U.S. aircraft-carrier potential for dealing with such cases as the specific Japanese intent to carry out the agreement with Britain to take out the Pearl Harbor base.

4. This effort at an Anglo-American-Dutch Liberal alliance for “globalization,” was launched by the same trans-Atlantic financier channels of Brown Brothers Harriman which had initially been steered by Hitler sponsor, and head of the Bank of England Montagu Norman. President Franklin Roosevelt had been key in breaking up the intended financier interest’s intended cooperation with Hitler. After Roosevelt’s death, there were sudden re-arrangements, which continue to haunt the world to the present day.

5. I obviously have no “racial” sort of quarrel with the people of the British Isles. I am, by pedigree, a New Englander, with roots back to the middle of the Seventeenth Century. At least half of my ancestry is traced to the British Isles from England from the time of the Norman Conquest, and to Scottish and Irish ancestry more recently, in addition to the obvious French. My relevant objections are to imperialism in particular, and oligarchism in general. I wish to improve the British population, not injure it.

## The Crucial Lesson From History

All of this which I have just summarized respecting the roots of today's Anglo-Dutch Imperialism, reflects the span of history of European civilization's emergence and development as an independent phenomenon of world history since approximately 700 B.C.—a relatively brief, but most characteristic slice of the history of human existence as a whole. As brief as that portion of the existence of mankind may be in respect to the larger and longer scheme of things, there are two extremely relevant points to be made respecting the characteristics of civilization as a process since about 700 B.C., as any attempted understanding of human nature requires.

As Plato reports, the Egyptian counselors of Athens' representative said: *You Greeks have no old men among you.* I refer to Plato's remark, to aid in making a crucial point. It is the crucial point I wish would pervade the reader's comprehension of the entire span of that knowledge which they require for an adequate insight into the exact nature of the present challenge for the perilous moment immediately ahead, perilous for both the continued existence of our nation, and of civilization as a whole. I, after all, am an old man, but one whom those Egyptians might have believed, shaking their heads slowly, that I would be as one who had been born, by their standards, only recently, in their sobering view of the determining features of the historical process of development in the large, as for then, for now.

Looking at the recent millennia of human history, from the standpoint of any thoughtful animal ecologist, the astonishing fact about the human species would be, that power of our species to increase its potential relative population-density, as no animal species, such as the higher apes, can mimic this. The point is, that the greater part of human behavior is not fairly described as "instinctive," but a product of cultural transmission, as if by radiation, from one generation to the next.

A glance at the recent history of European civilization's cultural developments, during the recent 2,800 years alone, should astonish the modern ecologist. What he, or she should find astonishing, is, first of all, the vast discrepancy between the expansion of human potential relative population-density, when compared with what are, apparently, our nearest biological cousins, the higher apes. Secondly, the fact that this increase has been largely voluntary, not biologically determined. Unlike the animals, the study of crucial cases shows, that every type of human cultural strain exhibits the same raw degree of creative intellectual potentiality, such that the upper limits of achievement of the representatives typical of that strain are fixed only by cultural, rather than biological determinations.<sup>6</sup>

A study of competent education in the principles of physical science, shows us that the greater part of this upward potential for cultural development, can not be biological, not

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6. E.g., Academician V.I. Vernadsky's distinction of the Noosphere from the Biosphere. Cf. Lyndon H. LaRouche, Jr. "Vernadsky & Dirichlet's Principle," *EIR*, June 3, 2005.

something confined to the definitions of the Biosphere; but, represents an accumulation of culturally-transmitted progress in development of the power of our common species, over hundreds, or far more centuries, through intellectual, rather than biological developments in cultures.<sup>7</sup> Furthermore, these developmental processes are not inevitably organized in pre-determined stages, but entire so-called "cultural stages" can be leaped over, ostensibly, many apparent "cultural stages" of development within the bounds of several generations. (Normally, the apparent unit of time to be chosen for investigation of such effects, is about three generations, within a family of a standard three generations.)

This accords with the matured Albert Einstein's views on the importance of viewing modern science as an integrated process, expressing an implicit continuity of net intellectual development from Kepler through Riemann. There exists, implicitly, a best ordering of the development of those aspects of knowledge we associate with modern science; but, in practice, as Einstein, generously, did not mention that fact at that moment, there are also many cases of long periods of intellectual degeneration in the quality of the so-called "mainstream" of apparent historical development of scientific knowledge, as we have experienced this in trans-Atlantic culture recently.

It happens that no important principle of scientific or other knowledge could be conceivably transmitted by "programmed learning" methods. People can babble rehearsed formulations as "learning," but they can never know a discoverable principle of nature except by experiencing the actual process of *unlearned* discoveries, as Nicholas of Cusa, for one, prescribed.

These few observations I have just made here, suffice to point out that it is the creative processes of discovery of universal physical and comparable principle (i.e., as typical of only Classical modes in artistic composition), which is the prompting of those changes in culture among human beings which are comparable to the effects of upward biologically evolutionary development among the lower animal species. Even the remarkable "intellectual development" of some pet animals, is a result of a coupling of animal predispositions to the guidance supplied by actually human powers.

It is those principles, as typified in quality by the discovery of a physical principle, as the cases of Nicholas of Cusa, Leonardo da Vinci, Johannes Kepler, and Leibniz, or Kepler, Leibniz, Gauss, and Riemann, typify such an ordered succession in physical science, which supersede the function of biologically predetermined, instinctive learning capacities of animal species. These are examples of the role of the speci-

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7. Although I often lecture about a subject-matter, I prevent, where possible, any attempt at replicating all-too-typical classroom methods in inducing students to "learn" formulations by aid of deduction, or inductive argument, rather than to actually discover them in the sense of "owning the patent on their own experience of discovery of the idea and its experimental validation," thus "actually knowing" not some formulation, but discovering the idea which they will then have proven by experimental or appropriately kindred means.

cally human powers which underlie the uniqueness of seemingly evolutionary development of the society and its individual member. This typifies what is lurking inside the individual representative of many successive generations of cultural development of the individual within a society. When one examines 2,800 years of history of specifically European civilization, as I have suggested above, we begin to recognize more fully the importance of emphasizing cultural development, rather than mere assessment, through mere observation, of currently apparent cultural traditions.

## The Principle of Tragedy

In the case immediately at hand, the appropriate choice of role by those suited to become the leaders of the U.S.A. during the present, critical moment of world history, is the view of past and future history from the informed standpoint which I have just outlined; it is that view which makes the difference, under present world-crisis conditions, between probable success, and virtually inevitable failure. These are conditions under which we must choose a change in the present quality of the apparent agenda, rather than foolishly attempting to respond, as with yet another foolish war arranged by lies, as in the cases of the U.S. Indo-China War and the currently spreading war in Southwest Asia. We must rise above the bounds of the current general estimate of what the current stubborn habits in opinion-making would assume the agenda to be.

To begin to have the competence to foresee where we ought to go next, it is necessary, today, to reflect upon the origins of the palette of alternative and successive progress and failures in the experience of European history over no less than 2,800 years to date, since the rise of the Mediterranean region out of a preceding, relatively dark age. On that account, most among our political and military strategists of today would be considered by Plato's Egyptian old men as children. Consider, thus, the difference between the Classical and Romantic views on tragedy as a source of illustration of that point.

In the Classical tragedy, the subject is the pervasive failure of the entire culture which that case represents. In each case, as the Queen in Schiller's *Don Carlos*, or the two children of the house in Schiller's *Wallenstein*, it is the figure which the Classical playwright has placed on stage, but from just outside the scheme of the action, who is used by the playwright to provide the member of the audience a vantage-point to see that the person of Hamlet, for example, is not the specific issue of the tragedy of the play, but that he, too, is a victim of the entire culture which grips all of that intrinsically tragic culture as a whole. So, in *Lear*, where all are fools; or *Macbeth*, where all are members of a society of butchers; or, in *Julius Caesar*, from which the named personality Cicero is being excluded to crucial effect, from a place where he might be seen as a figure on stage, but exists only as an unseen presence.

Nor is President George Bush, Jr. the source of the tragic force within our national drama today. Bush's election as

President demonstrates the principle of tragedy; the fact that he was placed on stage, and kept there, shows that his election, especially his re-election, would have not have been conceivable, had there not been something which is both pervasive and rotten in our culture, a rottenness typified, in fact, and that pervasively, by the Sophistry of our Baby-Boomer generation, the type of fatal trait which also visibly pervades the dominant generation of the society of today's western Europe, as in the U.S.A., today.

It often appears, thus, that almost everybody wishes to find a scapegoat on which to fix the blame for what are, in fact, our society's presently conventional disasters. Grow up! Stop being a credulous Romantic! Foolish Romantics blame Hamlet; they blame King Philip, but not Posa or Carlos, nor the Grand Inquisitor: they always find an excuse to blame someone, or something, something which is not the singularly guilty party, rather than blaming the generally adopted culture of, for example, the members of the audience.

It is that culture, as in *The Iceman Cometh*, which is actually the guilty party on stage, while the supposed tragic figures are merely the instruments of the guilt which is inherent in that shared specific culture of that population as a whole. The Romantic makes a farce of the tragedy he or she witnesses, by expressing the farcical pretension, that all unpleasant ends seen are the fault of the tragic flaw in some individual, or a special group of individuals, rather than the culture of the would-be blamers. Friedrich Schiller's comment on the character of the Posa of *Don Carlos* is relevant to this effect.

The Romantic's populism says: Imprison the man who pulled the rope at the lynching, and let the fellow-members of his Klan breathe a typically Romantic sign of relief, having paid, with the price of one scapegoat, for the pleasure of participating in the murder of one individual, the victim, by offering the punishment of an accomplice as a kind of human sacrifice. Or, during, or following the war-time 1940s: "What smokestack? I don't recall seeing any smokestack!"

On our national stage, it is the prevailing culture of our nation, especially including our popular culture, which is the root of our nation's already existing and oncoming national tragedies. It is inside yourself, but also your peers, that you discover that trait which must be expelled from your society.

So, it happens, that he, or she who has not learned from Solon, the Pythagoreans, and Plato, knows nothing of crucial importance about the inside of European civilization today. Usually, he does not know, that which he wishes not to know; he also wishes to avoid the discomfort of knowing what needs to be changed in his all too typical self. To find the escape from the tragic force which grips our civilization today, the tragic force which presently grips the willful impulses of most of our leaders in the U.S. Congress, for example, we must step outside the bounds of that, our presently, generally accepted, utterly tragic compulsions, our so-called current traditions of political and related practice.

Abandon your corrupt lusting for the Romantic's pre-



assured happy ending. Find what must be changed in your presently adopted culture, and therefore in yourself. Find what must be radically changed in our nation's current behavior, *and, above all else, find the will to make precisely that change.* If you speak both Latin and Classical Greek, call up the shade of Cicero, and ask him about such things; you might learn something useful.

## The American System

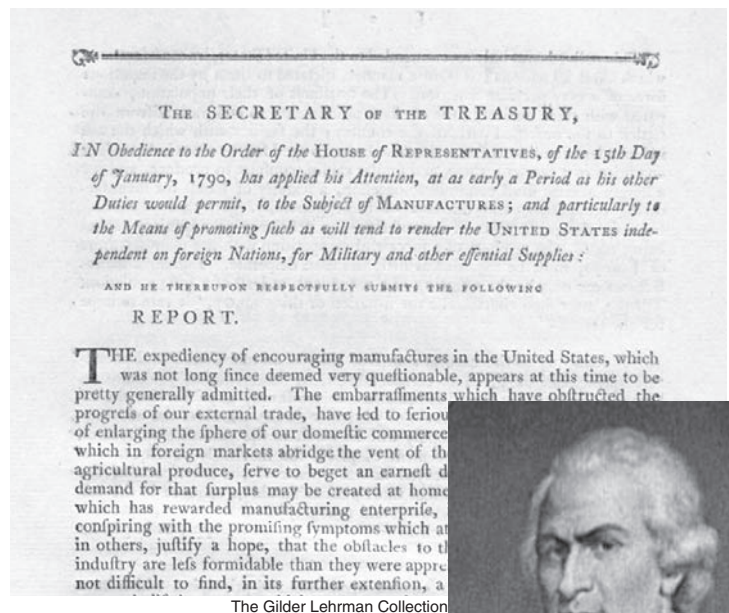
By contrast with Anglo-Dutch Liberalism, that American System of political-economy to which our nation must now return, is not a monetary system; it is *a credit system* rooted in the precedent of what had been developed as the pre-1688 practice of the Massachusetts Bay Colony. The American System is premised on the fundamental principle of law expressed by the 1776 Declaration of Independence's citation of Leibniz's "pursuit of happiness." This is also that same Leibnizian principle echoed as our fundamental principle of law, in the Preamble of the U.S. Federal Constitution.

In brief, the British system is *a monetary system*, and also a "free-trade" system, whereas, as I have just said above, the U.S. Federal Constitution establishes *a protectionist type of credit system*, which is also what is sometimes termed *a fair-trade system*.

From the standpoint of science, the source of the difference between the two systems is that, as Bernard Mandeville, the Physiocrat François Quesnay, and Adam Smith insist, there is *no actual physical, or moral principle* operating in the top-down direction of the Anglo-Dutch Liberal System. As Mandeville and Adam Smith emphasize, there is the principle of gambling. Their system is based on the substitute for principle called gambling, or chance, a mathematical system of gambling pioneered by the teacher of Thomas Hobbes, Sarpi's lackey Galileo.<sup>8</sup>

Whereas, as Treasury Secretary Alexander Hamilton's three celebrated reports to the U.S. Congress, summarize the characteristics of the American System of political-economy, the American System is premised on physical-scientific considerations, as I describe that, but from a more advanced

8. On this account, my associates and I have occasionally quoted from a relevant passage in Adam Smith's 1759 *Theory of Moral Sentiments*, as cited in my own and David P. Goldman's 1980 *The Ugly Truth About Milton Friedman*: "Nature has directed us to the greater part of these [determinations] by original and immediate instincts. Hunger, thirst, the passion which unites the two sexes, the love of pleasure, and the dread of pain, prompt us to apply those means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them." (p. 107) In this, Smith was following Bernard Mandeville's doctrine of "Vices," and also both the physiocratic doctrine of Dr. François Quesnay and the underlying theme of a mathematical doctrine of gambling by the teacher of Thomas Hobbes, Sarpi's lackey Galileo Galilei.



Treasury Secretary Alexander Hamilton's Report to the Congress on the Subject of Manufactures, Jan. 15, 1790, one of his three famous reports on economic/financial policy. Anytime the guidance provided by these documents has been followed, the United States has prospered.

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standpoint, within the body of this present report.<sup>9</sup>

In other words, the neo-Venetian Liberal system of Sarpi and his followers, denies the existence of any permissible concern for the possible existence of a provably knowable principle of the universe, or of any knowable sort of moral principle of a Creator. Their argument, is that we must leave these matters to nothing other than pure hedonism, and worship the result of that as the blessing of chance, as if by little green men casting dice under the floorboards of a sensible or otherwise knowable reality. These prophets of Liberal political-economy know of no deity in the universe other than some fantastic croupier of a metaphysical Las Vegas resort—with a fixed deck, and with his hand in your pocket.

That much said on that account: as I have already indicated here, the world as a whole has now entered the critical phase. We have arrived at the point at which the world's economy has reached the end of its possible continued existence in the form of that Anglo-American policy-shaping which has hitherto imposed its will, under the present system, on the

9. The systems of Mandeville, Quesnay, Smith, and other notable Liberal ideologues are based on the principles of gambling, rather than production. This reliance on gambling was introduced to the Liberalism of the followers of Sarpi, by Sarpi's lackey Galileo, who made himself a specialist in statistical advice to compulsive gamblers.

trends under which the planet as a whole has been operating during the recent thirty-nine years. It is for this reason that, at the present moment of crisis, even the relatively best—or, if you prefer, “least bad”—among statistical forecasters who are steeped in their experience and their faith in that present form of their adopted system, are worse than useless as prospective designers of economic policies today.

Therefore, speak and think of the alternative to such madness as that:

President George Washington’s original Secretary of the Treasury, Alexander Hamilton, presented a description of the lawful kernel of the monetary, banking, and economic policies of the U.S. Constitutional system, in three famous reports to the U.S. Congress: on *Public Credit*, *a National Bank*, and *Manufactures*. During any period the guidance provided by those intermeshed policies has been followed, the U.S. has prospered. Of these three, the first two should be treated as one, defining the credit and national-banking system, and the last, the third, defines the physical economy which the credit system is intended to promote and serve.

Three primary elements of the system are built up around agriculture (rural), manufactures (urban), and nation-wide development of the infrastructure that links and binds both urban and rural systems into a single, integrated process of development of the increasing of the productive powers of labor, per capita and per square kilometer. Thus, the treatment of manufactures as Hamilton uses that term in his *Report on the Subject of Manufactures*, describes the physical purpose of the national economy, and provides the mechanisms of the long-term credit and national banking system needed to foster the realization of the physical purpose of the economy as a whole.

One crucial precedent for this, was an experience underlying the argument made by Hamilton; that was the American experience of the Massachusetts Bay Colony’s use of a system of scrip during the pre-1688 period. This experience was emphasized in Cotton Mather’s and Benjamin Franklin’s arguments for a credit-system based on a paper-money form of public credit, under the sovereign control of the relevant political system of government (sometimes later called “greenbacks”).

This approach reflected a legacy of intentions dating back to the regime in France under Louis XI, an experience studied and used by England under Louis’ admirer Henry VII. It is, and was a conception of the form of political society known as a *commonwealth* since the practice of Louis’ France and Henry’s England, as the term “commonwealth” was adopted in use among some of the colonies in the Americas. The case of the Saugus Iron Works near Lynn, Massachusetts, is a prominent illustration of the effect of this practice in the pre-1688 Massachusetts colony.

The preference for closely held enterprises, such as family farms, modest manufacturing enterprises which emphasized flexibility and ingenuity, and skilled services provided by in-

dividuals or small firms with special skills, characterized a healthy design of economic organization of communities, and relations among communities defined the regions of the states and relations among the states. The power of technology must lie with the people, such that that technology can not be taken away from the people by runaway corporate interests. Similarly, the idea of “free trade” was an anathema to the free-spirited American colonist and U.S. citizen of those times. “The laborer is worthy of his hire” was on the tips of the tongues.

Once the French Revolution had set in, the security of the young U.S. republic was placed in jeopardy by the tumultuous developments in Europe, and the values we had thought we had fought to save, were now again in jeopardy, at home, as from abroad.

Nonetheless, I look back toward my own family’s connections within earlier North America, to certain developments dating from the first half of the Seventeenth Century, of which I have the kind of informed recollection which has been aided by those who my grandparents knew as their family members from the end of the Eighteenth Century and earliest part of the Nineteenth. A maternal great-great grandfather of mine was virtually a still living person at my grandparents’ evening dinner table, especially on weekends, when company from other branches of the family might attend. The characteristics which I can back-trace, thus, by aid of means from inside more than two centuries of the circumstances of my family’s existence, can be recognized as rooted in reported characteristics of life here during much of two centuries earlier.

After all, what is our immediate, practical sense of immortality of the human soul, as distinct from the lot of the beasts, except as the obligations of one generation to both past and future generations are to be seen? Thus, the U.S. Declaration of Independence and the adoption of our Federal Constitution, are expressions of pledges of the presently living to preceding and future generations. More than the specific deed done, or specific pledge made and fulfilled, is the idea of discoverable universal principles through which what principle defines as the good intent of the deceased may have a future harvest, as the love toward those who have gone before us, is the promise of the quality of what our future will become.

Those branches of the family which immigrated into the United States during the 1860s and early Twentieth Century, slipped rather quickly into the essentials of an outlook which was more distinctly American, than European. The essential, common distinction, has always been, since such events as the landing of the Pilgrims and founding of the Massachusetts Bay Colony, the relative freedom from the overreaching influence of a European-style oligarchy, a freedom which is still, today, the crucial expression of a large difference between the mentality of an American Presidential system, from the crippling effects of the parliamentary and oligarchical traditions typical of Europe.

The difference is the way in which the typical Americans of my experience sensed their relationship to the political



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*Immigrants arriving at Ellis Island in New York City, in the early 20th Century. Those European immigrants “slipped rather quickly into the essentials of an outlook which was more distinctly American, than European”—the rejection of oligarchical authority.*

power in our republic: our Presidential system was for many among us, more or less something sensed as an extended-family affair. This was the case until the decadence of the post-1960s turn toward increasingly great “class distinctions,” between the “white-collar” upper income-brackets and the increasingly impoverished former “blue-collar” brackets, as this trend was established during the last half of the 1970s—since about the same time as the great swindle known otherwise as Felix Rohatyn’s Big MAC rip-off.

### ‘The Curse of Information Theory’

What I have added to that repertoire of the American System which had passed into my hands, has been chiefly a by-product of my 1948 and later reaction against the inherent bestiality of the effects of the central features of the most celebrated work of Bertrand Russell’s notable devotees, Professor Norbert Wiener and John von Neumann.

The leading works of the careers of both of that pair (“information theory,” “theory of games,” and “artificial intelligence”), were premised on the same central fallacy of Russell’s *Principia Mathematica*, whose essential incompetence was demonstrated by the work of Kurt Gödel in 1930-1931.<sup>10</sup> Those doctrines, as presented in either the abused name of “science,” or economics, echoed the Liberalism of Paolo Sarpi, in denying the *ontological* form of existence of actual human creative discovery of universal physical principles. The

10. Norbert Wiener, *Human Use of Human Beings*; John von Neumann and Oskar Morgenstern, *Theory of Games & Economic Behavior* 3rd ed. (Princeton, N.J.: Princeton University Press, 1953). See also, the posthumously published von Neumann Yale University lectures on “artificial intelligence.”

influence of Sarpi on his account, is seen, still today, in the prevalence of the Cartesian tradition of mechanistic-statistical formulations, as a purported substitute for the dynamical practice, as by Kepler, Fermat, Leibniz, Gauss, Riemann, and Einstein, of the actual scientific method of discovery of principles.<sup>11</sup>

So, there was my earlier concern to refute what I had believed since adolescence, to be the physically absurd tradition of Euclidean method. This was that concern expressed in a new form, as my recognition of the need to discover how best to prove my 1948 recognition of the same incompetence which was expressed in a different form in Wiener’s misconception, “information theory.” This passion led me, some years later, to find a proper insight into the essential argument by Bernhard Riemann. Since that time in 1953, my notion of a *physical principle of potential relative population-density* has

been premised on the principled features of that work of Riemann which Albert Einstein identified as a specific outgrowth of the pioneering discoveries by Johannes Kepler.

That is the core of my premises, as to method, in the science of physical economy. It is the improvements which I have contributed to a science of physical economy, which should be considered as good news for today’s world crisis. The bad news, is to be recognized as included in the presently apparent outcome of the influence of the work of Wiener and von Neumann, in contributing to our ruinous decay into becoming a “post-industrial economy.”

Wiener’s crew has helped us to communicate faster, and to calculate faster, but at the price of inducing us to give up previously indispensable habits of serious, productive thinking. With the adoption of “the theory of games,” we have, so to speak, swapped away competence and quality, for quantities of doubtful values.

That degeneration which “information theory” intersected, began with the “white-collar” decadence which swept in among some of the families of returning war veterans during the 1945-1965 interval; but, the worst effects of this were not visible to public opinion, until the dragon seeds sown by the

11. Gödel’s Proof against Bertrand Russell (and, also, John von Neumann) should be compared with the central issue posed by Plato’s *Parmenides* dialogue, and with Johannes Kepler’s treatment of the fallacy of the equant: Russell’s *Principia Mathematica*, and such among his devotees as Norbert Wiener and John von Neumann rejected, *a priori*, the existence of knowably efficient universal physical principles as such, using the same argument which Russell simply “borrowed” from such Eighteenth-Century devotees of Abbé Antonio Conti’s neo-Cartesian cult as D’Alembert, Euler, and Lagrange.





PRNewsFoto/Sony Online Entertainment, Inc.

*“Norbert Wiener’s crew has helped us to communicate faster, and to calculate faster, but at the price of inducing us to give up previously indispensable habits of serious, productive thinking. With the adoption of ‘the theory of games,’ we have, so to speak, swapped away competence and quality, for quantities of doubtful values.” Here, a video-game enthusiast.*

likes of the morally depraved, radically existentialist European Congress for Cultural Freedom, which were to be recognized later, when relevant portions from among the children born during 1945-1956, were harvested in the form of the so-called “68ers” of the white-collar “Baby-Boomer” generation. *Some of us who were adults during the 1950s, might recall the 1950s horror-film, “Invasion of the Body Snatchers”!*

Thus, the biggest post-Franklin Roosevelt change downward, began about the time President John F. Kennedy was murdered, as the first wave of the generation, born in 1945-1946, had reached approximately their eighteenth birthday. The sharp change came later, in 1968, when males from the larger wave of the post-war white-collar Baby Boomers had entered universities carrying a prescience of their Vietnam draft-eligibility around their necks. Then, a kind of “class war” broke out between the white-collar and blue-collar generations, a clash which shattered the previously established Democratic Party base, and brought what was to become the Watergate gang into the U.S. Presidency. From the middle of the 1970s onward, the lower eighty percentile of family-income brackets, has undergone a persisting lowering of real income, while the quickly-richest among the upper three percentile has, until now, often preyed richly upon the ranks of the old and new poor alike.

So, we have been transformed from the powerhouse of technology for the world, which we had become under Franklin Roosevelt, to become the U.S.A. which either does not receive what it needs, or does not really earn what it gets, a society which has degenerated into an echo of the Spartan division between the ostensibly ruling social classes, and the

wretchedly poor. This is sometimes called, euphemistically, an “information society.” For most among our citizens, the really essential message of today’s so-called “information,” has proved to be, “You are screwed!”

What we have had taken away from our citizens today, is not only the heritage of our American Revolution, but also the best of the tradition of European civilization, which is also being lost in Europe itself. On both sides of the Atlantic, we have largely lost our connection to the actual creativity expressed by productive forms of social life. We have virtually lost contact with Classical forms of artistic composition, and, apart from mathematics as an art-form conceived in the spirit of masturbation, most have virtually lost the capacity for actually thinking scientifically. We have lost the habit of true creativity, as typified by the great surge of modern scientific culture, as Albert Einstein once described the essential continuation of the work of Johannes Kepler in the work of Bernhard Riemann.

What we have lost, is that which has been denied to exist, denied, most emphatically, by the devotees of the doctrines of Norbert Wiener and John von Neumann: through the cult of so-called “information theory.” We have lost, thus, the power we once had, to produce humanly relevant, net physical improvements in the conditions of life for the human race at large. Our putatively best-educated products of leading universities are increasingly victims of an intellectually sterile state of loss of knowledge of the principles on which the universe is premised. We are turning educational institutions into something worse than diploma mills, places which seem to be dedicated to mass-production of babblers who are filled up to overflowing with the most illiterate kinds of sophistries, all in the place of lost science and art: babblers who are victims of a culture in the likeness of caricatures out of Jonathan Swift’s *Gulliver’s Travels*. Not merely Oxonians, but virtually oxen without corn to grind.

## The World’s Road to Recovery

This circumstance now presents the statesmen of our time with the two somewhat interrelated, but qualitatively distinct tasks presented in these pages. The first study, must be to show how and why the present world economy is about to crash, and that globally, into something much worse than a legendary so-called “cyclical depression.” The second urgently needed study, is to discover why, and how to shuck the presently failed system of the economy, and, also, to specify what changes should guide the world into a general physical recovery of the economy over about a half-century ahead.

The task thus put before those among us who really care, should be seen as comparable, in intention, to the work of Jo-

hannes Kepler. All of the leading astronomers of the Roman tradition, the hoaxster Claudius Ptolemy, Copernicus, and Tycho Brahe, had failed, systemically, because they confined their investigation within the bounds of their superstitions, their certain Euclidean, or kindred, aprioristic presumptions. Kepler succeeded because he stepped outside the prison of those assumptions. Instead of seeking to define the subject-matter in the generally accepted terms stated, he stepped outside such assumptions. Since that time, as Albert Einstein praised the continuity of the development of valid modern science in a continuing process of creative discovery of universal principles, from Kepler through Riemann, Kepler had discovered a universal physical principle, from outside that framework of a failed science which had permitted itself to be confined within the shackles of the Sophist and Romantic traditions.

Perhaps curiously, there are persons who are otherwise qualified scientists today, who still stubbornly refuse to accept the crucial evidence which is featured in any possible approach to the actual method of discovery associated with the revolutionary scientific achievements of Kepler, Fermat, Leibniz, Gauss, and Riemann, and also of Nicholas of Cusa, whose work made all of those successive achievements possible. A related problem, in the domain of economy, immediately challenges the entirety of our planet today.

We could outlive the presently onrushing crisis, provided the leading nations of our planet, and also the others, adopt certain changes in policy, changes which will permit us to navigate successfully through the presently onrushing threat of a general, world-wide collapse, and into the unfolding of the greatest improvement in the human condition in all human existence to date. This requires our return to the principles made famous by the earlier great recovery of the U.S. economy under the leadership of President Franklin D. Roosevelt, but also requires some profound changes in technology which are presently on the menu, waiting to be cooked and served.

For special reasons inherent in the present world physical-economic situation, the best way to refresh the needed approach to the task of designing the pathway into the future, is to adopt a set of discoveries made by a great Russian scientist, Academician V.I. Vernadsky, more than a half-century ago. Vernadsky, working in the tradition of his predecessor D.I. Mendeleev, and also of the circles of Louis Pasteur, made two, successive great discoveries of universal physical principle, discoveries which divided the domain of physical science and culture among three categorical sets of phenomena, each and all occupying and sharing the same universal physical space-time. These three were: the ordinary space of non-living physical chemistries; the phase-space defined by living processes and their products, called the *Biosphere*; and, the phase-space defined by the products of those processes of the human mind which we should associate with the discovery and use of knowledge of universal physical principles, the *Noösphere*.

