

# EIR

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**LaRouche on 'The Economics  
Debate About Russia'**



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APRIL 2008 ISSUE

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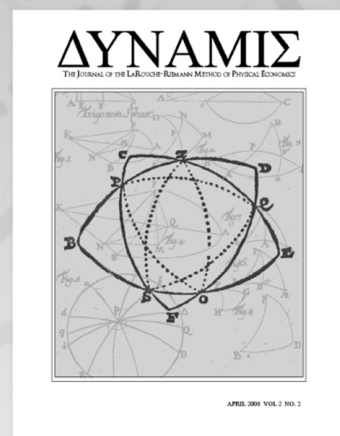
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(703) 777-9451

**European Headquarters:** E.I.R. GmbH, Postfach 1611, D-65006 Wiesbaden, Germany; Bahnstrasse 9a, D-65205, Wiesbaden, Germany  
Tel: 49-611-73650

Homepage: <http://www.eirna.com>

e-mail: [eirna@eirna.com](mailto:eirna@eirna.com)

Director: Georg Neudekker

**Montreal, Canada:** 514-855-1699

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

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

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# EIR

## From the Assistant Managing Editor

In a discussion with colleagues, as this issue of *EIR* was nearing completion, Lyndon LaRouche spoke about his intention in writing the piece which is presented in this week's *Feature*: "This is addressed to a very specific problem in the main," he said, "the problem of Russia." Russia's elites are divided between those who wish to continue moving in the direction of the free-market insanity, and those among whom can be found an "American" or "FDR" impulse. If Russia moves, together with its Eurasian partners, especially China and India, plus the United States, toward what LaRouche has proposed as a Four-Power agreement, against the British Imperial Tower of Babel, also known as globalization, the future of humanity can be secured. But, writes LaRouche, in "The Economics Debate About Russia," "If the United States does not play a key role in proposing a certain approach to a Four Power pilot agreement with Russia, China, and India, you can forget civilization as we have known it."

From the European side of Eurasia, Helga Zepp-LaRouche picks up from the historic "No" vote of the Irish people against the Lisbon Treaty's attempt to create a "super-state" under the boot of the Anglo-Dutch Liberal oligarchy, and calls for a "Europe of Sovereign Republics" to be created in its stead.

A gruesome reminder of what the entire world faces, unless LaRouche's FDR-style recovery policies are quickly adopted, can be seen in the U.S. Midwest's second "500-Year Flood" in 15 years. As Marcia Merry Baker reports in *Economics*, this man-made catastrophe threatens the supplies of world grains and meat, in addition to causing vast damage to the residents and economy of the Upper Mississippi River Basin.

How has this been allowed to happen? One answer can be found in the in-depth report by the LaRouche Political Action Committee, whose explosive dossier, "George Soros, Your Enemy," recently issued as a mass-circulation pamphlet, is reprinted in this issue.

One way or another, the days of Soros and his British masters are numbered. As Helga Zepp-LaRouche writes, quoting Friedrich Schiller's poem "The Cranes of Ibycus": There is a higher power which "secretly watches over and judges us," which has miraculous ways of exacting retribution for injustice; and the evil-doers, just when they think themselves safe, are overtaken by the Erinyes.



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*Artist's rendition  
of the proposed  
Bering Strait  
tunnel, linking  
Russia with  
Alaska.*



Courtesy of the Council for the Study of Productive Forces, Russia

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By Lyndon H. LaRouche, Jr. The pattern of cooperation among Russia, China, and India, LaRouche writes, is presently the pivot of any potential resistance to the London-led drive toward fascism. In Russia and its principal Asian partners, “the included reactions to this are to be recognized in a currently evolving, asymmetric strategy of self-defense against current British imperialism. . . . These reactions prompt my increasing concern about the part which liberal elements still occupy in Russia’s own economic policy. My concern . . . centers on currently menacing ambiguities posed by that influence of free-trade ideology inside Russia itself, which is, itself, an added threat to Russia’s own national interest—and therefore, also ours—still today, a threat which persists despite the intended victims’ concern to check such influence by alien interests.”

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FREE TRADE VS. NATIONAL INTEREST:

# The Economics Debate About Russia

by Lyndon H. LaRouche, Jr.

June 12, 2008

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*The pattern of cooperation among Russia, China, and India, is presently the pivot of any potential resistance to the present, London-led drive toward establishing the global fascism of a utopian, frankly imperial “New Tower of Babel.” This is a drive which is currently expressed as the former British Prime Minister Tony Blair’s proposed, imperialist, ideological, post-, anti-Westphalian hegemony in western and central continental Europe. This still continuing, London-centered attempt to transform all of continental and central Europe into virtually a captive British colony, through such schemes as the proposed Lisbon Treaty, is complemented by the force of an implicitly treasonous hegemony of the mole-like, London-centered, financier influences behind current policy-shaping influences of leading elements of current U.S. national policy-shaping. This reflects a degree of British leading press and British control over the combined regular and irregular financing of U.S. Presidential election-campaigns, which is so large today that it would stun the many voters who actually confronted themselves with the evidence showing how much they have been manipulated in their voting by such foreign power, thus far.*

*In Russia, and among its principal Asian partners, the included reactions to this are to be recognized in a currently evolving, asymmetric strategy of self-defense against current British imperialism—and those nations’ governments do know that this is British imperialism. That current British imperial role will bring crucial reactions by Russia and its partners. These reactions prompt my increasing concern about the part which liberal elements still occupy in Russia’s own economic*

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*policy. My concern for all three—Russia, China, and India—among those nations, and also others, centers on currently menacing ambiguities posed by that influence of free-trade ideology inside Russia itself, which is, itself, an added threat to Russia’s own national interest—and therefore, also ours—still today, a threat which persists despite the intended victims’ concern to check such influence by alien interests.*

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The matter which I put before this audience now, takes our attention to the heart of the urgently needed remedies for the gravest strategic crisis in all of modern world history: the presently onrushing, greatest economic crisis since Europe’s Fourteenth Century. This is that present, global, hyper-inflationary crisis which has now entered its succession of terminal phases.

This crisis itself could be overcome, but it could not be solved by any effort which was limited to merely reforming the present world monetary-financial system. In the very important matter which I present for discussion before this international audience in these pages, we shall consider the uniquely required remedy for the cause of this crisis.

This requires that we recognize the factor of widespread, crucial, strategic and historical illiteracy respecting real (i.e., physical) economy, even among high-ranking, ostensibly well-informed circles. This has been a kind of illiteracy which has been popularized as that reigning popular belief which has been planted among the relevant portion of that trans-Atlantic white-collar generation, the generation which was born during the 1945-1958 interval. This illiteracy is expressed in the form of a belief planted deep within them, as also younger generations, a belief expressed as a militant form of ignorance, igno-



EIRNS/Rachel Douglas

*If a horror similar to, or worse than Europe's 14th-Century New Dark Age is to be averted, LaRouche advises, a four-power agreement among the governments of the U.S.A., Russia, China, and India, must be achieved, to reform the world's economic and monetary systems, and to reach into the coming half-century. Here, LaRouche, in Moscow, with his friend, Prof. Stanislav Menshikov, May 2007.*

rance of the axiomatic-like presumptions which lurk today, often unsuspected, as relics of influences deeply embedded in the psyches of the living, influences expressing the residues, transmitted within successive generations, of problematic experiences dating from centuries or more in the recent history of present cultures, even, sometimes, carried over from truly ancient times.

This situation confronts us with two categorical challenges. First, there is the fact that a powerful political force, the presently reigning international financial oligarchy, is so much opposed to the only existing choice of any actual remedy for this crisis, that those specific kinds of oligarchical interests would appear to prefer to see this planet (including their own nation) in Hell, rather than accept the only available option for remedying the currently onrushing, general, financial-monetary breakdown of the economy of the world as a whole. Second, there is also the complication contributed by the widespread honest ignorance of those principles of economy which must be considered for adoption, if the world is to escape the presently onrushing horrors of the present situation, horrors which reach far, far beyond the matter of those soaring gasoline and Winter heating-fuel prices to be expected, if the present policies of our own and other leading governments are allowed to continue as they are.

To save humanity from the presently onrushing threat of an early general breakdown-crisis which would ricochet throughout the planet, we must abandon currently popular opinions about certain relevant, current events. We must abandon both "information theory" and that recently acquired habit of mere "googling" which has become widely employed

today as a proposed substitute for actually thinking. We must view all of now globally extended European civilization, with its intervals of increasingly convulsive, global internal developments, as gripped by a single, dynamical process; we must view this world-wide process as a process among respectively sovereign nations with sovereign cultures; and, we must view that process among nations in the following, dynamical manner.

*What must occur soon, if a horror which would be worse than Europe's Fourteenth-Century so-called "New Dark Age" is to be averted, must be the formation of an initial organizing committee composed of the governments of the U.S.A., Russia, China, and India,<sup>1</sup> a committee whose agreement to what needs to be adopted as certain common principles of reform, principles which will serve as the needed catalyst for a general, more or less global agreement to a reform committed to certain principles of global cooperation among a majority of the world's nation-states. This reform must be essentially global, and must be crafted to serve as*

a process of reform to be continued during a coming half-century interval.<sup>2</sup>

My recommendation is, that the U.S.A. must become prepared, soon, to volunteer its participation in this four-power initiative. This recommendation will astonish some; but, none the less, it is indispensable if civilization is to be preserved. At the present moment, what I propose does indeed appear to be an unlikely development for the near future. However, my advantage in this matter, is that I have clearly in view, as most other leading figures and circles do not, the kind of blows which the presently onrushing, global economic-breakdown-crisis is about to deliver to the U.S. economy and its political process. Current history affords the U.S.A. no real option for survival, but that which I propose here, if it wishes to survive the presently onrushing phase of the ongoing crisis.

In this report, I emphasize the specific kind of practical, problematic implications which the process of considering such an effort presents to the government of Russia, for example. However, what I write here also has a more general relevance for all parties, including many in addition to the four which I have proposed to serve as an initiating committee for this global economic-recovery effort.

Restate the general argument for this action by the four indicated leading nations, as follows.

1. And, also, for strategic reasons, early during the continuing process, Japan, Korea, and Mongolia.

2. A cycle of fifty years may be a long wait for some, if not for an old man of eighty-five. For the purposes of addressing a world crisis of the present type, the man of eighty-five has the right outlook.

We must examine this presently ongoing span of unfolding modern world history, as a single, unified process of coherent development among what should be regarded, nonetheless, paradoxically, as being properly viewed as, respectively, essentially sovereign nations.

For example: We must discover the efficient coherence which is curiously hidden by what the current great majority of educated and barely educated opinion, alike, regards as separate factors of development, and even separate concerns and developments. In contemplating the proposed rescue mission for this planet, we must regard history as being like a complex, higher form of a living organization, whose organs interact with the built-in intent of an organic-like, common effect, an effect expressed as the unitary function of that organism as a whole. This is a function which is not homeostatic, but *dynamic* in Gottfried Leibniz's and Bernhard Riemann's sense of the term *dynamic*. Thus, we see modern history itself as a coherently lawful process of successive, alternating movements of rise and decline of civilization, as a process subsuming the process of relations among the world's present, seemingly contradictory set of respectively sovereign cultures as a whole.

To begin that investigation, consider the particular form of currently ongoing, "geopolitical" challenge this presents to Russia's policy-shaping.

Look now at the case of Russia. Take into account some essential features inherited from the experience of the Soviet Union.

### The Present Irony of Soviet Communism

Ironically, the emergence of Soviet Russia as a state power under the leadership of V.I. Lenin, confronted that new government with the desire, then, to rebuild an avowedly Communist Russia's agro-industrial economy, by building it around the successful model of practice of what Russia had viewed then as "American capitalist methods." Praise of "American methods" from sources at that time, was emphasized, on various occasions, as during the first five years of that government, by such leaders of that moment as both of the restively cooperating rivals V.I. Lenin and L.D. Trotsky.<sup>3</sup> These were "the American methods" which Russia had witnessed in the great agro-industrial power shown by the World War I period of mobilization of the United States' economy, a reflection of what was also to be seen, since about 1876, by notable Russian leaders in the way in which Germany's agro-industrial power had leaped ahead through the adoption, at about the same time, of what had been a kernel of American-

3. The Soviet economist Preobrazhensky's notion of "primitive socialist accumulation," introduced during the early through later 1920s, was a product of the same provocative, historical irony. This time, Preobrazhensky reflected the economist Rosa Luxemburg's more insightful treatment of the concept of imperialism as an matter of a system of international loans, as the American scholar Herbert Feis was to support the same conclusion of Rosa Luxemburg with his own studies later.

System-like reforms led by Chancellor Otto von Bismarck.

Throughout the entire sweep of Soviet history, from 1917 to 1989, all the critical issues of national-economic policy for that nation's patriots, were centered, in fact, on a debate of the issue of the systemic differences between the American nationalist and the British-Liberal-imperial models of the economy. What were the methods to which the young Soviet Union's otherwise avowed followers of Karl Marx might, then turn? Winston Churchill, like the avowed Luciferian Aleister Crowley, like the avowed fascist H.G. Wells, and the avowed radically Malthusian genocidalist and avowed nuclear and biological-warfare mass-murderer Bertrand Russell, in their time together, had shared motives, and tastes more or less peculiar to their own such circles; but, these sorts of ethics were scarcely what might be properly identified by decent people as moral scruples.<sup>4</sup>

It should have been obvious to modern historians, that, in general, Russian leading political and strategic thought, generally, has not yet resolved, even at this late date, what confronts it as the paradox of a Russia viewing the actuality of the relevant, presently continuing, historical conflict of its outlook on the English-speaking world, that between the U.S.A. constitutional tradition, as typified by President Franklin Roosevelt, and the British empire's system, still today. This confusion, often found among Russian circles of the past, is reenforced by the fact that the so-called "Wall Street" faction in the U.S.A. is the principal expression of the British imperial tradition of such as Aaron Burr, which is still operating prominently, today, from within the leading institutions of the U.S.A.