Vernadsky defined both the *Biosphere* and *Noösphere*

as belonging to the domain of a Riemannian manifold, a conclusion which placed Vernadsky in the same domain of intellectual work as his approximate contemporary, the Albert Einstein who traced all ordinary physical chemistry within the domain defined by the line of development of modern physical science, as rooted in the discoveries of Johannes Kepler, and as leading into the discoveries of Bernhard Riemann.

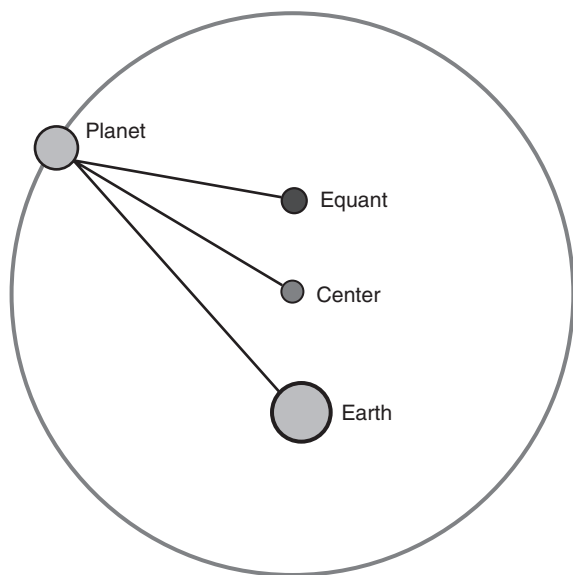
My own work of the interval 1948-1953, which led into my adoption of the methods of Riemann, employed methods which I recognized as being indispensable for treating the role of the human individual intellect in driving physical-economic processes. This led me from my already established views on economy, beginning about 1953, into my recognition, some years later, of a true convergence of my work with that of Vernadsky. This thus defined, for me, the process of unfolding development of today's modern version of a self-subsisting form of a Leibnizian-Riemannian science of physical economy. This recognition of the fuller implications of Vernadsky's accomplishments on this account, did not eliminate what I had accomplished prior to that point; it added something which was consistent with, and also a necessary filling-out of the partial comprehension which I had gained earlier. That, in turn, defines the approach which I have employed in composing this report.

What I had done, decades ago, to add to the repertoire of the American System, was a product of my reaction against the bestiality of the work of Bertrand Russell's notable devotees Professor Norbert Wiener and John von Neumann. As I have already emphasized here, the leading work of the careers of both ("information theory," "theory of games," and "artificial intelligence") was premised on the same fallacy of Russell's *Principia Mathematica* whose essential incompetence was exposed in 1931 by Kurt Gödel, the exact same incompetence shown by those who had failed to accept Kepler's demonstration of the fallacy of the assumed functional existence of the equant.

I add to what I said on this subject above, the specific warning that those doctrines, as presented in the name of science or economics, deny the indispensable, *ontological* form of existence of actual human creative discovery of universal physical principles. My concern to discover how best to argue my 1948 charge of incompetence against Wiener, led me to a fulsome appreciation of the essential discovery of Bernhard Riemann. My notion of a physical principle of potential relative population-density, has relied upon that work of Riemann, the same which Albert Einstein had identified and praised as a specific outgrowth of the pioneering discoveries of Johannes Kepler.

That is the core of my premises, as to method, in the science of physical economy. I identify this as implicitly the same notion as Pythagoras' notion of the *comma*, a notion which is the forerunner of Kepler's concept of the "infinitesimal" in the planetary orbit. It is such discoveries of principle

FIGURE 2  
The Fallacy of the Equant



In Claudius Ptolemy's geocentric system, there are two centers: a "center of motion," the equant, around which the Sun and planets revolve, describing "equal angles in equal time"; and "a center of location," from which the Sun and planets maintain a constant distance, simply called the center.

By holding onto the Aristotelian axioms that the orbits are perfectly circular and the Sun and planets revolve around the Earth according to a mathematical formalism, Ptolemy outlaws any hypothesis of causality in the physical universe. He introduces the idea of the equant (as well as epicycles and other geometrical monstrosities) to better describe the actual planetary motion ("save the appearances"), thereby rejecting the idea that a universal physical principle is causing the observed non-uniform motions of the planets.

Johannes Kepler, however, demonstrates in his *New Astronomy*, that the seat of power resides not in some immaterial Euclidean point—the equant—but in the physical body of the Sun. "The point of the equant," he writes, "is nothing but a geometrical shortcut for computing the equations from an hypothesis that is clearly physical."

Note: The distances shown in the diagram here are exaggerated, to make them easy to see. In Ptolemy's actual model, the equant, the center, and the Earth are all very close together. For more information, see <http://wlym.com/~animations/part2/16/aside.htm>

by the human individual, which mark the unique difference between man and ape. It is that physical principle of creative mentation, which is the principled distinction, as made by Academician V.I. Vernadsky's statement of the case for the Noösphere, which marks the crucial difference between the human individual and society, on the one side, and both the beasts, and men and women who would choose to ape the beasts, on the other.

## 1. Man as Neither Ape Nor Slave

First, before focusing attention on what would be, unfortunately, regarded as the limited scope of the subject of economy, we must locate the universal physical principles on which any competent economic policy-shaping must be defined for the purpose of dealing with the critical conditions now immediately before humanity as a whole.

The existence of real economies, as absolutely distinct from troops of monkeys or chimpanzees, is based, without exception, on the essential distinction of the human social individual from the higher apes. No part of the behavior which actually distinguishes an economy from a gathering of chimpanzees, is due to the faculty of sense-perception as ordinarily defined. That crucial difference to be considered is located in the uniquely human conception of what is defined by Kepler and Leibniz as *the infinitesimal*.

That notion of the *infinitesimal*, as defined by Gottfried Leibniz, is, as I shall show here, the basis for competent scientific understanding of any competent functional notion of any principled feature of economy. Even where the notion of the infinitesimal is not named as a conscious factor in the mind of the actor, its practical existence is manifest in all of those qualities of activity which distinguish the specific creativity found among the human species, as that function of creativity is absent from the behavior among the beasts.

Creativity rigorously defined, is not the mere "cleverness" which might be shown by a dog. It is the implicitly efficient discovery of a principle which is shown to be universal by the ontological quality of its function in respect to the universe at large. Since its existence is universal, such a principle encloses the universe, and therefore can not be seen as a merely finite object by an observer within that universe. It represents the concept of a principle as this was defined by Albert Einstein, in opposition to the modern positivist ideologues such as the followers of Bertrand Russell.

Although the idea of the *infinitesimal*, is best known to us as discovered by modern European society, successively, by Nicholas of Cusa, by his follower Johannes Kepler, and by his follower Gottfried Leibniz, it was also a well-known phenomenon, earlier, in the Classical Greek of the Pythagoreans and Plato.<sup>12</sup> The potential for making that discovery is to be seen as being as ancient as the existence of our human species as such. Moreover, even when it had not yet been recognized in this form, all of the ideas on which human progress beyond the capacity of the higher apes has depended, were premised, as I have just argued above, on the potential on which a proper modern understanding of the *infinitesimal* as an explicitly expressed concept, would depend.

In human practice, this essential, absolute distinction of

12. As this is demonstrated in Archytas' construction of the doubling of the cube, and by Carl F. Gauss's 1799 and later refutations of the arguments of D'Alembert, Euler, Lagrange, et al.



man from ape, is that the human individual, when free to do so, expresses this quality by the ability to discover, and then to act according to the discovered, experimental, universal physical principles by which, as Albert Einstein emphasized, our Kepler-Riemann universe bounds itself: without requiring any external, *a priori* or other boundary. When we use the discovery of yet another such validatable, universal principle,<sup>13</sup> mankind's power over the universe is increased implicitly in ways which can be estimated in broad terms of first approximation, as per capita and per square kilometer of the total surface territory of either a nation, or, a related group, or groups of nations. This points to a notion which I have described as a potential relative increase in society's *potential relative population-density*. That notion is presently essential for a clearly conscious comprehension of the way in which the economic policies of nations must now be willfully ordered, if we are to be assured of a durable recovery from the monstrous, global calamity which presently menaces mankind.

This same kind of notion is expressed in Classical art, as clear indications of knowledge of this conception were presented in the relevant discoveries of principle of composition by Nicholas of Cusa's avowed follower Leonardo da Vinci. This also underlies those notions of the universal physical principle of harmonics, defined by Johannes Kepler, and echoed in musical composition by the impact of the discoveries by Johann Sebastian Bach.

As the foregoing formulations are intended to imply, this principled conception which I have now identified as the idea of the infinitesimal, is not a conception which has been strange to the past of mankind in any categorical way. However, it is a category of universal knowledge which has been often banned in a manner consonant with the charge by the Olympian Zeus against Prometheus, in Aeschylus' *Prometheus Bound*: when a society is impelled to degrade some category of mankind to a mode of existence like that of cattle, as when the U.S. slaveholders of a time before the defeat of the Confederacy which had decreed transmitting literacy to slaves a mortal offense, that society proceeds as the implicitly Satanic, Olympian Zeus of *Prometheus Bound* banned mankind's ac-

13. By which we must intend what is termed, more loosely, as a "critical experiment," or, more precisely, "a unique experiment." Typical of modern intentions to the latter effect, are Kepler's discovery that the planetary orbit of Earth, in its apparent form as an elliptical orbit, corresponds to Nicholas of Cusa's unique experimental proof of the systemic error permeating Archimedes' wrong approach to the treatment of the squaring of the circle. That discovery by Cusa was copied by Kepler, as the evidence that, ontologically, the course of what might be adduced, then, as the characteristically quasi-elliptical orbit of the planet Earth, could never be approximated fairly by quadrature: Kepler's discovery of the "infinitesimal" of Leibniz's uniquely original discovery of the calculus. In the smallest interval, the rate of change of the curvature of the elliptical orbit is changing ("equal areas, equal times"); it is that rate of rate of change which is key to the discovery of the physical principle of gravitation. Hence, the use of the term "infinitesimal calculus." This view of the infinitesimal, as Kepler and Leibniz identified it, is also the characteristic footprint of human creativity.



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*Contrary to the beliefs of Frederick Engels, there is an essential difference between man and ape. The existence of real human economies is based upon that distinction: the uniquely human creative power.*

quisition of knowledge of the principle of the use of fire.

The issue so posed, is otherwise known, down through the ages, as the cry for freedom, as in certain traditions of Fourteenth-Century England: "When Adam delved and Eve span, who, then, was nobleman?" The malefactor, the Olympian Zeus or he who would be in his likeness, such as the modern Malthusians and our present neo-Malthusians, such as former U.S. Vice-President Gore, proceeds by seeking to ban knowledge of universal principles from those, such as slaves or serfs, designated as his human subjects, and even, thus, to degrade them to something like the Yahoos of Jonathan Swift's *Gulliver's Travels*, or the sodden, Liberally whoring rakes of Walpole's England.

In modern science, the most celebrated case of attempted suppression of knowledge of this principle of the *infinitesimal*, was the attempt to suppress human knowledge of the principle of Gottfried Leibniz's discovery of the calculus (i.e., the "catenary principle" of the universal physical principle of least action, as discovered and developed by Leibniz and Jean Bernouilli), an attempted suppression conducted by such accomplices as de Moivre, D'Alembert, Voltaire, Maupertuis, Euler, and Lagrange, as these were echoed by such as Laplace, Cauchy, Clausius, Grassmann, and Kelvin, later. The relevant argument, as posed by the science-apostate Leonhard Euler, was that the infinitesimal was merely a phantom of mathematics, an unfortunately unavoidable fiction of mathematical formalities, which had a purely formal appearance in the mere formalities of mathematics, but, as he insisted, corresponded to no ontologically actual, ontologically efficient existence otherwise.<sup>14</sup>

14. Cf. Euler's 1761 *Letters to a German Princess*. The sheer silliness of

As I shall show in the following pages, these issues which I have just summarized thus, in introducing this chapter, have pervasive importance for any competent grasp of the way in which our U.S. economy has been induced to destroy itself, as through the kinds of policies introduced under the influence of the neo-Malthusian ideologies of the Cambridge systems analysis group, by the U.S. Nixon Administration, and by the doctrine of “controlled disintegration of the U.S. economy” promoted by such circles as the Trilateral Commission.

Those dedications which I defend are congruent with Leibniz’s “pursuit of happiness,” as cited in the 1776 U.S. Declaration of Independence, and with the intention of thus promoting the general welfare, the intention which underlies the entire notion of our republic’s constitutional law. I mean the notion of the *commonwealth* form of composition of society which is expressed in the Preamble of our Federal Constitution.

Those just stated terms of approximation, imply a dedication to the required increase of a relatively healthy condition of enhanced life-expectancy, and an increase of the capital intensity of both methods of production and average number of years of the useful “life” (e.g., relative physical capital-intensity) of correlated physical capital-investments in means of production and basic economic infrastructure.

These intentions can be, and must be expressed as being fairly estimated as knowledge of the means of fulfilling commitments to the pre-calculable increases of the *potential relative population-density* of a progressive form of society, and of the welfare of the individual member of mankind as a whole. These estimates are premised, inclusively, on the commitment to the discovery of those physical-scientific and related moral principles which can be shown to govern the changes which must be induced within the functional relationships of which a society is composed.

On this account, there are certain kinds of experiences which point in the direction of related additional matters we have yet to define clearly.

### ‘Intimations of Immortality’

It is visible to us, that there are always new conditions to be discovered on our planet, and in the universe around that planet: things which we have to explore. Our experience of individual life, and of successive generations, presents us with the apparent option of development without limit. The more we examine mankind’s experience to this effect, the greater the accumulated evidence presented to us, to the effect that this pattern of discovery is not only without an apparent limit; but, we discover evidence that this is not only a matter of past experience and immediately visible opportunities in reach. We discover principles which show us that this not only appears to be true, but, also, show us evidence to the effect, that not only is the universe organized to produce that effect; but also, that,

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Euler’s rhetoric, like the relevant argument by D’Alembert’s accomplice de Moivre, is informative to this effect.



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*The celebrated Helen Keller demonstrated that it is the authority of the mind, not of sense-perception, which allows us to produce a more or less valid conception of the real universe outside our skins.*

none but we, as a species of existence, have a limitless scope of willful self-development to similar effect. We are, in that sense, *free*. Not only that, but that those who come after we have died, are able to continue that upward process. When we recognize this, we rejoice in our freedom, and devote our days to developing our power to express this freedom.

The universal physical principle suggested by this, is a unique form of experimental principle; it is of a form related to Kepler’s originality in his discovery of the principle of universal gravitation, first, for the Sun-Earth-Mars case, and then for the Solar system as an integral whole.

That, in brief, expresses, the proper, essential functional distinction of the human being from the beast, as that notion may be stated in physical-scientific and related terms.

In modern science, this set of physical-scientific and Classical cultural distinctions in fact, of man from ape, are typified by Johannes Kepler’s successive discovery of, first, how the principle of gravitation, as I have just noted again here, is expressed, in succession, by, first, the orbital relationship of Sun, Earth, and Mars, and, secondly, his discovery and proof of what appears to us as the mathematically calculable role of the harmonic principles ordering the relationships of the planets to their Sun.

It is to be recognized, that all competent senses of direction in modern science, and also principles of statecraft, are rooted in the conceptions advanced by Nicholas of Cusa in his *Concordantia Catholica* (the sovereign nation-state) and that launched by *De Docta Ignorantia* (universal physical

science). Taking those two statements of principle together, reflects the proper definition of the essential, principled nature of the individual human mind, and, also, of the individual's relationships within a necessary organization of society. Kepler's work was the first general definition of this practical expression of man's role in relation to the universe, the definition on which, as Albert Einstein emphasized, all subsequent, crucial achievements in physical science, including, therefore, a science of political-economy, are properly premised.

The creation of what might be defined as a "third sense," as the real sense of something for which sight and hearing as such, are merely shadows, has crucial implications for the elimination of the notion of a simple kind of sensory continuum, by the recognition of the boundaries, within the universe as a process, which are defined as the division between, respectively, living and non-living processes existing in a common domain, and, similarly, the division between the human creative cognitive and the animal processes sharing the domain of living creatures and their products.

In that sense, all morally competent physical science, artistic principles, and statecraft, as since the work of Kepler, for example, are presented to us, thus, as expressions of a single, humanistic principle, that of Nicholas of Cusa, the principle implicitly expressed as the human individual's personal likeness, and relationship to the Creator.

The same principle expressed by the healthy development of the mental processes of the sovereign human individual, is the foundation of Classical artistic composition, as also of physical science. It is this quality of creativity, whose existence is denied systemically by the modern empiricists; it is this quality on which, not only the progress, but also even the prospect of the mere maintenance of the quality of society's existence, depends.

The root of the mistaken notion of an unbridgeable division of Classical forms of art from science, arises, chiefly, from those naïvely reductionist, mere opinions which seek to treat the senses of vision and hearing, and, therefore, mathematics and music, as corresponding to separate domains. In reality, knowledge of the real universe beyond the range of our respective, competing powers of sense-perception, depends upon the faculty of the human mind for adducing insight into a real universe which exists beyond the notion of a naïvely self-evident estimate, such as that estimate is premised upon assuming a principle of sense-certainty in respect to each, independently defined kind of sense-perception. It is those apparent contradictions in the way the different kinds of sense-perception conflict with one another, which prompt the alert thinker, to pass the judgment on experience from the individual sense-perception as such, to the power of the mind to produce a more or less valid conception of the real universe outside our skins, by synthesizing a higher authority of the mind, *which depends upon the contradiction of one of our senses of the same real-time experience by others*. This approach is defined, chiefly, by the way in which vision and

hearing present contrasting views of the same experience. *The accomplishments of Helen Keller should prompt us to think about this in relevant, broader terms of reference.*

The difference between man and beast, lies essentially in the human mind, which possesses a higher quality of appreciation of the fact, that living creatures depend upon being able to adduce the truth of experience, not from an individual sense-perception, but from those of the often mutually contradictory patterns among experiences of contradictory claims to authority among the mere senses. In the human mind, this power is of a qualitatively higher order than in the beasts, Lack of comprehension of the fact of this distinction, is sometimes expressed in the behavior of scientists whose defective classroom experience in their education and in fraternization with their peers, has prompted them to revolt against the proof of the manner in which harmonics provided Kepler empirical access to the needed unique solution for defining a general formulation for universal gravitation within our Solar system.

The foregoing considerations, just so summarized here and now, are typical of crucial principles, and related moral considerations, of a science of physical economy. Thereafter, all of the competent design of the study of monetary and related systems of administration of society, is to be judged by the standard of a required subordination of financial and related accounting practice, to the physical-economic criteria which I have just summarized above.

Any attempt to reverse that order, such as the attempt to derive the effectively physical organization of national and world economies, from the assumed basis of a monetary theory, would be, in effect for today, implicitly, an act of insanity, when the issue posed by such pessimistic assumptions is viewed in physical-scientific and related terms. Essentially, changes in the forms of organization of the economic processes during the recent decades of the societies of North America and Europe, in particular, have been functionally insane, on this specific account.<sup>15</sup>

There lies the crux of the problem which has permitted us to be led into the presently oncoming, early threat of a general physical breakdown of the world's economy.

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15. In other words, the depravity which became pervasive with the entry of the adult phase of the existence of the "white-collar"-oriented Baby Boomer, was an expression of the implicitly Dionysian (and, thus, frankly, pro-Satanic) cult, expressed, at the core, by the rise of what became that Frankfurt-centered existentialism of Heidegger, Horkheimer, Adorno, Arendt, et al. This was the basis for the post-1945 mass-indoctrination of targeted social strata of youth, in the population of Europe, by the Congress for Cultural Freedom. This same Dionysian quality of swinishness, was echoed within the U.S. by the pro-Satanic doctrine of Adorno, Arendt, et al., in *The Authoritarian Personality*. This can be classed, in appropriate cases, as a radical outgrowth of a degenerated Kantian existentialism, as the writings of Hannah Arendt identify precisely that architecture for her specific variant within the bounds of the modernist Dionysian world outlook. This has been, incidentally, the root-basis for the forms of Dionysiac behavior associated with the European terrorist, anti-nuclear and related, specifically "68ers" social phenomena of the 1970s and 1980s.



Therefore, look at the present-day economy from that standpoint in physical science, while judging present dogmas of physical science from the standard of their conformity with the requirements of physical economy.

### The Idea of the Infinitesimal

The general observations made in this chapter, up to this point, have important peculiarly specific implications.

I have emphasized, repeatedly, that from the start of the set of fundamental discoveries by Kepler, what became the idea of the “infinitesimal” was not a concept of smallness of a dot, but recognition of the fact that, as Nicholas of Cusa had already demonstrated the systemic fallacy in Archimedes’ attempted quadrature of the circle, there is no limit of smallness *to the rate of change of curvature* in the planet’s orbiting of the Sun. This conception, as by Kepler, was embedded in Leibniz’s uniquely original discovery of the calculus, and his later perfection of that discovery, to conform to Pierre de Fermat’s discovery of a principle of physical least action. The result of that second phase of Leibniz’s continuing development of the calculus, the phase which was conducted in collaboration with Jean Bernouilli, defined a *universal principle of physical least action*, as reflecting the catenary, rather than the cycloid, as the underlying characteristic feature. The conception of the complex domain, is rooted in that latter discovery, as it was crafted into appropriate form by that collaboration of Leibniz and Jean Bernouilli.

This specific way in which the concept of the infinitesimal was introduced, implicitly by Nicholas of Cusa, but explicitly by the connecting interaction among the works of (chiefly) Kepler, Fermat, Leibniz, and Jean Bernouilli, defines the environment in which the conception of a modern, science-driven form of sovereign national economy is to be situated. The conflict which arose in Europe and North America, in the setting of the aftermath of the 1648 Treaty of Westphalia, until approximately the death of England’s Queen Anne, was a matter of a struggle between the post-1648 renewal of the optimism of the Fifteenth-Century Renaissance, an optimism typified by the work and influence of Leibniz, but also prompting the opposing effort of Sarpi’s faction, the Anglo-Dutch Liberal faction, to destroy the historical basis for that optimism.<sup>16</sup> We in the Americas, as in Europe, suffered a setback with the death of Queen Anne, as my associate, the late historian H. Graham Lowry showed; but, we went on to change the world for the better, again, with the American Revolution. We won, once again, against Lord Palmerston and his Confederacy puppets, in 1865, and shook the world with the power of a renewed American Revolution in economy, during the concluding decades of that century. So, we were restored to a sane form of economic life under Franklin Roosevelt’s leadership, and we have the potential among us to do the like again.

16. Cf. H. Graham Lowry, *How the Nation Was Won: America’s Untold Story* (Washington, D.C.: Executive Intelligence Review, 1988).

To situate the relevant Seventeenth- and Eighteenth-Century cultural and related political developments in modern European thought, it is essential that we recognize that anti-linear notion of the “infinitesimal” of the complex domain of universal physical least action, as Leibniz derived this, in large part, from the preceding work of Kepler and Fermat. We must see this as being an echo, in modern European times, of the Pythagoreans’ and Plato’s refusal to accept *a priori* presumptions akin to those of the Sophist Euclid. We should see that notion of the true infinitesimal of Kepler and Leibniz as the concept already associated with the Pythagorean “*comma*,” and with the effect of Archytas’ successful demonstration of the necessary method of construction of the doubling of the cube.

A fool, such as a follower, Galileo, of Sarpi, would say, “It moves!” A competent scientist, like the follower of Johannes Kepler, Carl F. Gauss, would reply, “I now begin to recognize what moves it.”

So, the Liberal dogma of both Cartesians and their so-called Newtonian derivatives, is to be seen in terms of the ebb and flow of modern Europe’s wrestling with the leading intellectual issues of its own time. This must be seen from the standpoint of broader reflections, upon the rise and fall of the culture of Athens from the greatness of Solon, through the fatal sickness of Sophistry which gripped the followers of Pericles. The advocates of Kepler, Leibniz, and of what was to become the American Revolution, represented the continued cause of Solon and Plato, and the opponents of Kepler, Leibniz, and the cause of the American Revolution, represented a kind of reincarnation of the quarrels within ancient Greece, within a modern European setting.

Accordingly, I identify the unique roles of Kepler and Leibniz in defining, successively, the principle of the modern calculus, as being, implicitly, the echo of Pythagoras’ notion of the *comma*, a notion of the *comma* which is the forerunner of Kepler’s concept of the “infinitesimal” in the planetary orbit, and thus of the challenge leading to Leibniz’s uniquely original discovery of the calculus.<sup>17</sup> The crucial significance

17. Compare this Pythagorean use of the concept of the “*comma*” to Kepler’s revolutionary conception of harmonics, the same kind of ontological distinction which arises in applying Keplerian notions of harmonics, as considered afresh from the vantage-point of Vernadsky’s physical chemistry of the Biosphere. Compare this to certain crucial functional features of the Periodic Table of elements and their isotopes. Once we reject the cultish notion which limits the notion of “physical” to the visible, our thoughts must turn back to the ontological implications of the use of the notion of the *comma*, from the standpoint of harmonics, by the Pythagoreans and Plato. *Comma* is a conception of harmonics, of which the perception of sound is only a subsumed feature, a necessary, impassioned shadow of an unseen reality. Consider the proper defense of Max Planck’s own discovery of the quantum, as against the perversion of that term by the pack of positivist, German and Austrian, radically reductionist fanatics represented in Berlin during the interval of World War I. Think, on this account, of the ontologically “hereditary” implications of the Seventeenth and Eighteenth centuries’ followers of Sarpi, Galileo, Descartes, and Abbé Antonio Conti. Think of that unfortunate genius, Georg

of this for today's statecraft, is that it is such species of discoveries of principle by the human individual, which mark the uniquely absolute difference between man as a representative of both the Noösphere and Biosphere, and the ape as merely a representative of the lower order of existence, the Biosphere. It is that physical principle of creative mentation, which is the principled distinction, made by Academician V.I. Vernadsky, between the human individual and society, on the one side, and the beasts on the other.

The concept of the "infinitesimal," as associated with the work of Kepler and Leibniz, and Riemann later, is the most crucial of all notions of modern science, and therefore the most essential scientific conception for modern statecraft. It is the *form of the reflection* of that general principle of human individual creativity, which distinguishes human beings absolutely from the apes.

***This report has now reached a critical point:*** *As I have just stated, it is that same power, which distinguishes the human species from all the beasts, including the higher apes, which is the only competent foundation for the study and practice of economics.*<sup>18</sup> It is practices based upon stubborn ignorance of that matter of principle, which repeatedly lead governments and professionals alike, into the malpractice which bring upon us disasters of the more or less existential qualities in modern, now globally extended, European history. There could be no possible depth of comprehension of economic progress, until this specific fact were taken efficiently into account.

What I have just stated now, is also the key for the particular enterprise of attempting to locate the core of the shared incompetence of the British empiricist school in economics, from which Frederick Engels' notorious hoax, "the opposable thumb" theory of all history, from remotest to latest date, was derived. Engels' was a hoax obviously congruent with, if not otherwise identical with the dogma of Britain's T.H. Huxley. It was intended, no doubt, to be passed off as British, but turned out to be nothing but brutish, instead.

Proceeding from this standpoint of reference, the worst kind of corruption of modern science, has occurred in such pertinent forms of its most extremely aberrant expression, as the underlying, fraudulent presumption of Bertrand Russell's *Principia Mathematica*; we also have the frankly pro-Satanic hoax referenced by the term "The Second Law of Thermodynamics," as this was perpetrated into present times by the influence of the Nineteenth-Century Clausius, Grassmann, Kelvin, et al.

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Cantor, who was destroyed by the same kinds of creatures, from Cambridge University circles, as much as German ones, who played such a prominent role in persecuting, and virtually destroying the precious Cantor's sanity during the late 1880s and the 1890s.

18. Mentally deranged types, such as our contemporary British empiricists in the footsteps (or is it paw-prints) of Frederick Engels, would describe a chimpanzee puffing on a marijuana "joint" as a "higher ape." Who among them could refute that description?

## Group Dynamics in Opinion-Shaping

This reflection on the reductionist hoaxes sponsored by the emergent political power of such expressions of neo-Cartesians in the name of science, impels us to focus upon the more deeply underlying historical issue, the issue which underlies today's widespread toleration of that sickly, Liberal form of reductionism traced from the opponents of Cusa, through Galileo, Hooke, and Conti, into the Eighteenth-Century, post-Leibniz Liberal reductionists, as from D'Alembert, Euler, and Lagrange, through Laplace, Cauchy, and from Clausius, Grassmann, Kelvin, and beyond.

There was never an honest excuse for propagating such nonsense as theirs as science, in the manner and intensity which the modern reductionists have purveyed it. For example: Kepler's treatment of the supposition of the "equant" for both the Earth-Mars orbital relationship to the Sun, and the harmonic composition of the then known Solar system, are typical of the evidence already existing against such later developments as the hoax of Clausius, Kelvin, et al. That hoax is the same as the fraud of D'Alembert, Euler, Lagrange, et al. Indeed this was the same fraud, which was exposed, famously, as fraudulent in fact, by Carl F. Gauss's 1799 doctoral dissertation, and is the same fraud which was perpetuated by Laplace and his accomplice, the hoaxster and plagiarist Augustin Cauchy.<sup>19</sup> We know from Euler's own earlier work, that he had known that he was not merely wrong, as in 1761, in his argument against the Leibniz calculus, but lying; but, he had also known that such lying was politically required at that time, for his continued, relatively untroubled acquisition of the relevant patronage of his career. The issues were not essentially scientific, but expressions of a theological fanaticism, the theology of the continuation of Paolo Sarpi's pro-Ockhamite sophistry in the guise of social policy shaped under the tyranny of modern Liberalism.

The argument for the hoax known as "The Second Law," was always, and remains a reflection of the same point of view which Aeschylus' *Prometheus Bound* presents as the denial of human access to knowledge of the human use of any universal physical principle. In modern European times, this was already the argument of Giovanni Botero on the State (1589), as it was of the Venetian ideologue Giammaria Ortes, from

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19. Notable against Cauchy, is his fraudulent definition of the calculus, and his proven outright, and fully intentional fraud, in burying scientific papers of Abel, papers which Cauchy had plagiarized as if that were his own original work, a fact which remained hidden until after Cauchy's death. The hoax spread in the name of a "Cauchy-Riemann" function, is typical. Cauchy, and his sponsor, the neo-Cartesian Laplace, were, after all, protégés of the virtually *mécanique* French monarchical puppet regime installed by the occupying power of that time, the Duke of Wellington. It was under Wellington's reign, that Laplace and Cauchy perpetrated the capital fraud of destroying the central principle of the scientific work of the then-leading scientific institution of the world, the Monge-Carnot Ecole Polytechnique. The arguments of Clausius and his "Sancho Panza," Grassmann, are properly seen as extensions of that nasty business of post-Napoleonic, almost post-France sabotage.

whose 1790 English translation of his *Reflections on Population*, Thomas Malthus plagiarized his 1798 *On Population*, as in the case of the inconvenient Global Warming swindle of hoaxster and former Vice-President Al Gore today.

Behavior such as the Liberal apostasy from serious science shown by former scientist Leonhard Euler, is an expression of what some would prefer to call by the disingenuous name of “brainwashing.” In that sense, Euler’s behavior at the Berlin Academy was the fruit of a kind of brainwashing; but calling it “brainwashing,” turns out to be a way of promoting the toleration of an evil, by giving it a silly sort of bad name, like letting a murderer off with a judicial reprimand for his committing “a childish act.” Saying that Euler had been “brainwashed,” for example, would be a way of distracting attention from the deeper, and thoroughly evil implications of the way in which a virtually “brainwashed” Euler had been changed.

Study of this kind of problem is key to acquiring insight into some of the most strategically crucial problems of mass opinion rampant in our world at home, and at large today.<sup>20</sup>

The root of such recurrences of the “malthusian” fraud of Al Gore today, the *Silent Spring* and Club of Rome frauds of the 1960s, the hoax banning DDT, and so on, is in no aspect or degree different than the euthanasia craze which spread from oligarchical circles inside the U.S. to Adolf Hitler’s movement in Germany. Throughout known history, the suppression of the practice of scientific and kindred knowledge by the general population, has been the hallmark of cultures which seek to degrade the great majority of populations to the brain-damaged-like condition of human cattle, as the Physiocratic dogma of Dr. François Quesnay attributed the wealth of the landlord to the magical powers of the title to landed aristocracy, leaving the peasantry to be credited with no more than the feed needed to maintain them as a form of cattle. In modern European civilization, so-called “environmentalist” schemes of this sort, since Botero, Ortes, Malthus, and the eugenicists such as Julian Huxley, have been frequently the hallmark of fascist movements.

## The Roots of Decadence

There should be no mystery as to the how and why of the prevalence of something akin to “environmentalism” as a form of moral decadence recurring in history.

In the study of apparent national ideologies, which my associates and I undertook during the 1970s, we are well advised to dump all *a priori* systems akin to that of the cult of Euclid. We are best aided to understand the phenomena to which I am referring here and now, by working backwards, so to speak: by looking at the example of the way scientific matters of principled significance look from the standpoint of modern science, as they differ systemically from relevant be-



*To say that former scientist Leonhard Euler had been “brainwashed,” would distract from the evil implications of the way in which he was changed by that process.*

liefs of an earlier time. Or, take the difference between the opinion of a young layman, and the same person’s way of thinking after mastering some important principled features of scientific inquiry. In one case, the individual who has not mastered some aspects of relevant science, is operating on the basis of assumptions which exclude consideration of some principle which is more or less well-known among relevant professionals. The one less well-informed, lives, mentally, in a different universe than the qualified professional. He is a prisoner of the false beliefs which follow from a combination of absurd, axiomatic-like assumptions, and a simple lack of knowledge of the principles underlying the kind of phenomena to which he is reacting.

There is no crime in ignorance of what must be learned; but, there is no honesty in a preference for ignorance of relevant universal principles. The oligarchical classes, as typified by the Delphic image of the Olympian Zeus, who fear the threat to their hegemony which the intellectual development of the general population represents, take advantage of a certain weakness in the underdeveloped mind of the child and youth. So, we have the case of the typical victim of an acquired, axiomatic belief, in Euclidean geometry, such as the desire to be seen as an admirer of pathetic old Isaac Newton; such inclinations, as I have been disgusted by seeing this at close hand since childhood, tend to assume the role of axiomatic kinds of ideological factors which function as fences erected around the allowed functions of the believing victim’s mind.

20. The failure to impeach Vice-President Cheney and to lighten a mentally troubled President Bush’s authorities and responsibilities, falls into such a category



The phenomenon can be seen in the following way.

Generally, the individual, including typical accredited scientists with whom I have worked, seeks to adapt successfully to what he or she believes is the functional environment in which he, or she lives. The idea of that environment, willful or virtually accidental, as in the case of adopting an expressed opinion of loyalty to the perceived way of thinking at a certain church, or place of employment, or simply a new neighborhood into which he or she has moved, is a more or less powerful factor in creating premises of belief which, like fences, herd the victim's mind into implicitly approved directions and destinies.

To sum up that kind of illustration of my point, the typical state of mind of the typical individual, or grouping within contemporary societies, is shaped by an adopted kind of reflex reaction against the assumed existence of any condition which points to a real universe existing outside the set of social assumptions which that person has adopted as adaptations to the social-ideological climate he or she currently inhabits.

The problem which I have just outlined in this manner, is associated with a dysfunction of the individual's potential for mental creativity. I have repeatedly praised some of the most crucial contributions by psychiatrist Dr. Lawrence Kubie over about the past forty-five years, for his attention to what he dubbed, back in the late 1950s, and still in the early 1970s, as "the neurotic distortion of the creative process." Of most notable significance was a report he composed for *Daedalus* magazine, on the subject of the fostering of scientific creativity.

My concern in this matter was chiefly twofold. Since my early 1948 encounter with a pre-publication review copy of Professor Norbert Wiener's *Cybernetics*, I have remained in a state of alarm over the way in which the kind of thinking shown by Wiener in that and other writings, and by John von Neumann and his devotees, has contributed to the willful, systematic destruction of the creative power of the minds of some among our otherwise most promising young-adult intellects.

I have been advantaged, by my circumstances in life, to have studied over decades, a succession of the all-too-frequent cases of a breakdown in the mental-creative powers of persons stunned by the anticipation of testings intended to lead to a Master's or Doctoral degree, or an academic posting. The age of approximately 27 has become for me a clinician's kind of recurring nightmare of professional practice in study of such cases. Their minds seem to go dead at about those critical points in their careers. I have often had the image of such a once-promising young-adult mind, which had been promising up to some point, such as an hypothetical age of 27, who was later renowned as the Professor so-and-so, whose mass lectures were replays of tattered and soiled index cards accreted over a tiresome lifetime of lecturing, repeating, mostly, the proverbial "same old stuff" he had once learned before the creative powers of his mind had had their current shut off.

For me, of course, the kind of mental creativity associated with discovery of universal physical and Classical-artistic

principles, is that essence of being truly human to which all persons must have the right of efficient access. This has helped me to develop a compassionate view of a case such as that of Leonhard Euler, a case of a brain whose suffered damage turned ugly, apparently during the course of approximately the 1750s and beyond. It was as if a once fine and lively mind had been destroyed by the kinds of brainwashing methods employed to induce an aversely engineered change in personality among targeted former associates of mine turned virtual "zombies" since. I say of such victims as Euler, "Trilby will not sing prettily tonight."

## The Crucial Issue in Forecasting

I have presented these specific kinds of mental disorders to which I have just referred, because they are key to understanding the consistently expressed incompetence of those among today's usual economists engaged in long-range and related forecasting. I speak of the problem merely typified by the calamity produced by aid of the work of Myron Scholes et al. at LTCM.

The typically incompetent professional economic forecast of today, is premised upon intrinsically incompetent methods of the sort associated with the legacy of the mechanistic-statistical dogmas of René Descartes. The more interesting functional aspect of such cases for us today, is the way in which those intrinsically arcane and incompetent methods of statistical forecasting are used as a substitute for what any sane contemporary mind would have long since recognized as the absurdity of neo-Cartesian statistical or related methods. Scholes and his cronies may know something, perhaps computer games, but it surely is not the economics of real-life economies.

The most efficiently appropriate way of looking at the matter, in a fresh way, is provided by the recognition of the systemic relevance of the contributions to the furtherance of the application of Riemannian physics by Academician V.I. Vernadsky's crucial methods employed in the defining of both the Biosphere and Noösphere. As the sweep of the history of the rise and fall of known ancient through modern economies attests, the crucial limiting factor in the history of such economies, is expressible in terms of the success or failure of a society in employing, or avoiding the qualitative change in the employed repertoire of discoverable universal physical principles.

In general, any new discovery of a universal or related physical principle, supplies the available foundation for either some potential leaps forward in potential productive powers of labor, per capita and per square kilometer, or averting an attritional form of collapse in such levels of potential productivity. The accessible supply of those resources being used is inherently constrained in various ways. As the demand may increase, or the physically defined marginal costs of extracting poorer quality of such resources may rise in relative terms, the productivity of that society, as measured per capita and per square kilometer, may be attenuated, or even become negative in terms of effect on productivity of the economy as a

whole. Changes in technology must then be introduced, and these may not be merely quantitative changes in physical productivity, but may require more radical forms of improvements. These considerations must be defined as shifts in relative potential physical productivity per capita and per square kilometer, not merely monetary or related financial accounting valuations.

The expansion of population, provided that the solution for the problems so incurred, is developed through education, through forms of employment offered, and by improved conditions of life generally, is a source of increase of potential productivity. However, this improvement, in and of itself, hastens the convergence of the society's expansion and development on some relevant boundary condition, such as marginal attrition of best resources, or the need for raising the effective physical standard of living, as may be needed to absorb the requirement for accelerated improvement in technology. The standard remedy for convergence on the latter types of boundary conditions, is scientific and technological progress of sufficiently effective significance in up-shifting the earlier implied boundary conditions.

The unfortunate Cartesian ideologue, for example, such as Laplace later, would presume that we are living on a Euclidean "flat Earth," in which statistical projections of a mathematically defined matrix of trends *predict* statistical-mathematical convergence on some point of significant action at a certain estimated distance down the line. The methods employed by most mathematical-economic forecasters today are, thus, reflections of absurd dogmas, virtually silly pseudoscience, and that conclusively, as fraudulent, as seen by Leibniz, in his warnings against the silliness of Descartes' methods, during the 1690s!

We live inside a dynamical form of physical, not a mathematical-statistical universe. In this universe, it is physical principle which reigns over any competent mathematical practice, not the reverse. The stink of far overripe statistical *apriorism* in Descartes, belongs to the beliefs shared among ivory-tower lunatics in some nightmare which might have been ridiculed by Jonathan Swift.

In the contrary, required methods of Riemannian, anti-*apriorist* physical science, forecasting is based on the notion of physical boundary-conditions. In first, pedagogical forms of approximation, we simply insist that the rates of realized gains in science and technology must outrun the tendency for depletion of those existing resources on which the present physical standard of net per capita output depends.

On this account, we turn to science, so to define a set of targeted future boundary conditions. Accordingly, we must assign ourselves the scheduled task of more than meeting the limits required to maintain improved net productive powers of labor, per capita and per square kilometer, as these come up to and pass each such future boundary-condition. So, for example, today, any economy which does not put extended investment in nuclear-fission and thermonuclear-fusion tech-

nologies foremost on the economic long-term agenda, is to be classed, and treated therapeutically as if mentally ill. Otherwise, economic crises are usually forecastable by evidence of proximity of an approaching boundary condition. *The notion of the function of such boundary-conditions is the essential basis for competent approaches to economic forecasting.*

Beyond the considerably simplified sketch just presented, the actuality which that sketch reflects faithfully enough, is a matter of the application of the relevant methods of Riemannian physical hypergeometries.

Today, unfortunately, all too much of the discussion of U.S. economic policies treats the President and members of Congress as if they were technologically cretins, to whom proposals on scientific and technological projects might be peddled as vacuum cleaners were once hawked to housewives, door to door. Sometimes, those specimens are virtual cretins, at least in terms of their official performance. It were sufficient, first of all, not to elect mentally incompetent figures as President, and to exert kindred forms of care with respect to selection of members of the legislatures; in that case, we must educate failed representatives and their staffs, and deliver programs on the basis of their impact on the requirements of our nation's and our planet's destiny.

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## 2. The Delusion Called Money

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On the surface, from the vantage point of Cotton Mather, Benjamin Franklin, and Alexander Hamilton, for example, the essential difference between the American System of political-economy and the Anglo-Dutch Liberal System, is that the American System can be described fairly as, constitutionally, a credit-system existing within a state monopoly over the nation's money; whereas, the Anglo-Dutch Liberals of today practice a monetarist system which is rooted, essentially, in feudal and even earlier traditions.

The competent modern statesman, and economist, practices progressive changes in the physically-principled organization of the economic processes; the incompetent worships, by aid of statistical forms of religious-like rituals, the imaginary gods who are blamed for having done this to us. *Observe the worst, and hope and pray for rain!*

However, like the hypothetical case of the man who went to court seeking license to marry a post-modernist style in wife, a pet duck, some things in life are not what they are quacked up to be. On the other hand, certain merely apparent differences between the two English-speaking monetary systems, are, up to a certain point of approximation, real.

Under the U.S. Constitutional system, the nation-state holds a Constitutional monopoly on the uttering of lawful money. The uttering of money by the state may occur chiefly in one of two ways. The U.S. government may utter money to pay directly for current purchases of goods and services, or the government may pledge the uttering of currency as a form

of short-term, medium-term, or long-term loans, or monopolies. When the U.S. system follows the intention underlying the Preamble of its Constitution, its behavior is inherently that of what is called a “protectionist” adversary of so-called “free-trade” practices, an adversary which employs the crafting of Federal taxation, protective tariffs, and related policies and practices, to assist in ways intended to promote and defend preferred public and selected private categories of production and improvements.

*In other words, competent economic practices change the boundary conditions of the totality of the process as needed.* For this purpose, a Riemannian, rather than a Cartesian view of the process is required. The process to be managed, is primarily physical, rather than monetary. The monetary process itself, is to be managed to conform to the requirements assigned to the physical process. It is the boundary conditions which are managed; in which case, the management of the details of the process is left, in large part, to private initiatives.

For example, in the matter of boundary conditions:

What ought to be, nearly always, the principal function of the capital budget of the U.S. Federal government, is its specific kind of function in *capital budgeting*, in which, when the government’s behavior is sane, a relatively large portion is to be invested as capital formation in public works in building and maintenance of basic economic infrastructure, and assistance to the governments of Federal states and local counties and municipalities in their public functions of a kindred nature. These functions, as informed by the general welfare principle, serve as the principal customary means of promoting the level of total national output currently, at levels which may be considered consonant with a progressive form of full employment. The chief weapon of government to this end, is the role of Federal investment, taxation, and tariffs, all bearing upon the combined functions of sustaining governmental functions, and, otherwise, chiefly, of capital budgeting.

Under the U.S. system, as in any expression of reality, no commodity has a natural monetary value. This is a matter of principle, which is directly contrary to the presumptions of such Liberal monetary doctrines as those of Bernard Mandeville, François Quesnay, and Adam Smith. Prices are regulated, chiefly implicitly, rather than directly, as being in excess of the incurred fair cost of production and distribution, and estimated, otherwise, according to the adducible interest of the nation in protecting the nation’s useful and otherwise essential physical capital, as this may be determined by a fair assessment of long-to medium-term national interest. Tariffs and trade regulation are among the principal means for protecting both fair-price levels and other expressions of national interest.

Under what could pass for a currently sane U.S. government, government, especially the Federal government, guards its special interest in the role of public infrastructure with vigilance. For obvious reasons, since they can not utter money, the well-managed U.S. Federal states, or municipalities, must guard their particular interest in good infrastructure with zeal.

## The Anglo-Dutch Disease

Otherwise, the key to understanding the critical form of the apparent differences between the two opposing systems, is the essential fact, that the Anglo-Dutch Liberal System, which has dominated Europe since the death of Queen Anne in the Eighteenth Century, and which has poisoned the interior of our own national economy, is an expression of the coming-into-being of an established Anglo-Dutch Liberal System as the product of, chiefly, the reforms which Paolo Sarpi imposed upon the relics of the medieval Venetian financier-oligarchical system. The Anglo-Dutch Liberal System, which is a product of Sarpi’s Liberalism, is to be recognized, clinically, as, thus, a descendant of the feudalist form of medieval *ultra-montane* system of the Eleventh through Fourteenth centuries, a special kind of imperial system, once associated with the Crusaders, within which power was then, predominantly, shared between Venice’s financier oligarchy and, principally, the Norman Chivalry.

Implicitly, therefore, it is truthful and useful to say, that the modern Anglo-Dutch Liberal System is, “genetically,” the descendant of the European medieval feudal system, and that it, therefore, exhibits, still today, many of the characteristic traits of that ancestry. Whereas, the American System is, whenever we define it as such, the principal, leading, surviving expression of the modern effort to free Europe and the Americas from the specific relics of the combined medieval and modern expressions of feudalist aristocracy and financier oligarchism.

However, even those distinctions do not reach quite to the heart of the differences between the two systems as systems.

The American System uses its money in a way which might seem to be similar to the role of money as defined by the principles of the Anglo-Dutch Liberal System, but the American System, when functioning according to the historically determined intent of its Declaration of Independence and Federal Constitution, only seems to be a kind of a money-system in the sense of the seemingly similar use of money in a British free-trade system. The essential differences are as great as between apparently similar forms of placental mammals and egg-laying reptiles (I leave it to your imagination, and the monotremes’, to choose which is which).

The essential difference is located in the deep-rooted motives for the respective parties’ intentions; the difference with our system lies in what I have stipulated, immediately above, in the underlying relics of imperial feudalism in what is commonly identified, since Lord Shelburne’s Gibbon, as the modern British system. The difference is expressed in the innate tendency toward empire which is inherent in what I have just indicated, above, to be a genetic kind of residue embedded proximately in the British system’s feudal and still earlier origins.

It is that difference which accounts for the persisting impulse of Anglo-Dutch Liberalism toward becoming a world empire, one echoing something like the medieval empire of Venetian financier oligarchs and Norman chivalry. For exam-



ple; the current impulse to eliminate the sovereign nation-state, such as the U.S.A., in favor of a “Tower of Babel”-like, imperial system called “globalization,” is an expression, as brought to the surface, of the ultimately very ancient, and, therefore, the deep oligarchical roots and impulses, which underlie the present Anglo-Dutch Liberal System. I explain.

### The Matter of National Interest

The system of so-called “globalization” or kindred forms of imperialist practices, is directly hostile to the interest of the population of any adopted common cultural characteristics considered to be sovereign. The populist form of argument in support of converting the planet into a common “Tower of Babel,” is simply a form of the same imperialism which Europe had experienced earlier in such expressions as the oligarchical model of Asia, the Roman Empire, the Byzantine Empire, the medieval *ultramontane* partnership of Venetian financier-oligarchy with Norman chivalry, the Habsburg tyranny, and the modern Anglo-Dutch Liberal form of imperialism. All such imperialisms, or their surrogates, are based on the suppression of the creative-mental potentialities of the great majorities of the subject populations.

This effect is to be viewed, conveniently, as coinciding with the argument attributed, imposing ignorance of universal physical principles, by the Olympian Zeus of Aeschylus’ *Prometheus Bound*. A society which is committed to defense of the specifically human, which is to say “creative powers” which distinguish the human personality from the ranks of just another beast, must promote that effect by emphasis on development of scientific and Classical artistic-cultural modes of expression within the population generally. This requires such included features as a development of the use of language of music, poetry, and science in ways in which the characteristic employment of Classical modes of irony is made to be prevalent.

This can only be accomplished with the fostering of subject-matters within the social practice of the population which are consistent with those functions of Classical irony which bring into play the equivalent of the occurrence of the infinitesimal of Kepler’s discovery of gravitation within the common practice of the population. This has a crucial moral, in addition to practical physical-economic significance in the general life of the population. Without such practice, the development of creativity within the population would be stunted to an efficient effect consistent with the characteristic mind-dulling effects of the oligarchical model of society.

Thus, the development of the people, through emphasis on the development of their generally practiced culture in that mode, is the most vital interest of any people which would desire to be truly free. The effect of a contrary policy, is the promotion of the qualities called “brutishness” in the generality of the population.

Scientific and related cultural progress is not merely indispensable for improvement of a people’s physical and related

social conditions of life; it is essential for the more important function of developing their qualities of humanity.

### The Opposing Olympian Legacy

Therefore, in our attempt to understand current history, it is essential to keep one’s attention focused upon some very ancient, deep roots, which not merely underlie, but exert significant, if often unsuspected control over the effective beliefs of current generations. This is essential for understanding some of the most crucial features of the present world crisis in the existing system of nations, especially the branch rooted in Europe.

This requires an informed approach to the diagnosis of the roots of a most crucial and pervasive disorder deeply embedded within the controlling assumptions of behavior of entire modern social processes and their specifically economic effects,

When I have, earlier here, referred to Albert Einstein’s notion of the physical universe as defined by a process of development of scientific method from Kepler through Riemann, I had emphasized the fact that the discovered universal physical principles, as in the case of Kepler’s discovery of harmonically ordered gravitation, define a self-bounded universe. Just as competent science defines the behavior expressed by the universe, so, a mixture of the truthful and false conceptions of the lawful ordering of mankind’s history, regulates a dark mass of hidden, but efficiently reigning, ontological assumptions controlling the behavior of the mind within even entire cultures, still today. It is in that dark location within, and underlying the universal heritage of the public mind, that the roots of the zealous impulse toward the goal of a world-imperial, new “Tower of Babel,” called, euphemistically, “globalization,” operates today.

Such are the perils of ignoring the science of epistemology. It is often what we do not know, or even refuse to know, which controls us, and, therefore, our self-inflicted fates. There is no worse, inherently more self-destructive type of impulse in society, than to mistake a current so-called consensus for an approximation of truth. In history, it is almost always the case, in the matter of all great calamities of societies and their economies, that the majority has been wrong, often disastrously so, about the truly most important matters of life; such is the true force of tragedy. The fault usually lies in some tradition whose influence is either not recognized, or misassessed.

As a case in point: examine the exemplary roots of the fraudulent “Second Law of Thermodynamics.”

The fraudulent treatment by Clausius and Grassmann, and by Britain’s Lord Kelvin, of Sadi Carnot’s treatise on the theory of heat, is a prime example of very ancient and dark beliefs imposed, cultishly, upon widely taught, modern scientific opinion. Such is the origin of the so-called “Second Law,” which is a reflection of what is reported in both Aeschylus’ *Prometheus Bound*, and also in Roman chronicler Diodorus



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*A LaRouche Youth Movement cadre school in Detroit constructs nested Platonic and Archimedean solids, in a study of Kepler's work. "Without such practice, the development of creativity within the population would be stunted to an effect consistent with the characteristic mind-dulling effects of the oligarchical model of society."*

Siculus' account of the North Africa roots of the cult of the Olympian Zeus. The same systemic issue, is stated differently, but to the same effect, as addressed by Philo ("Judaeus") of Alexandria, in his appropriate rebuke of the Aristotelean dogma which asserts the implicit impotence of the Creator's will once the Perfect Creation had occurred.

The so-called "Second Law" of Clausius, Kelvin, et al., is premised on an arbitrary insistence on the universality of an exceptional condition which does appear as a phenomenon under special experimental conditions. By avoiding all experimental evidence which does not conform to that arbitrary choice of assumption, the Uriah Heeps of science have claimed their own and Ludwig Boltzmann's heritage, the notorious "Second Law," to be sound.

Treating that evidence clinically, the actual root of that particular exercise in fallacy of composition of experimental evidence, is, historically, the pagan theological dogma associated with the Delphic figures of the Olympian Zeus, and of the figures of Apollo and Dionysius. This ancient, dogmatic creed is otherwise named "the oligarchical principle," under which, as Aeschylus' *Prometheus Bound* describes it, the mass of ordinary people were decreed to be no better than a human form of cattle. These are "cattle," if you please, which will not dare to attempt to rise above their lowly station, lest they be slaughtered as lacking the cow-like self-control demanded of them by the relevant Physiocrats and other putative owners.

On the other hand, all relevant evidence, including the aduced history of the development of Kepler's Solar system from a solitary, fast-turning, boisterous Sun, points to the transformation of the mass of planet Earth to higher ratios of

its total composition by products of not only Biomass, but also accumulations of mass of products of human cognitive action.

Yet, the ancient cultural heirloom lurks in European culture today, in the form of the intrinsically malthusian thermodynamics dogma, "The Second Law," passed down, by the academic laying-on of syncretic hands, from ancient superstitions, into the form of what is treated as a virtually self-evident law of nature, today.

In modern European strains of society, this identical ancient tradition in human slavery is reflected by such examples as Giovanni Botero's 1589 *Della ragione di stato*, Giammaria Ortes' 1790 *Riflessioni sulla popolazione* and its English edition that same year, and Thomas Malthus' extensive 1798 plagiarism of the English translation of Ortes' 1790 edition, as *On Population*. Former Vice-President Gore belongs to that same sul-

lied tradition. The Nineteenth-Century promotion of malthusianism by T.H. Huxley's circles, is typical. So are the promotion of eugenics by Huxley's grandson Julian Huxley, or the drug cults of Julian's brother Aldous, all as like the British promotion of the Spanish African slave-trade into the U. S.A. Similarly, the use of the white-collar section of the 68er generation as the prototypical portion of the dupes used to promote dionysiac forms of "environmentalism" and outright terrorism, since the beginning of the 1970s, are continuing expressions of the doctrine of the Olympian Zeus of *Prometheus Bound* in contemporary "environmentalist" and related cults of today.

The continuing historical root of these morally and scientifically pathetic forms of belief and overt behavior, are a reflection of the deeply embedded tradition of the same so-called "oligarchical model" which was imported from the Middle East into Europe in such exemplary forms as the implicitly Sophist cults of the Phrygian Delphi Apollo and Dionysius.

When you hear yourself saying, "Science teaches..." think: who is rattling those ancient bones from a pagan churchyard today?

## The American Tradition

We patriots of the U.S.A. trace our tradition from a different source than Clausius et al. have done; we prefer the legacy of Solon of Athens, the Pythagoreans, Socrates, and Plato. Our emphasis has been on the Christian aspect of that tradition, as associated, most emphatically, with the Gospel of John, as to theology, and the epistles of Paul. The first Christians were, of course, Jews, especially in that same tradition,

as Philo of Alexandria, the friend of the crucified apostle Peter, typifies the continuing ecumenical relationship. There is no essential form of contrary epistemological tradition, as to method, among these authorities. The conception of man and woman defined in the closing verses of *Genesis* 1, express the relevant principle of ecumenical concurrence. Among us, as if in the tradition of Aeschylus' authorship of the Prometheus Trilogy, there is a willingness to purge ourselves of contrary baggage left from brutish, ancient oligarchical tradition.

Our system's American tradition is not based on the notion of any self-evident value in margins of individual profit, but, rather, a desire to give a relative advantage to those who are privileged to serve the future of society in a relatively better way. Accordingly, we are not such fools as to believe in so silly and wicked a doctrine as "free trade," but, rather, create the mechanisms by which the relative accumulation of economic power flows into the hands of those who will serve the future of society better at this time.

Thus, the properly adduced system of relative economic values, under the American System, is not what money determines, but what we condition money to promote in the interest of the future of society as whole. Hence, our system is not a free-trade system, but a "fair-trade" system, to ensure not only the best result for our society as a whole, but to create automatic penalties for practices which are contrary to the ascertainable, combined present and future benefit of our society.

For us, our system of sovereign government is empowered to devise the parameters within which virtuous talent is encouraged to discover useful choices of action; while no ghost of a brutish, ghastly past is permitted to strike fear into our calculations, or spoil our slumbers.

## The Matter of Immortality

Perhaps a possibility of the typical individual's greatly extended life-expectancy lies somewhere on the horizon of scientific progress. That, however, is not the immediate issue for mankind. The challenge to mankind, at this moment, is the need to cease regarding immortality as something which exists only as a condition to be found beyond the death of the individual, and, instead, to *consider immortality as the principle which is expressed by the manner in which we live out the skein of mortal individual existence*. What misery so many of our citizens, and our nation endure, because we have not yet generally learned to live out our mortal lives in that nobler mode.

This particular form of that issue which should be addressed, most emphatically, as I have posed it here, has been the notable cruelty which the so-called "Baby-Boomer" generation has imposed upon its own typical member.