The included source of that specific kind of confusion, which is to be seen not only in Russia, but in European thought generally, has been, most notably, the long-standing failure by the socialist movements generally, as also by other observers, to recognize the relevant truth about Karl Marx's role as, implicitly, an intellectually confused pawn of the British Foreign Office of Jeremy Bentham's protégé; a Marx who, in his own time in London, was under the management of Bentham's heir and immediate successor, Lord Palmerston.<sup>5</sup>

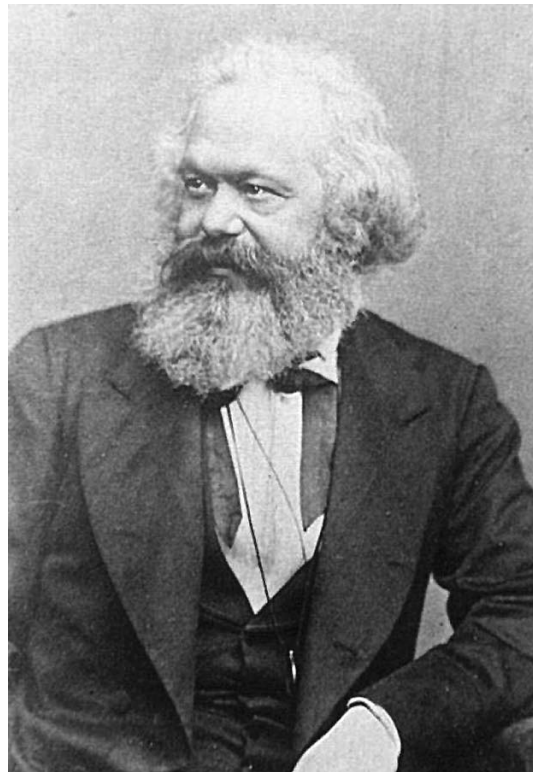
4. We must never be so silly as to suggest that Britain's Churchill and Bertrand Russell acted with moral "sincerity" in their argument for launching a "preventive nuclear attack" on the Soviet Union, as Russell presented his proposal publicly in September 1946. Russell's actual intent, as he confessed publicly later, was: "As for public life, when I first became politically conscious Gladstone and Disraeli still confronted each other amid Victorian solidities, the British Empire seemed eternal, a threat to British naval supremacy was unthinkable, the country was aristocratic, rich, and growing richer. . . . For an old man, with such a background, it is difficult to feel at home in a world of . . . American supremacy." Bertrand Russell, *The Impact of Science on Society*, 1953. Russell's intention, like Churchill's, was to outflank, and ultimately destroy the work of that U.S. Franklin Roosevelt Presidency seen by both as a threat to the British empire.

5. Marx once wrote a treatise in which he claimed to have exposed the man who was actually his master of that period of time, Lord Palmerston, as "a Russian spy." One might wonder, who, actually, put Marx up to that job!



The principal source of this confusion, has been the socialists', and others' stubborn refusal, whether as either avowed Marxists, or his customary, present-day and former opponents from leading political circles, to acknowledge Karl Marx's role as in a fully documented position as an agent-in-fact of Palmerston's own Young Europe organization of Palmerston agents Mazzini et al. This aspect of Marx's own (and relevant others') credulities has been largely responsible for the pathetic confusion, whether or not Marx himself was fully conscious of that arrangement. Such has been the state of confusion among both Marxists and anti-Marxists alike on this matter of the actual, persisting conflict between British and American political-economy and history. This has been the root of much Russian confusion (and that of many others, too) on this point, even at high-ranking levels, even in the present day.

Since "the Fall of the Wall," in 1989, which occurred during the term of U.S. President George H.W. Bush,<sup>6</sup> the insane, implicitly hyper-inflationary policies and practices which had already been imposed, as a trend, under U.S. Federal Reserve Chairman Alan Greenspan, have continued to prevail up to the present moment of writing, even under Greenspan's pathetically confused successor,



*The legacy of Karl Marx's role as an intellectually confused pawn of Britain's Lord Palmerston, can be found even today in the confusion among both Marxists and non-Marxists alike, on the matter of the conflict between British and American political economy and history.*

6. In February 1983, I had warned of a threatened economic collapse of the Soviet Union, as likely to occur "within about five years," should President Reagan propose, and the Soviet government reject cooperation of the type which I expected that President Reagan would proffer. Later in the Spring of that year, after the President had proffered the SDI and discussion of this had been summarily rejected, I repeated that forecast publicly. That remained a standing forecast, as repeatedly stated publicly by me, through my October 12, 1988 Berlin TV warning of an imminent chain-reaction collapse of the Comecon system, beginning in Poland, during early 1989. I had developed, and publicly circulated my first long-range forecast of this type in 1960-61, warning, that unless corrective measures were taken to deal with the trend established at the close of the 1950s, we must expect a series of monetary crises during the second half of the 1960s, with the threat of a breakdown of the then present monetary system about the end of the 1960s, or beginning of the 1970s, I have made several such forecasts, and have never erred in any among them. This success has been a matter of a method contrary to those intrinsically incompetent "race-track handicapping"-like methods used by the usual professional statistical forecasters. "Yes, or no?" forecasts of events by a specific date, are always products of intrinsically incompetent methods employed.

Ben Bernanke. Similarly, the Presidency of Russia's President Yeltsin continued to be under the influence of this London-steered, ruinous, Anglo-American line of Greenspan and his successors, through, and beyond the time of the LTCM/Russian Bond scandal of August-September 1998.

However, since then, even with those very significant, later improvements in direction of Russia's economic policy, under the Presidency of Vladimir Putin, the essential features of the conflict between Russia's vital national physical-economic interests and the ruinous influence of predatory British monetarism, has not been fully resolved, conceptually, in Russia, to the present day—or, by most among those from western and central Europe who prefer Britain's part to the constitutional tradition of the U.S.A., dupes who, when they are in leading positions, are usually pawns of British intelligence services.

After all, intelligent, well-informed U.S. nationals know that Britain's royally beknighted

former U.S. President George H.W. Bush is, like his father, that late Prescott Bush, who joined Britain's Montagu Norman in backing Adolf Hitler's cause, among those sympathizers of British imperialism, who, often, might as well be, then as now, tantamount to British agents in the practical implications of much of the practice of such sympathizers at sundry later times.

However, in the meantime, after the events of 1989, my insight into a needed new direction of Russian thinking in these matters, had been, already introduced by my wife and others among my own, and my associates' published work. These forecasts and related proposals were already introduced in part by relevant circles during the early through middle 1990s, post-Gorbachev, Yeltsin Russia. My own view was introduced by such notably influential intellectual figures as the brilliantly creative physicist Pobisk Kuznetsov, who was among the first prominent figures, then and there, to grasp certain leading implications of my teaching of the principles of physical economy, as opposed to any of the sundry, popularized forms of monetarism.

For example, by 1996, as illustrated by a meeting in which I participated as a member of the panel, in Moscow, there was a professionally and politically prestigious body

of Russia's economists which met with me there and in other locations, prepared to approach the U.S.A. for the kind of reforms which would have been feasible at that time. The support for such reform collapsed, largely as a result of the corrupt influence of then-Vice-President Al Gore within the context of the U.S. re-election campaign of President Clinton, all of which coincided with the course of Gore-backed Yeltsin's campaign for his own re-election as President.

However, even with the beneficial shift under the Presidency of Vladimir Putin, the lingering influence of British, radically free-trade variety of monetarist dogmas, although diminished as a visible factor in Russia's policy-shaping, has persisted as an opposing, crippling factor of influence, despite now former President Putin's effort to establish the policies needed for a sustainable attempt at rebuilding not only Russia's economy, but to accept the goal, in practice, of creating the urgently needed, new, Bretton Woods-like reform of the world credit-system.

Admittedly, under the conditions in the U.S. government at the moment this report is written, the hope for such a reform of U.S. practice might appear to be far-fetched. I am not so pessimistic as to share that view. Shocking developments are already under way; these are times when many kinds of seemingly impossible changes will become probable.

Such is real history and its national and international complexities of policy-shaping up to the present time. Russia's freeing itself from the perilous ambiguities of efforts to balance Russia's national physical-economic interests against the residual, but still dangerous influence of Russia's own menacing monetarists, is a problem which must be addressed, if Russia's government is to be enabled to play its own crucial, unique role as a crucially needed partner among the four powers, the U.S.A., Russia, China, and India: the set of powers which must provide the core around which the majority of the human race rallies to rescue our immediately imperilled planet as a whole today.

I limit my discussion in this present publication, to reflect the conditions of what I can see and know with the authority of virtual certainty, as the principled nature of the problematic features in the publicly stated domestic policies of Russia accordingly.

I emphasize the importance of my taking up this specific issue now, under what are, presently, the actual circumstances of an accelerating global general breakdown-crisis of the present international monetary-financial system. The relevance of this can be demonstrated to best effect, by limiting the proposals presented here to the matter of considering the special role which potential cooperation between the U.S.A. on the one side, and Russia, China, and India, on the other, must play, if an actual recovery of our planet could emerge out of the presently onrushing, global breakdown-crisis of the present world monetary system.

That action is urgent, as I emphasize in the following chapters of this report.

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## I. A Unique Chance for Recovery

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The present world monetary-financial system in its present form, is in an absolutely hopeless, terminal condition. Contrary to popular mythologies, without a new system, the present world situation will be a hopeless one for all concerned. Since developments of the early 1970s, from August 15, 1971 on, the present global, monetarist system has no longer been controlled by the U.S.A., but, increasingly, since the mid-1970s, by a petro-dollar-centered, Anglo-Dutch Liberal, floating-exchange-rate, financier-oligarchical system, a neo-Venetian-style system, whose control is presently, nominally centered, politically and financially, in London, Amsterdam, and Rotterdam.

As the case of British control of much of the current financing, and policy shaping of the pre-U.S. Presidential campaigns of the Democratic and Republican parties, illustrates the point, we must accept the fact, that all major policy-shaping by the U.S. government and major press policy today, is being currently shaped so far, predominantly, through the pivot and spigot of the petroleum "spot market" and its overlap with British intelligence's currently infamous military-intelligence operations' arm, known as BAE.

Take the particular case of London's top-down control of the U.S. Democratic Party's current Presidential campaign through such channels as the otherwise marginal figure of current Democratic Party Chairman Howard Dean's putative owner, London's George Soros. This case attests to the effects today of a subversive process of U.S. decline to London's intended imperial advantage, an advantage which may be traced largely to the August 1971 breakup of the Bretton Woods system, and the subsequent launching of the 1970s oil-price hoax.<sup>7</sup>

This British subversion was continued through the systemic destruction of the U.S. physical economy by the 1977-1981 program of the destruction of the U.S. physical economy through the David Rockefeller-backed Trilateral Commission; and, continued, more recently, through the chain-reaction ruin of the economies of continental Europe through the chain-reaction effects of the Thatcher government's thrusting the Maastricht Treaty down the throat of Germany and other nations of continental Europe. This bent is typified by the Rockefeller Foundation's proposal, for Benito Mussolini-style fascism for the U.S.A. today, in the Foundation's scheme featuring such figures New York Mayor Michael Bloomberg and California Governor Arnold Schwarzenegger. This is also

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7. The control of the Democratic Party's National Committee, and of the Presidential nomination campaign of Senator Barack Obama by funds channeled largely by London's George Soros, is typical of London's large degree of control over all such campaigns, and of a large part of the U.S. financial system otherwise. This change actually began with the assassination of President John F. Kennedy, and the Autumn 1967 British Sterling crisis followed by its echoes in the changes introduced under U.S. President Lyndon Johnson, on March 1, 1968.

a scheme echoing those practices of the medieval Fourteenth-Century “New Dark Age” which halved the number of existing parishes in Europe, and reduced the population of Europe, rapidly, by about one-third.

Now, the design of the contested Lisbon Treaty, although rejected by a popular majority’s vote in Ireland, still threatens us all with both the threat of the early, fascist-like extinction of virtually all sovereign government by any nation of western and central continental Europe, and by the use of a London-controlled residue of that Treaty, as a military force aimed for the subjugation of all Asia and Russia, too. This brings the world to the verge of the reign of an Anglo-Dutch Liberal financier-oligarchical tyranny over the world, a tyranny which, if established, would be an echo, indeed, of Europe’s Fourteenth-Century plunge into a new dark age. Such a descent into a dark age which would be accompanied by a spread and escalation of the pattern of warfare, including emphasis on “shock and awe” raining from the stratosphere, a scheme into which Britain’s Tony Blair et al. levered the U.S. under President George W. “Patsy” Bush, that on the pretext of “9-11.”

This new quality of present threat to all civilization arises now, when the outstanding financial claims of what is, presently, a London-directed world imperial system, have reached a point of decadence beyond all calculation, that by its intrinsic nature, that far beyond any amounts of explicit financial claims involved.

This present monetary-financial system is so structured, that its menacing state of presently accelerating hyper-inflation, with its increasing rates and amounts of financial collapse, could be terminated in only one of two probable outcomes: either by, 1.), a complete, hyper-inflationary breakdown of the present system, or, 2.), by the intervention of a powerful combination among governments, to put the system into receivership for a fundamental redesign as echoing a Bretton Woods system of the type which President Franklin Roosevelt (but not that of Britain’s John Maynard Keynes) had actually intended at the Bretton Woods conference of 1944.

The consequences of a general breakdown are such that no truly sane and intelligent government could refuse to consider the action which I am proposing. However, not all those governments are truly sane, or even intelligent, in respect to these economic matters, and few presently incumbent governments are truly competent in today’s real state of world affairs, respecting what are now, most immediately, crucially essential matters of economic policies of practice.

Parenthetically, imagine for a moment, that the world would not continue its present plunge into an early breakdown of its financial systems, a collapse which would now occur, were there no reorganization of the world’s credit system of the kind which I prescribe: what is currently proposed would echo, if in a manner reflecting the change in capabilities of modern weaponry, the Fourteenth-Century imperial tyranny of a Venetian financier oligarchy. Such an echo of that Fourteenth-Century horror, would be launched through newly



EIRNS/Brian McAndrews

*Despite the unequivocal “No!” by the Irish people to the fascist-like Lisbon Treaty, Europe is still threatened by the attempt to impose a London-directed supranational dictatorship, as the world plunges into economic and social chaos. Here, LaRouche PAC organizers celebrate the Irish victory, in Philadelphia, Pa., June 2008.*

reigning mechanisms, of city-based banking like that proposed by the U.S. Rockefeller Foundation behind the Mussolini-style schemes of New York’s Mayor Bloomberg, a scheme echoing the monstrous, medieval folly of the Venice-created, Fourteenth-Century, Lombard banking-system.

That will not occur. The crash is in process. Only a general outbreak of what would become planet-wide, even nuclear warfare, would produce a different “scenario” than our intention is focussed upon in the mainstream of this present report.

The urgently needed re-design of the world’s monetary system, includes the requirement of what would turn out to have been, simply, cancelling what is presently the greatest, intrinsically speculative, unproductive portion of the present, nominally outstanding, financial debt (as typified by the case of so-called “hedge funds,” or, in Germany, “locusts”), and replacing the present world monetary system with a new one, one modeled upon President Franklin Roosevelt’s 1944 design for the Bretton Woods system (not the crucially flawed,



Keynesian substitute for Roosevelt's system). Such a new system requires concerted, cooperative action by nations which, in efforts combined for common action, represent the most vital interests of not only a majority of the human population today, but the future of virtually all of humanity for generations yet to come.<sup>8</sup>

As indicated at the outset of this report, such a timely, needed reform would be impossible without the initiative of cooperation among four, selected, keystone nations: the U.S.A., Russia, China, and India. An appropriate initiative by those four, would assuredly draw many other nations into membership in the same cooperating body for the needed, concerted, immediate action, and for agreements on long-term reform of the international credit-system. Such cooperation would represent sufficient, forceful political and related power, to bring about the presently, urgently needed reforms for economic recovery of the world system.