As I have emphasized earlier, as I looked back more than two hundred years, to ancestors who, although deceased, were living persons at my maternal grandparents' Sunday dinner table, and I as then looked back to the traditions these conversations expressed of my family's life in America, traced to

more than a century before that, there has been no generation who have suffered so much self-inflicted forms of misery, as those who have been the victims of the process of becoming typical members of the "white-collar" generation born between approximately the close of World War II, 1945, and the verge of the rather deep and prolonged recession of 1957-1961. Think of how and why their self-inflicted misery has come about. Think of the perils which our republic experiences today, as a result of the reverberation of the process which produced the specific effects typified by the special quality of indifference of that part of the post-war generation even still today.

The imposition, especially upon families of the post-1945 "white-collar" class, of the kind of existentialist conditioning suffered in western European under the influence of the Congress for Cultural Freedom, and similar programs here, has produced a generation characterized by the doctrine of "thrownness" presented by the one-time Nazi professor at Freiberg, Martin Heidegger, or Heidegger's follower Jean-Paul Sartre in France. That indifference to the principle of truth, which was promoted in the U.S.A. by such contributors to the book *The Authoritarian Personality* as Theodor Adorno and Hannah Arendt, has produced a generation of white-collar types of "Baby Boomers" who are cut off from the sense of immortality's connections of the living to preceding and coming generations. Indoctrination by such radical existentialist forms of "brainwashing," has thus created in that portion of that generation, a generation cut off from an effective moral connection to their parents and offspring, in a way which has no comparison in my knowledge of traditions of intra-family life inside the U.S.A. since the first half of the Seventeenth Century.

Think of the process of brainwashing, expressed by the cult phrase, "I don't believe in conspiracy-theories," a rant of the type associated with George Orwell's cult-book, *1984*, which was induced by the influence of what that evil book represents.

The death of the existentialist evokes a sense of a lack of meaningful personal purpose in that individual's having lived. A large portion of the sheer economic and related cruelty which the majority of the U.S. population from the lower eighty percentile of family income-brackets has suffered, increasingly, under U.S. policy-trends since about 1975, has been a reflection of the influence of the kind of amoral indifference which the rising influence of the white-collar Baby-Boomer caste has manifest, against the lower eighty percentile of our population in general. This was embedded in the relics of the so-called "New Left" of the 1960s and 1970s, and was expressed by them as a leaning toward social values which an earlier time would have associated with fascism, as I wrote in my 1968 report on the New Left's echo of the existentialist quality of the swapping, back and forth, of Nazi Party and Communist Party adherents, in the setting of the famous Berlin trolley-car strike of the period preceding Adolf



Hitler's rise to power. We saw such effects in the New Left of that time; we see precisely the effects of that in the social and economic policy of the U.S. political process today. We have been, seemingly, taken over by a generation whose prospect is that of going nowhere, and taking the rest of us with them, toward that ugly kind of destiny for our republic itself.

For example: I have lately observed a certain, conspicuous correlation between that Baby-Boomer phenomenon, and the dwindling of the ranks of the Catholic clergy in relevant nations. For example, the essence of any Christian or Jewish religious body, except for the cases of the sorts of gnostic cults we might associate with the fictional Elmer Gantry, is an occupation with multi-generational commitment to living according to a principle of human immortality. Existentialism moved like a swarm of spiritual locusts, across the terrain of the second half of the 1960s and beyond, leaving abandoned parishes, scattered like dead cities and towns, across the territory of Europe's Fourteenth-Century New Dark Age. Putting aside the screeching and bellowing amid the human wreckage of the wild-eyed sects, across the land there is a dreadful silence reigning where serene commitment to immortality had once blessed the departed of generations past.

That is the essence of the point I am making.

The lesson to be learned is, that many among others, even persons other than the Baby Boomers or their screaming gnostic rivals, were wrong to locate immortality as some place beyond death; immortality must be a quality which we enjoy in living, a quality which gives us the strength born in a sense of the happiness in doing good, while we enjoy being the kind of a person who lives in a sense that doing a good deed is its own reward.

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### 3. The New United Nations

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The record shows, that had President Franklin Roosevelt lived out the fourth term of office to which he had been elected, this planet would have become a far better place on which to live, than what we have known since his death. It is clear, in retrospect, that what he intended to do, had already greatly displeased Winston Churchill; but, that is because President Franklin Roosevelt's post-war intention would have probably brought the imperial reign of Anglo-Dutch Liberalism to an end. There were very clear, and interdependent goals expressed by President Roosevelt while he lived, goals bearing on the post-war world order. We can never "turn back the clock" of history; like many other great heroes of mankind, we are left with the sense that he died too soon; but, we must learn the lesson of the price we are continuing to pay for not having done what reflection informs us our nation should have done, even when a magnificent leader had died.

Since nations tend, it seems chronically, to make mistakes, we might make the best of that situation, by taking pleasure in being given, thus, the opportunity to undo some of the



*The '68ers, indoctrinated by the cult of existentialism, were cut off from an effective moral connection both to their parents, and to their posterity, "in a way which has no comparison in my knowledge of traditions of intra-family life inside the U.S.A. since the first half of the Seventeenth Century."*

damage caused by a foolishness we might prefer to simply blame on our predecessors. Unfortunately for our wishful thinkers, we are not given the evidence which would permit us to blame the whole mess on the Baby-Boomer generation, since they were among the victims of that human wreckage, not its cause.

I had not known President Roosevelt's exact post-war intentions at that time. I learned of these later, when, for example, the eyewitness account by his son was available; but, the fact that I already sensed what his post-war intentions had been, accurately, at the time of his death, tells me something about the way in which I had gained what was later proven to have been my correct insight into the President's intentions for the post-war world. This prescience had also radiated into many opinions other than my own.<sup>21</sup>

I was in a military camp in India at the time of the President's death. Soon after the news had reached us there, some of my fellow soldiers approached me, asking to meet me informally that evening. Their subject proved to be: What is going to happen to us, now, since the President is dead? I heard the words coming from my own mouth, without pausing to think about composing a calculated reply. I recall my words vividly, still today: "I don't know. We have lived under a President who was a great man, and Truman is such a little man. I am worried..."

My thoughts, throughout the months which followed, were that we were on a mission, and must fulfill that mission of peace when the war were to have ended. There were three objectives which appeared to me to be the mission; when I was back in Calcutta from the war-time jungle of northern

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21. Experience sometimes warns us, that, more or less often, in life, we come to know much more, or much less than we thought we had known.

Burma (now Myanmar), those objectives were clearer to me than ever before. The three, combined into a single perspective, were:

Free the colonies and use the conversion of the powerful industrial war-machine we had built up as a resource which would, among other prime objectives, help the former colonies to develop the foundations of true independence, while cleaning up the remaining social effects of the Depression at home.

It seemed important to me, coming from a family background in industrial technology, not to simply repeat the nonsensical slogan of “a war to end all wars,” but to build up a system of cooperative development of sovereign nations, which would be a system, which by itself, would be a foundation for expression of the common self-interest among what must become truly sovereign nations.

It could have happened, had President Roosevelt lived out his fourth term. I later learned from sources which had had high rank during the closing interval of the war, that their reaction had been virtually the same as my own: “It’s over,” one such figure said, after coming out of the office from a personal meeting with the already visibly depleted President. The great mission which many among us, of various ranks, had either known or, as I had, sensed, died with its President. Churchill was about to be dumped by his country; but, he might have been maliciously consoled by the fact that President Roosevelt’s noble mission for peacetime, had been defeated by the actions of the newly inaugurated President Truman, who appeared to admire Churchill very much.

The time came, a bit later, during early 1947, when I came from a rather successful public meeting, to find myself licking the spiritual wounds inflicted by a post-war world. This happened later in the same day, during which I had had the occasion to propose, at one notable Boston public event which I had assisted in preparing, that the issue of nuclear-fission technologies be resolved by dedicating nuclear fission power to its role as new source of high energy-density power; I had cited India’s needs as a clear case for such applications. Many in the audience had applauded my remarks; but, as that same event concluded, I knew that my stated policy was being overridden by the heated plotting for what might be what some influential circles clearly intended to be an early outbreak of the next great war, a nuclear war.

Very few among the future Baby Boomers had been born at that time.

There have been fads like the present craze of the “Global Warming” hoax, even long before the post-war decade. The predatory hordes of Flagellants spawned during Europe’s Fourteenth-Century “New Dark Age,” are perhaps the nearest approximation of the utterly fraudulent, and frankly genocidal, revival of Thomas Malthus’s swindle, that “Global Warming” hoax being mobilized around the figure of former Vice-President Al Gore presently. Yet, the combination of the hysterical rushes into both the utopian form of a new, imperi-

alist “Tower of Babel” scheme, known as “globalization,” and the “Global Warming” hoax, could mean an early planet-wide catastrophe, a calamity which would be orders of magnitude worse for humanity as a whole than its mere echoing of the Fourteenth-Century “New Dark Age.” We live, thus, in very insane times.

The President Franklin Roosevelt whose effort had been decisive in saving the word from Hitler, was prevented from having to imagine a new evil as terribly shameful for our nation as what is menacing the planet from Vice-President Cheney’s rampages, and also from a current President’s probable insanity, combined with all the other evils rampant now.

Let us presume that these dark threats can be transformed, by your help, into nothing worse than some passing Spring-time thunderstorms of current history. That, hopefully, would allow us to concentrate on the challenge of “What must we do with this aching planet?”

## A New Monetary System

We must return to a more or less global fixed-exchange-rate monetary system, echoing the Bretton Woods system.

This now urgently needed monetary reform, must not be permitted to degenerate into a fussy sort of negotiation over exact prices. Something close to current relative values would be sufficient. Those adjustments to currently estimated values, which might need to be introduced, can best be accomplished by supplementary tariff and trade agreements.

In this action, we must aim for a fifty-year span of agreements.

Before turning to further discussion of the international operations, I must now mention a few additional remarks on some U.S. domestic features, for the sake of calming the readers’ nerves in the degree needed to allow us to proceed with discussion of the international arrangements. On this account, several points must be borne in mind.

First of all, let us admit the fact, that the entire present system is hopelessly bankrupt. Now, I have said it. You feared it; so I have removed your fear of what I might say, by saying it now.

Therefore, let us be content with the reality, that most of what are considered as current levels of aggregate nominal financial obligations could never be paid off. The greatest portion of those obligations must either be cancelled, or postponed, even frozen for years to come. Fortunately, most of the debts on the books now, are essentially gambling debts in their character, which, therefore, have no credible relationship to the kind of honest debts we would be eager to honor. In the meantime, essential banks must keep their doors open for normal day-to-day and week-to-week business considerations such as those respecting ordinary households, essential professional services, ordinary production, and wholesale and retail trade. In most respects, life must go on, almost as if no bankruptcy had happened.

Let us be assured, that in the case of the U.S.A. itself, the

appropriate mode of financial reorganization of the system would be to put the quasi-private banking institution, the Federal Reserve System, into receivership under the authority of the Federal government, for financial reorganization. The featured objective would be to keep normal forms of essential day-to-day banking and related functions (which do not involve dubious sorts of financial speculation) operating as if no bankruptcy had occurred. Ordinary household savings and related accounts would be protected, and necessary withdrawals allowed automatically up to a certain level, or by special show of relevant need or purpose. Confidence in the assured stability and good performance of the system, as promised, must be promoted and maintained, as an essential precondition for maintenance of good order.

We must agree to make our intentions clear. The essential thing will be, to bring the operating level of the economy up above what are determined as break-even levels, through the use of public credit uttered for necessary maintenance and improvement of basic economic, public, and related infrastructure.

That said, we turn now to outline the needed general organization of the international system.

What I have proposed is, that the U.S.A. immediately approach the governments of Russia, China, and India, to join in assembling a pilot organizing committee establishing what shall be, in effect, the most suitable, and also powerful combination of a relevant set of initial sponsors for launching the larger partnership among those nations willing to act to replace what is presently the already hopelessly bankrupt, present world monetary system. This action must include an associated set of agreements with the operating core of a new, fixed-exchange-rate world monetary system, which, for reasons I shall identify here, must operate under provisions of an approximately fifty-year set of long-term treaty, cross-agreements.

*Since the present world system has been rendered hopelessly bankrupt by a currently chain-reacting explosion of what are actually gambling debts, the prevention of a now threatened, chaotic implosion of uncountable masses of hyperinflated gambling debts, requires a sufficiently powerful political fist to force the putting of the entire system through forced-draft financial reorganization now, before the stage when the effects become virtually impossible to control politically.*

The rule governing our actions must be, that, since we can not permit nations to be closed down, the measures to be taken must be in the form of a reorganization of an operating enterprise, the group of sovereign nations, which is operating under sovereign nations' adoption, by negotiation, of rules for reorganization-in-bankruptcy of the present world system.

This requires the abrupt cessation, and undoing of movements in the direction of political so-called globalization, and, a reenforcement of the instrumentalities of national sovereignty. In place of the kind of slime-mold which globalization represents, we get off the slippery slope of so-called "global-

ization"; we must have the kind of clearly responsible, and, to say the magic word, "sovereign" national debtors, a condition which permits the creation of the long-term treaty agreements among nations, which are needed to create the credit for the capital formation in basic physical-economic infrastructure, that on the scale needed to overwhelm the menacing situation with which the world were otherwise confronted at this juncture.

## The Great World Recovery

The lewd, as much as false suspicions are, that the expansion of population has reached the point that the world were, allegedly, about to run out of everything. That suspicion should, and will be considered nonsense by any persons who are presently capable of thinking seriously about the ABCs of economy. However, it is a fact, that we must begin to change the way in which we manage, rather than simply use up those presently owned resources which we call raw materials. We must shift the way economy works; we must put the emphasis on managing our planet, rather than merely occupying it as if it were our temporary camping-ground whence we leave our rubbish behind as we leave.

Fresh water, for example. There is plenty of water on this planet, but we have been relying too much on using up fossil forms of freshwater reserves, instead of turning to the two programs which would supply us as much safe and fresh water as we might need, both for direct human consumption by a growing population. That means nuclear fission, and, on the horizon, thermonuclear fusion.

Look at the lands west of the Mississippi. Look at the sinking southern region of the Ogallala aquifer, for example; look at the freshwater supplies in relevant agricultural regions of California. Look at the places around the world where human existence now depends upon drawing down a shrinking total supply of fossil water.

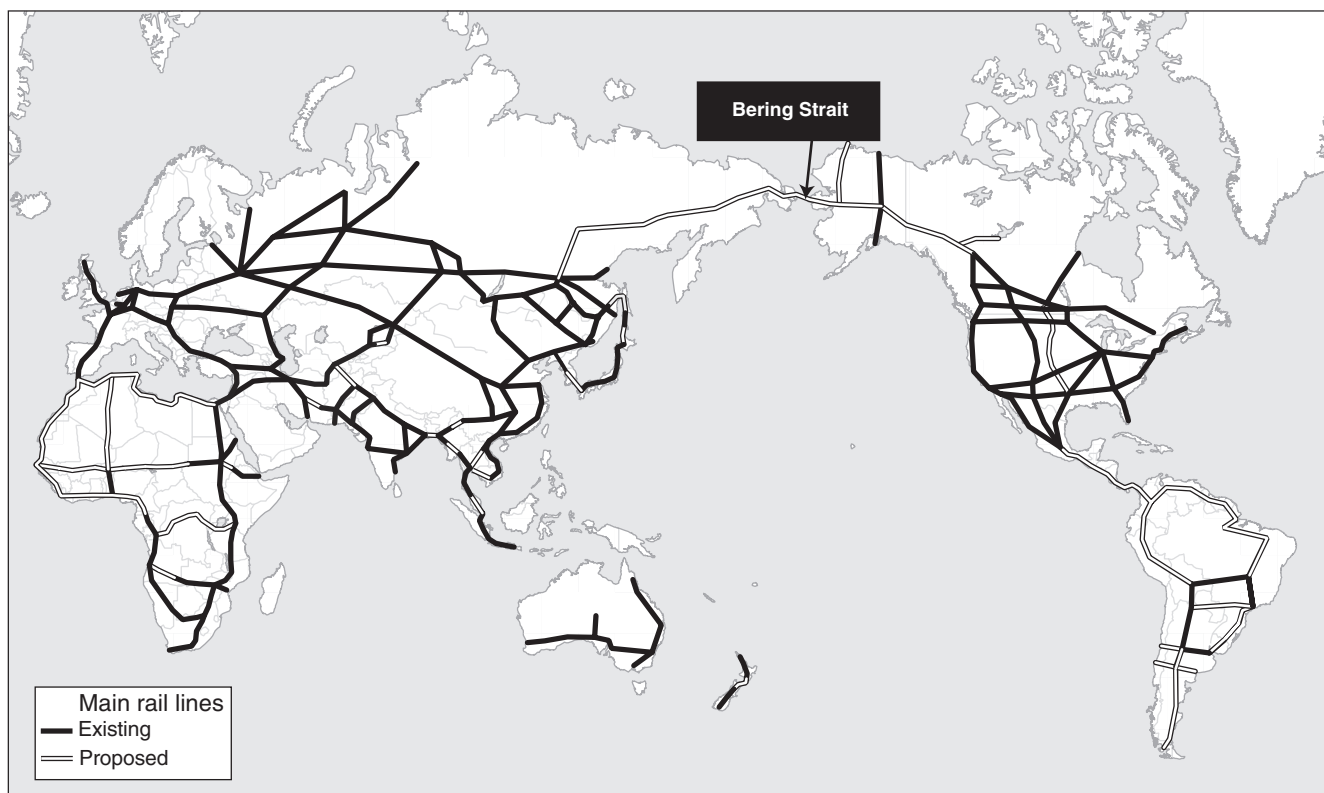
It had to come to this; we are touching the point at which we can do just fine, as the saying goes, on condition that we shift policy to managing the planet's resources, rather than looting them. That takes power. Not using up sunlight we ought to save for breeding chlorophyll, nor consuming food as fuel, but efficient sources of man-made power, using nuclear fission now, and bringing on thermonuclear fusion soon.

Suppose some of us had to live on Mars; how would we do the functional equivalent of terra-forming that planet? In our galaxy, there must be a number of planets which are likely candidates for terra-forming. Let us permit those thoughts to guide us in thinking about the management of the planet Earth from here on out.

We now have a pending schedule for the extension of the Trans-Siberian Railway, first built under the direction of the physical chemist Mendeleev on the model of the U.S. trans-continental system. The extension is the building of the railway tunnel across the area of the Bering Strait, to link to the Canadian and U.S. trunk railway systems, and, on down into



FIGURE 3  
**Main Lines of a Worldwide Rail Network, as Sketched by H.A. Cooper**



Sources: EIRNS, Hal Cooper.

South America. We are, in that sense, on the verge of creating a planetary railway, or railway-like (e.g., magnetic levitation) system, which will not be a mere plaything, or tourists' trap, but an indispensable part of the economical management of the development and use of the resources of our planet's crust as a whole. Rails, and magnetic levitation are far cheaper than air-travel, and much quicker, and far more convenient than water-borne transport. We thus, enter a post-geopolitical world!

We have a few really big problems which require our immediate steps toward investment in such transcontinental systems. Take the mass of the poor of nations such as China and India. Start with a summary of the case of the leading economic problem of China.

Some politically influential Americans, for example, insist that China is "ripping us off." That is flatly nonsense. The whole of the China economy is currently oriented chiefly in the direction of supplying the U.S. with the necessary product which our corporations are too lazy and cheap to produce here. Why? For one reason: we of the U.S.A. are buying from China on credit, hundreds of billions of U.S. dollars credit!

There are several reasons for that lunatic policy, but the obvious reason is that we can not compete with China's low prices, at the same time that we can not afford to pay China's

bill for keeping the U.S. economy afloat with China's export products. Yet, at the same time, a dangerous internal social situation is piling up inside China as a result of the way in which China currently supplies, chiefly, U.S. needs. The problem is, that we have been shutting down our productive economy, by which we used to pay our way in the world; we have turned to wild abandon in the use of foreign cheap labor, as a way of throwing our own productive labor-force on the street, virtually to starve, all chiefly as a result of a current, lunatic U.S. policy, which helps to bankrupt our nation, sooner or later, but more likely soon, and to impoverish most of our people subsisting below the upper 3% of higher income brackets, while also creating a potential social crisis inside China.

Please do not try to fool our citizens into believing that our current policy-makers are really sane!

Globalization? The Tower of Babel was always a dumb idea.

The solution? Develop the Asian continent in ways which raise the productivity of the Asian population, as measured per capita and per square kilometer. (While returning to the old-fashioned idea that we are people who promote high-technology development of agriculture, industry, and modern basic economic infrastructure, rather than the insolent, thuggish beggars who seek to threaten other nations into feeding them.)

With those words, we are opening the discussion of a fifty-year span of transcontinental development of Asia. We must raise the level of physical net productivity of Asia, per capita and per square kilometer, to levels at which the obvious present problems caused by unsustainable, current U.S.A.-Asia economic relations are improved. This means rebuilding the U.S.A. itself as an agro-industrial, capital-intensive, infrastructure-rich form of economy, while adopting a system which promotes the internal economic development of the entire populations and territories of nations such as China.

How do we do this?

We create packages of fifty-year duration, long-term treaty-agreements, bridging trade-offs spanning two generations between the time when a university graduate enters the labor market until about the time of his or her retirement. During that interval of time, we must work to build up Asia's territory in ways which increase the productive powers of labor there, up toward relatively optimal occidental levels, at which they have begun to pay us back for the work we do to assist them in acquiring the vast quantities of capital-goods and related assistance to bring them up to parity. This means long-term, two-way trade and financing agreements, accompanied by powerful science-technological leaps, increasing the entire planet's productive powers of labor, including that of Africa, per capita and per square kilometer.

This requires long-term treaty agreements among nations and groups of nations, with discount rates in the order of 1-2% simple interest-equivalent. These agreements are chiefly in the American-System form of credits, rather than financial loans. This requires basing that system of long-term credit agreements on a Bretton Woods-style system of relatively fixed-exchange rates.

The key to the success of such a global arrangement is a true science-driver program, a program which is driven by a moral purpose, rather than greed.

### 'The Lord of the Flies'

To understand the underlying problem, centered within trans-Atlantic European culture, which accounts for the roots, laid under U.S. President Truman and the British Fabians of the late 1940s, for what later erupted over the interval from the assassination of President John F. Kennedy to the election of President Richard M. Nixon, we must reflect upon the lesson to be recognized in the fictionalized sociological study named *The Lord of the Flies*. That name has served as a magic word for what is literally that specific quality of the Sophistry which wrecked ancient Classical Greece in the Peloponnesian wars, but which more or less rules today's globalized moral corruption, as a form of mass-insanity, known as *consensus*. It is the form of mass mental illness, an intrinsically anti-rational form of madness called *consensus* politics, which has been deployed, since approximately the time of the laboratory prototype nuclear weapons dropped on Hiroshima and Nagasaki.

That is a form of consensus-politics deployed as a replacement for the politics consistent with the U.S. Declaration of Independence and Federal Constitution, for a politics based on the guidance of principle and reason. Either we rid ourselves of the shackles of that specific kind of mass-lunacy suggested by *The Lord of the Flies*, the lunacy which virtually controls U.S. governmental proceedings, top down, presently, or there will be, as the ghost of Athens' Pericles might warn us, and certainly Socrates and Plato, no more United States of America.

This is to be seen in that rule by consensus, which was rooted in the Napoleonic tradition, but which took a special form in the influence which the U.S.-directed existential cult, the Congress for Cultural Freedom, exerted in corrupting the post-1945 culture in France, or the rampage of the related existential form of virtual fascism expressed by the "green terror" of the anti-nuclear-power fanatics in 1970s and 1980s Germany.

This notion of consensus politics, this echo of *The Lord of the Flies*, is also to be recognized as the modern heritage of a Nazi Nuremberg rally, as the principle of triumph by irrational consensus, the same so-called Freedom of the arbitrary Will invoked by former Vice-President Al Gore on behalf of his lying, pseudo-scientific, "Global Warming" hoax, a mass-murderous hoax which has been revived from the hoax of Giammaria Ortes, whose work was plagiarized by Thomas Malthus, and which was revived as the doctrine of "eugenics" of the international circles of Bertrand Russell, from which the so-called holocaust by the Nazis was derived.

The particularly notable importance of *The Lord of the Flies*, on this account, has been the quality of mental illness sometimes witnessed in the brutalities of the schoolyard, the childish quality of petulance which the "white-collar" Baby Boomer had cultivated earlier as a pre-adult trait. This can be frequently witnessed as a kind of, ironically, highly authoritarian trait, to which the petulant Baby-Boomer type tends to revert, as Al Gore has done, with senile simulation of the overtones of an "alpha dog" added, in middle age.

It is of urgent political importance, for the sake of the survival of civilized society, that this pathological quality of that psychological type be frankly stated openly, as Plato attacked the Classical Greek expression of the ancient prototype associated with the war-crime by Athens against the people of the island of Melos. It is important to recognize this as the root of the pathological, and virtually criminal, moral quality of the current U.S. Bush-Cheney Administration, as this has been met, otherwise, in the Fabianism expressed under Britain's lying Blair government.

We can not permit civilization as a whole to continue to be held hostage to that form of mass-insanity which seeks to consolidate its grip over the policies of government of the U.S.A., as in relevant other places, today. If you wish our civilization to survive, it is time for you, among others, to do what must be done, if we are to save civilization world-wide.

# Putin Moves To Outflank 'Ring Around Russia' Provocations

by Rachel Douglas

President Vladimir Putin the judo practitioner was in evidence at the Heiligendamm G-8 summit, where he surprised all with a proposal, announced on June 7, for joint Russian-American upgrading of a Russian-rented radar in the Gabala district of Azerbaijan. This would become an anti-missile defense facility to give warning against launches from points south, in place of the planned U.S. anti-ballistic missile (ABM) installations in Poland and the Czech Republic that Moscow so vehemently opposes.

Russian State Duma Foreign Affairs Committee chairman Konstantin Kosachov called Putin's proposal "the event of the decade," saying that the future of the world would depend on the U.S. response. The Bush Administration, whose nominal head had remarked snidely the previous day about Russian "hyperventilating" about missile defense, sent National Security Advisor Stephen Hadley to tell the press the Russian proposal was "interesting."

Qualified Washington sources reported to *EIR* that the Bush Administration was already caught off guard by the strong Russian reaction to recent provocations from the U.S.A., Britain, and NATO. Those include the ABM deployment; intended new NATO bases in Romania and Bulgaria; a push for the full independence of Kosovo from Serbia; a London-centered anti-Russian campaign around the death of ex-spy Alexander Litvinenko; and the stoking of conflicts in and around the Baltic states, Ukraine, the Transnistria district of Moldova, and Georgia's breakaway regions, Abkhazia and South Ossetia. The use by Putin and other Russian officials of the term "imperial" to describe the Bush-Cheney policy against Russia is not merely a reaction to each of these provocations individually, Lyndon LaRouche observed about the Washington reports. It is their response to the overall policy governing the Bush Administration, and to the recurrent ad-

versarial direction of Anglo-American policy since the death of Franklin Roosevelt.

## 'Apocalypse on a Planetary Scale'

Putin himself keynoted Russia's Spring of blunt talk, with his Feb. 10 speech to the Munich International Security Conference. There he charged that the "unexploded ordnance" of the Cold War was being reactivated by the U.S.A. and NATO. In recent weeks, as plans for the Eastern Europe ABM installations went ahead, and Polish officials repeatedly clarified the situation by saying that, indeed, they were designed against potential confrontation not with Iran, but with Russia, Putin and other Russian officials spoke more and more forcefully.

On May 9, the 62nd anniversary of the Victory in Europe over Fascism, Putin said that the cause of World War II had been "an ideology of confrontation and extremism." He drew a parallel with the present day, saying that "these threats are not becoming fewer, but are only transforming and changing their appearance. These new threats, just as under the Third Reich, show the same contempt for human life and the same aspiration to establish an exclusive dictate over the world."

On May 29, meeting with Prime Minister José Socrates of Portugal, Putin said that to deploy U.S. missile defense elements in Europe was "turning the continent into a powder keg." Two days later, at a press conference with Greek President Karolos Papoulias, Putin said that Washington had triggered a new arms race. He warned that Russia will strengthen its military potential to maintain a global strategic balance.

In a June 4 interview to press from G-8 countries, Putin charged that U.S./NATO military programs were lowering the nuclear threshold, preparing to use small-payload nuclear weapons, and putting nuclear weapons in space. He also said





Presidential Press and Information Office

*President Putin at a press conference on June 8. He surprised the G-8 summit with his proposal to share radar facilities.*

that the problem with the anti-missile defense elements, planned for placement in Eastern Europe, was that they “will work automatically with the entire nuclear capability of the United States. It will be an integral part of the U.S. nuclear capability.”

Commentaries by Russian military officers, published in *Izvestia* of May 31, spelled out this assertion, charging that the U.S. deployments would be part of a first-strike capability for the demolition of Russia in a nuclear war. Vadim Kozyulin, a professor at the Academy of Military Sciences, wrote that some people call the planned ABM systems in Central Europe “insignificant”; but, he asked, what if the side that has them “plans to inflict a pre-emptive strike on the missile bases of its opponent, with the aim of eliminating part of its missile potential? Then, the possible ‘contribution’ of the ABM system in neutralizing the retaliatory potential of the opponent increases substantially.”

Retired Navy Captain First Rank Mikhail Volzhensky presented a scenario of a U.S./NATO first strike against Russia, using sea-based long-range Tomahawk cruise missiles. The role of the Europe-based ABM systems would be to suppress Russia’s retaliatory capability, hitting Russian second-strike missiles in their boost phase.

Volzhensky listed the countermoves that would occur, upon detection of a cruise-missile launch against Russia: In the two and a half hours before Russian strategic facilities were struck, Russian forces would move to destroy U.S. ABM systems in Europe and at sea, and “destroy space-based communications, navigation, intelligence, and target-designation” systems—something that “Russian Federation Space Troops have the resources to do.”