For the purpose of bringing about that urgently needed reform, we must recognize that the U.S.A. represents an economy of European culture, Russia one of Eurasian cultural history, and China and India, chiefly Asian cultures of, respectively, significantly different cultural characteristics. A similar challenge is presented by the sovereign characteristics of other prospective partners. This must be a system of agreements among nation-states, echoing the 1648 Peace of Westphalia, not the imperialist scheme of Anglo-Dutch-Liberal-dominated "free trade" and "globalization," which latter has been intended by such plotters as the government of either Prime Minister Margaret Thatcher's authorship of the Maastricht atrocity, or those of Prime Minister Tony Blair's government.

Contrary to such silly utopians as the current dupes of "globalist" and related "Malthusian" propaganda, these cultures must not be put under the law of a single supranational government. The nations can be, and must be united in purpose and common endeavor among sovereigns, but it must be among sovereigns. That must be done through adoption of certain common aims of mankind; but, the perfect sovereignty of the sovereign nation-state in its law and cultural characteristics, is the most essential among those common aims. Without that factor of sovereignty, the remainder of the effort would ultimately fail to reach any acceptable quality of common economic goals.

No new Tower of Babel wanted, *please! Nor a new, presumably Fabian league of Cities of the Plain.*

Efficient institutions of defense remain needed, as a pre-

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8. What President Franklin Roosevelt had intended, during the 1944 Bretton Woods conference, was to have been a nested set of treaty agreements with the U.S. constitutional credit-system. What was changed, by President Truman's agreement with the Winston Churchill he admired so much, was an agreement among monetary systems of a type adapted to a Keynes proposal which President Roosevelt had rejected at Bretton Woods. The special importance of the U.S.A.'s reaching an agreement with Russia, China, and India, as keystone partners now, is to create a "New Bretton Woods" agreement on the Franklin Roosevelt, 1944, not the Truman model.

caution, but, contrary to Prime Minister Blair's government's role in the launching of the presently continuing warfare in Southwest Asia (and other places), not preemption, and never the infantile folly of high-flying "shock and awe." Proper defense in the true sense of the terms, including strategic defense, remains necessary for as far forward as we might foresee in practical terms today. But, with the quality of weaponry, and its warfare already existing, and advancing still today, we must emphasize again that the practice of preventive warfare, or, of conducting, or planning long wars like that which a lying Prime Minister Tony Blair promoted in Southwest Asia, contrary the warnings of Dr. David Kelley, is criminal, and should be treated as such.

Under such an urgently needed reform, the military policy of today's world must be a predicate of the principle of the 1648 Peace of Westphalia. Those of contrary persuasion occupying positions of great power, are to be considered criminals by virtue of the inherent effect of their intention. The worst such are those who associate such military policies with the imitation of a "Tower of Babel" called "Globalization," or the reduction of the human population by half or more, as such genocide vastly beyond the ambitions of Hitler, as proposed, still now, by Britain's Prince Philip and his batty World Wildlife Fund, and are to be treated as lunatics, or criminals.

## The American System Itself

The specific and indispensable role of the U.S.A.'s acceptance of such a reform as that which I affirm here, is not merely a matter of choosing the precedent set by President Franklin Roosevelt. The crucial fact of the matter is, the fact that the United Kingdom, and most of the principal nations of western and central continental Europe, are either parliamentary, or quasi-parliamentary systems based upon, and inherently subject to Liberal monetary systems. It is, as I have indicated above, the specific, distinctive, constitutional characteristic of the U.S. constitutional ("Hamiltonian") definition of a sovereign currency-credit system, rather than a Western European-style monetary system, which is crucial for the success of the now urgently needed, prosperous, physical-economic recovery of the planet as a whole.

Therefore, in short, the objective must be to have the four proposed initiators (the U.S.A., Russia, China, and India) form the core of the larger set of nations which undertakes the initiating obligations for a treaty-agreement pivoted on the conception of a credit-system, instead of a monetary system. This shall be a treaty agreement, echoing the principle of the 1648 Peace of Westphalia, among a set of nations of differing internal cultural and other characteristics. This will serve, thus, as the initiating of the new, multi-cultural international credit-system, during the time the world's present monetary-financial system is being reorganized in bankruptcy.

The fact that the U.S. Constitutional system was created as a credit-system, rather than a monetary system, is a matter of crucial importance for any nation which wishes a feasible



solution to the catastrophe now already descending upon it. The needed new system of world credit, required to stabilize prices, could be readily established, according to U.S. Constitutional law, by the device of a U.S. return to its Constitutional principle respecting the nature of its uttered currency and credit.



Library of Congress

Following the intention of the great Cardinal Nicholas of Cusa (right), and of the 1439 ecumenical Council of Florence, to outflank the domination of Europe by the Venetian oligarchy, Columbus (left) was inspired to cross the Atlantic to found a new world, free of such evil influences. The painting (ca. 1460) by Benozzo Gozzoli, depicting the procession of the Three Magi to Jerusalem (in the persons of the Medici), was understood at the time as portraying the arrival of participants to the Council of Florence.



The *Constitutional U.S. system* is a credit-system, not a monetary system. Credit, and the uttering of currency based upon the lawful credit of nation-states, is the only possible, systematic form of escape from the current effects of the 1970s superseding of the Franklin Roosevelt-designed U.S. fixed-exchange-rate system, and going to that Anglo-Dutch Liberal floating-exchange-rate system which has brought about the world's presently on-rushing storm of a general, intrinsically hyper-inflationary break-down crisis.

There are two relevant, exemplary ways in which Constitutional money and related Federal credit can be generated by the U.S.A. The first, by consent of Congress (e.g., the House of Representatives) to authorize the U.S. Presidency (e.g., the Secretary of the Treasury) to utter credit which can be legally monetized. The second way, is through the Congressional affirmation of draft treaties of the U.S. government. A set of leading nations which would enter into relevant treaty-agreements with the U.S. government, would *therefore* constitute the form of the needed fundamental change needed to bring the world rapidly out of the presently onrushing, global breakdown-crisis. The establishing of a network of such treaty-agreements with the U.S., would challenge, and eliminate the present, hyperinflationary, floating-exchange-rate system. A group of nations including the U.S.A., Russia, China, and India, would enable other nations to join as full partners of the new system. That would be sufficient to establish a functioning form of new Bretton Woods monetary system, not in the likeness of the monetarist scheme associated, through policies of the U.S. Truman Administration, with Keynes, but the original 1944 intention of President Franklin Roosevelt.

This would have the moral force of being in service of the Creator's law, and echoes the great 1648 Peace of Westphalia,



at a time when the existing, monetarist practice and the promotion of an echo of the Tower of Babel called "Globalization," serves no one as much as the cause of Old Satan.

This poses a series of crucial issues. On that account, we must consider some very relevant history.

### The Root of the U.S. Republic

In order to understand anything crucial about modern European history, it is essential that we emphasize, that what became our United States was a product of the direct impact of the stated policy of Cardinal Nicholas of Cusa upon the celebrated Genoese sea-captain in the Portuguese service, Christopher Columbus. Columbus had, since about A.D. 1480, adopted Cusa's mission of reaching across the oceans, as part of a strategy for rescuing European civilization through reaching across the seas to other parts of the planet. Columbus, who committed himself to this mission, approximately A.D. 1480, later, in A.D. 1492, gained the means needed to

put that intention, implicit in Cusa's argument, into effect through the support of Spain's Queen Isabella.

On this account, it is to be emphasized, that this same Cardinal Nicholas of Cusa who had prescribed the modern sovereign nation-state system,<sup>9</sup> and also modern science-driven economy,<sup>10</sup> had also set forth the policy of reaching across oceans to outflank the new peril created by the Venetian oligarchy, a policy introduced by Cusa, which inspired sea-captain Christopher Columbus to cross the Atlantic with preceding scientific certainty of the available success of such an enterprise, as aided by scientific knowledge which Columbus had gained by aid of such Cusa associates as Toscanelli.

It is also to be emphasized, that the purpose, and in net effect, the distinction of the process of colonization which led to the creation of the U.S. republic, was to carry the best of European culture to a place which was a useful distance from the chronic, pro-oligarchical, cultural corruption of "Old Europe," and, thus, to hope, as Cusa had specified, to help bring about the redemption of a corrupted Europe to purposes such as the intentions of the great ecumenical Council of Florence.

Since the time of Columbus' voyages, the leading purpose of the volunteers for trans-Atlantic colonization, was that of taking the best of European culture to a relatively secure distance from the oligarchical forms of corruption which had polluted what were otherwise the best contributions of European culture's science and Classical artistic achievements. All that is good in the U.S.A. since, is chiefly an echo of that sense of a special mission for the settling of what became our United States.

The development of the most successful among the sovereign nation-state republics of the Americas, the United States, has been the leading approximation of Cusa's intention for such a mission. It is this view of the roots of the creation of the U.S. republic, which leads to competent conclusions about the unique accomplishments of the U.S. Constitution; but, it is also the continued reach of the European oligarchy, especially that of the Anglo-Dutch Liberal financier-imperialist interest, which has been the chief cause of every contemptible feature of U.S. history since the rise of the British East India Company's founding of what became the first expression of the imperialism which has been represented by the Anglo-Dutch Liberalism established by Venice's Paolo Sarpi, through to the present day.<sup>11</sup>

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9. *Concordancia Catholica* (1433).

10. *De Docta Ignorantia* (1440).

11. The most common folly of most laymen and even professionals today, is the mechanistic presumption that history is the outcome of percussive-like, Cartesian-like, contemporary transactions among individuals. It is the nature of mankind, as distinct from the beasts, that mankind changes its culture, and transmits the impact of those changes down the line of history into relevant future generations. There are few developments in modern European history which do not reflect the powerfully corrupting influence of the "New Vene-

The crucial fact in this present world crisis is, that the resulting, specific characteristics of the existing U.S. Federal Constitution, provide for a state-controlled system of credit, rather than an inherently usurious, Liberal form of monetary system. This feature of our Constitutional law, makes the U.S.A. the indispensable keystone for the creation of a system of treaty-agreements among sovereigns united for practice by a treaty with a U.S. whose Constitution and past experience, is as under President Franklin Roosevelt. That feature of the U.S. Constitution is uniquely suited, rather than merely expedient, for the work of quickly recreating the needed new, fixed-exchange-rate, international system of credit, which is required for the organization of a global and durable recovery and progress among the physical economies of nations generally.

Here, in these just-stated historical considerations, lies the demonstrably principled authority underlying the intention of both the U.S. 1776 Declaration of Independence and the authority of natural law expressed by the Preamble of the U.S. Federal Constitution,

### Founding a New Credit-System

Here so far, I have repeated my emphasis on the distinction between the constitutional credit system of the U.S.A. and the dominant role of monetarist systems in modern Europe thus far. At this point, I carry the discussion of that subject a step further.

As I have already emphasized, earlier here, there are two ways, under U.S. law, for regulating currencies and related international economic treaties.

One, which I have described above, is action of the U.S. Treasury Department's uttering of currency/public credit, by authority of the consent of the U.S. Congress.

The other route, as I have also specified above, is through the consent of the U.S. Congress, to relevant international treaty agreements on international uttering of credit.

Thus, the agreement among a group of responsible nations to a nested set of treaties on credit, tariffs, and trade which involve the U.S.A. as a systemic partner with each and all, is sufficient to create something efficiently tantamount to a "New Bretton Woods." This is the most crucial of the ac-

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tian" policy and program of the Paolo Sarpi who deliberately created a new center of European imperial power in the northern Atlantic and Baltic regions of rising maritime power, as the way was cleared for this by the disastrous end of the venture of the Spanish Armada. The very idea of Liberalism is a personal creation of Sarpi, who based this policy on the writings of the medieval irrationalist William of Ockham. The way Europeans infected with Liberalism (e.g., empiricism, positivism, etc.) think and act today, especially in the highest ranks of power, is the work of the hand of Sarpi controlling their minds from the inside still today. All really important thinking today, attacks Liberalism at its actual historical root in the work of Paolo Sarpi.

tions expressed as the indispensable role of the U.S.A.'s constitutional system in bringing about an escape from the present brink of a global new dark age.

It must also be recalled that I have emphasized above, that especially under present world conditions, there remains a fundamental difference between the Bretton Woods system prescribed by authority of President Franklin Roosevelt, and the seemingly similar language of the policies of a fixed-exchange-rate system under President Harry S Truman.

President Roosevelt's intention was the use of the physical economic power, for promotion and expansion of that great mass of productive potential which had been assembled for war, for the post-war freeing of the captive peoples of the British and other empires to become truly developing and sovereign nation-states. Roosevelt's foreign economic policy was thus directly opposite to that of both the British Empire and that of President Truman.

The deeply regrettable change, was away from the credit system of Roosevelt's Bretton Woods, to President Truman's support for a virtually Keynesian monetary system. This change, reflected Truman's alliance with Winston Churchill's determination to save the British Empire's colonial and quasi-colonial privileges, privileges which, despite some alteration in forms, persist, essentially, in substantive effect, as intentionally mass-murderously pro-genocidal policies, against most of Africa, for example, especially since such U.S. policy doctrines of the mid-1970s, to the present day. It was U.S. President Truman's adoption of British doctrines directly antagonistic to the constitutional intentions of the U.S.A. which can be regarded, soundly, as the opening for all of the new great catastrophes which have afflicted civilization globally since 1945-46.

The return to the affirmation of our historical mission as a nation, as a renewal of the natural intention of law on which our republic was founded, and as this return was the intention of President Franklin Roosevelt, thus, has, for today, the most extraordinary quality of historical importance at this juncture. Truman rode the train in his 1948 campaign for the Presidency, but pulled up the tracks; we must bring back the railroads and restore the tracks, not just inside the Americas, but world-wide.

The most notable illustration of the need for immediate action to this effect, is that the presently accelerating, implicitly hyper-inflationary rate of monetary inflation, is carrying the world as a whole to such a state of chaotic extremity, that reorganization of existing monetary systems as such, would no longer be feasible. In other words, the action which is now urgent, is the chance that we might avoid the already onrushing risk of a chaotic form of a general breakdown-crisis of all of this planet's present monetary systems. Orderly recovery as I am insisting must be done now, as distinct from reconstructing out of chaos, requires that something simply negotiable remains in the existence of a temporarily shrunken, but essential monetary pot of still-viable credit and currency. In

this process, we must transform the world's present monetary systems into credit systems. For that, now, time is rapidly running out.

This proposal for action is not to be seen as a utopian's pipe-dream; the world's vital interests now depend upon it, and for now, not some distant point ahead. Its effectiveness depends for its practical success on the included recognition and influence of certain universal physical principles which are virtually unknown to the customary practice and teaching of economics among the governments and economists of today. These are principles which are consistent with what President Franklin Roosevelt did, and are most conveniently approximated from existing records, as the design of the American System of political-economy associated with the United States' first Secretary of the Treasury, Alexander Hamilton, and also with the virtually miraculous application of those principles of the American System under the leadership of President Franklin Roosevelt.