*Izvestia* military commentator D. Litovkin wrote that the Iskander short-range missile, which underwent successful testing on May 29, the same day as Russia’s new RS-24 ICBM with multiple retargettable-in-flight warheads, was made to deal with the Eastern Europe-based ABM systems.

As much as the details, some of which replayed scenarios of the 1970s and 1980s, when key advances in the forward basing of offensive nuclear systems occurred, the tone of these articles conveyed the seriousness about a potential military showdown. Volzhensky wrote: “Commentators most frequently leave out of the frame the real aims and probable consequences of the creation, as well as scenarios for the use, of ABM systems.... The problem is obviously so serious, that people who are fully aware of its profundity prefer to use euphemisms.... We really are facing a fundamental change in the strategic confrontation between America and Russia.... [E]ven after the catastrophe of the 1990s, Russia remains the only country in the world capable of destroying the United States, and in no more than half an hour.... What if not all the American cruise missiles are able to destroy our launch vehicles? Even if only a tenth of the Russian nuclear potential—200 warheads—leave their starting positions and strike American towns, this will be an apocalypse on a planetary scale. The ABM system is being created for this situation.”

The same Russian leadership that warns about a global showdown in such stark terms, has put out feelers in search of a Rooseveltian response from the United States. And it is from the Russian government and the Academy of Sciences, combined, that the impetus has come to launch international cooperation on great projects like the Eurasian Land-Bridge extension across the Bering Strait. In the meantime, each of the hot spots—traditional British Intelligence stomping grounds—on Russia’s periphery is close to the boiling point.

## The Baltic Corridor

In his April 2007 Message to the Federal Assembly, Putin called for developing sea transport infrastructure. “It is a disgrace that Russia is still using foreign ports for export of its commodities,” he said. These remarks came against the backdrop of rising tension with Estonia, one of those seaport countries. Russian-Estonian trade, including export transshipments, had doubled from 2005 to 2006, and decisions were taken to upgrade the road bridge over the Narva River between the two countries.

Last Fall, however, a Swedish-born, U.S.-raised long-time Radio Free Europe/Radio Liberty employee named Toomas Hendrik Ilves was elected President of Estonia. A Social Democrat, he was backed by the right-wing opposition. The coalition government of the Reformist, Fatherland, and Social Democratic parties that was formed, began to push on issues of greatest sensitivity to Russia.

Prime Minister Andrus Ansip of the Reform Party pushed ahead with the (former) opposition’s long-standing goal of removing the Monument to the Liberators of Tallinn, a statue of a World War II Soviet Red Army soldier, from its location in central Tallinn. On April 24, Ansip said that the grave under the statue held the remains, not of anti-fascist liberators, but of “drunkards and marauders.” The Estonian authorities dismantled the monument on the eve of the May 9 Victory

Day holiday, despite protests from European officials, German ex-Chancellor Gerhard Schröder, the Simon Wiesenthal Center, and clergy including Cardinal Ersilio Tonini. Incoming U.S. Ambassador Stanley Philips, however, praised the actions.

The history of the Baltic littoral countries poses tough questions regarding nationality and statehood. Estonia is an enclave of Finno-Ugric culture, while Latvians and Lithuanians represent the Baltic branch of Indo-European language-culture, and Lithuania is a descendant of the once-powerful Kingdom of Poland and Lithuania. These countries have been operational centers for the Venetian and British oligarchies over hundreds of years. As part of the Black Sea-to-Baltic grain belt, they were areas of interest and influence for the merchants of Venice. Contested between Russia and Sweden in the Great Northern War at the beginning of the 18th Century, the Baltic coast came increasingly under Russian domination between 1710 and 1795, when the three territories were formally taken into the Russian Empire.

Historical figures of importance for Russia came out of the Baltic German aristocracy, among them the powerful Count Ernst Biron (Bühren) of Tsarina Anna Ivanovna's court (1730-40) and Julie von Krüdener, who helped orchestrate Tsar Alexander I's acquiescence to the Holy Alliance at the Congress of Vienna in 1815. So integrated into Russia was the Baltic coast, that when British diplomats, especially, raised the cause of independence at the close of World War I, the United States resisted!

The Baltic states did gain international diplomatic recognition in the early 1920s. During the 1920s and 1930s, they were a listening post and staging ground for anti-Soviet operations by British Intelligence, including a project known as the Trust. They came under the Soviet Union again in 1940. The same anti-Russian currents that had welcomed the Nazis as liberators, drew strength from popular anger at mass deportations to Siberia, carried out by Soviet authorities after World War II. The Baltic states, which declared independence in 1991, have large Russian-ethnic minorities, dating from the past centuries, and especially Soviet-era industrialization.

Even such rough historical terrain could be smoothed, under a Westphalian policy of mutual benefit through economic development. But strategists who seek a new global showdown with Russia prefer the Baltics as pawns. Estonia's former Ambassador to Russia (1996-99), Mart Helme, exemplified that view in his April 5 article in the *Brussels Journal*. Helme demanded that the European Union ally with the United States and its "Anglo-Saxon allies, Great Britain, Canada, Australia, and New Zealand," together with "the new Europe" (Eastern European EU members), to confront Russia. A Baltic Anglophile, he reflected the vehemence of the "New Cold War with Russia" line in Anglo-Dutch circles. Helme raved that Russia's "collaboration with China, India, and other Asian countries" means that it "no longer needs Europe," and

that it is already using the Shanghai Cooperation Organization to challenge "the U.S. and its allies." He called for "a new Truman doctrine"—a replay of the reversal of Roosevelt's policies into a "contain Russia" posture, which marked the beginning of the Cold War. "We need a new 'Berlin Wall' against neo-Stalinist Russia and its anti-Western allies," wrote Helme. "Russia, which is threatening world peace, must be opposed through a New Cold War."

## Frozen Conflicts

The London *Economist* berated Russia over the so-called "frozen conflicts" in the former U.S.S.R., already in 2004. The *Economist* grouped fighting in South Ossetia together with other "former Soviet war zones," where "unresolved wars have poisoned the newly independent republics of the former Soviet south, and could flare anew." These conflicts include the Transdnistria district (in Moldova; it was part of Ukraine in the mid-20th Century), Abkhazia and South Ossetia (in Georgia), and Nagorno-Karabakh (disputed between Armenia and Azerbaijan).

A refrain from EU circles is that Russian forces in the first three of these regions, dating either from Soviet basing patterns (the 14th Army in Transdnistria) or Russian peacekeeping efforts in the early 1990s (Abkhazia), should be replaced by international units, including NATO forces, under Organization for Security and Cooperation in Europe (OSCE) auspices.

Now the frozen conflicts may be rekindled, if the so-called Ahtisaari plan for independence of Serbia's Kosovo province goes through. "Kosovo is heading for independence, whatever the Russians say or do," chirped the *Economist* in March 2007. Former Russian Prime Minister Yevgeni Primakov, who tried through diplomacy to stop NATO's bombing of Yugoslavia in 1999, and who arranged an interim Transdnistria settlement in the mid-1990s, has urged caution, warning that full independence for Kosovo could quickly lead to the disintegration of neighboring Bosnia.

Putin reiterated in his June 4, 2007 interview, "There is nothing to suggest that the case of Kosovo is any different from that of South Ossetia, Abkhazia, or the Transdnistr." That the plan to grant independence to Kosovo is pre-programmed to detonate the frozen conflicts, was dramatized again after a June 5 meeting in Moscow between the leaders of Abkhazia and South Ossetia. Sergei Bagapsh and Eduard Kokoity said, "If Kosovo is being split from Serbia, this is another strong proof that conflict between peoples can be solved by other principles than respect for territorial integrity."

All this produces only suffering for the beleaguered populations of the areas, as *EIR*'s Christine Biere found on a visit to the unrecognized Transnistrian Republic with a delegation of the French organization Réseau Voltaire. In early 2006, as part of the EU's and its own sparring with Moscow, the Victor Yushchenko regime in Ukraine, citing EU requirements, mandated that all cargoes moving from Transdnistria into Ukraine have an official Moldovan customs stamp, allegedly to curb smug-

gling. Since Transnistria has operated independently of Moldova's central government for over a decade, such stamps were not forthcoming. The authorities in Transnistria warned of a "humanitarian catastrophe." During the first half of 2006, the Transnistrian Republican Bank reported that the area's exports fell by 49% and imports by 15.9%. Russia, terming the Ukrainian policy an "economic blockade," sent humanitarian relief.

Forced to send shipments an extra 500 km for the customs stamp, the Moldova Steel Works (in Transnistria) has shown no profit for two years. Plant director Andrei Yudin told *EIR* that it will not survive five years under these conditions, despite having advanced technology.

A new deadline for Transnistria comes on July 1, when its imports will also be forced to clear Moldovan customs, provoking even deeper economic trouble.

### **Ukraine: A Near Civil War**

Ukraine is no enclave, but a nation of 50 million people. For three days in late May, it was on the brink of civil war. Ministry of Internal Affairs forces were moving toward Kiev on orders from President Yushchenko, nearly two months into a showdown with the parliamentary majority under Prime Minister Victor Yanukovich and his Party of Regions (POR). City police and POR activists took to the streets in an attempt to block them, while the Ministry of Transport refused them conveyance.

The crisis flared in March, when members of Yushchenko's Our Ukraine started defecting to the parliamentary majority. On April 2, Yushchenko, the victor in the December 2004 U.S.-backed "Orange Revolution," abolished the Supreme Rada and called snap elections, claiming it was unconstitutional for the POR to accept defectors from his party. Throughout April-May, the matter was under review by the Constitutional Court. Then Yushchenko started firing members of the Court.

Amid the serpentine turns of the political crisis in Ukraine, which has been cooled out for the moment by an agreement for new elections in September, the constant involvement of U.S. and British officials is visible:

**April 3:** Central Election Commission chairman Yaroslav Davydovich returned from the U.S.A., where he had met with Vice President Dick Cheney. Cheney hosted another Orange Revolution figure, Yulia Tymoshenko, one month earlier, after which she declared that Washington supports new elections in Ukraine.

**May 23:** U.S. Deputy Assistant Secretary of State David Kramer met with Yanukovich.

**May 23:** British Ambassador Tim Barrow met with Davydovich, who thanked "international organizations" for "technical assistance" in preparing elections.

**May 24:** Yushchenko met with Kramer.

**May 24:** Yushchenko cancelled a foreign trip, convened the National Security Council, and declared Internal Affairs Minister Vasili Tsushko a criminal.

**May 25:** Yushchenko put Internal Affairs forces under his personal command and ordered them to move to Kiev. Emergency overnight talks averted open clashes.

Who told whom to do what in Ukraine is not known for sure. But, certainly an explosion in Ukraine is "the big one" for British geostrategists who abhor the prospect of Russia's playing a key role in Eurasian stabilization and development. Read the opening of the London *Economist's* March 17, 2007 futurological article, "The European Union at 100," on a British-led EU vanquishing both the U.S.A. and Russia, after a U.S. financial collapse and an EU-instigated U.S./Russian nuclear showdown over Ukraine:

"The EU is celebrating its 100th birthday with quiet satisfaction. Predictions when it turned 50 that it was doomed to irrelevance in a world dominated by America, China and India proved wide of the mark. A turning-point was the bursting of America's housing bubble and the collapse of the dollar early in the presidency of Barack Obama in 2010. . . . The other cause for quiet satisfaction has been the EU's foreign policy. In the dangerous second decade of the century, when Vladimir Putin returned for a third term as Russian president and stood poised to invade Ukraine, it was the EU that pushed the Obama administration to threaten massive nuclear retaliation." After its humiliation, in the *Economist* scenario, Russia applies to join the EU.

No wonder Putin minced no words in his June 4 interview. "Public opinion in Russia is in favor of our ensuring our security," he said. "Where can you find a public that favors the idea that we must completely disarm, and then, perhaps, according to theorists such as Zbigniew Brzezinski, that we must divide our territory into three or four parts? If such a public did exist, I would argue with it. I was not elected President of the Russian Federation to put my country on the brink of disaster."

Putin rejected the demand to extradite ex-KGB agent Andrei Lugovoi—accused in London of killing Litvinenko, while Lugovoi says he was framed by British Intelligence—to Britain. He added, "I think that after the British government has allowed a significant number of criminals, thieves, and terrorists to gather in Britain, they created an environment which endangers the lives and health of British citizens."

Putin also, answering a question from the *Times* of London on Russia's having suspended Shell Oil's license to develop the Sakhalin II oil and gas project, said he was glad Shell had violated environmental regulations, because otherwise Russia would have been stuck with unjust economic relations, dictated by the Anglo-Dutch multi in the first years of the Yeltsin regime: "You know, [the original agreement] was a colonial contract, having absolutely nothing to do with the interests of the Russian Federation. I can only regret that, in the early 1990s, Russian officials allowed such incidents to take place."

*Christine Bierre, Konstantin Cheremnykh, Allen Douglas, and Antony Papert contributed to this article.*



## ‘The Enemy of Russia Is London’

*In an interview given May 16, 2007 in Moscow to Andrei Kobyakov, director of the Russian web publication RPMonitor (www.rpmonitor.ru), Lyndon LaRouche addressed the British roots and control of current provocations against Russia in Europe. The excerpts provided here were transcribed by EIR from the audio tape and are pre-published with permission of RPMonitor.*

**LaRouche:** The enemy was Britain in 1945-46; the enemy of Russia is Britain today. It’s not the United States, it’s Britain. It’s London, what it represents as a financial clique center of the world. Since 1971-72, the British have taken control, politically, of the dollar. The dollar is a reserve currency that controls the world’s fate today, but it’s actually controlled from London. And the question is, to get the dollar back out of the hands of London and to reorganize the world financial system.

So, we must defeat London now, or there’s no chance for the future. . . .

I think senior people in Russia *do not* think that the United States is the problem. They think that the United States is *key* to the problem, but that Britain is the enemy. Anyone who understands this knows that Britain is the enemy. The British Empire.

Now, Putin is trying to find in the United States, a resonance, by talking about “Roosevelt, Roosevelt, Roosevelt, Roosevelt, Roosevelt.” And it’s not just Putin. . . . And Russia is also totally isolated, because all of Europe, Western Europe, is totally controlled by Britain. The former Soviet states, the former Comecon states that split off, like Estonia, and so forth, like what’s happening in Ukraine, all comes from London.

So, anyone who knows the situation, knows: “All right. Can we split?”—said from the Russian standpoint—“Can we split the United States from London? Because if we split the United States from London, then the Roosevelt idea will work. *Because London will never tolerate Roosevelt.*”

So therefore, if you’re Russian, and you know the world, you say, “Can we get back to Roosevelt?” That means, breaking from the British. It’s the only chance Russia has.

There’s nothing in Europe that’s going to do anything otherwise. There are people in Europe, who may resent this, who may not like it, but they won’t fight it: They’ve given in to globalization. Europe gave in to this Maastricht agreement, which was imposed by Thatcher, and her dog, Mitterrand. Since then, Europe, the independence of Germany for exam-



Courtesy of Andrei Kobyakov

*Journalist Andrei Kobyakov expressed concern about the development of fascist trends in Europe. “It’s British,” LaRouche replied.*

ple, has grown less, and less, and less, and less. With the [Gerhard] Schröder government collapse, there is no resistance in Germany among the official institutions, the leading government institutions, to the British rule. Germany is, today, a British colony. . . .

**Kobyakov:** Talking about these fascist trends, I see it as a very dangerous situation, becoming reality, now in Europe. You know

that there are very dangerous things in Estonia, in Poland, in Hungary, where openly Nazi forces become more and more active. You know that they tried to destroy all the monuments of anti-fascist soldiers. And what do you think about it?

**LaRouche:** It’s British. The British created fascism in the first place.

**Kobyakov:** But what about the United States? Because the American Congress had the declaration, where they said, “Okay, we like the Estonian government. . . .”

**LaRouche:** It’s not the U.S. government, it’s a very specific faction of the U.S. government. It’s the “Israeli faction,” so-called. When the British want to do something in the United States, they always tie it to the Israeli right wing. . . .

**Kobyakov:** It is very dangerous, because the result will be a very big tragedy, a new Holocaust maybe, also.

**LaRouche:** This is a new form of world war, you could call it World War III, in a different form than World War I and II. But the chief targets are Russia, China, and India, in that order of priority. They’re determined to destroy Russia. They have effectively declared war on Russia.

They’ve gotten every whore in every one of these states with a pro-fascist inclination, and they’re deeply ridden with it—take Estonia: Go through families, go through five, six generations of families in Estonia. You want to find fascists? They never left. Look at Poland: You ever heard of [Jozef] Pilsudski? An outright fascist. And how was Poland destroyed? It was destroyed with the help of the British-backed tradition. . . . Because, you have in Poland, in many places in Eastern Europe, you had an oligarchical tradition. The Polish peasantry were among the most persecuted people, *also under the independent government of Poland*. And that’s why you had this reputation about, you know, stupid Poles, all over the

world. Why? Because they were abused! They were broken! It was real oligarchy, a vicious oligarchical rule, that you find in most of Eastern Europe.

Look at [Count Richard] Coudenhove-Kalergi, and that crowd. And look at the extent of the influence of Coudenhove-Kalergi, look at the fact that, for example, the famous Alexander Helphand [Parvus, who arranged foreign financing for the Bolsheviks in 1917] was a fascist! He was actually a British agent from the 1890s.... The whole thing was to orchestrate war and revolution to destroy Russia and other countries. And he was working as a British agent to do it.

And then, after the Revolution, he was in Germany, and from Germany, he was working as part of the apparatus of Coudenhove-Kalergi. And Coudenhove-Kalergi is the base of a whole Nazi operation in Northern Europe and Northern Italy; going into some of the French potentials, as well. So, the entire fascist movement.

Now, you look at the family histories, going back several generations, in any of these parts of the world, and you will find plenty of them. You'll find in Ukraine, there's a whole operation in Ukraine, especially in western Ukraine. There's an operation in Poland, a big one. Croatia, through most parts of Western Europe, which were going back to the period before World War I, already part of this operation. And it was always controlled by the British, with French association. The way the thing was run, it was Anglo-French operations in Poland, around Pilsudski.

So, the Anglo-French ran an operation, especially the British: They ran an operation where they ran the Germany-Poland conflict and all these other conflicts, and they orchestrated them....

**Kobyakov:** So, it's very dangerous. And what is to be done?

**LaRouche:** Putin, and people around him, have done the right thing. And the one right thing is: Roosevelt. Roosevelt, Roosevelt, Roosevelt. The greatness of Roosevelt, the greatness of Roosevelt in cooperation with Russia, with Roosevelt in World War II, on the ideas of development for the post-war world.

So, what's that? This is going at the real issue of the United States: Because anyone who gets into government in Russia, gets into the top position, has to deal with all the facets, military, diplomatic, economic, and so forth. Any government has to. Those who find themselves suddenly with a pattern of problems, and they look at the pattern of problems, and they begin to see that certain things that they believed before they came into government, they find out now, it's not true. And anyone—repeatedly in Russian history, they have certain names for the dirty, old Queen....

And so, they come to the point, they recognize from the standpoint of practical diplomacy, that the British are the enemy, the British Empire is the enemy. And they recognize also, particularly after what happened to Schröder, that Germany is no longer a friend. Oh yes, the people of Germany would be glad to go back to what Schröder's policy was, but they're be-

coming less and less and less, and they're out of there.

If it comes, either it comes from the United States, or it won't come at all. That's the situation. And obviously, the Putin government has recognized this, and used the occasion of the anniversary of the war, as a way of saying, "Roosevelt, Roosevelt, Roosevelt, Roosevelt." Because they're smart enough to realize that only a relationship with the United States, if a certain force comes to power in the United States that represents the Roosevelt legacy, that's the only chance.

**Kobyakov:** Now there are these missile systems being deployed just near the borders of Russia.

**LaRouche:** What do you expect? This is what the British crowd represents. Because the government, the Executive branch, the office of the Presidency is controlled by London. It's what Cheney represents. Cheney runs the Bush Administration. Not the President. The President's an idiot, he's crazy. He's clinically insane! So therefore, you've got Cheney, who's allowed to be the figure, who is used from the Vice President's office, to run the Presidency! Not on everything, but on everything strategic.

But Cheney is nothing. Cheney is only an instrument of London, because George Shultz is an instrument of London, and George Shultz controls it all. The whole crowd, the Wall Street crowd, is London! It always has been London. It's always London-oriented, it's not the U.S. Go to 1763, when you had a split in the colonies between those went against the British repression, and those who went with it, the British East India Company: We have the Boston crowd, the Connecticut crowd, the New York crowd—went with London. And the American Revolution was also an internal revolution, internal war, civil war, against the British influence inside the colonies. And it's always remained there. What you call Wall Street, Wall Street finance, *is British*. It's the continuing extension of the British imperial financial empire—not the monarchy—but the financial empire, inside the United States.

And Roosevelt was against that, and you had, repeatedly from Lincoln on, you had Presidents who were constantly considered a danger to Britain. And all they do is get rid of them. You look, how many assassinated Presidents, who were assassinated, who were considered enemies of Britain.

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# LaRouche Holds Dialogue With Italian Senators on New Monetary System

by Liliana Gorini and Andrew Spannaus

“I am convinced that LaRouche’s ideas must be spread. They may be the vision of a ‘madman,’ but usually, history also moves forward based on the visions of such madmen.” These words of former Italian Economics Minister Giulio Tremonti, presently vice-chairman of the Italian Parliament and of the Forza Italia party, pronounced during a conference organized by *EIR* in Rome on June 6, are indicative of what many politicians had to say about American statesman Lyndon LaRouche in the course of his three-day visit to Rome, June 4-6. “I have always appreciated the depth of the views in LaRouche’s magazine,” Tremonti said, and added that he shares the view that we are in a time which is not ordinary, in which we will see profound transformations.

Tremonti was speaking with LaRouche and Alfonso Gianni, Italian Undersecretary for Economic Development, at a June 6 roundtable discussion entitled, “The Future of the Economy: Market Radicalism or New Deal?” at the Hotel Nazionale in front of the Parliament in Rome; the forum was recorded by both the LaRouche Political Action Committee (LPAC) and Radio Radicale (see below for speeches by LaRouche, Tremonti, and Gianni).

Gianni also expressed his agreement with LaRouche’s view of a “new international economic order,” and the fact that the model of productive economy in which the state plays a key role is under attack from hedge funds and pension funds, the private financial interests which are “overpowering the economic policies of states and the real economy.” And although Gianni noted his disagreement on the questions of the environment, and on the role of the four major powers—the United States, Russian, China, and India—which LaRouche indicates as key to effecting a shift in world politics, what is fascinating, is that these words of appreciation for LaRouche’s proposals come from politicians and members of both the government and the opposition, from left to right, who normally quarrel about every issue; the situation was different with LaRouche. Italy is being torn apart by a deep economic crisis, by social conflicts which were clearly visible during LaRouche’s visit—there were trade union demonstrations all day in front of the Parliament; it is a country which is more accustomed to ungovernability than any other in Europe, as LaRouche has emphasized on a number of occasions, but in which leading politicians are searching for a vision, and finding it, in LaRouche’s proposals: his FDR-style policies not

only for the United States, but for the whole world, in a framework of a new global economic order represented today by such great projects as the Bering Strait rail-tunnel.

## Official Testimony to Defense Committee

LaRouche’s visit to Rome had started a day earlier with official testimony in front of the Defense Committee of the Italian Senate, announced and reported in the official proceedings of the Senate as “an investigation of the present state and perspectives of the defense industry and cooperation on armaments: hearing of Prof. Lyndon LaRouche.” The hearing, which was attended by about ten members of the Senate, was opened by committee chairman Sen. Sergio De Gregorio who thanked LaRouche for being there. LaRouche’s introduction focussed on the “dual use of the economy” for defense and civilian purposes, which gave LaRouche the opportunity to present an historical “excursus” on the relationship between economy, science, and warfare, from the Council of Florence (1438-39) and the 15th-Century Italian Renaissance, up to the Abraham Lincoln and Franklin Roosevelt war mobilizations.

LaRouche also emphasized the difference between Roosevelt’s conception of a mobilization of the economy in order to win the war against Nazism, and today’s so-called “revolution in military affairs,” and privatization of the military promoted by Dick Cheney, which is destroying the U.S. armed forces. “Today there is an attempt to destroy this legacy,” he said, “with a revival of the ancient Peloponnesian Wars, a long war in Iraq, and a potential war in Iran.”

After the hour-long hearing, which was both videotaped and stenographed, members of the Senate, from both the left and the right, spoke up to thank LaRouche for his report, and to express their agreement with his view that such “revolutions in military affairs” are very risky for nation-states and their ability to defend themselves. Sen. Gianni Nieddu of the center-left government coalition, emphasized that, “not only should the United States not give up its sovereignty in military affairs, but no European country should either,” and he added that, in Europe as well, “there is an attempt to relinquish national defense, and entrust it to the European Union.” Sen. Silvana Pisa (see her interview with *EIR*, Feb. 23, 2007), who belongs to the same party as Italian Foreign Minister Massimo D’Alema, thanked LaRouche for his presentation, and asked about the BMD system and Russian President Vladimir





EIRNS/Flavio Tabanelli



EIRNS/Flavio Tabanelli

(Left to right:) Lyndon LaRouche joined Italian political leaders Giulio Tremonti and Alfonso Gianni in Rome, June 6, for a roundtable discussion on “The Future of the Economy: Market Radicalism or New Deal.”

Putin’s opposition to it.

Sen. Lidia Menapace, a member of the Defense Committee, and chairwoman of the Committee to Investigate the role of depleted uranium in a number of deaths of Italian soldiers in Kosovo, expressed appreciation for the historical depth of LaRouche’s presentation at the Senate. “I listened very carefully to what Mr. LaRouche had to say,” she said, “and I hope I am not being offensive if I say that one normally does not expect such cultural depth from an American politician, so I consider him a European.” Sen. Luigi Ramponi, a general, belonging to the opposite political coalition of that of Senator Menapace, also thanked LaRouche for his testimony at the Defense Committee, adding that he had been following *EIR* for a long time, and “what you said about the financial collapse has turned out to be prophetic. I am also fascinated by your programs for infrastructural development, including the Bering Strait project, which is the key to true peace” (see *EIR* March 18, 2005, for an interview with General Ramponi). At the end of the official testimony, the office of Senator Menapace issued a press release on it entitled, “The Other America,” which contrasted LaRouche’s report to the visit in Rome of President George Bush two days later.

The next morning, LaRouche and Senator Menapace held a joint press conference at the Senate, which turned into an two-way dialogue, since the press was too busy following the ongoing vote and possible government crisis at the Senate, to show up to hear what “such an important mind has to say,” as the Senator herself put it, in referring to LaRouche. Menapace started the dialogue by saying she was particularly impressed by the connections that LaRouche had made between infrastructural development and military technology, which “reverses the order of what is normally said.... I was also impressed by what Mr. LaRouche said about the peaceful use of

nuclear power,” the Senator added, “because I cannot accept the fact that the Italian Left rules out the use of nuclear energy, and I share LaRouche’s view that science and human creativity can solve all of our problems, and nuclear science can go beyond the use of nuclear weapons.” When LaRouche mentioned that it was unnecessary to drop the nuclear bombs on Hiroshima and Nagasaki, and that this was the conscious policy of Bertrand Russell to make sure that no war could ever be won if not with nuclear weapons, Menapace, who is 80 years old, and was an anti-Fascist partisan during the rule of Mussolini, responded by saying: “It is interesting that you say so, because when I was 21, I wrote one of my first articles attacking the bombing of Hiroshima and Nagasaki as useless and unnecessary, as you said. It turns out that we were already in agreement then.”

LaRouche recalled for the Senator his friendship with Max Corvo, then head of the OSS in Italy, who was personally involved in the negotiations with the Emperor of Japan to convince him to surrender to the Allies. The dialogue concluded with a report about the LaRouche Youth Movement and how it has demonstrated that the lack of scientific education today can be overcome if youth between 18 and 35 years of age relive original discoveries directly, without relying on university education.

### FDR Policies Gain Notable Support

The event at the Hotel Nazionale was a major step forward in breaking open the debate over the economic measures necessary to deal with the ongoing global crisis. LaRouche’s proposal for a New Bretton Woods reorganization of the international monetary and financial system has been the subject of numerous political initiatives in Italy in recent years, which, in April of 2005, resulted in the passage of a motion in the

Chamber of Deputies calling on the Italian government to work to bring about an international conference for the reorganization of the global financial system.

In February of 2007, LaRouche was invited to speak at the prestigious Sala del Cenacolo inside the Chamber of Deputies, by Hon. Andrea Ricci, an economist who has written a book about Bretton Woods, in which he cited LaRouche's proposals. That conference was sponsored by *EIR* and the Rifondazione Comunista political party, a leftist party whose younger generation is eager to demonstrate that it is not anti-American, but rather against the policies of the current U.S. Administration.

While the February event was supported and attended by members of numerous political parties, the June 6 event took the discussion to a higher level, due in particular, to the participation of Tremonti, a leading figure in the center-right coalition, who has occupied high-level positions such as "Superminister" of Economics and Vice-Prime Minister in the governments of former Prime Minister Silvio Berlusconi. Tremonti is somewhat of an anomaly, as much—but not all—of his own party and coalition present themselves as economic liberals. And while Tremonti does publicly campaign for tax cuts, and boasts of expanding private pensions, he is widely recognized as a champion of infrastructure projects, and small and medium-sized enterprises, the backbone of Northern and Central Italy's productive wealth.