For example, to be extremely practical strategically, if a suitable, viable choice of U.S. Presidential nominee were to come clearly in sight by approximately the beginning of September 2008,<sup>12</sup> when the relevant pre-election nominations had, presumably been settled, the required prefatory arrangements for the needed form of cooperation among the U.S.A., Russia, China, India, et al., could be put into motion immediately. In that respect, "sooner" could not be "worse." The choice of the next leading U.S. Presidential candidate must be delimited by this strategically crucial consideration; either find and commit ourselves to election of a candidate of those characteristics, or accept the doom of our republic and its people which failure to make such a selection would now virtually assure.

In the meantime during the Summer months, the U.S.A. in particular, and the world in general, will already be, assuredly, plunging ever more deeply into a worsening state of ruin, a state of ruin which will be far beyond anything imagined by most leading circles of the world as recently as the close of this past May. The sooner the subjective factor of a *promise of a new credit-system's being organized*, the sooner the present dive into a pool of chaos can be prevented psychologically, and, therefore, the better the chances of avoiding a collapse of even the world at large, a collapse into most extremely calamitous chaos of the planet as a whole.<sup>13</sup> Considering the

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12. Although there is no current evidence that assures us, yet, that one such is about to be chosen. However, we are, indeed, in a time of great, and sudden changes, of one sort or another.

13. As history shows, the possibility of a virtual mass-suicide by the will of the dominant classes, as classes, of an entire nation, or even its reigning elites, is not an impossible event under conditions of extreme crisis. The continuation of the war by the Adolf Hitler regime after the successful allied breakthrough in Normandy, is but one example of this. A large portion of the financier-centered castes of the United Kingdom and the U.S.A. has a clear potential for the "shock and awe" against oneself as the people of a nation, which the Hitler regime was enabled to accomplish temporarily, as it did,



nature of the onrushing global and other crises of today, we must remind ourselves that qualified leaders of nations must never, as the proponents of the Lisbon Treaty have done, subject a nation to a sense of hopelessness about its own continued existence, especially a very large, and, therefore, very dangerous nation, or its elites, gone mad.

## The U.S. Presidency

Consider the uniqueness of what President Franklin Roosevelt accomplished, in breaking the U.S.A. away from London's, Wall Street-pivoted, political control over that control of the U.S. Federal government which had persisted since the assassination of President William McKinley. What Franklin Roosevelt's election accomplished, was a seeming miracle at that time, but it was no accident.

The birth of what became the American System of political-economy, had begun within the pre-1688 Massachusetts Bay Colony under the leadership of, most notably, the families of the Winthrops and Mathers. It was this "model," typified by the pre-1688 development of the Saugus Iron Works, which was the kernel of inspiration of the young genius Benjamin Franklin himself, his personal development which he contributed to his crucial, personal role in the launching of the so-called "industrial revolution" in England, not the other way around.

Similarly, every regrettable feature of U.S. history has been a reflection of the over-reaching hand of European oligarchism, chiefly that of the Anglo-Dutch Liberal forces of financier oligarchy. The number of U.S. political figures who have accepted honors of British nobility from an imperialist foe of our system, only typifies the hand of corruption reaching into the U.S. political system still today.<sup>14</sup>

So, the intention expressed by the word and practice of President Franklin Roosevelt, as by such as the brave, wise, and good President Abraham Lincoln before his time,<sup>15</sup> is the fact to which relevant leaders in Russia, China, and India, and other nations, should turn their attention in the matter treated

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through the threat of "unconditional surrender" in the concluding months of that war. So, the fraudulent Versailles charge of "sole war guilt" enabled the British and French governments to create the potential and the threat of the Hitler regime in Germany, and so the "Versailles-like" criminality of the provisions imposed upon Germany under the Maastricht Treaty, imposed with the consent of the U.S. President George H.W. Bush whose father, Prescott, had acted, financially, to bring Hitler into power in Germany.

14. Relations with a United Kingdom as a republic, would be a different matter than the stench created by the active role of former U.S. Vice-President Al Gore, that of a shameless lackey of the imperial British Royal Household, especially that of a Prince Philip whose avowed intention is to bring about a reduction of the world population to less than one-third the present number of persons, a direction of both intention and deeds done, as shared by Al Gore.

15. Compare the dates of the births of President Franklin Roosevelt and General Douglas MacArthur with the cultural impact upon them of the experience of their parents' and grandparents' generations, especially the effect of the Civil War.

in this present report of mine. The point to be stressed, is not that President Roosevelt did extraordinarily good deeds in his time in office; but that what he did to this effect was nothing different than the intention expressed, in opposition to European oligarchism, in the creation of the U.S. republic.

Particular U.S. Presidents, such as the present incumbent, may have been disgusting, as we have been reminded all too often; but, the intention of the U.S. Constitution itself is a different matter. Admittedly, this leads to certain principled questions, questions which carry our discussion into the heart of the matter of the specific subject of this present report: What is principle, that we might place our faith in its efficacy? What is the principle of such relevant quality in the U.S. Federal Constitution? What, actually, is "economic value"?

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## II. What Is Economic Value?

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In any serious discussion of the history behind the economic policy in Russia today, one must deal with topics expressed in a "special language" which, once spread from Europe into North American settlements, has been customarily used for discussion of the related subject-matters of economic experience and its effects on economic policy-shaping.

This is a "language" which has come to be called "economics," which was originally codified in its present form, by the British Empire, during the course of both the post-1763 decades of the Eighteenth Century and much of the first half of the Nineteenth Century. It is also the language employed by such disciples of the British East India Company's Haileybury School as London-trained Karl Marx. In that respect, the practice of most of what was taught as economics in Britain, as that has been echoed in today's U.S.A., and in the former Soviet Union, was, principally, both an outgrowth of, and, as the case of Marx typifies this, sometimes a reaction against the British East India Company's late-Eighteenth and Nineteenth centuries' Haileybury School.

Even people such as Alexander Hamilton warned, on this account, of the need to take into consideration the language of economy employed by the Anglo-Dutch establishment.<sup>16</sup>

The only significant exception to that program of teaching

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16. The history of the development of the systemically usurious, British school of political-economy is essentially Venetian, starting with the role of Francesco Zorzi (*De Harmonia Mundi*, 1525) in the marriage affairs of England's Henry VIII, through the takeover of the control over the English monarchy of James I by the Venice faction of Paolo Sarpi and such Sarpi agents as Galileo Galilei, as by the school of Rene Descartes and the Paris-based Abbé Antonio Conti. Most notable for the British school of the 1790s and beyond, is the case of Giammaria Ortes, whose 1790 work was plagiarized by the Haileybury School's Thomas Malthus, and who was the actual founder of the modern Malthusianism of such figures as England's Prince Philip and his virtual lackey and former U.S. Vice-President Al Gore. Ortes had a significant influence on Karl Marx's own work in economics, despite Marx's attacks on Malthus otherwise.



under the rubric of “economics,” in the known history of mankind, has been what is called “The American System of political-economy,” as that system is commonly identified with what was uttered by the first Treasury Secretary of the United States, the Alexander Hamilton who was murdered, for related reasons, by the British agent, one-time Vice-President of the U.S.A., and practiced duelist, Aaron Burr.<sup>17</sup>

Such arguments as those put forward in the interest of British imperialism, arguments made in the much-soiled name of economics in our relevant university departments, and other places, today, are based, unfortunately, upon monetarist assumptions, derived from the methods of usury developed by modern Venice on the foundations of medieval banking practices of the mid-Fourteenth Century.

The habits associated with those assumptions and practice, “hedge-fund-like” stealing aside, *have no functional correspondence to any useful, physical-economic function.* However, because of the broad influence of the use of the special language of “economics” used as a rationale for the widespread practices and influence of the British empire, they have supplied many otherwise mutually differing bodies of opinion about economy, with what became a common special language of accounting for discussion among representatives of various proposed theories respecting human economic footprints. The consequent discussion proceeded without discovering the physical principle expressed by the actually walking man. Ordinary economists’ practice tells one of certain measurements and certain reportable conditions and events, but tells one virtually nothing of intrinsically physical-scientific interest about *why* an economy behaves as it does over the medium to short-term intervals, and, with some historical lim-



*The U.S.A.’s first Treasury Secretary, Alexander Hamilton, was murdered by the British agent Aaron Burr, for his role in creating the “American System of political-economy.”*

itations, also long-term ones.

Consequently, as a result of the coopting of Karl Marx by the British Foreign Office, so-called Marxist economics is not only a variety of *British Liberal* economics, as Marx himself often emphasized in describing the fraudulent British utterances of Adam Smith et al. as “the only scientific” economic teaching. This development of that British hoax, in the form this experience impacted the further development of Marx’s own political, and general cultural world-outlook, is a teaching which was based, explicitly, on the productions of the British East India Company’s Haileybury School.<sup>18</sup>

Although Karl Marx was pulled back by Frederick Engels, in both of these instances, from both what Engels apparently suspected might be Marx’s attraction to the influence of the American System economists Friedrich List and, later, Henry C. Carey, Marx caved in to Engels’ insistence on a posture of

either simply contempt, or hatred toward the American System of political-economy. This is illustrated by study of the case of Engels’s frankly silly, so-called *Anti-Dühring* tract against both Henry C. Carey and Chancellor Bismarck’s reforms.<sup>19</sup>

17. See Anton Chaitkin, *Treason in America: From Aaron Burr to Averell Harriman* (New York: New Benjamin Franklin House, 1985), for extensive coverage of the role of Burr. It must be added, that Burr was under the direction of the head of the secret committee of the British Foreign Office, Jeremy Bentham, an utterly depraved creature, as so described by his own published writings; the Bentham who ran key elements of the French Revolution, was also the controller of the Bolivar movement, which was later exposed as a Bentham-directed operation, by Bolivar himself. He was the author of what became known under his personally trained, Foreign Office successor, Lord Palmerston, as the Young Europe organization of Mazzini, and the Young America organization deployed to organize what became the pro-slavery cult known as the London-directed Confederate States of America. Accomplices of Burr included the Andrew Jackson associated both with a treasonous Burr conspiracy and Jackson’s position, as an agent of New York banker, author of the Land Panic of 1837 and U.S. President, Martin van Buren.

18. Marx’s recruitment involved his assignment to the British Museum under Foreign Office specialist David Urquhart, whose intelligence functions there included his executive role in supervising correspondence among the agents of Palmerston’s agent Mazzini. The same foolish Karl Marx who wrote a book “exposing” Lord Palmerston as an alleged “Russian spy,” nonetheless knew that he, himself, was an agent of the same Mazzini who would, later, promote Marx, publicly, to head what Mazzini had founded as “The First International.” During the period following Palmerston’s downfall at the hand of U.S. President Abraham Lincoln, Marx was essentially dumped by the Foreign Office’s promotion of anarchism, anarcho-syndicalism, and the French disease known as synarchism (also later known as fascism), and died in relative obscurity as a neglected figure from former times. Marx was later resurrected, in a manner of speaking, by his former associate, Frederick Engels. Engels was to play a significant role on behalf of the Fabian Society, in such projects as the recruitment of the Alexander Helphand, a.k.a. “Parvus.” This was the Helphand who served as a life-long agent of the Fabian Society in sundry arms-trafficking and other crafts suited to the promotion of what sometime British arms-trafficker and peddler of revolutions, Helphand, would promote as a doctrine of “permanent warfare, permanent revolution:” the fundamental strategic policy of the British Empire’s Fabian Society crew of former Prime Minister Tony Blair’s time, still today.

19. During the last years of his life, Carey steered two most notable foreign projects, one in support of the Meiji Restoration’s American System-style economic reforms in Japan, and the other in assisting Chancellor Bismarck in crafting American System-style reforms for Germany. Eugen Dühring was a key intellectual figure among those assembled for the promotion of those Bismarck reforms. In that case, as in Engels’ affinity to the conceptions associated with the Thomas Huxley who virtually created H.G. Wells in a labo-

A comparison of sources in British economics, including those which impacted both Marx, directly, and also most of the certifiable Marxist varieties, shows that a common special language is in use for composing descriptions, not only within each variety of brand-label, but among adversarial views of the sort illustrated by both so-called capitalist and Marxian-socialist advocates. This was continued, with some notable exceptions, into approximately the close of World War II, and beyond.<sup>20</sup>

A full break with the early Nineteenth-Century formalities of that special language of economic argument, began with the establishment of the radical-positivist mathematics cults, rooted, inclusively, on the “Malthusian” principle of the Giammaria Ortes admired by Karl Marx. The present-day mathematics cult, was built up, especially since the rise of so-called “systems analysis” during and following the Second World War, around the kernel taken from Bertrand Russell’s *Principia Mathematica* and typified by the work of such Russell devotees as Professor Norbert Wiener and John von Neumann.<sup>21</sup>

Therefore, when our attention is focussed on the formalities of Russian economics thinking today, we must proceed with the awareness that we are dealing with the combined effect of the same tradition of the Haileybury School’s economic categories employed by Marx and, as this has provided the context within which the decadent faction of Bertrand Russell followers have introduced their von Neumann-style, radical departure from any literate notion of economy. We witness that intrinsically chaotic departure reflected among those Soviet, or ex-Marxist economists found among the dev-

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ratory project, Engels’ polemics were, essentially, scientifically silly, late-empiricist stuff. During the same period, the great Russian scientist D.I. Mendeleev was inspired by the Philadelphia Centennial celebration to persuade the Czar to unleash the great new scientific-industrial revolution in Russia of that time.

20. The fact that some economists sometimes produce brilliant insights into physical-economic developments, does not contradict my warnings against generally accepted forms of taught academic and comparable doctrines. The power of insight of creative powers of the individual mind, sometimes leads professional economists to insights which their acceptance of some generally accepted economics doctrines would have never generated. One might wish to say, sometimes: “Yes, he is a brilliant economist, but that is only because he violates the accepted rules for which he gained his status as a trained professional.” The case of the late Pobisk Kuznetsov is an appropriate illustration of this point. As an accomplished physicist, he recognized a principle of physical economy, which violated the errant principle of thermodynamics which he defended against the very discovery for which he praised me in economics.

21. The change in conception of economics can be compared usefully with the shift from the positivist view of mechanics, that of Ernst Mach, to Russell’s categorical shift, during the same decade, from mechanics, to the standpoint of *Principia Mathematica*. It is worth while to take into consideration the brutish attacks on the work of Max Planck, by the Berlin and Vienna followers of Ernst Mach, during the period of World War I, and the shift to the more radical attack, led by the followers of Bertrand Russell, during the Solvay Conferences of the 1920s.

otees of the cult of Cambridge Systems Analysis, as met in Laxenberg, Austria.

So, when discussion turns to post-Soviet Russia today, these diverging traditions, their affinities, their incongruities, and their mutual hostilities, must all be taken into account.