Tremonti has also been at the center of some of the most interesting political fights in Europe in recent years. In 2003, when Italy held the rotating presidency of the European Union, he proposed an expanded version of the original Delors Plan for European-wide infrastructure projects, to be financed with bonds issued by the EU. Despite ostensibly having the support of two of the largest EU countries, France and Germany, the plan was shot down quickly, as it threatened to break the monetarist stranglehold the financial and banking oligarchy holds over economic policy.

Tremonti presented a somewhat similar plan for infrastructure projects in Italy, called Infrastrutture Spa, a state-sponsored, but privately owned financing agency, which was an attempt at getting around the budget restrictions imposed by Maastricht. He also launched a frontal attack on the Bank of Italy—and implicitly on the European Central Banking system itself—for its failure to curb the type of speculative practices which have led to financial disasters, such as the bankruptcy of the Parmalat Group at the end of 2003. For daring to take on this sacred cow, he lost his job as Economics Minister.

One year later, however, he was back in the government, and had even been promoted, assuming the post of Vice Prime Minister. And although he is now in the opposition, he is active in various associations and institutes which play a leading role in making policy. The fact that he has decided to openly associate with LaRouche, is one indicator of the potential for a sea-change in Italian, and international economic policy.

## LaRouche in Rome: Free Market or New Deal?

*Here are Lyndon LaRouche's remarks to the Rome forum on June 6, organized by EIR, on "The Future of the Economy: Market Radicalism or New Deal?" He was joined at the roundtable, by Italy's Deputy Finance Minister Alfonso Gianni, and Giulio Tremonti, former Finance Minister and currently vice chairman of the Italian Chamber of Deputies. The hour-long audio of the three speeches, without the open discussion, can be downloaded from Radio Radicale.it at <http://download-2.radioradicale.it/cache/MP443717.mp3>.*

Since we have a crowded agenda, I shall limit myself to three essential points, and some comment on that, to conclude the statement of the points.

First of all, the world system, in its present form, is hopelessly bankrupt. There will never be a recovery of the present world, international monetary-financial system: It will never occur. Only a new system could survive. And only *with* a new system, could Europe or the United States, or the world as a whole, survive.

It's never possible to give a precise mathematical projection of the date of an inevitable financial collapse, because there are various acts of free will which can change the course of history, to make a bad situation worse, as a way of preventing a collapse. That is, if you want to stop a collapse which is intrinsically inevitable, the best way to do it, is to do something that makes the system worse, as has been done since 1987, when we had, in effect, a 1929 collapse.

For example, the United States is internally ungovernable at the present time. By the same standard, every government in Western and Central Europe is also ungovernable at this time. They're ungovernable, because the dominant force in the world today is typified by hedge funds. As long as you allow the hedge fund operation, which is largely a British operation, run through places like the Cayman Islands, you can not actually determine the destiny of any nation, in terms of this collapse.

You have a situation comparable to that of Europe in the middle of the 14th Century, when the House of Bardi collapsed in a hopeless bankruptcy. The only solution is to establish a new monetary system.

Now, it happens that all European systems are monetary systems, and they really don't function in a case like this. The attempt to establish any form of economy based on a money system, where money is independent of government, is impossible. Since 1971-72, the world has been run by money, not the world of money by governments. In the case of the



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*In his speech to the forum in Rome, LaRouche (center) declared that, "only with a new system, could Europe or the United States, or the world as a whole, survive." With LaRouche, are members of the Movimento Solidarietà, (left) Andrew Spannaus and (right) Claudio Celani.*

United States, we have a solution for this in our history: The United States does not constitutionally have a monetary system, not in the sense of European monetary systems. The United States system is a credit system, not a monetary system. The lawful constitutional utterance of money in the United States, is by an Act of Congress. Then, this issue of money is used as a form of credit, which can then be used to support a banking system. This was essentially the approach that Franklin Roosevelt took in March of 1933, when he came into office, after the U.S. economy had collapsed by one-third as a result of the Hoover Depression, which had actually been the result of the entire policy of the 1920s.

### **Government Credit To Promote Development**

Under Roosevelt, as earlier under similar Presidents who had operated in this way, the chief function of government credit, that is, in the form of government debt used as credit, had been to promote both large-scale investment in long-term infrastructure development, and certain categories of investment in the private sector. The other essential part about the U.S. economy, to make it work and make money work, is to have a regulated economy. You do not allow the floating of money in free circulation to determine value. You use various forms of regulation, including customs systems and so forth, to keep the currency within a rational values relationship in the economy as a whole.

One of the things that's obvious, is, you can not run a national economy if the prime rate of lending by governments or other institutions, runs up over 1.5 to 2%. Otherwise you will

tend to get long-term, secular inflation. And when you have inflation, the value of money and everything else goes to Hell. Because, when you loan money, if you loan it at a fixed rate that people can afford to pay, or that's profitable to the economy, you've got to prevent inflation from raising the cost of the debt; otherwise, you are putting a constriction on the growth of the economy. In the case of the United States, particularly, we found out that you have to have a fixed-exchange-rate monetary system; otherwise, you can not avoid the bad effects of fluctuations in international trade.

There were many errors made after the death of Roosevelt, in the way the monetary system of the U.S. was run. Briefly, the purpose of Roosevelt had been to take what the United States had developed, as the world's greatest monetary system and greatest economic system the world had ever known; but during wartime conditions, this system was used to build a war machine which was necessary to defeat Hitler. But a war economy is not a good economy; it does not produce net value in terms of what you spend for. But what we

did in the United States, as part of everything Roosevelt did up through the end of the war, was to build the greatest productive machine the world had ever seen. What Roosevelt had intended, was to use the war machine, its productivity, to convert it to international as well as national uses, to rebuild a shattered world.

When Roosevelt died, Truman, who was a stooge for the British, started a conflict with the Soviet Union. This resulted in a war-economy situation again, which taxed the world, and created many other problems. At the same time, out of London, we developed an actual fascist movement inside the United States, which Eisenhower called the "military-industrial complex." Despite these problems, and the errors that caused them, up until the assassination of Kennedy, over the entire period from the end of the war until Kennedy's death, the U.S. economy and the U.S. system worked. Since the death of Kennedy, with the beginning of the long Indo-China War, which ruined us, the United States and the world system began to decay, under the related impact of the war and the rise of the "68ers." And with the decision of Nixon, and more specifically, George Shultz, in 1971-72, in creating the floating-exchange-rate system, the world economy as a whole has gone to Hell.

In October 1987, we went through the equivalent of a 1929 Crash in the stock markets. The decision was made, in which Greenspan was typical, to go to a wildly speculative monetary system, which has ruined the world economy, and has brought us from a depression situation which existed in '87, into a breakdown crisis of the entire world system, which is the state of affairs right now. Over the entire period, taking into account the effect of the Vietnam War spending, over the



entire period from 1971-72, under the floating-exchange-rate monetary system, we've had also a political process identified with the 68er phenomenon, which is actually the shift from a productive economy, to a purely speculative economy. The productive powers of labor, physically, per capita and per square kilometer, have been crashing, and the infrastructure has been crashing around much of the world.

Despite what has happened in China and what has happened to some degree in India, India and China are actually long-term failures. These are Asian-model societies, in which the lower 80% of the population is treated almost as animals. In both cases, you have an increase within the upper 20% of family-income brackets, and including a super-rich stratum within that, but the lower 80% has been falling in value, even relative to the so-called improvements and advantages of these economies on the international market.

### There Is a Way Out

So, there are two things now, which I point now, as solutions or partial solutions for the present state of affairs: First of all, I have proposed that the United States government, Russia, China, and India, form an initiating bloc to agree to establish a new, international monetary system. And I recommend this, because these three partners—I listed Russia, China, and India—are the only three nations which are powerful enough in terms of their independence, which were likely to actually support such an initiative. No government of Western and Central Europe would even consider supporting such a measure. However, if these four powers agree to initiate such a proposal, it will work. And that proposal, I've made clear both to people in the United States, and to the relevant other three governments.

Now, we made a second step, which was part of my recent trip to Moscow. Some years ago, my wife, Helga, in expanding the definition of the Eurasian Land-Bridge development, as a system of transport and development tracks, had a discussion with a friend in Japan with the Mitsubishi operation; we looked at their specifications on the Eurasian Land-Bridge, the tunnel-bridge system from Siberia to Alaska, which would become the basis for a worldwide transit system, which I would aim at essentially getting to a magnetic levitation system, rather than a friction-rail system, in some short order.

Now this is necessary, when you think of the condition of the populations of China, India, and other Asian countries. These countries are now inherently unstable, despite the surface appearance of success. The mass of poor in these countries is a political-economic time-bomb. Without some large-scale development programs, you can't do much for them. We have, in the northern part of Asia, vast resources underneath the soil: Under a high-technology environment, which requires a transportation system, you can, with technologies we know and skills we have now, we can develop these areas into sources of raw materials which will address this problem.

Helga and I have, over a period of years, made several approaches to Russia, on supporting such a policy—that is, the

Siberian development policy. There was recently a conference in Russia, which I addressed by message, which adopted this policy, with very specific predicates. The intention is, to establish a rail-type connection, which runs from Eurasia, into the Americas, down through the Americas, and of course would run on a different track into Africa, to create a world system of transportation which is a transportation net for world development. The government of President Vladimir Putin has recently indicated its support for this proposal, and is making approaches to the United States on this issue. It is reported to me, though I've not yet confirmed it otherwise, that Putin will be making this point, or this representation, at the G8 conference now going on.

This is the kind of world we live in. We can put the world monetary-financial system under reorganization, provided we have specific motivating proposals which will make it work. Otherwise, the prospect for the planet, without such proposals, would be a very early arrival of a dark age.

## LaRouche's Ties to Italy Are Longstanding

Lyndon LaRouche has been invited to Italy many times over the past decades, visiting Rome, Florence, Milan, Vicenza, Ascoli-Piceno, and other cities, where he has addressed meetings and conferences, large and small, with political, business, and media figures. Among the highlights from the past ten years:

**April 1997:** In Rome, LaRouche calls for a New Bretton Woods Conference.

**April 1998:** Again in Rome, LaRouche addresses members of Parliament on the New Bretton Woods, and meets with "cold fusion" scientists.

**October 2000:** On a visit to Ascoli-Piceno, LaRouche offers an alternative to globalization.

**June 2002:** LaRouche speaks on the New Bretton Woods at the Cenacolo Hall of the Chamber of Deputies.

**July 2001:** LaRouche tours Milan and Vicenza in Italy's northern industrial region.

**March 2002:** LaRouche is back in Milan, where he meets with entrepreneurs and legislators.

**April 2003:** In Rome, LaRouche outlines an exit strategy from war.

**May 2003:** On a tour of Vicenza and Milan, LaRouche launches a Youth Movement in Italy.

**October 2003:** LaRouche advises Vicenza businessmen, "Start by ignoring money."

**February 2007:** Back in Rome, LaRouche briefs members of Parliament on the new U.S. Congress.

# Gianni: How To Go Beyond Capitalism

*Alfonso Gianni, Italian Deputy Minister for Economic Development, gave this speech at the June 6 conference on “Market Radicalism or New Deal,” in Rome. It was translated from Italian by EIR, and subheads were added.*

I’ll try to be brief, because I know that my influential colleague [Giulio] Tremonti has an appointment on television, and thus he has to leave us at eight o’clock. I agree on many things, but obviously not on everything that Lyndon LaRouche introduced into our discussion. In particular, I would like to briefly mention the historical-analytical framework. In my view, midway through the 1970s, there was indeed what I would call, borrowing an expression from Karl Polanyi, the second great transformation of the modern capitalist system; which in my view revolves around—and here I obviously differ a bit from LaRouche—three large, enormous phenomena which had an enormous influence in the course of the last quarter century and the beginning of the current century.

The first is undoubtedly the decision made on Aug. 15, if my memory doesn’t fail me, of 1971, to suspend the convertibility of the dollar into gold, by Richard Nixon, which disrupted the international financial arrangements that the world had established with Bretton Woods, and after World War II. From that point on, the push for the financial transformation of the economy, the volatility of capital and its detachment from material production was truly very, very strong. The international system became a system of debts and credits. There is a nice expression by a French scholar whom I am very fond of, Marc Bloch, who defines the capitalist system as a system in which debts are uncollectable, because it wouldn’t be in anybody’s interest to draw a line and request settlement, because certain systems would crash, and the global system would probably crash.

The second great event, which however I think LaRouche underestimates, is the so-called oil shock, which led to the emergence of a desire for a global role on the part of oil-producing countries, which is at the base of many current problems, but which also introduced in the West—and for me this is a positive, not negative, phenomenon—a concept of a limit to the possibility of purely quantitative development.

The third great event, which however, is the fundamental event for me, is the dominant and characteristic element of the current capitalist globalization—and I say the current one because we have had more than one type of globalization. Think of the globalization before World War I, and before the Soviet

revolution, which broke the uniformity of the global capitalist system; we can speak of the post-’75, and especially post-’89 globalization which is characterized by a deeper phenomenon, which in my view is the transformation of the paradigm of production. The globalization which those who study industrial enterprises call the passage from “Fordism,” that is, from mass production through the assembly line, to post-Fordism, which some identify with the Japanese experience of “Toyota-ism,” or anyway to just-in-time production, focused on the specific demands of the market, and—this is the essential point—division of production at the global level.

If I were to characterize the current globalization with respect to that analyzed by Lenin or Hilferding in the first 15 years of the 1900s, I would say that it is the division of production. That is, the large companies, starting with those which are technologically developed, have a thinking center, an organizational body, in a specific part of the world, which does not always coincide with the United States of America, although it predominantly does; and then they have a division of production facilities throughout the world, with the consequence of being able to apply different systems of wages, and different methods of extracting what we obstinate Marxists continue to call “surplus value.”

## Three Characteristics of Globalization

These are the three dominant characteristics of worldwide globalization. Now, as paradoxical as it may seem, I am not suggesting we start changing the situation by intervening only on the methods of production, the means of production. I propose we intervene on all three fronts, at a global level. On the one hand, the democratization of the relations of production, possibly with the generalization of labor rights throughout the world. On the other hand—and this is the clear difference with LaRouche—placing value on the safeguarding of the environment as a motor of a new type of economic development, and not simply as a limit on economic development; and the third question, is a new international economic order. On this point, it seems we agree.

What do I think? I basically think this: The other day, the only newspaper which provides me with things that are new, *Il Sole 24 Ore*, not coincidentally that of the opposing camp—you have to read the other group’s newspapers, because your own are only consolatory—had a brilliant article by Platero on the contradictions of international economic institutions. For example, the article pointed out that last year, the International Monetary Fund had issued a sum of credits equal to \$15 billion. Seven years ago, the total amount was \$78 billion, compared to an endowment of \$100 billion. It should be remembered that the currency reserves of China are estimated to be about \$1.2 trillion. So China’s monetary reserves are obviously overwhelming compared to the assets of the International Monetary Fund. At the same time, the World Bank is suffering from competition from private banks regarding the financing of projects, for example, infrastructure, develop-



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*Alfonso Gianni, Italian Deputy Minister for Economic Development, expressed agreement with LaRouche's view that a "new international economic order" is needed to restore the power of nation-states over globalized financial interests.*

ment projects in emerging countries, the so-called developing countries, which are in any case, able to offer a favorable market. So despite their ambition, and at times the bullying, as [former World Bank chief economist Joseph] Stiglitz correctly taught us, of the International Monetary Fund and the World Bank, these bodies are undergoing a crisis, just as the current phase of globalization is in a crisis.

Therefore, we have to think of new solutions, and the time has come to do so. Essentially, even though it may seem very theoretical, I am thinking of returning to a Keynesian model, in its entirety. Both as regards the concept of public intervention in the economy, and as regards the defense of the development of the welfare state, which in Europe has historically been something different than simply the solution to the problems of survival and reproduction of the labor force, because it has been a specific mode of production which was different from both the specific mode intended as strictly capitalist production, and from the real socialist systems. It was a state mode of production. And in fact, throughout the world, this model is being subjected, by private finance, from hedge funds to pension funds, to attempts at demolition and appropriation, which is not a phenomenon of liberalization, as my friend Tremonti believes, and thus an improvement of competition and opportunities for citizens, but is chiefly finance overpowering the economic policy of states and the real economy, at least in general terms.

### **Keynes' 'Bancor'**

Now, I think that this reflection on Keynes is also useful in monetary terms. If I recall correctly, even though I don't remember the exact title in English right now, it was in 1942 that John Maynard Keynes developed a theory which he called the "Bancor," concerning a universal currency. Until now, this has proven to be a utopia; the universal currency has never

existed. The four basic currencies, if I'm not mistaken, are the yen, dollar, pound sterling, and euro, in which international transactions take place. If we could concretely revive that idea of creating a large global fund, a reserve fund, in which various countries—not only the four cited by Lyndon LaRouche, because Europe would be left out, if the fate of the changes in the monetary system depended only on the United States of America, India, China, and Russia; I think that Europe must have an important role as a collective system, if it has the courage to change, from an entity relevant for matters of trade, which it has only been until now, to an entity which takes initiatives in the field of global economic policy. So, a reserve system, in which the countries can deposit funds, and then receive them in a universal currency, and reuse them during periods of crisis, in the periods of transformation, in order to provide a sort of buffer that can shelter the world from crashes and large financial tragedies.

It may seem strange that a person like me, one who considers himself part of the field of Marxist thinking, wants to avoid the fall of capitalism. But actually, seeing as how, in the 1900s, the Marxists often discussed the fall of capitalism, but it never happened—because there were various crises, very profound crises, such as that of '29, the crisis in '87, the crisis in '97 regarding the emerging capitalist countries in Southeast Asia—but then capitalism always succeeded in rebuilding itself and changing. I think we have to abandon this messianic expectation of the fall of capitalism and think, like old moles, of how to go beyond capitalism from the inside of the system itself, breaking the anti-democratic and uncontrollable logic which governs global finance, and dealing with the problem of a system of monetary and financial rules in which democracy and the importance of real countries once again become current.

There is a lot more to be said, but I will let Tremonti speak now, otherwise he'll get nervous because he has to go to *Otto e Mezzo* [a political talk show—ed.], and I'll simply say that we can talk about this the next time, if we want to go into the merits of a possible reform and of how to go beyond the International Monetary Fund and the World Bank, and even reforming the functioning of the United Nations, I am completely available. However, we have to think about the world not in terms of replacing one superpower with a larger number, which would still be limited to the major powers, but rather of how to give importance—and this is the creativity we have to use in thinking of a global democratic system—to all peoples, all governments, possibly creating a method for compensation and dialectical solutions to the conflicts which will inevitably arise, so that those conflicts do not turn into tragedies. And in a world dominated by military powers, avoiding tragedies is essential for people's lives and for the survival of the struggling classes themselves, as good old Marx said, way back in the *Communist Manifesto*; a sentence which has been very distorted by everyone, but the value of which is beginning to be understood today.



# Tremonti: Revive Hamilton's Economics

Here is the speech of Hon. Giulio Tremonti, vice-chairman of the Italian Parliament and former Economics Minister, presented at the June 6 conference on "Market Radicalism or New Deal," in Rome. It was translated from Italian by EIR and subheads were added.

Thank you. The manner in which politics is organized and discussed offers us many opportunities for disputes, and not many opportunities for finding points of contact. Thank you for this opportunity; it is always important to listen to other people's ideas. It's interesting to hear [Lyndon] LaRouche's ideas; and it's interesting to hear [Deputy Minister for Economic Development Alfonso] Gianni's ideas, especially when he expresses his own ideas, and not mine.

What can I say in only a few minutes? First of all, I have always appreciated the depth of the views in LaRouche's magazine [*EIR*], the fascinating nature of the analysis, and also the historical character. It's not often that we read documents which outline far-reaching scenarios, on a large scale, of which we just heard an example. It's not often that we read documents in which we find important quotes from history—history which is essentially European, because until a few centuries ago, history was European, and not American. LaRouche began by citing the great crisis of a few centuries ago in Europe, and he deduced certain similarities and prospects. Then I listened to Gianni as well.

This is how I see it: First of all, we definitely live in a time which is not ordinary. We live in a time in which, under the appearance of the continuum of normality, in reality we see signs of rifts, of potential crises, of dramatic transformations. I don't agree—but I think this is fairly marginal—I don't agree on the historical reconstruction. I have expressed a view which is a bit different in my writings, in my books. I believe that the transformations which have taken place in the world regard the '70s less, and regard the end of the '80s more: the fall of the political system which was blocking the world; the advent of the computer; the transformations which consequently took place in the structure and distribution of wealth.

I remember, of all the things I have written, what is most dear to me is an article, an editorial for *Corriere della Sera* in July of 1989. It was the Bicentennial of the French Revolution, and my article went more or less like this: Just as 1789 was the year of the advent of the construction of the political machine of the nation-state, so this year will be the beginning, the symbolic beginning (keep in mind that July comes before November, and thus we are still before the fall of the Berlin



EIRNS/Flavio Tabanelli

Giulio Tremonti, vice-chairman of the Italian Parliament and former Economics Minister.

Wall); it will be the year of the beginning of extra-parliamentary revolutions, caused by a cascade of phenomena linked to the structure of wealth, the crisis of the nation-state which loses the monopoly over wealth.

At one time, the nation-state controlled wealth by controlling territory; by controlling wealth, it exercised political force, it had a monopoly on law, taxation, and justice. When wealth, which was detached from physical production, turned into only financial wealth—I remember that the image was that the ancient and basic chain of politics: state-territory-wealth, was broken.

The state remains and controls the territory, but it doesn't control wealth, and loses power. This process in continental Europe was accelerated by the construction of Europe [the European Union—ed.]. So I consider '94 as a more significant date, when the WTO [World Trade Organization] was created; it's no coincidence that the WTO comes out around '89.

## There Is Room for Optimism

I wrote a book in which I classified events in five-year periods: five years from '89 to '94; five years from '94 to '99/2000; and the various mechanisms of reaction and development. In short, we certainly live in a period, if I can use an image: It's as if the old European order is breaking apart with the advent of Atlantic areas, and the Baroque Age is called *mundis furiosis*. So we live in a period in which the old order, which is in some sense broken by structures and events which surpass it, and the vision, the management, of that which comes to us and which we see, is objectively fairly problematic.

I don't agree. I think—how should I say it? I think that there is room for less catastrophic views, views which are more optimistic, and that the tools that can be brought to bear may also be different than those which have been proposed, but we are united by the idea that we live—I repeat—in a world which is not normal, not ordinary, with changes underway and effects which we will see.

How can I end? By looking for elements of, not identity, but of a potentially common vision. I have always thought that the formula "market if possible, government if necessary," is correct. This excludes the dogmatic qualification which Gianni just attributed to me, of the type, "you believe in..." I believe that empirically it is possible [speaking to Gianni—ed.], actually, I thank you, because you gave me the

opportunity—I believe that there are combinations which are possible outside of the schemes and combinations, outside of the currently-dominant culture, which I allowed myself to call “marketist,” meaning marketism as the synthesis of the worst aspects of liberalism and Communism.

I’ll give you an example, actually, two examples, of policies which could be included in this logic. The real difficulty is cultural; that is, you have to break down obstacles which are not physical or economic, they are mental. The real obstacles which you find in asserting ideas which are relatively new are not physical obstacles, they are ideological obstacles. The dominant mental mechanism, the dominant culture—I’ll give you two examples. In 2003, during the semester in which Italy held the rotating presidency of Europe, I made a proposal for a new edition of the old Delors Plan. The Delors Plan called for the issuance of European debt to finance European infrastructure. In the middle of the ’90s, when the idea was first presented, it ran up against cultural limits and obstacles. When I presented it again in 2003, the obstacles were different in content, but similar in terms of the cultural trend. I remember that the most intelligent objection came from Gordon Brown, who said—he was the British Chancellor of the Exchequer—he said “nice,” interesting, but issuing Eurobonds means having a Euro-budget; a Euro-budget means a Euro superstate. No, thank you. So, this was a political refusal. His country had a different position regarding a European political construction.

### The Hamiltonian Solution

The other reaction was that—and I have to say that it was less commendable, and harder to share—that raised by other large countries in continental Europe, which was essentially a monetary, banking objection, basically saying that we don’t want public debt, be it European or national; in any case, no more public debt. My response was, the United States of America began its political journey with public debt: Hamilton. Hamilton presented the American public debt as the basis for constructing a political union. So I tried to say that I wasn’t proposing a financial operation, I was proposing a political operation. The issue of Eurobonds could finance European plans which would produce not so much financial leverage, but rather a political identity for Europe.

The response was typical of a central banker, or of economic figures: absolute opposition. Regardless of the quantity, if you notice, considering the tremendous monetary strength of the euro, with the credibility and weight which the European Monetary System has, the issuance of 50 billion euros, what would be needed to finance the Lisbon agenda, for example, would really be marginal, and not even significant in economic terms. I tried to say that the time had come to collect the Maastricht dividend. The reaction was absolutely negative; that is, the refusal to enter into a cultural scheme which was, what can we call it? Keynesian? Delors identifies himself with a Keynesian political philosophy. I absolutely continue to identify my-

self with it. The alternative wasn’t a “second best” alternative. Maybe it was second, but it wasn’t best. It was a plan, the Action Plan for Growth, which was in a certain sense partially guaranteed by states, arranged by the European Investment Bank, but essentially lacking a protective spirit. Incidentally, I don’t even know if the Action Plan has gone forward, if it has financed any large infrastructure projects.

### Importing Poverty

The second point: I am convinced of the fact that—I don’t know if this corresponds to the dominant view in Italy—but in ’95, the year after the WTO was founded, I wrote a book entitled *The Ghost of Poverty*. Capital leaves the West, goes to Asia in search of cheap labor, and Europe imports poverty. It imports poverty because our old worker aristocracies, our wage-earners, will have salaries and wages at the levels of the East, but the cost of living will remain that of the West. And my idea was large investments in human capital: the so-called three “I”s [English (Inglese), IT, Enterprise (Impresa)—ed.], and the use, for example, of the RAI [Italy’s state television network—ed.] for job training. You can’t compete with China in terms of arm strength; you have to compete using other investments, public investments. So the political, public use of the RAI, which is an essential tool, for training.

Another thing which I later attempted to present was, after seeing what was happening in our country after 2001, the idea of introducing, while respecting the WTO, and observing European rules, tariffs, and quotas. Not to stop the world, not to get away from the world, but to earn a little bit of time to re-convert. I remember, and I have to say, that the idea of tariffs and quotas was completely shot down by the entire Italian ruling class and political class. Frankly, I did not expect any solidarity from the left, but I also did not expect that degree of hostility regarding an idea, which to me, seemed somewhat reasonable. I now see that in the cultural system, in the cultural circles of the American Democratic Party, there is discussion of tariffs and quotas. The idea may be right or wrong, but you can’t just demonize it *a priori* for whatever reason.

So, how can I end? I remember that the first thing from LaRouche which struck me was a document which spoke of the large Eurasian infrastructure projects, and I said, maybe it’s impossible to do this, but certainly—maybe it’s the vision of a “madman,” but usually, history also moves forward based on the visions of such madmen. And I have to say that, in fact, in an age when the role of governments is greatly limited, more so than necessary, and in which there is an excess of symbolic adoration for intangible financial and immaterial wealth, and limited consideration for elements which however, are essential, such as material infrastructure, I am convinced that this type of ideas, your ideas, must be spread. The fact that we are speaking of this from different political sides, and that we are speaking of it in a logic which is not negative *a priori*, and not fanatical, is certainly very positive.

Thank you.

# Sudanese Ambassador to U.S.: Beware 'Hidden Agenda' Behind Sanctions

by Marcia Merry Baker and Doug DeGroot

The Ambassador to the United States from Sudan, John Ukec Lueth Ukec, is speaking out in press briefings and interviews, against the new sanctions imposed on his nation on May 29 by President Bush. Ukec described the harm of the unilateral U.S. economic sanctions at a National Press Club event May 30, and the duplicity involved in the United States attacking a nation already on the road to peaceful solutions. Then on June 2, he participated in an hour-long, live LaRouche Show radio discussion ([larouchepub.com](http://larouchepub.com)), giving in-depth background. Ukec focussed on the impact and "hidden agenda" involved in the geopolitical contrivance of the Darfur "single issue," being whipped up since 2003 as a bludgeon against Sudan, and against the principle of sovereignty of nations throughout Africa. What's required instead, he said, are resources for economic development. Appearing with him on The LaRouche Show were Lawrence Freeman (*EIR* Africa Bureau), Paul Mourino (LaRouche Youth Movement, Washington, D.C. Bureau), and host Marcia Merry Baker (*EIR* Economics Director).

The new sanctions announced by Bush involve financial actions against 31 companies doing business in Sudan (see box), and against three Sudanese individuals—two Cabinet officials and one of the anti-government rebels. Bush gave as his reason, acting against the "genocide" in Sudan. The President further called for Secretary of State Condoleezza Rice to draw up a resolution for United Nations sanctions against Sudan, including military action.

Within hours, Britain and France expressed support for Bush's actions. France's new Sarkozy government further called for military intervention in Chad, in the name of opening "humanitarian corridors" from Chad into Darfur, to be imposed by either unilateral French forces, or European Union troops. Government officials in Chad rejected the "offer." Opposition to the U.S. sanctions has been forthcoming from Russia, China, and South Africa.

The following points and quotations are taken from the June 2 discussion with Ambassador Ukec on The LaRouche Show. Sudan, home to 39.4 million people, has the largest area of any nation in Africa, with 8% of the continental land area.

## Sanctions Are 'A Death Sentence'

Ambassador Ukec described how the sanctions affect the most basic aspects of life in Sudan, especially given the num-

bers of displaced persons, seeking to return to their homes.

"Those sanctions affect everything in my country. It actually destroys the peace which was built by the rest of the world, including us. It destroys the peace, because peace needs constructive development, and when you curtail the economic system of a country—let me give you one example. There is a large number of people displaced, due to the fighting in Darfur; there is a large number of southern Sudanese who have been in all the surrounding countries. Nine countries surround Sudan, these are our neighbors, and there were refugees in those countries for 10, 20 years. They are flocking back to Sudan. Where do they get food?"

"Our most important food—staple food—is sorghum, grown in the eastern Sudan, in a place called Gedaref, and in the northern part of southern Sudan, in a place called Rank. . . ." Agricultural programs—including ones contributed to by the United States, have been buying the grain and "shipping it to Darfur, and to the South for newcomers, who have been displaced for 10, 15 years. They don't have housing; they don't have food.

"And all of a sudden . . . these sanctions. Because our refugees are coming back from Kenya, Uganda, Ethiopia, Eritrea, Democratic Republic of the Congo, also Central African Republic—all these people are coming back! They have no food, but these agricultural programs that produce grain, produce wheat, produce sugar—these are the ones targetted by [sanctions against] the 31 companies. So where do these people eat?"

"They say that they are putting the sanctions on the government," but it is the masses of the poor who will suffer. Look at sugar. The hundred or so government officials drink "high class coffee." But sugar in tea is "very important to the average Sudanese. If you go to Sudan today, and go to the hospital, surrounding the hospital you get so many women, with kettles: They make tea. And then the workers, they come down from where they work, get a cup of tea, plus a small piece of bread—and they live on that! When the sugar is not there, the women—which is an informal economy, as we know that—they will lose their jobs. The people who are hungry will not get a cheap means of surviving.

"Those who are in the [refugee] camps will not get the bread, because these companies are targetted by the sanctions. Those who are far away cannot be reached, because the spare





EIRNS/George Hollis

*Ambassador John Ukec Lueth Ukec told The LaRouche Show that Sudan achieved a real milestone with its peace accord of February 2005, ending 20 years of civil war. As the Darfur crisis escalated, the African Union was working with the UN to stabilize the region. Just when these initiatives could have brought success and peace to the war-ravaged country, the U.S. imposed economic sanctions and threats of military sanctions.*

parts for the trains or the vehicles we have, cannot be provided.

“This is a devastation. . . . What I said is: They are crippling my government. They are crippling and killing my people. It is a death sentence to my people, at a time when we really need help so that we build democracy.

“If we don’t get that situation, we will go back to hatred, fighting, and all the rest, and we will be at square one again, looking for guns, going back to other countries—I said this, we might go back to Egypt, and you know that Egypt has a large population of refugees who left [Sudan]. They want to come back now. When they hear there are sanctions on Sudan, no jobs! The company will not be encouraged to go to Sudan!

“I see the significance of this thing. It looks like a ‘token’ to the American administration [sanctioning a few companies], but it is not! This is a death sentence to the growing, democratic Sudan. This is what they have done to my country, and it is very, very shocking to me.”

## **Sanctions Go Against the Peace Accords**

Over the past three years, two critical peace accords have been reached in Sudan. As Lawrence Freeman summarized, there was the “Comprehensive Peace Agreement, which was signed in February 2005, and this ended 20 years of civil war in Sudan, between the North and the South. This was a very important peace agreement, which could give the country the potential for development of the South economically, especially in terms of vital infrastructure categories.” By mid-2006, a 7,000-person African Union peacekeeping force was in Darfur. Late in 2006, Sudan agreed to expand the AU force

by 3,000. On May 3, 2007, Sudan and Chad (which borders on Darfur) signed a reconciliation agreement, pledging to cooperate with the UN and the AU to stabilize Sudan’s Darfur region and the neighboring areas of Chad. At the time the sanctions were imposed, negotiations for what is called Phase Three of the peacekeeping forces—a substantial UN force under the command of the AU—was being negotiated.

Now, the May 29 U.S. sanctions and threats of outside military intervention against Sudan have been announced, in the name of saving Darfur. Ambassador Ukec drew out the implications: “The message it sends to those who are rebels there, is to say, ‘You know what? This government is going to fall soon.’ And the warlords emerge in Darfur. And that is why—you know, on May 6, 2006, we signed the Darfur Peace Agreement, and America was central in drafting the Darfur Peace Agreement. Their representatives from the State Department, the think-tanks, all those guys that deal with Condoleezza Rice and all those: They were there! And the draft, if there was something wrong, they would have pointed out, ‘This is injustice.’ But it was purely something that brought

people together. The largest group, the Minnawi group of the rebels, what they call SLA, Sudan Liberation Army, they signed onto it! And the number-four man in our power system now in Sudan, is from Darfur!

“I don’t see why this Darfur has become a big deal, forgetting the people of Southern Sudan in the Comprehensive Peace Agreement, which is the basis of sharing power, sharing wealth, and making security arrangements. These are the best protocols ever produced by any country which has been at war. Why are these things being ignored? Why should we not stick to what the Americans said? Why is America unilaterally targetting Sudan? The UN has not suggested that we be sanctioned; the African Union, which is working with us, has never been contacted; they have never even condemned us, by saying ‘this is a genocide.’ It’s just making my government and my people think twice: ‘Maybe America has something on its mind. Something dubious, something which may be terrible to our people.’ This is what it shows. Otherwise, it is unwanted, it is unwarranted, to do this, and put us under sanctions, when we need to be provided for and rewarded.”

## **Personally Shocked**

Ukec has expressed personal shock at the United States action, given the particulars of his own background. In response to a question from Paul Mourino, Ukec recounted his life story. He was born in Southern Sudan, where his Christian missionary parents lived. He was well-educated there as a youngster. A year after Sudan’s independence from Britain in 1956, Ukec went into the bush, as an insurgent, at age 15, against the Sudan government. Subsequently trained in the military, and also in economics at Iowa State University, he

ended up spending some years in the United States, fighting for Sudanese interests, including testifying to Congress. He then welcomed the 2005 Comprehensive Peace Agreement as an historic opportunity for all concerned. He was posted in October 2006 as Ambassador from Sudan to Washington, D.C. He explained on the June 2 LaRouche Show:

“I came here to bring the American people, and the Sudanese people together, so that they have a good relationship. We hope that we will gain from the American people, their experience, increase our productivity, because this is the world whereby there is a lot of capital-intensive, in addition to labor-intensive products that can help my country.

“This [the May 29 sanctions decision] is shocking. I never expected that the American administration would do this, especially President Bush. He knows better, because he signed the Sudan Peace Act, he signed the Comprehensive Peace Agreement, he was involved in it. And, he also—as I told you the other day in my press conference: The American money, taxpayers’ money, has been used in Sudan. Was that just a window-dressing? I thought the American government and the American people were *serious* about our situation. But, how can you do one thing, see if it looks good—and then, come up with a big slam, which destroys the entire work which has been done over the last four or five years?”

### ‘Hidden Agenda’ Against Sudan, Africa

Lawrence Freeman addressed the underlying question to Ambassador Ukec. “What I’ve discussed with Mr. LaRouche, is: One of the things that we think is behind the Darfur policy, is in fact to topple or dismember the Sudanese government, and that this would violate the water agreement that Sudan made in 1959 with Egypt, and then this would be used to squeeze Egypt, which depends on that water. What do you think is behind these attacks on Sudan? This is something I think people would want to know.”

Ambassador Ukec replied, “I believe the leadership of Sudan has become very ambivalent, and they have always said that ‘there is a hidden agenda.’ You know, all the things you have just said here, Larry, fit in, into what the leadership of Sudan says: that there is a hidden agenda. There is some powerful organization somewhere, that has picked on certain countries in Africa, especially those countries where the leadership has been strong, has been against any encroachment on their sovereignty. They are the targets of that hidden agenda. I do not want to go into details about it. I think they can be summed up by an intelligent think-tank of this country, and His Excellency LaRouche always goes into details about things like that, because he watches from afar and above the rest of the world. As a result, he might be more objective than those guys who are involved in devious arrangements, like Blair, and the President of the United States George Bush.”

Ukec elaborated, in response to an e-mail from a listener in Texas, about oil being targeted by those who are attacking Sudan. “I also think that there are a lot of things in Sudan that

may be targeted, by people who are very much interested in oil. As I told you before in my history, I worked hard to evict Talisman Oil Co., the Canadian company, out of Southern Sudan. I believe also, there are *large* reserves of oil in most parts of the South, and also, Darfur.

“So, there is a hidden agenda, and this is why my leadership thinks that it is our oil which is being targeted. They are going to split us, to make us weak, and then they may pick their stooges, like they have done in Iraq, got their stooges,

## U.S. Sanctions Target Food and Agriculture

On May 29, President George Bush announced unilateral economic sanctions on three named Sudanese individuals and 31 companies. The sanctions ban Sudan from doing business with any U.S. company or bank. These latest 31 firms bring the total of Sudanese companies listed by the U.S. for sanctions, to 132, since Washington started the process in 1997. Eight of the 31 companies are farm- or food-related:

- Arab Sudanese Blue Nile Agricultural Company
- Arab Sudanese Seed Company
- Arab Sudanese Vegetable Oil Company
- Guneid Sugar Company Limited
- New Halfa Sugar Factory Company Limited
- Sennar Sugar Company Limited
- Sudanese Sugar Production Company Limited
- Sudan Gezira Board

The Gezira Board is involved in one of the most productive and vital agriculture regions in all of Africa. Four other companies deal with sugar—the mainstay of caloric intake in the diet of the poor in Sudan.

Two other companies are pharmaceuticals:

- Wafra Pharma Laboratories
- Alfarachem Company Limited

Also on the list are four infrastructure enterprises:

- Sudan Advanced Railways
- Advanced Engineering Works
- Advanced Mining Works Company Limited
- Sudan Telecommunications Company Limited

(handling cell phone operations in Sudan; foreign-owned)

Five petrochemical companies have been newly listed. The complete list is available from the U.S. Treasury Department. Treasury Secretary Henry Paulson gave as the reason for the broad sweep of companies hit: “These companies have supplied cash to the Bashir regime, enabling it to purchase arms and further fuel the fighting in Darfur.”—*Doug DeGroot*



EIRNS/George Hollis

*The LaRouche Show on June 2. Joining Ambassador Ukec were (left to right) Paul Mourino of the LaRouche Youth Movement, Lawrence Freeman of EIR's Africa Bureau, and host Marcia Merry Baker. Ukec particularly urged Mourino to communicate to the youth of America, that they don't know enough about the outside world. What they are "fed by the media" is not the truth. "I'm here to open your eyes, so that you see the other side of the story."*

pulled them into war under the pretext that there were weapons of mass destruction, which we never got. They even showed us certain things, 'these are mobile weapons of mass destruction,' fake things which never happened. They are faking those things now in Darfur!"

### What Is Happening in Darfur

Ukec stressed the need for peace, food, infrastructure, and economic development in Darfur and throughout Sudan. What is particularly urgently needed is water. He implored the public, and especially the youth, not to be taken in by the "faking" of the Darfur lobby, which is attacking Sudan and Africa. "Go and look at the report by the AMIS [Africa Union Mission in Sudan] and also the UN reports on Darfur, and see how many deaths per month. You will not get 50 per month! You will never get 50 per month. And you will always hear that the rebels have hijacked the vehicles of humanitarian workers, and they don't condemn *them!* The rebels also are being subsidized by some countries, and those countries have the French interests. They have oil in that country, and they want to extend their ring to Darfur and probably the entirety of Sudan. These are the things which are going on.

"You young people, you lay American people who do not read any more than what you are fed by the media, do not know this. I'm here to open your eyes, so that you see the other side of the story. You know, this is what I want you to know, especially those you talk about, Paul, those youth who are being drifted away. *Don't agree with the divestment!* Divestment is a way to weaken us, so that individually, business people do not get into Sudan, only they who want to go there are those who are going to go: This is curtailing your freedom. The [free] enterprise they talk of, they don't want it. . . .

"Divestment: There's no apartheid in Darfur. These Dar-

furis are our brothers and sisters. They are the majority of the Sudanese Army. *Seventy percent of the Sudanese Army are Darfuris!* So, if the army is killing those, they are killing their own family! Just visualize these things, you don't know them. Come to us. We'll give you more. . . .

"[Young people] have to be careful about the consumption of media they get. I know resources are limited, and not everybody will go to Darfur to see for themselves, or go to Khartoum or Juba to see for themselves what is going on there. I believe most of the people in the United States are being misled. Because, as I say, I was a fighter against the government that existed before. And nothing could have brought me back from the United States to go back to Sudan, if I had not believed in the peace which had been agreed to. The situation in Darfur is not a genocide. A genocide is when you get innocent people, not armed, and kill them! This is not what is happening in Darfur.

"What is happening in Darfur, is Darfuris are fighting among themselves. The herders, who are mobile, with their cattle, horses, camels, sheep, and all types of animals; and the farmers, who only live on their land, and cultivate grain, sorghum, millet, and those things. Now we have a large animal population, because they get medications, veterinary services from all over the world, and animals do not die as they used to die, to condition the situation. And you know, if you read history in the United States, you would have seen how the cowboys clashed with the farmers! Read your history, and you'll find the same thing. . . .

"This is what has happened also in my country. It came too late, and you cannot believe it, because you are so advanced, but this is what is happening in Sudan, now. And, I warn you, do not think that the people outside Sudan are more caring about our people than we are ourselves. That's not true:





These are our brothers and our sisters. Even myself, my cousins are in Nyala, which is in Southern Darfur. Southern Darfur is very close to my home, that is, Aweil. We have the largest population in Darfur. The people from my state, called Northern Bahr El Ghazal State, 570,000, are in Darfur! Because, during the war, they left the South, running to the North. . . .

“There are people dying, because of clashes that occur—I cannot deny that. But it is not at the magnitude as it is shown here! You know, we used to fight as clan against another clan! It used to happen. It’s not a new thing.

“So, we know that we should stop that, and we are working to stop that. The administration of the United States should help us in that process, rather than escalating, or taking sides. As I say, the sanctions are on the Sudan government, the institutions of development in the Sudan, but you young people need to know that the rebels have it good. When the rebels have it good, the rebels are going to be fighting and fighting and fighting, and the peace which could have been close, is going to be very far away. . . .”

### Elections Are at Stake

Ukec laid special stress on the process toward elections. Mourino pointed out that the word “democratization” is in vogue in Congress about Sudan, even Russia, but it amounts to “a veiled term for ‘regime change.’” Ukec replied, “It’s a puzzle to me, when people talk about democracy, and they curtail countries which are going toward democracy.

“Democracy means people have to *decide their own fate*. They have to vote. I don’t think what America is doing to Sudan, to Zimbabwe, and other places, is a sense of allowing people to be democratic. It’s just curtailing our rights, subduing us from our national sovereignty. They do not understand, and if not, I believe they are actually undermining what they say. They say something, but they do something else. They talk about democracy, they kill democracy by what they do.

“I let you know this: Why would they stop a process which has already been initiated? On Nov. 15, we will have a census, the UN will do it. The United States has volunteered to do it—I don’t know whether they will curtail it. Then, after that, we will have constituencies. And at the end of 2008, when you have your Presidential election, we will have our elections, too! By January 2009, when you have a new President for this country, we will also have a fresh, *democratically elected body*, to rule my country.

“Why are they against it? Why are they putting sanctions on a country which has been fighting for 50 years, and is now in the process of *doing everything that was asked of them!* The Comprehensive Peace Agreement, the United States was advising it, its technical know-how has been applied to it. All those things have been applied. I don’t think they really want democracy. They want a *new imperialism*.”

### ‘Left-Wing’ Attack From Gore Crowd

In addition to the blatantly right-wing attacks on Sudan, a question was posed to Ambassador Ukec, sent by LaRouche Youth Movement activist Ian Overton (from Alaska and Washington, D.C.), about the “left-wing” assault on Africa, coming from the anti-development global warming crowd. Baker pointed out that “there is the soft kind of attack, in the name of saving ‘the environment.’ The Al Gore crowd recently held a United Nations conference in Nairobi on this. It was said that there shouldn’t be industry or modern agriculture in Africa. There shouldn’t be high-tech development or infrastructure. Look at the Sudd [a large, swampy area in Southern Sudan]. If you have water management infrastructure there, you will hurt the mosquitoes and the liver flukes. Do you want to say something about that?”

Ambassador Ukec: “Definitely. You know, I’m an economist and I’ve studied this very much, and I know what it means between the developed and developing countries. You guys have everything, you have done things, and now you want to keep us away from doing them. You want to keep us in the darkness. You don’t want us to have roads, because the forests will be destroyed . . . when you have destroyed your forests and now have roads! You don’t want us to have bridges, ‘Oh, they’re going to cause problems!’ You don’t want us to have refineries, because soon it will pollute the Earth.

“You guys are powerful over us, now, because of all of these developments you have done before, and the forests you have cut down; we will know how to save our wealth. But we



Oklahoma Farm Bureau

*Grain sorghum crop in Oklahoma. Sorghum is Sudan's most important food staple (it originated in Africa). The United States has been shipping sorghum to Darfur, and to displaced persons in the South of Sudan, for many years. Now, with imposition of the U.S. sanctions, refugee populations will be left without food.*

need to develop fast, so that we become equivalent, or close to equivalent.

"I don't really have a tough opinion about global warming. If it is warm, why not—we in the Third World, we should warm our part also, so that if we go to Hell, we go together. If not, there is no problem! I don't see anything—let me build my power plants, let me get the nuclear plant to provide me with energy. Let me dig my oil which is there; it cannot come out if I say, 'Okay, it is going to pollute.' Why are they telling us that? And they are driving vehicles every day, every household has four, five—! You know, there are places in Sudan, where you've got over 10,000 people, and there is not even a single vehicle! This Earth belongs to us, too! The West and the developed people claim that they have the right to pollute and we should not even make even a little *dent* of polluting, so that we can come up in the world. You know? That is *ridiculous*."

Ukec also related the anti-development thrust to the "hidden agenda." There is a lot of talk about things—the environment, democratization, and so on. But the intent for destruction is behind it. He summarized:

"So, we'll discover *soon*, what is behind all these conspiracies, and all these global warming things, and all these funny things. And saying we are bringing democracy to people, and then that democracy ends up with 600,000 being killed. You know? All these things are a terrible scenario."

### **Give Us a Chance To Pollute a Bit**

In opposition, Ukec laid out a development perspective for Africa, in response to Marcia Merry Baker's question

about his experience at Iowa State University, situated in the breadbasket of the United States. She pointed out that sorghum, the food and feed staple, originated in Africa, probably in Sudan. "What is your view, if you had the resources you're saying should be sent—not sanctions—but resources...?"

He replied: "I come from that country. Iowa State, the Cyclones [football team], where we have the first veterinary hospital in the world; those who established and invented the fax machine, the anthrax vaccine from us, the first atomic bomb—all these! I am a breed of a very, very wonderful university. If the Americans give me this chance, I can develop Sudan in 15 years! I can catch up with all the technology I have, and the knowledge of my friends and graduates of Iowa State. You know, engineering is our way of life. Engineering changes

the life of people: Given that fact, we will develop the South, the North, the East, and the entire Sudan. And in doing so, we will provide the rest of the world with the food!

"We have the breadbasket of the world! Animal population—nobody mentions us. The peanut, that Georgia has; the soybeans, the corn, and sorghum, they will thrive in Sudan. And when people are threatening us with global warming, and telling us to stop, they are going to stop us, they are going to keep us in the 18th Century, while they go into the 21st Century: Give us the chance to pollute a little bit! Give us a percentage, you know?—a little bit, so that we rise up.... [laughs]

"And I know, I'm proud of being a graduate of Iowa State, and also being a graduate from this country. I want to tell the American people that you have a great country. Don't let some people steal your country. Don't let some people drive your country to be hated by other countries. We are one human race and we have to work together. And when you spot those guys who are destroying this country: Stop them! You have the power, using your vote. You have the power, speaking out. You have your Congressmen and Congresswomen, and Senate. These institutions are good for you. If you elect good people, you will have good government that will cater to sympathy, humanitarian help, rather than always fighting, fighting, and treading on others. Our countries are our countries. We are the children born there; we know what to do with it. We may need help, but not all the time. It doesn't mean that you should rule us. You should not tell us what to do. You may advise us, and when we say, 'no,' don't make us enemies."

# Economic Hit Men Aim At Ecuador President

by Cynthia R. Rush

Ecuadorean President Rafael Correa reported May 27 that he has received many death threats, and warned that there are people who would like nothing better than to “take a shot” at him. “There are many dangers,” he said, speaking in Los Ríos province. Nonetheless, he continued, the government and the people “will be united against the oligarchy” which opposes his plan to free Ecuador from the grip of international financiers. Take heed, he told them. “The Fatherland belongs to us all.”

Just two days earlier, Correa had warned of a conspiracy against his government, echoing charges of a coup plot against him made the same day by former President Abdalá Bucaram, in remarks to the Gamavisión news agency. The reasons for these attacks by the “enemies of history,” Correa said, is that “in our vocabulary, the word subordination doesn’t exist. . . .”

There is nothing sensationalist about Correa’s revelations of these threats. Other Presidents of Ecuador, such as nationalist Jaime Roldós, who refused to buckle under to the demands of Wall Street, the City of London, or their corporate allies, didn’t live to tell about it. And the memory of what happened to the 41-year-old Roldós, who died in a plane “accident” in May of 1981, remains vivid in the minds of most Ecuadoreans. As an observer of Ecuadorean politics said to *EIR*, the key thing now is to “keep Correa from getting killed.”

In a May 22 presentation in Quito, John Perkins, author of the 2006 best-seller *Confessions of an Economic Hit Man: How the U.S. Uses Globalization To Cheat Poor Countries Out of Trillions*, asked Ecuador’s forgiveness for the harm he had done to the country during the years he worked as an “economic hit man” for the Charles T. Main Company that fronted for financial and intelligence networks. The young Roldós, he said, was a leader of integrity who didn’t accept the suitcase full of money he was offered to stop defying the banking and oil interests that had run roughshod over Ecuador’s economy for decades. His refusal to bend to those interests resulted in his death in an “accident” that was universally attributed to the CIA.

## Why Correa?

Rafael Correa is a threat to the oligarchs on two fronts. Domestically, through his “citizen revolution,” he is taking on the financial oligarchy with an ambitious program to defend the general welfare of the country’s poorest citizens. His government is also auditing and restructuring the foreign debt,

and proposing legislation to regulate the banking sector.

He has announced the revitalization of the National Finance Corporation, a state-run entity founded in 1954 to finance industrial development, but which was looted by the financial predators who controlled Ecuador’s economy in the 1980s and 1990s. Echoing a fundamental principle of the American System of political-economy, Correa stated on May 25 that “there is no country in the world that has developed without public banking.”

Before assuming the Presidency, Correa had written favorable essays on the subject of American System economists such as Alexander Hamilton and Henry Carey. Along with Argentine President Néstor Kirchner, who has proclaimed that he is modeling his Administration’s entire economic policy on the American System approach of Franklin Delano Roosevelt, Correa is providing leadership in South America for a break with the neoliberal policies of the International Monetary Fund, and is taking the approach to development which is championed by Lyndon LaRouche.

International financiers are more than anxious about this, and about the Bank of the South which Correa, Kirchner, and other South American governments are setting up, as a new entity whose primary purpose will be to fund infrastructure projects. The financiers are unnerved by any hint that the bank represents the kernel of a new “international financial architecture,” as Correa’s Finance Minister Ricardo Patiño said when he emerged from a May 21 meeting of regional Finance Ministers in Asunción, Paraguay. The agreements made there, he said, represented a “fundamental historical framework for the creation of a new international financial system.” He added that the Bank of the South “is the inflection point in the international financial system.”

Just as Patiño was in Asunción, the Teleamazonas-TV network transmitted part of a video, purporting to show him engaging in insider-trading and “market manipulation” schemes in a February 2007 meeting with foreign bondholders, who suggested to him that Ecuador “scare the markets” by threatening not to make a scheduled payment on its Global 2030 bonds, and then make a financial killing off the panic that would ensue.

While various mouthpieces for Wall Street and the City of London immediately predicted that Ecuador would be slammed with “legal action” for violating securities regulations, Patiño revealed what had really happened. Airing the video in its entirety on May 24, he noted that with Correa’s permission, he had secretly taped the meeting with bondholders, because he knew they were making an “indecent proposal” to hurt the country, and he wanted to expose it. “It was my obligation,” he said, “to use the circumstances of my public office to thoroughly investigate how these perverse mechanisms of indebtedness operate.” The day before, the Finance Minister had noted that for years he has worked on the Jubilee 2000 Commission created by the late Pope John Paul II, to expose how foreign debt is used to impoverish entire nations.



# G-8 Pass Up Opportunity On Hedge Funds, Development

by Rainer Apel and Nancy Spannaus

The “World Economic Summit,” which was held in the German town of Heiligendamm on the Baltic Sea coast between June 6 and 8, had the opportunity to act on two major initiatives to deal with the world financial breakdown crisis, in the direction of a New Bretton Woods: one, on the Bering Strait Tunnel proposal, presented from Moscow, and the other, on regulation of the hedge funds, presented by European parliamentarians. Although reports from the private deliberations are not available to this news service, there is little doubt that this opportunity was missed. The participants denied the reality of the bankruptcy of the world system, and thus did nothing to deal with it.

From the German side, there had already been a step in the right direction, with an initiative to force transparency of the hedge funds, but obstruction, particularly from the City of London, carried the day. Although such regulation cannot save the bankrupt system at this point, and nothing but a ban of the hedge funds is appropriate to their criminal behavior, the impulse to fight them is positive. While various sources, including a report in Alaska’s *Juneau Express* and a board member of the Interhemispheric Bering Strait Tunnel and Rail Group, just before the Summit, had insisted that Russian President Vladimir Putin would put a proposal for the Bering Strait project on the agenda, it is not known whether he actually did so.

The format of this world economic summit has already been broadened to include developing countries like China, India, Brazil, and South Africa; they challenged the right of the industrialized countries to make decisions about the world economy. One such criticism came in the *Hindu* under the headline, “Forget the G-8!” The developing nations should hold their own summit, the article demanded, rather than sit

around in Heiligendamm, waiting to be called into the anteroom, as if they were servants.

Also, former German Chancellor Helmut Schmidt, who originated this form of summit in 1975, criticized the current meeting as a media spectacle that is particularly bad this year because of the hysteria over global warming. In the weekly *Die Zeit*, June 6, Schmidt wrote: “China and India are missing, also the oil-exporting countries aren’t there, and the Third World is not even invited. . . . Saudi Arabia and Nigeria should be there, and eventually also developing countries like South Africa and Brazil. . . . Therefore, dreams of a trans-Atlantic economic community, such as that our current government wishes possible, are unrealistic.”

Schmidt primarily attacked the lack of interest of the summit participants in the really important questions, and their refusal to recognize that “above all, the situation in the globalized financial markets represents a danger for the functioning of the world economy. . . . We have a superabundance of liquidity in the world. That is life-threatening. Because one can shovel this money back and forth as you like, one can also call in all the short-term financial investments, and therefore cause a recession. To prevent such a fatal development, the great world powers must bring the wild and rampant financial markets under control. They must, at the same time, isolate the tax and customs-free islands. You can dry out the Caribbean tax havens, as well as Luxembourg, Cyprus, and others, through American, German, or British legislation. You could even subject the 10,000 speculative funds to bank oversight. Of course this so far is failing, because especially America and England believe that their short-term advantages are more important than the danger of a systemic collapse.”

In reality, German Chancellor Angela Merkel's decision to make climate change, instead of the hedge funds (known in Germany as "financial locusts"), the chief subject at the summit, was a service for the control-shy speculators.

### **The Hedge Fund Issue**

The actual, if also indirect achievement of the summit for the German government, was that at the summit's outset, the trade unions had given strong international support for the German drive to control the locust funds, and that prominent support for this effort, as shown by the letter printed below, by Congressman Barney Frank (D-Mass.).

A meeting was held in Brussels on June 4, including members of the European Parliament, who discussed mobilizing to get the G-8 to act against private-equity takeovers. The European Socialist members of Parliament were led by former Danish Prime Minister Poul Nyrup Rasmussen, who told the meeting that the top 20 private equity and hedge funds now control European corporations employing 4 million workers. This makes the hedge funds the largest employer in Europe, Rasmussen said. "The problem is that they don't regard themselves as employers." They specialize in short-term speculation, and quick-turnover buying, shrinking, and re-selling of corporate assets, and they often have "no respect for jobs, workers, or long-term investment."

While Rasmussen has promoted legislation to stop many "leveraged takeovers" in their tracks in Denmark, legislation which is close to passing, the German government has also indicated its intention to act against the "locust funds." Yet the Social Democrats in the G-8 countries outside Germany were unable to get their governments to take action at the summit. Germany's bid for closer regulations of hedge funds was blocked by U.S. and British opposition. The G-8 statement said, "Given the strong growth of the hedge fund industry and the increasing complexity of the instruments they trade, we reaffirm the need to be vigilant." No "code of conduct," which was Germany's latest proposal, was agreed upon.

### **No Climate Declaration, and Also No Credit**

The good news from the summit is probably that the much-praised Climate Declaration from Heiligendamm remained so insubstantial that it is judged by green politicians and experts as "meaningless." One of the most prominent critics is himself in the German government, namely, Michael Müller, State Secretary in the Environment Ministry. Müller said on June 8: "We had made this determination already back in 1992. . . . We should not forget, that in 1992 at the Earth Summit, the world community had already decided that we must do everything possible to stabilize the greenhouse gases at a level which would not damage the climate. That is already 15 years ago." Müller is not very optimistic about the future for green climate protection.