## Geometry & Economics

That much said as a matter of defining the context of the subject to be clarified in this chapter. The pivotal point to be considered next, is that there is no scientifically valid, principled notion of a conception of “value” in the economics of either Marx or the Haileybury School.<sup>22</sup>

I mean this in the same sense that there is no true notion of intrinsic physical value in the Sophistry of Aristotle or his follower Euclid, or that of their follower, the hoaxster Claudius Ptolemy. A post-Soviet “ideological” debate on economic matters among these varieties, assumes more the form of a debate among advocates of brand-labels, or parodies on the board-game called “Monopoly,” than concern for the substance to which those labels have been sometimes attached by most among today’s sundry varieties of economists. Without a credible and powerful adversary to check their power, the London-led international monetarist interest, as echoed by the followers of former U.S. Federal Reserve Chairman Alan Greenspan, had gone utterly, recklessly mad.

For an example of this type of problem in earlier European history: Aristotle follower Euclid’s *Elements* is premised upon a set of *a-priori* assumptions, assumptions which are demonstrated, in fact, to have no actual physical-scientific basis.<sup>23</sup> Virtually all of the useful geometry prior to the time of Euclid, had been chiefly derived from astronomy, as this is typified by the case of the *Sphaerics* of the Pythagoreans and Plato. For example: the most crucially systemic demonstration of the difference between the method of science and the method of a-prioristic description, is the celebrated physical construction of the doubling of the cube, as a matter of an actually physical principle of action, by the strategist Archytas, the celebrated Pythagorean of Tarentum, Italy.

In today’s world, for example, it is commonplace that students, as in secondary schools and universities, or even as full professors in later life, treat matters of scientific principle as they compose their impromptu opinions concerning works of art. They detach issues of scientific principle from customs of conventional opinions about subject-matters in which they

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22. That distinction is expressed as a principled extension of the actuality that there is no actually physical principle to be found in Euclidean geometry, or the practice of financial accounting.

23. For example, as I have reported this in earlier locations, my own rejection of Euclidean geometry first occurred on the occasion of my first encounter of this in my secondary school education, when I rejected Euclid on the basis of my observation of the relationship of the physical geometry which optimizes the physical-geometric, dynamic objective of minimum weight and maximal strength of support, which I had previously recognized in my observations made at the Charlestown Navy Yard.



*It was Kepler, and not the fraudster Newton, who made the uniquely original discovery of a universal physical principle of gravitation.*

have no systematic involvement emotionally. For them, like Sophists generally, what they wish to be caught believing, praising, or deprecating, is the extent of their emotional engagement in the subject on which they express their “hand-waving” opinions. Like all Sophists, for them, truth is not the issue; being “accepted” by whatever circles by whom one wishes to be accepted, is everything. “MySpace mass-psychosis” is only an extreme expression of that misuse of emotions intended to evade the realities of either physical science, or almost anything else real in life’s experience.

What Archytas’ constructive form of action, demonstrates, rather than attempts at deductive duplication of the cube, is the same rejection of quadrature of the circle by the principal founder of the modern form of physical science, the Nicholas of Cusa, who pointed out the fallacy of Archimedes’ construction of the circle and parabola. Cusa’s is the same principle demonstrated for astronomy by Johannes Kepler, and the principle implicit in Pierre de Fermat’s principle of least action (against Rene Descartes, et al.), the unique discovery of what is called properly the “ontologically infinitesimal” of Leibniz’s discovery of the calculus, or, by Carl F. Gauss’ refutation, as in his doctoral dissertation, of the fallacy of the anti-Leibniz hoax of Leonhard Euler, et al., respecting the Fundamental Theorem of Algebra. This is the same principle which underlies the entirety of the work of Riemann, and of the later work of Albert Einstein: all to be considered afresh, as we are obliged to do so in the aftermath of Riemann’s presenting of

his 1854 habilitation dissertation.<sup>24</sup>

The useful aspect of some of the content of Euclid’s work, is located among those principal theorems of his which represent what he had copied from the already established work of predecessors, theorems thus copied and classified as a compendium in the form they are included, with certain bald sophistries added, as features of the *Elements*. The *a-priori* assumptions presented as definitions, have been demonstrated to have been merely arbitrary by their expression of the essential nature of *a-priori* presumptions, and, when they are presumed to be conceptions underlying actual physical principles, are also wrong in the extreme, as the case of the willful hoaxster Claudius Ptolemy illustrates this point.<sup>25</sup>

Much the same is to be said in speaking about what is generally accepted academically as economics today.

A similar folly is demonstrated by the case of the fellow who, when challenged to identify a physical principle, or related conception, goes to the blackboard, or kindred medium, writes out a set of formulations, and then ends his argument with a gesture to which the credulous observers of this performance are intended to respond by uttering “Amen,” or: “Q.E.D.” The alert member of the audience will then be tempted to respond this ritual by rudely pointing out the obvious: “You did not present an actually crucial *physical* experiment!”

Now, that much said in preparation, what does this mean for the student of economics?

## Marxian Economics as Such

*You say that you understand Marxist economics. Then, pray tell me what is wrong with it. Why did the Marxists fail? Why did the chosen replacement fail even more badly?*

To gain insight into the effect of Marxism on the Russian of today, you must understand the peculiarities of the mind of

24. Kepler’s determination of “equal time, equal area” demonstrates the absence of anything but an ontologically, not spatially, infinitesimal, as a reflection of a universal physical principle of action underlying the phenomenon of gravitation. This notion, as presented by Kepler, was among the two notable challenges by Kepler to “future mathematicians:” the calculus of the infinitesimal (not “infinite series”) by Leibniz, and the generalization of the physical notion of elliptical functions by the leading contemporaries of Carl F. Gauss. This same consideration underlies Albert Einstein’s view of the work of Kepler, and Einstein’s contempt for the systemic fallacy of method expressed by the influence of the followers of Ernst Mach, Bertrand Russell, and Russell’s dupes among the representatives of the Cambridge system analysts.

25. For example: all that Kepler says about Aristotle, in the course of his denouncing the hoax by Claudius Ptolemy, must also be said of Euclid’s *Elements*. The implications are made clear by the theological attack on Aristotle by the friend of the Christian Apostle Peter, Philo of Alexandria. Contrary to the doctrinal implications of Aristotle, to the theology embedded in Euclid’s *Elements*, and to Claudius Ptolemy’s fraud, the Creator did not render Himself impotent through the act of Creation. As one dear friend, a celebrated rabbi of our time, insisted: the Messiah will not return according to something like a train-schedule, but when God chooses.



the present-day American, or the western European, who presumes that he, or she is studying the mental life of today's Russian, when he is actually supplying evidence needed for some crucial, clinical insights into some of the pathologies of his own mental life. Often, amateur and other psychologists, afford us unintended, more and better insight into their own mental disorders than of the mentality of the subjects they pretend to analyze.

Take the illustrative, experimental case of Johannes Kepler's uniquely original discovery of a universal physical principle of gravitation. First, Kepler proves the existence of the Earth orbit as being generated, physically, according to a principle of equal areas, equal times. Since such an actual orbital pathway can not be actually generated by the method of quadrature which had been mistakenly adopted for the circle and parabola by Archimedes, the cause for the orbit can not be located within the confines of the pathway, but the pathway must be regarded as the adumbrated product of the course determined by some universal physical principle which is not directly perceived by the senses, as this fact is qualified in Kepler's development of a general principle of Solar gravitation in his *Harmonies*.<sup>26</sup>

That kind of challenge in the field of physical science, is the same to be recognized in the field of human psychology. It is the principle which adumbrates manifest human behavior which is the truth about human behavior, in the same sense that the planetary orbit is the shadow of the principle of gravitation. This view of psychology is of essential importance in treating mass behavior as culturally directed behavior, as in the mass economic behavior which is our underlying subject of discussion here. The fellow who says, "This is my tradition," or menaces with the assertion, "This is my culture!" or, "This is our culture!" is revealing more about himself, more about the moral defects in his mind-set, than he would wish to recognize.<sup>27</sup>

The fuller meaning of this was shown by Gottfried Leibniz's uniquely original discovery of the calculus, which was done by a unique method derived from close examination of Kepler's work, and, at a later phase of Leibniz's work, by also considering the relevant implications of the principle of least action traced to Pierre de Fermat: the principle of universal physical least action which Leibniz presented in accord with his collaborator Jean Bernouilli.

The fuller comprehension of this subject-matter was supplied by Albert Einstein's reference to the work of Bern-

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26. As Kepler knew, and warned "future mathematicians," and as mathematicians of Gauss's time showed, there is a qualitative distinction between the ironies of quadrature posed by the generation of the circle, and the higher order associated with elliptical functions.

27. Typical is the "human nature" cant (or, Kant) of the typical middle- to upper-caste Briton. A classic illustration of this is the argument of de Moivre, D'Alembert, et al., on which they, and others premised the pathological notion of "imaginary numbers."

hard Riemann, as showing the relevant deeper implications of Kepler's work for physical science generally, as defining a self-bounded universe, a self-expanding (i.e., *anti-entropic*) universe, which is self-bounded by efficient universal principles akin to Kepler's discovered principle of universal gravitation.

It is the principle which, thus, defines the formula, rather than the merely stated formula defining the efficiently acting substance, the principle. It is the concept, so defined, which points to the efficiently substantive principle.

There is nothing inherently wrong, in and of itself, in employing a method of description, even if the description as such is not actually sound scientifically. It is by discovering proof of what is wrong about hypothetical assumptions based on such descriptions, that an approach to a scientific treatment of the subject has begun. It is when that distinction of substance from shadow is overlooked, that foolish behavior proceeds.

Therefore, if we treat Marxist economics as a system of description used for a customary, coded practice of financial accounting, without believing it is really a science, it can be used as a convenient way of discussing most of the kinds of matters which, formerly, occupied the attention of most of those university graduates in economics who were serious about using their minds, rather than merely passing grades, or awarding of degrees and titles, who used to be able to understand this point, if only in a Kantian or similar fashion.<sup>28</sup> However, although the Marxist competently trained to behave as a Marxist economist (a rare creature in the world of today) may present an honest and useful description of his intention, yet, he does not know actually why the phenomenon he identifies comes into existence. Where knowledge of principle is lacking, desiring to believe fills the vacuum.<sup>29</sup>

So, in earlier and saner times, before Alan Greenspan, so to speak, the difference between what might be called a theory of Marxist economics and that of any late-Eighteenth-Century or early- through middle-Nineteenth-Century so-called "Classical economist," could be broadly described as a practical difference in meanings between dialects of a common language. (As we used to say that Americans and Britons are separated from one another by the barrier of a common language.) Thus, an economist working for General Electric in the days, prior to the assassination of U.S. President John F. Kennedy, when "fair trade," rather than "free trade," reigned, could conduct exchanges with a Soviet representative, or a German Social-Democrat of the *Kanal-arbeiter* school, with no particular, systemic form of difficulty in understanding the subject-matter which they

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28. It should be recognized, that with the present world crisis, such leniency is no longer tolerable.

29. What is often proffered as criticism of Karl Marx's work today, especially since developments of 1989, boils down to the simple observation that, since the fall of Soviet power, Marx ceased to be fashionable.





EIRNS/Rachel Douglas

*The brilliantly creative Russian physicist Pobisk Kuznetsov, LaRouche writes, “was among the first prominent figures to grasp certain leading implications of my teaching of the principles of physical economy, as opposed to any of the sundry, popularized forms of monetarism.” Kuznetsov (center) is shown here with LaRouche (right) in Russia, April 1994.*

happened to have under their common discussion.<sup>30</sup>

Usually, in fact, all three discussion-partners would have been mistaken, if in differing ways; but, nonetheless, the discussion could be, and often would have been useful, even, perhaps, productive.

Take my own case as a matter of illustrating this point.

Although I was attached to the standpoint of Leibniz from middle to late adolescence, and was, if only implicitly, on the way to what would lead to my adopting Riemann in 1953, the fact is, that during the course of the post-war interval 1946-1953, as in my professional work as a management consultant, my never wavering outlook was that of a loyal admirer of Franklin Roosevelt, and as, therefore, implicitly allied, for patriotic reasons, with the American socialist opponents of President Truman, as against the notorious Senator Joseph McCarthy, and the Senator and later President Richard Nixon. My differences as one among those who could agree with that viewpoint, never prevented me from understanding, or being understood by any of these varieties of professionals with whom I had to deal in the course of my practice. Yet, my own views, especially beginning 1953, were not consistent in any substantive respect, with any among those other types. Yet, in a certain degree, on practical matters of economic analysis and proposals, in those past times we each tended to express an efficiently practical understanding respecting the subject under discussion.

Such is life among sensible professional people of differ-

30. The published collaboration between the late John Kenneth Galbraith and Professor Stanislas Menshikov is a principled example of this.

ing persuasions under tolerable circumstances. Today’s circumstances are not tolerable ones. There comes a time and place when and where such comfortable arrangements break down, as now. The prevalent economic practice by the government of the U.S.A. today is no longer even tolerably sane, and, in fact, has not been since the 1970s. Look now at certain among today’s Americans who might imagine themselves to be looking at today’s Russian, while I am actually conducting a clinical assessment of their own behavior and expressed beliefs.

### ‘For the Want of the Nail ...’

There is a children’s rhyme of some pedagogical merit, in the poem which traces the loss of a nail in the horse’s shoe, to the loss of that shoe, to the loss of the horse, and, ultimately, “The Kingdom was lost,” all for the want of a horseshoe nail. The paradox which I have been outlining here, thus far, partakes of a similar

track; but, this is no children’s rhyme. It is the reality of the situation which confronts the world in economics today.

What is customarily lacking among relevant officials and professionals today, on this account, is the notion of a physical, rather than financial economy. That is our “horseshoe nail” in this present discussion.

This lack assumes the form of mass-insanity when nations consent to the defense of what is termed “a principle of free trade,” since advisors of President Richard Nixon, such as the Chicago School’s George Shultz, (that same which was to give us the neo-Hitlerian Pinochet dictatorship in Chile), who had prompted silly Nixon to scrap the Bretton Woods system which had been introduced by President Franklin Roosevelt in 1944. The loss of the essential nail of sanity, a post-1968 loss of cultural sanity, which *a-prioristic* belief in “free trade” has promoted, is “the loss of that little thing,” the thing taken from us by the same gang, a loss of an essential principle of competent policy-shaping, a loss which has been the crucial element of mass-insanity ruling more and more of the world, increasingly, since that time. This is the trend which has ruled the international economy of the world, increasingly, producing thus, that step-by-step downward process, since August 1971, leading into the terminal cancer of the world-market system today.

To speak of “little things” here, is to say that as long as money buys what is needed for a person’s customary physical quality of life, the difference between the idea of a determining physical factor of value, rather than a value of a monetary process, seems relatively small. Then, as Russians became acutely aware of a collapse in a physical standard of life, more

than a monetary one, as under Russia's President Yeltsin, the difference between *physical*, as distinct from money-economy became no small thing.

For example, in the U.S. until very recently, it was virtually impossible to convince a typical American that the U.S. economy had been collapsing physically since a time no later than 1971-1973 (actually since about 1966-67), when, in fact, that economy had been collapsing at a generally accelerating rate over the entire 1971-2008 interval, and now at a rapidly accelerated rate. The wish to believe the popularized myth, was stronger for the typical individual, than even the increasing painfulness of his, or her own experience of reality.

The crucial factor in this, is the systematic, ideological rejection of that concept of physical economy, the concept on which the brilliant and fertile mind of physicist Pobjin Kuznetsov concurred (largely, at least) with me during the course of our association during much of the 1990s. Comparing this with the trans-Atlantic post-1945 experience, the most destructive factor in the potentially fatal loosening of the nail of physical sanity in economy there, had been the factor of existentialism spread by circles such as those of the followers of Theodor Adorno, Hannah Arendt, et al., under the auspices of the essentially pro-fascist, post-World War II Congress for Cultural Freedom. It is a loss of the sense of the physical production of the means for satisfying physical needs, which is the leading factor in fostering the typical insanity about money met in North America and Europe, an insanity of today which emerged gradually, but then faster, since the aftermath of the 1939-1945 war.

I explain.

The principal immediate victims of the brainwashing of the targets of this cultural warfare, which was directed chiefly against the image of U.S. President Franklin Roosevelt, were chiefly typical members of a so-called "white collar" stratum from among World War II military veterans and their wives, especially those whose careers and aspirations to improved welfare made them extremely sensitive to eligibility for security clearances by the U.S. Federal Bureau of Investigation (FBI) and comparable agencies in the U.S.A. and abroad.

These households were an included target, but the principal target intended was their children, the children of the fear-driven young adults (often the housewife who had not been in military service during the war) of the 1945-1958 interval. It was those children, born to those households, to which the jargon of the 1950s came to refer to as members of families in the social category of "White Collar" and "Organization Man," children born, chiefly, between 1945 and the time of the 1958 depth of a relatively deep U.S. recession. It is those children born during the 1945-1958 interval, who require special attention when we are assessing the most critical of those moral disorders whose influence on a significant portion of their class, made possible the aftermaths of Spring 1968 in, most emphatically, the Americas and Europe.

## The Baby-Boomer Epidemic

The key to the present, middle-aged "Baby Boomer's" mental behavior, is the factor of cultural and also moral depravity embedded, as Sophistry, in the victims of such targeted sons and daughters of the returning veterans from their own childhood in the worlds of the 1930s Depression, the 1939-1945 war, and, then, as the victims of the U.S. Truman Presidency with its threat of nuclear and thermonuclear war, which the Truman administration had launched on London's behalf. It was that experience, which generated what became the hard core of the depravity to be met among a certain sociological nucleus from among those who expressed the special propensity for "purgative violence" in the Americas and Europe, most notably, beginning the Spring of 1968.<sup>31</sup>

There was no significant element of accident in the timing of that 1968er development. Up to a certain point in the course of the mid-1960s U.S. war in Indo-China, educational deferments from induction into active military service had produced a certain indifference to the reality of the ongoing war among those who regarded themselves as the "intellectually privileged," as "draft exempt" representatives of their Baby-Boomer generation.<sup>32</sup> These young people, from among those who saw themselves as privileged, saw the others, of the "lower," "blue collar" social class as those to be considered as suited to serve as cannon-fodder in Southeast Asia, or wherever events might take them.

However, when the call-ups to military service hit the university strata which had enjoyed a self-esteeming privileged class's snickering escape from the threat of overseas military service, as later Vice-President Al Gore had done, fear and hatred of the perceived loss of elitist privilege, combined with the triggers of the March 1, 1968 crisis of the U.S. dollar and "Tet Offensive," became the special detonators of all that was really necessary to detonate the riotous reactions of 1968 and beyond.

If we look more deeply into the minds of those types of 1968er rioters, it was the loss of the credibility of the U.S. dollar, on March 1, 1968 and the effects typified by the "Tet Offensive," which were the crucial detonators, as I saw them

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31. It is this historical fact which I recognized from studies of subjects such as the early 1930s violent Berlin trolley-car general strike, in my writing and publishing my Summer 1968 report on *The New Left, Local Control, and Fascism*. I emphasized the back-and-forth swapping of memberships from the Communist and Nazi parties during that strike as what I recognized as the crucial bit of clinical evidence of the specifically synarchist feature inherent in the "social chemistry" of the relevant portion of the 1968er generation. This was not, however, spontaneous. The visit of Herbert Marcuse to Columbia University campus during relevant events there, is merely typical of the intellectual manipulation which created the echoes of the Berlin trolley-car strike.

32. Take the illustrative case of current U.S. President George W. Bush, Jr., who escaped combat service during the period of the Vietnam War by the class privilege of assignment to the Texas Air Guard, or, the case of later U.S. Vice-President Al Gore, who avoided military service in a comparable fashion.



EIRNS/Stuart Lewis



barackobama.com



*Under the reign of Barack Obama- and Howard Dean-funder George Soros, the privileged get the dollars; the others get the "change." Left to right: Soros, Obama, Dean.*

during the Spring 1968 developments and beyond. It was not injustice to them which provoked them; what I witnessed was the "existential" fear prompted among those who regarded themselves as representing a privileged idle class, in their flight from their real, existential fear of actually being dumped into the same pot with the types of the combined, "blue collar" industrial and farmer majority whom they came, more and more, to hate.

The spectacle of President Charles de Gaulle, the greatest French hero of the post-war period, being virtually spat upon on the streets of Paris, is a manifestation of the same process expressed in slightly different circumstances. Europe has never recovered culturally, to the present day, from the damage done over the period from the repeatedly attempted assassinations of such as President de Gaulle, the crimes of the assassination of U.S. President John F. Kennedy, and the 1968 assassinations of the Reverend Martin Luther King and Senator Robert Kennedy.

This sociological development of 1968-1971 did not produce the continuing effects which have gripped the U.S.A. and other nations since those times. The kinds of systemic destruction of such pillars of economic and social progress and stability, as that wrecking of the economy and social fabric of our republic continued since President Nixon's folly of 1971 and under the virtual treason of what can be fairly described as the intended, rabid "deconstruction" expressed by the Trilateral Commission during and following the 1977-1981 Carter Administration, have been the drivers of continu-

ing decadence. Such was the intended process of personal and moral deconstruction of selected types of individual figures, chiefly from among the 68ers, who came to embody that synarchist-like immorality of cultural pessimism which has motivated them to destroy every pillar of economic

and cultural progress which had been built up in the trans-Atlantic community, and beyond, built up since that 1939-1945 war to defend humanity against what Adolf Hitler had represented.

Any such person who wished to get ahead "in this establishment journalists' world of things as they are," was likely to have become either a founding member of the 68er phenomenon, or has been, or wished to be recruited to its ranks out of sheer, utterly immoral opportunism, or "for the pleasure of the ride." For many among them, a ride on a share in British agent George Soros' ill-gotten gains, will do, for lack of anything else. Under the reign of Obama and Howard Dean funder Soros, the privileged get the dollars; the others get the "change."

The name of the menace to all civilization today, is thus "the Baby Boomer syndrome," as I have summarily outlined its origins and characteristics here.

It is the hysterical denial of this 1945-2008 history of the "Baby Boomer" syndrome, especially by those of this type now dominating the positions of power in government and the private sector, which is key to understanding the way in which the official U.S.A. mass media, and western and central Europe's Liberal mass media view Russia and Russia's history



still today. To understand the motive which makes use of the “Baby Boomer” outlook, we must look to the centers of the power of Anglo-Dutch Liberalism, and participation of those U.S. financier interests in the tradition of the British East India Company’s traditional “party of treason” inside the U.S. financier-dominated “Establishment.”

Therefore, once we have thus discounted the Baby Boomer factor and the London influence over it, we must ask ourselves: what, really, is economic value? What is the reality of the matter?

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### III. The Science of Physical Economy

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To situate the crucial role of Russia within a “New Bretton Woods” type of agreement under the present, global crisis-conditions, we must look back, most emphatically, to the post-Lord Palmerston characteristics of the setting marked by the combination of the Philadelphia Centennial under U.S. President Grant and the converging U.S.A. relations with Germany, Russia, and Japan (most emphatically). The British monarchy, as an instrument of the neo-Venetian, Anglo-Dutch financier-oligarchical heirs of Paolo Sarpi’s legacy, reacted to these relations of the U.S.A. with rage against what these London-centered circles came to label as a grave, “geopolitical” threat.

The most crucial feature of what the British empire regarded as this threat, was the role of U.S. cooperation in, most emphatically, Germany and Russia, in the development of what were intended to become a system of transcontinental railway systems linking the greater part of the continental territory of Europe and Russia in a manner echoing the U.S. development of its transcontinental railway system. Today, that same perceived threat is revived and extended by, most crucially, the scheduled completion of a Bering Straits railway link of the continent of Eurasia with that of the Americas.<sup>33</sup>

Then, the most notable feature of that relationship between the United States and Russia was epitomized by the role of the great D.I. Mendeleev, who was a crucially important participant in the 1876 Philadelphia Centennial, and the most crucial instrument in forging that scientific-technological development of Russia which was highlighted by, but not restricted to the development of the Trans-Siberian railway.

Through the folly of the Prussian monarchy, over the objections of Chancellor Otto Bismarck, Prussia had continued the war with France after what should have been the primary objective, and conclusion of that war, once the ouster of the British puppet-emperor of France, Napoleon III, by France itself, had been achieved. Thus, through a protected warfare

after the proper mission had been accomplished, the Romantically foolish Hohenzollern tribe et al., created an enraged France which would become a British instrument of the *Entente Cordiale*.

Thus, Europe fell into the trap of two so-called World Wars, and such evils as the London-crafted Mussolini and Hitler dictatorships. Thus, in such a manner, Britain, echoing its orchestration of the Seven Years War and the 1763 Peace of Paris, had created the British East India Company’s financier-oligarchical empire. Thus, through the foolish Wilhelm II’s folly of dumping Bismarck in 1890, Wilhelm embraced the even sillier Habsburg Kaiser in support for that Balkan war which produced the objective, the alliance of Russia against Germany, sought by Wilhelm’s uncle, the British Crown Prince Edward Albert (and, later King Edward VII), a development which has kept continental Europe in a state of recurrent destruction since the aftermath of both the dumping of Bismarck and the synarchist style of assassination of France’s President Sadi Carnot.

*The British imperial intention* then, in the immediate aftermath of the consolidation of the U.S. victory over Lord Palmerston’s Confederacy puppet and the freeing of Mexico from the brutish tyrant Maximilian, was, and remains today, *Britain’s geopolitical commitment to the elimination of the threat of a system of truly sovereign, cooperating nations on the continent of Eurasia*.

Today, since 1989, the British imperial objective has included, in addition to attempted financial and political destruction of the U.S.A., the wrecking of the economies of Germany and Russia, and most of continental Europe besides. The included motive is the same: use subversion to ruin the U.S.A. from within, as has been in progress, most notably, since the repeatedly attempted assassinations of France’s President Charles de Gaulle, and the actual assassination of President John F. Kennedy: the ruin the already existing and emerging independently sovereign nations of continental Eurasia.

The relevant, contrary, long-ranging, continued strategic interest of our United States, is, as for President Franklin Roosevelt during the course of his life and Presidency during 1939-1945, and remains the promotion of a global system of truly sovereign nation-states, without colonies or semi-colonies, as typified by the U.S. commitment to Germany and Russia from Presidents such as Lincoln and Grant, in the tradition of Secretary of State and President John Quincy Adams. For special reasons, Germany and Russia had special importance for the U.S.A., then, and still, if in a somewhat different form, today.

The fulfilment of that U.S. interest now, requires a shift in the dominant economic policy of the planet, to an alliance among perfectly sovereign credit-systems, away from the kind of monetarist systems which have been deployed from London to cause us to ruin ourselves as we have done so successfully since 1968, and, actually, since the assassination of President John F. Kennedy. The target must include the estab-

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33. See *EIR*, May 4, 2007, for proceedings of the April 24, 2007 conference in Moscow on the Bering Strait project.



With the work of Russia's Academician V.I. Vernadsky, modern, 20th-Century physical chemistry, for the first time, identified the crucially determining distinctions of physical principle among the three interacting categories: the abiotic-in-principle, Biosphere-in-principle, and the Noösphere.

lishment of a transcontinental railway system which is being upgraded, step by step, from friction-rail, to magnetic-levitation systems operating at speeds in the range of propeller-driven aircraft.

These developments in transportation, which depend largely upon rapid development of nuclear-power systems, are essential to enable nations to develop the extraction and reprocessing of raw materials over extended territories, such as northern Russian Eurasia and Africa, sufficient to support what should be adopted as the common aims of a mankind assembled as a body of respectively sovereign nation-states. For this purpose, Russia represents an extraordinary scientific and cultural potential, both in its territory, and its ability as a scientific power, to develop its territory in ways beyond the present capacity of other nations of Eurasia generally. This development, by Russia, is of crucial strategic importance for all its Eurasian neighbors.

Thus, it is fairly said, from quarters within Asia, that the specific quality of Russia's essential role within Eurasia, and Asia most emphatically, is Russia's role in science. This specific quality of Russia's potential is to be seen as inseparable from the fact that its relevance for today, lies, significantly, in the fact that Russian culture is essentially a Eurasian culture. The practical significance of this for today, points to Soviet Russia's contribution to China's development, prior to the

break brought about under the Khrushchev who made a crucial shift not only toward London, but, toward Bertrand Russell. Some of the damage that must have been caused in relations between Russia and China has been repaired. Russia's relations with India are well known. Under present crisis-conditions of the world economy, the prospective relations of China, India, and Russia (and other nations) will be indispensable, not only for all of the nations of East and South Asia, but for organizing a recovery of the economy of the world as a whole.<sup>34</sup>

## V.I. Vernadsky and His Age

Long before the work of Russia's Academician V.I. Vernadsky, civilization had already recognized that mankind has experienced three interacting categories of existence: the *pre-biotic*, the *living processes generally*, and *those living processes specific to mankind* which are susceptible of discovery of physical principles, by individual persons, by means of a process through which mankind is enabled to increase the potential relative population-density of our human species, per capita and per square kilometer of the sovereign nation or the planet, as no other known form of life can duplicate this effect. However, there was a lack of the concept of the specific scientific principle on which realization of this potential now depends.

With the work of Vernadsky, modern, Twentieth-Century physical chemistry, for the first time, identified the crucially determining distinctions of physical principle among these three categories. Although the development of the exposition needed on this subject is still only a partial one, a mere beginning, some indispensable, preliminary features of those functional distinctions in principle have been settled. Science has been able to show, thus, two fundamental differences of principle which divide existence among three categories: the *abiotic-in-principle*, *Biosphere-in-principle*, and the *Noösphere*.