The greatly anticipated summit declaration on Africa did not do what it had ostensibly promised with its \$60 billion in aid. On the one hand, critics found fault with the fact that much of money should have been granted seven years ago, in 2000, when the "millennium goals" for the fight against poverty and disease were set. Nevertheless, many of those dollars, in reality, did not flow to Africa but to Eastern Europe, to fight AIDS there. Thus, it is hocus-pocus to present the funds as "aid for Africa." In general, the demand of the G-8 means that Africa must open itself to free trade, so that conditions can be created to haul out yet more raw materials from the African continent. Germany's annual aid budget for all of Africa will be increased only from 400 million to 500 million euros (\$534 million to \$669 million).

One of the worst omissions of the summit in Heiligendamm can be credited totally to Merkel. She has not intensively followed up the longstanding policy of economic cooperation with Russia by the Schröder government, and this summit did not take up the Russian offer made the previous year at the St. Petersburg Summit, for intensification of energy cooperation. Russia's nuclear industry has made a very interesting offer for technological collaboration with Germany, but nuclear energy is not Merkel's "thing," much less the construction of new nuclear plants.

Meanwhile, Merkel has gone beyond her anti-Russian position during the 2005 election campaign, making herself the leading spokesman for Polish complaints against Putin, and participating in ongoing Western propaganda against Russia—as she did at the EU-Russia summit in Samara recently. And while she does nothing to assert the majority control of the German government at Deutsche Telekom against hedge funds like Blackstone, she is utilizing the same majority control to prevent participation of the Russian firm Sistema at Telekom. That latter action offended the trade unionists at Verdi, who went on strike against the outsourcing strategy of Blackstone at Telekom.

In view of all this, what Merkel still calls the "strategic partnership with Russia," is nothing more than lip-service. Fortunately, German industry is not participating in this neo-conservative polemic against Putin and the Russians, but instead is expressing its readiness for building collaboration with Russia.

### **Putin Saved the Day**

In spite of all these problems, Putin was the real star at the Heiligendamm summit, surprising Bush with the proposal that he give up America's plans for missile defense in Eastern Europe, and instead, use the large radar center in Azerbaijan, which is managed by Russia. (See article in *International*.)

Shortly before Putin's arrival in Heiligendamm, he had warned that the American obsession with the question of missile defense would not only launch a new arms race, but would raise the danger of a nuclear conflict. Putin will visit

the United States in early July, so President Bush has until then to reflect on the offer. It is really in America's interest to take up Russia's proposal, because it could improve the relationship between Russia and the United States.

And thus, the Europeans could benefit, above all the Germans, who have a basic strategic interest in the development of Eurasia, in close collaboration with Russia. An intelligent summit strategy by Merkel would have prepared the way for such a basic improvement, and thus would have been a constructive contrast to the EU-Russian summit in Samara. If it had not been for Putin's proposal, nothing would have come out of this Heiligendamm spectacle.

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## Documentation

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### Rep. Frank to Bush: Time To Act on Hedge Funds

*The following letter was sent by U.S. Rep. Barney Frank (D-Mass.) on May 23. Frank is chairman of the House Financial Services Committee.*



Dear Mr. President,

I am writing to urge that when you meet with your G-8 colleagues in Heiligendamm next month, that you will ask them to embark on an examination of the issues raised by the rapid increase in the number of and size of private pools of capital operating as hedge and private equity funds. In a few short years these institutions have transformed capital markets in all of the G-8 countries, as well as in many other OECD members. We all need a more sophisticated understanding of how these institutions operate and the consequences of their operations on our economies and financial markets. There are, as you are well aware, a number of concerns that have been raised by market participants, academics, labor unions and parliamentarians throughout the G-8; and two of those strike me as especially important. First, what are the consequences of going private on the firms that are acquired, and on the workers, does the financial and operational restructuring that is central to the process materially alter the new firms' ability to make the investments in people and products that are needed for long term success? Second, does the introduction of substantial amounts of addi-

tional leverage raise systemic risk concerns in our capital markets?

The enormous growth of hedge funds and private equity funds poses a new challenge to our societies. Private equity and hedge funds have, in a short period, become owners and movers of vast pools of financial capital, with significant influence on the real economy, employment and long-term competitiveness for our companies. Private equity transactions accounted for over a quarter of all mergers and acquisitions in the U.S. and the EU in 2005. Private equity buy-outs have expanded their reach to very large companies, industries and even companies linked to public services. Hedge fund transactions account for a third to a half of daily trading volumes on main stock exchanges. These alternative funds, particularly PEs, are highly leveraged and are exempt from many of the regulations that apply to traditional collective investment schemes, to banks and to insurance-companies, notably in the areas of prudential oversight and reporting requirements.

An important question to explore is whether the high rates of return required to finance private equity debt-driven buy-outs can jeopardize the long-term interests of target companies and the provision of decent employment conditions and employee security. We are troubled by those cases in which rather than corporate restructuring for the purpose of shared productivity gains and increased competitiveness, numerous private equity funds now appear to be looking at extracting maximum value over a short period before re-selling the company. This poses the risk that employees will be disadvantaged in a fashion that would not have happened without the acquisition.

The picture is the same in Europe, the U.S. and in many OECD countries. In order to ensure a transparent, efficient financial market and effective long-term financing, including hedge funds and private equity funds, we call on heads of state and government, to take the following first measures:

1. To take all appropriate steps to establish full transparency, disclosure and accountability in the international financial markets. There needs to be a level playing field between the alternative funds and other collective investment schemes with regard to transparency and reporting on performance, risk-management and fee structure.
2. To take all appropriate steps to uphold workers' rights to collective bargaining, the education and training of workers and related social issues. Worker information, consultation and representation are essential to ensuring positive outcomes in these areas. This is also an important mechanism to promote the long-term interests of private equity-backed companies.
3. To take all necessary steps to establish an international task force, charged with presenting recommendations on further appropriate regulatory action in relation to the international financial markets. The ILO should be represented in such a task force.



## Principality-Based Regulation

*When institutions without principles call for principle-based regulation, you know it's an Orwellian scam.*

There's a lot to be said in favor of basing laws and regulations on principles, if the principles are just, but when the institutions pushing for principle-based regulation are a bunch of self-serving crooks who are out to ensure their own survival at the expense of the rest of the world, it is a very dangerous thing. When the call for such regulation comes from the City of London—the center of the Venetian slime mold—then you know it is a fraud.

Just such a proposal is being pushed by the High-Level Group on Financial Services, a group of senior City of London financial parasites behind the creation of the International Centre for Financial Regulation (ICFR) whose aim, in the words of British Economic Secretary of the Treasury Ed Balls, is to “entrench London as the key financial centre of the 21st Century.” Balls is also the chairman of the fascist Fabian Society and an ally of Chancellor of the Exchequer Gordon Brown, the man slated to replace Tony Blair as Prime Minister.

The ICFR, created in May 2007, is designed explicitly to make Britain the dominant force in global financial markets through deregulation. This deregulation is to be accomplished through the use of principles rather than rules, and since the number one principle is to ensure the dominance of the London-centered financial oligarchy, there is no doubt that they intend to do whatever must be done to accomplish that goal. It is the law of the jungle, pulsing beneath a thin veneer of civility.

Her Majesty's Treasury, in a press

release supporting the aims of the High-Level Group, promised to “modernize the regulatory and tax framework” to boost the Kingdom's asset-management business and such “innovative areas” as “hedge funds and Islamic finance,” with a focus on strengthening the Offshore Funds Regime; “push for a more de-regulatory stance in the [European Union]”; and ease the rules on insurance markets and companies. As part of this process, the Financial Services Authority, as the City's regulator, is expected to adopt what the *Guardian* called “a lighter touch and less intrusive approach to regulation.”

The U.S. equivalent to the ICFR is the Committee on Capital Markets Regulation (CCMR), which released a report last November pushing for further deregulation in the U.S. to allow Wall Street to better compete with London. The CCMR, in a report released Nov. 30, 2006, called explicitly for a “principles-based regime.” It also called for prohibiting criminal prosecution of corporations except in “truly exceptional circumstances,” and for limiting the liabilities of accounting firms which get caught breaking the law, making it fairly transparent what type of activities these changes are intended to protect.

Hal Scott, the professor of international financial systems at Harvard Law School who directs the CCMR, claimed in an opinion piece published in the *Financial Times* on March 12, 2007, that “excessively costly regulation and litigation” are fostering “the erosion of U.S. primacy in capital mar-

kets.” Scott called for “a balanced regulatory framework” to end these “self-inflicted wounds.”

“There is no reason for the U.S. to play second fiddle to London or Hong Kong,” Scott declared.

So, London should deregulate in order to dominate the world, and the U.S. should deregulate to compete with London? If that doesn't seem insane to you, you've probably been reading the *Wall Street Journal!*

It should come as no surprise that the High-Level Group and the CCMR are backed by the same crowd. For example, Anthony Alt of N.M. Rothschild is a member of the High-Level Group, while former Rothschild banker Wilbur Ross is both a member and a substantial funder of the CCMR. John Thornton, the co-chairman of the CCMR, is a former president of Goldman Sachs, while Goldman Sachs International co-CEO Michael Sherwood is a member of the High-Level Group. J.P. Morgan Chase also has representatives in both groups. The High-Level Group also includes representatives from the notorious HSBC, the Royal Bank of Scotland, Barclays, Lloyd's of London, UBS, and Citigroup, to name a few, while the CCMR includes people from the Carlyle Group, the New York Stock Exchange, hedge fund Citadel Investment, and Lehman Brothers.

The CCMR report calls for “increased reliance on the President's Working Group on Financial Markets” (aka the Plunge Protection team), whose head is Treasury Secretary Henry Paulson, a former co-chairman of Goldman Sachs. The list of former Goldman Sachs officials now in key positions in government is sufficiently impressive to suggest that Paulson and his fellow Goldman Sachs alumni have taken control of U.S. financial policy as part of a global crisis-management operation.

# Dick Cheney Becomes Ever More Impeachable

by Edward Spannaus and Nancy Spannaus

Vice President Dick Cheney, the linchpin of the British oligarchical hold on the U.S. government, took some political body blows in the week of June 4, which have increased the pressure for bringing him to account for his crimes and offenses. With more and more spotlights being trained upon Cheney's high crimes and misdemeanors against the U.S. Constitution, he becomes ever more impeachable—and the political excuses for failing to pursue impeachment more and more unacceptable.

Specifically, if impeachment is “off the table,” the war against Iran and shredding of the U.S. Constitution are surely *on* the table.

The three hits delivered to Cheney were: 1) the sentencing of his chief of staff, I. Lewis Libby, to 30 months in prison; 2) the stunning revelation by former Deputy Attorney General James Comey of Cheney's pivotal role in the illegal NSA wiretap program; and 3) the legal overturning of two cases before the Cheney-promoted Military Commissions at Guantanamo.

## The Libby Sentence—Is Cheney Next?

Cheney should be worried, very worried. On June 5, his former chief of staff, Lewis Libby, was handed a two-and-one-half-year sentence in Federal prison for lying and obstructing the investigation into the exposure of CIA covert officer Valerie Plame Wilson—actions which everyone knows Libby took to protect his boss Cheney.

Now, facing a substantial prison term, Libby is reportedly under intense pressure to cooperate with Special Counsel Patrick Fitzgerald, and to tell Fitzgerald what he knows, in order to obtain a reduced sentence. Which is one of the reasons that the campaign to obtain a pardon for Libby, before he talks, is so intense.

The sentence handed down by Federal Judge Reginald Walton was considerably tougher than the 15-21 month recommendation of the U.S. Probation Office, which provided

the court with a pre-sentencing report. (Libby's lawyers asked for no jail time, only probation.) In pronouncing the sentence, Judge Walton stressed the seriousness of Libby's illegal conduct, and he also indicated that he is well aware that Libby was acting in concert with the Vice President himself.

Special Counsel Fitzgerald clearly persuaded the judge that, in calculating the sentence under the Federal sentencing guidelines, he should take into account not just Libby's crimes, but also the nature of the investigation which Libby had obstructed, specifically, violations of the Federal Espionage Act and the Intelligence Identities Protection Act.

In a memorandum submitted to the court to justify his sentencing recommendation of 30-37 months, Fitzgerald cut through the clouds of obfuscation generated by Libby's defenders—such as GOP Presidential candidate Fred Thompson and the *Wall Street Journal*—who claim that since Fitzgerald didn't prosecute anyone for leaking Plame's identity, that therefore no actual crime was committed; and thus, Fitzgerald's prosecution of Libby was just a political witch-hunt.

Libby's defenders also claim that Mrs. Wilson was not really a covert CIA officer, and therefore she was not protected by the Intelligence Identities Protection Act—a law passed to prevent the disclosure of the identity of a covert CIA agent or other secret intelligence personnel.

To refute these bogus arguments, Fitzgerald released previously secret information proving that Mrs. Wilson was, at the time of her exposure in July 2003, a covert CIA officer responsible for detecting and countering the proliferation of weapons of mass destruction, and that she had travelled overseas in an undercover capacity a number of times.

Demonstrating that he accepted Fitzgerald's argument, an obviously irritated Judge Walton declared at one point during the sentencing hearing, raising his voice, that “if the CIA was concerned that an agent who's protecting our country was outed, then that's a legitimate basis for the Department of Justice to investigate.”



White House Photo

*Vice President Dick Cheney meets with senior staff members, including his chief of staff, I. Lewis Libby (left), after 9/11. Libby's sentencing to 30 months in prison tightens the screws on Cheney: Will he be next?*

## Walton's Rebuttal

In responding to the over 150 letters requesting clemency, from friends and colleagues of Libby, most of whom pointed to Libby's record of high-level government service, Judge Walton threw this back at them, stating that we expect and demand more from people who put themselves in high-level positions, and that such a position carries with it a high-level obligation to protect national security secrets.

And, Walton said, that "as the National Security Advisor to the Vice President of the United States, Mr. Libby had a unique and special obligation" to make absolutely sure that she [Mrs. Wilson] did not have covert status, before he said anything to the news media about her.

And, as to Libby's contention that he had forgotten how he learned about Plame's CIA employment, because he was so busy with other things, Walton pointed out that Libby had downloaded articles about her husband, former Ambassador Joseph Wilson, and kept them in his personal files, and that Libby had a conversation directly with Vice President Cheney about Mrs. Wilson.

In addition to Libby's 30-month prison sentence, Judge Walton ordered two years of supervision following his release, and a \$250,000 fine.

Walton also ordered that Libby surrender to Federal prison authorities as soon as the Bureau of Prisons selects the facility where he will serve his sentence, which normally takes 45-60 days. At the request of Libby's lawyers, Walton set a hearing for June 14 on the defense motion for the court to allow Libby to remain free on bond until his appeal is determined, but Walton is clearly not inclined to grant any such motion.

Following the sentencing, Joe Wilson, issued a statement saying that "both Valerie and I are grateful that justice has been served." And he continued:

"It is our hope that he [Libby] will now cooperate with

Special Counsel Fitzgerald in his efforts to get to the truth. As Mr. Fitzgerald has said, a cloud remains over the Vice President.

"Every official in this Administration must be held accountable for their actions."

## Butt Out, Mr. Vice President

After the sentencing, Cheney issued a statement praising Libby and urging "a final result consistent with what we know of this fine man."

The Vice President's comments prompted a quick response from House Judiciary Committee Chairman John Conyers (D-Mich.), and Rep. Jerrold Nadler (D-N.Y.), who heads the Subcommittee on the Constitution. They wrote directly to Cheney on June 7, calling on him to recuse himself from involvement in any issues relating to Libby, including that of a potential pardon, and to refrain from further public comment about his former aide.

They point out that, during Libby's trial, "evidence was elicited of your involvement with Mr. Libby in connection with the events that formed the basis of his prosecution"; they also note Fitzgerald's comments about "a cloud" over certain aspects of your conduct." The letter concludes: "It would be deeply divisive, and invite deep cynicism and disrespect for the legal process, were the American people to conclude that Mr. Libby undertook actions that subjected him to criminal liability to protect you, knowing or believing, or having the facts ultimately reveal, that you would thereafter take steps to protect him from the consequences of his criminal conduct."

## Comey Revelation: Cheney's Role on Wiretaps

The second major hit against Cheney came June 7, when written testimony from a former top Justice Department official was released, which confirmed that Cheney was personally pushing for extension of the domestic wiretap program in March 2004, after the top leadership of the Justice Department had found the program to be illegal.

According to supplemental testimony submitted to the Senate Judiciary Committee by former Deputy Attorney General James Comey, he and other top DOJ officials met with White House officials on March 9, 2004, the day before the dramatic confrontation in then-Attorney General John Ashcroft's intensive-care hospital room. The White House officials present for that meeting, which Comey described as "the culmination of ongoing dialogue between DOJ and the White House, were Cheney and Cheney's legal counsel David Addington, plus White House Counsel Alberto Gonzales and Chief of Staff Andrew Card. When Comey, then the Acting Attorney General during Ashcroft's hospitalization, refused to approve any extension of the wiretap program, Gonzales and Card were dispatched to Ashcroft's hospital room the next day; the critically ill Ashcroft still refused to reauthorize the program, deferring to Comey.

After the hospital room confrontation, President Bush went ahead and re-authorized the wiretap program anyway,



causing Comey and about 30 top DOJ officials to threaten to resign.

Comey's written submission also reports that, after this showdown, Cheney personally blocked the promotion of another DOJ official, Patrick Philbin, one of those who had opposed the re-authorization of the wiretap program.

Commenting on Comey's testimony, Sen. Charles Schumer (D-N.Y.) said, according to the *Washington Post*, "The Vice President's fingerprints are all over the effort to strong-arm Justice on the NSA program."

### Illegal Military Trials Thrown Out

The third hit against Cheney came on June 4, when two military judges dismissed all charges against two prisoners at Guantanamo, in a major defeat for the Cheney-promoted scheme of military tribunals, which was created to bypass traditional U.S. military and civilian law.

In the first case, charges were dismissed against a young Canadian, Omar Khadr, who was accused of killing a U.S. soldier in Afghanistan in 2002. Army Col. Peter Brownback, the military judge presiding over the Khadr trial, ruled that the military commission does not have jurisdiction to try Khadr, in a ruling seen as having broad implications for all of the other 380 prisoners at Guantanamo. Although a military review board had designated Khadr as an "enemy combatant," under the 2006 Military Commission Act, the newly created military commission is only empowered to try "unlawful enemy combatants."

One military law specialist told EIRNS that the Khadr ruling was "certainly a shocker."

Later the same afternoon, charges were dismissed against Salim Ahmed Hamdan of Yemen, who is described as having been a driver and bodyguard for Osama bin Laden. The military judge in his case, Navy Capt. Keith Allred, likewise ruled that Hamdam is "not subject to this commission" under the 2006 Military Commissions Act.

"It is not just a technicality," AP quoted Marine Col. Dwight Sullivan, the chief military defense attorney at Guantanamo, as saying after the Khadr ruling. "It's the latest demonstration that this newest system just does not work. It is a system of justice that does not comport with American values." Sullivan said that this could mark the end of the military commissions scheme which was created last year, when the Military Commissions Act was jammed through Congress after the U.S. Supreme Court had ruled, in a case brought by Hamdam, that the previous system of military tribunals, created under a 2001 Bush military order, was unconstitutional.

It is well-known that Cheney and Addington were the primary promoters of the unworkable and unconstitutional military tribunal and detention system, twice struck down in different aspects by the U.S. Supreme Court, and then modified by the 2006 law.

The charges were dismissed "without prejudice," meaning that the charges could be refiled, if the government could find a way to legally remedy the defect in the proceedings, such as holding new hearings to reclassify all prisoners as "unlawful enemy combatants." Prosecutors also said they intend to appeal—even though the military appeals court envisioned in the 2006 law hasn't yet been established.

All in all, it was not a good week for Dick Cheney.

## Momentum for Impeachment

A breakthrough in the drive to build support for House Resolution 333, Rep. Dennis Kucinich's (D-Ohio) bill for the impeachment of Vice President Dick Cheney, occurred on June 7, when the vice chairmen of the 71-person Congressional Progressive Caucus, Rep. Lynn Woolsey and Rep. Barbara Lee, both California Democrats, signed on as co-sponsors. Kucinich is also a member of the Caucus. They join four other co-sponsors: Rep. Yvette Clarke (D-N.Y.); Rep. William Lacy Clay (D-Mo.); Rep. Janice Schakowsky (D-Ill.), and Rep. Albert Wynn (D-Md.).

The action by the two Congresswomen is backed by the California Democratic Party, where the LaRouche Youth

Movement led a revolt for passing a resolution for the impeachment of Cheney, during the recent state Democratic convention.

Representative Clarke issued the following statement when she added her name to H.R. 333 on June 6: "This Administration has continued to erode the trust of the American people and enough is simply enough. When the American people voted on November 7th, they asked for a change in direction by electing the Democratic Party in the House and Senate. I have heard the loud cries of my constituents, and they want accountability. My support of H.Res. 333 reflects the voices of the residents of central Brooklyn."

H.R. 333 was introduced to the House of Representatives by Kucinich on April 24, and asserts that the Vice President committed high crimes and misdemeanors by manipulating intelligence to make the case for going to war with Iraq; falsifying a connection between Iraq and al-Qaeda; and carrying out an illegal surveillance program against the American people.

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# National News

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## After 40 Years, NY Times Says Carson Wrong on DDT

Forty years after its “Ban on DDT” editorial, a *New York Times* columnist has finally acknowledged the “horrific” human costs of the DDT ban inspired by Rachel Carson’s *Silent Spring*. The clamor created around her 1962 book was used by the Malthusians to ban the pesticide that had pretty much wiped out malaria worldwide. As a result of DDT’s ban, millions of people have died each year of the disease.

In its March 21, 1967 editorial, the *Times* wrote, “DDT is highly dangerous. . . . It is an obnoxious and totally unnecessary threat to health. . . . [T]here is no valid reason to continue production of this random killer.”

On June 5, 2007, veteran *Times* journalist John Tierney noted that on her 100th anniversary, the disciples of Carson are still drowning out science. He called her book a “hodgepodge of science and junk science. . . . Nature was good; traditional agriculture was all right; modern pesticides were an unprecedented evil. It was a Disneyfied version of Eden.”

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## If You Get Sick, Get Out Your Passport

In health care, the United States ranks last among six industrialized countries examined by the Commonwealth Fund of New York.

In the non-profit foundation’s 2007 study, “Mirror, Mirror on the Wall: An International Update on the Comparative Performance of American Health Care,” the United States finished last compared with Australia, Canada, Germany, New Zealand, and Britain—just as it did in the foundation’s 2004 and 2006 studies.

The U.S. ranking comes despite Americans spending twice what Australians, Canadians, and Germans spend on health care—\$7,000 a year for every man, woman, and child. As a percentage of Gross Domestic Product, America also spends more

on health care than any of the other countries.

The study measured five categories of health care: access, efficiency, equity, healthy lives, and quality.

The results of the study, released in mid-May should be no shock, since America’s health care crisis has only worsened since 2000, when the World Health Organization ranked U.S. health care 37th in the world.

Among the particulars reported by the study, is that 30% of U.S. children lack access to health care.

Of the six countries in the 2007 study, the United States in the only one without some form of universal health care coverage.

H.R. 676, the “Medicare for All” bill introduced again this session by Rep. John Conyers (D-Mich.), now has 71 co-sponsors. It mandates a universal single-payer system modeled on Medicare, that would circumvent the for-profit health care insurance companies, which have refined the art of insuring primarily the healthy.

The Commonwealth Fund describes itself as “a private foundation working toward a high performance health system.”

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## Principal Ranks LaRouche Most Engaging Candidate

Manchester, New Hampshire’s Central High School began inviting Presidential candidates to speak back in 1980. The first was Ronald Reagan. Since then, Assistant Principal Michael Clemons told the June 6 *Manchester Union Leader* “scores” of Presidential candidates have spoken there.

“We had George Bush (the first), John Anderson, Pierre DuPont, (Walter) Mondale, Jesse Jackson, (Gary) Hart, Paul Simon, (Tom) Harkin, Pat Buchanan, (Pat) Robertson, (Al) Gore, (Richard) Gephardt, (Paul) Tsongas, (Michael) Dukakis.

Of all the candidates, down through the years, said Clemons, the most engaging, the one who drew the biggest audience, was the state’s native son Lyndon LaRouche.

“More people showed up at that assembly than any other one,” said Clemons, add-

ing that the student body peppered LaRouche with “outstanding questions.”

This year, for the first time, a Presidential candidate, Hillary Clinton, will address the school’s commencement exercises.

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## Industrial Collapse Is An ‘Economic Epidemic’

Tom Buffenbarger, president of the International Association of Machinists and Aerospace Workers, called on Senate Democrats on June 6 to treat the collapse in manufacturing as an economic epidemic.

“We cannot afford to be anaesthetized by incremental improvements in one index or another,” Buffenbarger said at a meeting of the American Manufacturing Initiative of Senate Democrats.

“Since 1999, we have lost over 43,000 manufacturing plants and more than 3.2 million good-paying American jobs. No economy can continue to absorb that kind of damage and hope to survive,” he warned.

Buffenbarger spoke as apart of a day-long session held by the Senate Democratic Steering and Outreach Committee, chaired by Sen. Debbie Stabenow (D-Mich.), entitled “Open Discussion on American Manufacturing.” While others attending the conference, including the CEOs of the automakers, complained about the high cost of health care, Chinese currency, and Korean trade policies, and offered alternative fuels as a so-called solution, Buffenbarger called on the committee “to lay the foundation for a national industrial policy that will put the brakes on this epidemic of job losses.” He called for tax incentives for renovating and retooling older factories, as well as educating high school graduates, and putting a “tourniquet on trade deals and tax breaks that are killing jobs and hope for so many American families.”

Outside of the conference, members of the LaRouche Youth Movement were educating Democratic Senators on Lyndon LaRouche’s capital budget and the Russian proposal to build the Bering Strait Tunnel as both a war avoidance policy and an economic recovery policy.

# *Corruption in the Camp of LaRouche-Haters Cheney and Blair*

Some of Lyndon LaRouche's most significant enemies in Washington and London have been caught up in a series of enormous corruption scandals that, cumulatively, make Watergate pale by comparison. Over the first week of June, new revelations surfaced, implicating Britain's Prime Minister Tony Blair, Vice President Dick Cheney, Saudi Prince Bandar bin-Sultan, former British Ministry of Defence chief procurement official Baroness Liz Symons, and scores of others, in one of the biggest bribery scandals in memory. EIRNS has learned that investigations of the British defense company BAE Systems and the British cover-up of the bribery scandal are ongoing in Switzerland, Sweden, the OECD, and the United States.

While headlines have focused on the Saudi government's deals with BAE Systems, and at least \$2 billion in payoffs to Prince Bandar to secure sales deals in the hundreds of billions of dollars over a 22-year period, the web of corruption actually extends significantly beyond the weapons procurement scandal. Among the scandals now threatening to explode are:

- The still-ongoing Blair-Cheney campaign of criminal slander and attempted frame-up of Lyndon LaRouche, centered around the case of Jeremiah Duggan. Baroness Liz Symons, a Blair inner circle Fabian operative, has been one of the drivers of this filthy scheme, and the London-directed "Get LaRouche" operation thoroughly overlaps with the July 2003 mysterious death of British WMD expert Dr. David Kelly, who was in the process of blowing the lid on the Blair government's collusion with Cheney and Washington neo-cons in fabricating the case for the invasion of Iraq.

Baroness Symons has been deeply implicated in the Saudi-BAE scandal, and British government documents that surfaced in the British media, also implicate her in efforts to sell BAE fighter jets to Iran. During a crucial period in the Saudi-BAE money-laundering scheme, Defence Ministry procuress Baroness Symons was the founder and head of the British-Saudi Business Council, an agency that heavily promoted BAE Systems contracts in the Persian Gulf. During the same period, Baroness Symons forged tight political and business links to both

Lynne and Dick Cheney.

- The BAE-Saudi scandal per se. While the billions of dollars in bribes, paid out to Prince Bandar and many others, to procure BAE Systems arms sales around the world, constitute a crime of major proportions, the efforts to cover up the payoffs constitute part of an even larger criminal enterprise, implicating the Bush-Cheney Administration; the British government of prime ministers Margaret Thatcher, John Major, and Tony Blair; the British monarchy; and elements within the Saudi Royal Family.

As was the case with Watergate, eventually the crimes were trumped by the cover-up effort. In the case of the British role in the fabrication of grounds to launch the war against Iraq, the death of Dr. David Kelly looms large as a possible crime committed in pursuit of the coverup. In the case of the BAE Systems scandal, Prime Minister Blair colluded with British Attorney General Lord Goldsmith, to shut down the BAE-Saudi probe in late 2006, under the absurd pretext that "vital British national interests" would have been destroyed if the truth came out.

As the result of that crude coverup, there is now a string of international corruption probes under way, all targeting the BAE Systems/Saudi actions. In addition to an estimated \$2 billion in kickbacks to Prince Bandar, BAE Systems is under investigation in Switzerland for money-laundering. The U.S. Congress is reportedly now probing BAE Systems' recent purchase of an American arms manufacturer, Armour Holding, for \$4.1 billion, a deal that may be cancelled as the result of the corruption, which violated American laws that ban payoffs to foreign government officials in the U.S.A.

The biggest loser of all in this still unfolding global scandal could be Vice President Cheney, whose collusion with Prince Bandar has contributed to the slide of Southwest Asia into a state of ungovernability and spreading civil war. Cheney thinks he is safe, Lyndon LaRouche warned on June 8, but there are things down the pike, typified by the BAE-Bandar mega-scandal, that will hit him hard. There is a growing momentum against Cheney, which is reaching a critical mass, where impeachment or resignation cannot be avoided, LaRouche concluded.