Although the mere term "Noösphere" was not, itself, original to the work of Vernadsky; the concept of the *Noösphere* as he defined it, was his uniquely original discovery: it is a demonstrable universal physical principle of modern physical chemistry. A competent physical science of economics, is, therefore, a subject-matter specific to his definition of the *Noösphere*. In the modern history of physical science, that principle is a unique type among the domain of those principles defined, equally, as *both universal, and as the universal's*

34. Take, for example, the keystone role of cooperation among China, Russia, Mongolia, Korea, and Japan. Note, first, the vital strategic-economic interest of Japan and Korea, in their cooperation as a developmental fulcrum of the region as a whole. Thus, it must not be permitted that anything prevent affirmative cooperation among these nations in their common long-term interests, including the importance of frankly protectionist measures for promoting the general development of the entirety of China's territory, that in ways which are prevented by the typically British, imperialist "free trade" policies dominating international trade today.

*complementary expression as the ontologically infinitesimal:* as this subject was treated, in fact, by those such as Archytas, Plato, Eratosthenes, Nicholas of Cusa, Johannes Kepler, Pierre de Fermat, Gottfried Leibniz, and in Riemannian physical geometry.

The creative principle which defines the uniqueness of the *Noösphere* so defined, is also that principle of the human mind which separates Classical artistic composition and performance from other so-called expressions of art.

Thus, from the vantage-point of this knowledge, the Earth is to be viewed, in functional terms, as composed of these three categorical features, defined such that the mass represented by the Biosphere is increasing relative (anti-entropically) to the mass of the Earth as a whole, while the physical mass represented by that higher order of the *Noösphere* (products which are specific to the effect of the processes of the human mind) is increasing (also anti-entropically), relative to that of the *Biosphere*.

### Science Is Essentially Personal

Fools propose that science must be “objective.” That is a commonplace, but very destructive view of that subject. Science, like Classical artistic composition, is essentially personal, since it is premised upon the creative powers unique to the individual personality. The practice of science in its social expression, must be the interaction among the sovereign creative powers of respective individual, sovereign minds. This social relationship is expressed in the form of one thinker to another: “How did you discover that?”

There are those who argue against this. Their view of so-called “scientific objectivity,” belongs more to the department of autopsy than those qualities of mind which distinguish the human creative individual from the beasts, or bestialized individual men and women.

In matters of science and Classical artistic composition, I can not trust anyone, personally, who thinks differently about such matters.

So, for me, my coming to share in this discovery of the *Noösphere*, was the outcome of my following a decades-long trail, from my adolescent adoption of Leibniz as my principal mentor in study of science then, through my later recognition of Riemannian *dynamics* as being in no way an expression of today’s customary use of the term “thermodynamics” by the modern empiricists and positivists; but, rather, as being the outcome of Leibniz’s modern contribution to the revival of the science of the ancient Pythagorean and Platonic notions of *dynamics*.

So, for present-day purposes, *dynamics* has come to be defined implicitly among competent authorities, by the implications of the discoveries by Riemann. This modern view of *dynamics*, as that had been defined by Leibniz, and is to be viewed now from a Riemannian standpoint, has defined my notion of a certain universal physical principle as it is to be expressed in contemporary practice as *a function of potential*

*relative population-density per capita and per square kilometer.*<sup>35</sup>

From the considerations just listed, the notion of a *physical science of economy* is definable for modern civilized practice in broad, but, nonetheless reliable, general terms.

So, for me, it is much better than merely convenient, to examine what I have just written here from the vantage point of what Albert Einstein came to say respecting the combined work of Kepler and Riemann. I must include a repetition of my frequently stated view of modern science, as being what Cardinal Nicholas of Cusa founded, largely by aid from ancient sources, as the modern method now to be traced, as to founding epistemological principles of practice, from Cusa, through Luca Pacioli, Leonardo da Vinci, through their follower Johannes Kepler, and through such as Pierre de Fermat and Gottfried Leibniz.

I have presented the core of this argument itself, in numerous locations published during some previous decades; but, it is essential that it be restated, yet once again, here, as mandatory background, and warning for the reading of what I have to say in this report on urgent issues of economic policy, here and now.

Competent science, such as a competent knowledge and practice of the science of physical economy, and also what is worthy of the name of Classical artistic composition, are like that.

Human knowledge worthy of the names of what are actually the closely related subject-matters of physical science and Classical artistic composition, can not be competently presented as having begun with certain stated, or implied statements of *a-prioristically* “self-evident” presumptions, such as those of the followers of Aristotle and Euclid, or their follower, Claudius Ptolemy. The categorical, systemic distinction of man from beast, and also the related distinction of perception from knowledge, must be our rule.

*Mankind is distinguished from all beasts, by our species’ manifestation of its unique potential for willfully increasing its own potential relative population-density, as no other living species known to us has been able to manifest this power.* Therefore, no competent science, nor truly Classical mode in artistic composition, could be accessed as to principle, except as we refuse to trace the origins of those specific

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35. This has nothing to do with those notions of “thermodynamics” which are associated with the empiricist presumptions of the reductionists Clausius, Grassmann, Kelvin, et al., or the kindred, Machian conceits of Ludwig Boltzmann, et al. The savage attack on Max Planck and his work by the followers of the mystical Ernst Mach during the World War I period in Germany and Austria, and the continuation of this by the followers of Bertrand Russell during the period of the 1920s Solvay conferences, are typical expressions of the sheer nastiness, as much as the epistemological folly of those modern followers of the ancient Olympian Zeus (of Aeschylus’ *Prometheus Bound*) who have devoted their professional careers to denying the role of the anti-entropic principle (of “fire”) in the discoverable composition of the processes of which the universe is composed.



distinctions of human behavior from either the attributable characteristics of beasts, or, as some radical positivists, such as Bertrand Russell devotee John von Neumann, have done: in the worst extreme, from inanimate processes.

Such issues are properly so treated as I do here. Anyone who thinks differently, is lacking something which is essential to the competent practice of a science of economy. The essence of economy is the quality of creativity through which humanity raises the potential relative population-density of the human species, as no lower form of life can do this. That makes the practice of economy truly a very, very, personal responsibility of the individual for his or her contribution to, hopefully, the present and future of all mankind.

### Reason versus Sense-Certainty

For a short time, it may appear to some that I am now diverging from the previously stated mission of this report as a whole. Not so. It should be understood that what we are doing at this immediate point, is focusing on identifying a specific conception on which any competent science of economy, *and of the application of that science*, depends absolutely. Like many important discoveries of physical principles of nature, a competent grasp of the way in which economies either actually function over the long span, or do not, often depends upon efficient principles which have been usually ignored, as if they did not exist. Sometimes, as in this case at hand, the matter which has been generally overlooked among professional economists and related scholars, might appear to be a tiny matter in the world at large, but, over the longer term, ignoring it would spell broad and enduring disaster, as the world is experiencing just such an onrushing, truly global disaster, now.

Therefore, at this point in this report, I place the emphasis on warning my readers of this matter now, at this moment of crisis in human history. I do this since many among them are about to become acquainted, from today's global experience, with consequences which reflect, in a unique and indispensable way, the practical significance of my use of the technical term *ontologically infinitesimal*.

I explain this term with the benefit of an extremely relevant reference to a concept which was introduced by Albert Einstein, concerning the highly personal work of both Johannes Kepler and Bernhard Riemann. Einstein's contribution here, was a concept which he termed that of "a finite, but unbounded" universe, a concept which I prefer to identify as that of "finite and self-bounded" universe, that for reasons which I shall soon make clear here. Einstein's effort was that of one striving to sense the viewpoint of the acting Creator of the universe, with great humility, but with a sense that it was his urgent duty not to misunderstand, not to misrepresent the Creator's viewpoint.

The concept, to which I refer, as Einstein did, is the concept of what Gottfried Leibniz presented as the *infinitesimal* of his calculus. On the latter point, respecting that work of

Leibniz, I have already, in various published writings, identified the absurdity of Leonhard Euler's simply fraudulent misrepresentation of Leibniz's use of the term "infinitesimal," a fraud which typifies Euler's part in the mid-Eighteenth-Century attacks on Leibniz's calculus, a fraud which had been introduced by the circles of the Paris-based, Venetian Abbé Antonio Conti, such as Voltaire, Abraham de Moivre, D'Alembert, Euler, et al.

The most appropriate proof in this matter proceeds from the two famous, successive accomplishments by Johannes Kepler in the course of his uniquely original discovery of the universal physical principle of gravitation. I refer to those, again, here: this time for a fresh purpose. The first, the discovery of the characteristic of the Earth's orbiting of the Sun, as in his *The New Astronomy*, and the second, the development of the general principal of gravitation within the Solar system, in his *Harmonies*.<sup>36</sup> I limit my account here to the essentials of the matter bearing on the subject-matter of a science of physical economy. I frequently repeat myself in the following summary, that for reasons which should require no explanation.

The unique quality of beauty of his mind in those and related works, is that he grasps the essence of the point I have just emphasized above: competent science, when its subject is the role of human creativity within it, is intensely personal. This is outstanding in Kepler's work, pronounced in Leibniz, concealed, but resonant, in the work of Gauss, opens up again with Bernhard Riemann, and gains loving expression again in the reflections of Albert Einstein during the last four decades of his life.

After all, anything which bears upon the uniqueness of the aroused creative powers of the individual human mind, promotes the soul to shout "Eureka!" in one way or another, and is expressed with an intensified moment of playfulness of a certain free-spirited kind, or it is not creative at all. Science and art are not for grim grave-diggers.

Thus, in the first instance, once Kepler had gone through the successive steps by which he crafted his work showing the Earth's elliptical orbiting of the Sun, in *The New Astronomy*, his measurements showed that this orbit was ordered by a principle of action whose effect he described as "equal areas, equal times." *This evidence already demonstrated, in itself, the absurdity of the presumption that the orbit could have been determined by an ordering of that elliptical pathway which is congruent with Archimedes' mistaken quadrature of the circle.*<sup>37</sup> This, by itself, exposed the virtually childish absurdity of Euler's joining the previously stated, silly argument

36. See the LaRouche Youth Movement (LYM) website documentation of its team's reliving of the process of these discoveries by Kepler ([www.wlym.com/animations/](http://www.wlym.com/animations/)).

37. The discovery of the calculus and the exploration of physical functions of an elliptical form, were two tasks which Kepler had referred to the work of future mathematicians. The first was solved by Leibniz; the second, among Gauss and his relevant contemporaries.

(for the “imaginary”) copied from de Moivre’s and D’Alembert’s specious attack on the infinitesimal of the Leibniz calculus (as “imaginary”).

This set of considerations leads, in the second instance, from that point, through the development of the general measurement for gravitation within the Solar System, to the notion which Leibniz was to define later, as the role of *the ontologically infinitesimal*, rather than a *simply geometrical infinitesimal*, a notion which Leibniz crafted in accord with the prompting from the work of Kepler. The measurement of the crucial phenomena, in this matter, requires two measurements, one according to the principle of *the sense of sight*, the second according to what Max Planck implicitly emphasized, contrary to the apostles of Ernst Mach, and contrary to the devotees of Bertrand Russell later, as the systemically contrary notion of dynamics expressed by the function of hearing, rather than mechanics.<sup>38</sup>

The two measurements, combined, created an image in the mind of Kepler and other scientists, like the argument by Fermat and by Leibniz, both of whom followed Kepler in this method: an image-like conception entirely outside the domain of naive sense-perception as such. In this way, Kepler, as a follower of Nicholas of Cusa, took any competent science after him entirely out of the domain of Euclidean *a-prioristic* presumptions, rightly downgrading sense-perception to the status of instrument-readings, rather than naive sense-certainties. By adopting the systemically, mutually contradictory “instrument-readings” of sight and musical sound, a reading of the evidence, by Kepler, which made ridiculous the later effort by many to substitute Titius-Bode for Kepler’s own work on the organization of the planetary orbits.

The still deeper implications were made clearer by Einstein’s presentation of the argument, such that when we introduce the relevance of Bernhard Riemann’s work for its bearing on the work of Kepler and Kepler’s legacy, it becomes clear that, in terms of demonstrable universal physical principles, our universe is intrinsically *finite and self-bounded* by principles such as the uniquely original discovery, by Kepler, of the role of gravitation in the organization of the Solar System.

*How could that which is universal become “visible” to the senses, except as it changes?* Did the Creator render Himself impotent by Creation of a universe? If the change is not anti-entropic, then it may be made visible, if only to memory, in terms of the change to becoming less than before; but, otherwise, it can be made visible only if the change was to something which never was before, as if the universe were ordered anti-entropically, as a finite, self-developing universe, an expanding process of continuing, universal creation.

The latter quality of change to a higher order of existence, is a definition of creativity (i.e., anti-entropy), such as human scientific creativity in discovery of universal physical princi-

ples, and their applications, an action of discovery on which increase of the potential relative population-density of a culture depends in practice.

The fact is, that a discovery, such as Kepler’s uniquely original discovery of universal gravitation, could be made only by a sovereign individual mind, an experience which can be made known by others in no way but as the replication of the process of an experimentally demonstrable discovery by another individual mind. This notion of an individual human person’s creativity, is the key for unlocking the door to the apparent mystery of the Leibniz *ontological infinitesimal*. This leads us to unlocking the apparent mysteries of the Biosphere and Noösphere. This leads us to what some might otherwise regard as the mystery of the science of physical economy.

## How Man Sees His Universe

What, then, is the required design of an experiment, which shows the way in which human creativity can be demonstrated, not only as an efficient source of increase of human potential relative population-density, per capita and per square kilometer of the Earth’s surface, but as creativity has just been defined in our progress in this report thus far?

For this purpose, let us, first, take the case of qualitative steps of incremental process sometimes named an increase of what has been termed, since the closing decades of our preceding century, as “energy-flux density,” as stepwise progress from burning of wood, charcoal, coal, coke, nuclear fission, and thermonuclear fusion, typifies a case of a prompting of qualitative leaps in potential human productivity, as per capita and per square centimeter cross-section of the ongoing energetic process.

The problem which this conception presents for some scientifically trained specialists, lies in their conditioned adherence to a reductionist, virtually Cartesian misconception of physical scientific principles: the misconception associated with the notion of particles which happen to be in motion, for what should be the obvious reality, that nothing exists except as if it were in motion.

The general principle of progress, is that a discovery of a valid universal principle, leads to applications which increase the productivity of mankind by *a significantly greater amount of net gain* than the cost incurred by the discovery and investment in its application. This leads to a relevant increase in capital-intensity, both of the investment itself, and in the course of its use; but, the gain realized, when these investments are properly applied, is, and must be, rather soon, greater than the sum total of the combined direct, and indirect costs of the investment itself.

This is a *physical concept* of an act of creativity, a concept which, for reasons just stated, could not be competently represented functionally in terms of ordinary financial accounting, nor by any Cartesian, or kindred methods, nor stated in terms of existing financial systems or prevalent economic dogma.

In the first approximation, but only first approximation,

38. See Bernhard Riemann, “Mechanik des Ohres,” *Werke*, pp. 339-359.



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*“The fact is, that a discovery, such as Kepler’s uniquely original discovery of universal gravitation, could be made only by a sovereign individual mind, an experience which can be made known by others in no way but as the replication of the process of an experimentally demonstrable discovery by another individual mind.” Here, members of the LaRouche Youth Movement “Basement” team work on reproducing such discoveries.*

we should consider only the increase in energy-flux density of the source of power supplied to the process, for, in this case, in first approximation, the assumption that the process is not changed otherwise.

To express this quality of effect in another way: as “any increase in productivity obtained at a physical cost which is, after the fact, in principle, less, in net effects, than the physical cost of making and maintaining that change.”

Let us now combine the two notions just presented under the rubric of “cases of benefits derived from increases in capital intensity.”

Now, combine the two, as combined increases in energy-flux density with the margins of benefit derived, in the same case, from general increases in capital intensity.

Let us add another qualifying consideration. So far, we have considered benefits expressed in the form of inputs to the productive, or comparable process. Now, let us include all margins of quantifiable benefit afforded to the consumer by means which require increasing the capital-intensity of the productive, or related process.

Now, gather these and related kinds of parameters within the dynamic process of an appropriate Riemannian manifold. Consider the following, “rule of thumb” form of descriptions.

Then, map the process so outlined for those aspects which are products of changes which had been made, from some earlier dynamic state, an outcome which were effected through

applied discoveries of universal physical principle.

Now, consider another track. Consider some relatively simple illustrations.

Normalize the rate of solar radiation impinging on the planet; employ a normalized spectrum. Do this for the purpose of defining a standard scale of physical-economic reference for human life on Earth.

Consider solar radiation and water. How is the relationship between the two to be enhanced? Now consider moving large masses of water about, to increase the “green cover” of the planet’s surface, thus increasing the biomass of regions of the planet per capita and per square kilometer, and producing a moderating effect on weather-patterns, and increasing the relevant biomass, rather than merely heating up the atmosphere by not taking such measures. Combine this with the increased development of supply and development of sources of controlled power of generally increased energy-flux density. (Never commit the wicked prank of degrading a product of living processes,

*generally, as by reliance on so-called “bio-fuels,” into the contrary direction of transforming living processes into dead ones. The goals of economy in our Noösphere, must be the triumph of life, especially human life, over non-life, and of the creative powers of the human being, over the bestial.)*

Now, consider combining the benefits of increase of energy-flux density, with the adjustment of the relationship between use of impinging Solar radiation and water resources, to enhance green cover.<sup>39</sup>

In all of these illustrative images which I have just presented, there is a commonly underlying coherence with the same principle of discovery of universal physical principles which is illustrated by the referenced case of Kepler’s discoveries. Moreover, all competent discovery is, in its net effect, coherent with that principle of (for example) modern European science introduced by Nicholas of Cusa and reflected in what I have described as typical of the discoveries of Kepler. All of the illustrations I have just written here converge on a Riemannian quality of manifold, not a Euclidean, nor Cartesian, nor any other reductionist method.

The immediately preceding points of illustration bring us to the matter of the relevant systemic errors, over about a century and a half, of the so-called “orthodox” Marxist econo-

39. Including margins of quantifiable benefit afforded the consumer by means which require increasing the capital-intensity of the productive, or related process.



mists. The problem to be considered is lodged in the intrinsically reductionist fallacy of the so-called “labor theory of value,” a fallacy which Karl Marx derived, chiefly, from the British environment in which his systematic views on modern economic processes were shaped by Urquhart and the circles of the Haileybury School tradition, that during about two decades of Marx’s life there.

It was this same flaw, which Marx came to share with the Haileybury School whose works he studied, which was employed by the marginal utilitarians as a pretext for the utter nonsense which they produced. It was a relatively short step from the marginal utilitarians, to the Romantic follies of the positivist Ernst Mach, and, then, to the utter lunacy of the followers of Bertrand Russell, such as Norbert Wiener, John von Neumann, and their devotees of today, such as the forecasters in the likeness of the LTCM of 1998 notoriety.

*It is the creative powers of the individual human mind which generate all the true increase in wealth produced by mankind, that in mankind’s essential physical expression as the Noösphere.* These are the same creative powers, expressed by the work of such as Kepler and Leibniz, expressed by physical science in that tradition. These are also expressed in what may be identified as the “social theory” which is the implicitly governing principle of strictly Classical modes of artistic creativity, as the latter influence was identified by Percy B. Shelley in his *In Defence of Poetry*: the increase of “the power of imparting profound and impassioned conceptions of man and nature.” There is no true science, nor true Classical art without such artistic passion.

So much as a matter of broadly stated introduction to what we must now address as the kernel of the matter.

## The Noëtic Principle

The considerations which I have sought to illustrate roughly by aid of the preceding illustrations of a point about the principles of physical economy, all converge on two interdependent facts about the individual member of the human species, facts which each bear implicitly upon V.I. Vernadsky’s Riemannian, physical-chemical definition of the Noösphere. First, that no animal species known, is capable of that function of creativity which is typical of the distinction of the human species from all others. Second, although creativity can be echoed, as if broadcast, from one human mind to another, all acts of creativity occur only within the sovereign powers of the relevant individual mind. We can, and must stimulate the creative activity of the other’s mind; but, there are no available, “wired connections.”

Both considerations force attention to the fact that, contrary to modern Sophists such as Clausius, Grassmann, Kelvin, Boltzmann, et al., entropy is not a law of the universe; the universe is *intrinsically anti-entropic*: e.g., *creative*.

Yet, paradoxically, the manifest human creative function is located as an activity associated with the individual human brain, although no known animal brain has been discovered

to be capable of species-anti-entropic creative powers. Yet, the development of the Solar System from an isolated “young Sun,” is a reflection of a creative process. The suggested implication is, that the universe as a whole is creative, but many of its products are not creative when the relevant experiment is designed, by use of a fallacy of composition, as in and of itself, in a reductionist mode, rather than a truly dynamic one. The increase of the relative mass of the Earth’s Noösphere, relative to the Biosphere, and the Biosphere relative to the abiotic portion of the matter, calls our attention to such matters.

This is a matter which I have addressed, sometimes at significant length, earlier.<sup>40</sup> I recapitulate some relevant essentials here. Science is history, and history is also science. For an example of this we have the following.

## A History of Imperialism

We know, that the currently prevalent dogma of taught thermodynamics, is a reflection of the same ancient oligarchical principle portrayed in the famous *Prometheus Bound* of Aeschylus.

What Aeschylus portrayed, thus, is otherwise known in ancient through modern European and West Asian tradition as *the oligarchical principle*. The known origin of that tradition is traced back to as far as ancient Babylon and its priesthood. It was continued beyond the fall of the power of Babylon by the Babylonian priesthood’s role in other Asian dynastic systems, and was the proposal for a two-empire, Asian and European system, during the period following the collapse of Athens in the aftermath of the Peloponnesian War. The essential distinction between the two, was that the Asian version was derived, at least proximately, from what had become a land-based culture, whereas the western part, such as that of ancient Egypt,<sup>41</sup> was based, directly, on a Mediterranean-centered maritime culture. The British empire, for example, is an offshoot of successive evolutions of the western mode in empire, beginning with the Roman Empire established by that pact, struck on the Isle of Capri, between Augustus Caesar and the priests of the cult of Mithra.

The imperial model, otherwise best identified as the oligarchical model, is premised on the intention of preventing the natural creative powers of the human individual from coming to fruit in such a fashion that what might be termed “the lower classes of society” might not continue to submit to the overlordship of a ruling class. In other words, the Olympian model of oligarchy which is presented as the principle of evil in Aeschylus’ *Prometheus Bound*.

40. Cf. Lyndon H. LaRouche, Jr., “Vernadsky & Dirichlet’s Principle,” *EIR*, June 3, 2005.

41. Contrary to the foolish fad of an “hydraulic” society, civilization, as in the case of Egypt, moved upstream, from the oceans, not down-stream. Astronomy as a product of transoceanic navigation and related developments, attests to this.

In the oligarchical model, as from the founding of the Roman Empire through the Anglo-Dutch Liberal financier oligarchy of today, the general population of society, and of the societies ruled by an imperial tradition (e.g., the Olympus of *Prometheus Bound*), is “managed” through maintaining pro-genocidal limits on the growth of the general population, opposing scientific and technological progress, by vulgarizing popular culture, and by preventing knowledge of the actual universal principles on which mankind’s rule over nature depends: in short, the evil, pro-genocidal, neo-malthusian policies of the Hitler regime and of the World Wildlife Fund of Britain’s Prince Philip and his lackey, former U.S. Vice-President Al Gore.

In modern European society, this legacy of the mythical Olympian Zeus, means a policy of limiting knowledge of scientific principles to a small, tightly controlled scientific elite, which is usually of the intellectually castrated variety, thus incapable of expressing genuine, carnal knowledge of the role of universal principles in science, but, chiefly, only mathematical formulas as substitutes for reality.

The most significant modern expression of that kind of oligarchical rule, is what is most accurately identified as the Anglo-Dutch Liberalism institutionalized through the “New Venice” faction of Paolo Sarpi. The distinction of Sarpi may be fairly summed up by stating that the most essential of the keys to Sarpi’s reforms, is that he dumped the Aristotle whose barren doctrines had been the principal method of oligarchical “brain-washing” of European culture in earlier times, as replaced by the new form of oligarchical brain-washing, called Anglo-Dutch Liberalism, the so-called Liberal philosophy launched by Sarpi, and based on the medieval irrationalism of the William of Ockham whose lunacy is the central feature of modern logical-positivist dogmas.

The new form of empire which emerged from the leadership of Paolo Sarpi, is what is called the Anglo-Dutch Liberal model. This Anglo-Dutch Liberal model is based on the ruling authority of an otherwise anarchic class of financiers in the tradition of Venetian usury, neo-Venetian usurers following the Liberal traditions of Sarpi. Sarpi launched that swarm of financiers who constitute the essential core of the imperial power of the present Anglo-Dutch Liberal imperialism nominally centered in London, as expressed typically in the imperial power of the post-1973 petroleum “spot market.”

The leading opponent of that form of Anglo-Dutch Liberal imperialism which assumed the form of an imperial power of the then British East India Company, with the 1763 Peace of Paris, was the American faction generated, chiefly, by such leaders of the Seventeenth-Century, English American colonies as the Massachusetts Bay Colony of the Winthrops, Mathers, and their principal intellectual heir, Benjamin Franklin.

Through that relative isolation of the young United States constitutional republic from its former European friends and sympathizers, which began with the British Foreign Office’s orchestration of the siege of the Bastille by “Philippe Egalité,” the Jacobin Terror, and tyranny of Napoleon Bonaparte, the U.S. emerged from the effects of the 1814-1815 Congress of Vienna as largely an isolated and embattled republic. This relative isolation was continued until it was broken by the victory of the U.S. over the combined British, French and Spanish forces deployed against the U.S.A. and Mexico by Lord Palmerston’s British Empire, together with London’s creature the treasonous Confederate States of America, against both the U.S.A. and Mexico.

Since the U.S. victory over Palmerston’s efforts, world history has centered around the continued conflict between two leading English-speaking powers, the United States against the British Empire of Anglo-Dutch Liberal interests in the cultural and political, imperial “free trade” tradition of the financier-oligarchical Liberalism of Paolo Sarpi.

Since then, all other politics of the world since the occasion of the February 1763 Peace of Paris, have pivoted upon a dependency on the issues separating the two leading groups of English-speaking powers, the U.S.A. versus Anglo-Dutch financier-imperial Liberalism. This balance of power between the two leading, English-speaking powers, has been not only a conflict between two territories in the world; it has also been a conflict between the patriots and Liberal Tories within the United States. An Anglo-Dutch Liberal hatred of the kind of prosperity ensured by the global influence of the American System of political-economy.

However, do not forget, that the actual happiness of the British Isles’ “normal people” was not a pleasing prospect for a royal financier oligarchy in the tradition of Venice’s Paolo Sarpi and his northern European maritime region’s ambitious followers of Sarpi’s “New Venice” policy.



*The new form of empire which emerged from the leadership of Venice’s Paolo Sarpi (above) spawned today’s Anglo-Dutch Liberal system, and unleashed the swarm of financiers at its core; the imperialist speculators in today’s petroleum “spot market” are the direct heirs of Sarpi’s model.*

## Truman, Unfortunately

This deprived, pro-oligarchical intention by President Truman to which I referred above, was spoiled by the Soviet Union's unexpectedly early development of a nuclear-weapons capability, a development which spoiled the publicly declared intention by British imperialism's Bertrand Russell to launch a so-called "preventive" nuclear assault on the Soviet Union, on the assumption the Soviet Union would not possess a military-nuclear capability at that time.<sup>42</sup> This cleared the way for the election of the immensely popular General Dwight Eisenhower, who delivered significant set-backs to the British war-hawks and their U.S. likenesses.

However, after Stalin's death, his successor, Nikita Khrushchev, entered into an arrangement with the British circles of the same Bertrand Russell who had echoed the policies of Russell's deceased political confederate, "futurologist" H.G. Wells, with Russell's own, earlier nuclear saber-rattling.<sup>43</sup> Khrushchev's launching of the "Cuba missiles-crisis" was an integral feature of the same operation which launched repeated assassination-attempts against France's President Charles de Gaulle and others during the span of the 1961-1968 interval, including that of President John F. Kennedy. The launching of the U.S. fraudulently launched war in Indo-China and the 1967-1968 monetary crisis triggered by Britain's Prime Minister at that time, ended the continued influence of the policies of real physical-economic growth which had still been U.S. policy over the post-Franklin Roosevelt, 1945-1967 interval.

The emblematic, strategic features of this time were the continuation of the Indo-China war, the economically counter-revolutionary rampage of the "anti-blue collar" 68ers, and the break-up of the Bretton Woods agreements by the administration of pro-fascist President Richard Nixon. The British-Saudi orchestration of the oil-shortage hoax of the 1970s, which established the Anglo-Dutch "spot market" as a virtual replacement for the earlier pace-setting role of the U.S. dollar, when combined with the Trilateral Commission-steered destruction of the essential features of the U.S. physical economy, wrecked

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42. The significance of this Soviet development of nuclear weapons, is not properly recognized until it is noted that the Soviet development of an Anglo-American mode in such weaponry was, reportedly, the result of Stalin's decision to test a U.S.-like type, rather than the already developed Soviet type, so that a failure of the test could be blamed on a flaw in the copying of the U.S. type, rather than the Soviet type.

43. The sometime avowed fascist, H.G. Wells of *The Open Conspiracy* and *Things to Come*, and of the H.G. Wells Society loose inside today's U.S.A., was originally a youthful protege of the nasty Thomas Huxley of sundry Nineteenth-Century notorieties and later a leader of the followers of Cecil Rhodes in preparing the way for launching of what became known as World War I. It was the death of Wells which bequeathed to Russell the authorship of the fascist, post-World War II scheme for a "preventive" nuclear-weapons attack on the Soviet Union, that for the purpose of establishing "world government." Russell gave up the advocacy of such a nuclear assault on the U.S.S.R., when it was discovered that the Soviet Union had also developed a nuclear-weapons capability of its own.

the U.S.A., and cleared the way for what has become the post-1987, inflationary destruction of the U.S. dollar and, later of its associated physical economy under the incumbency of U.S. Federal Reserve Chairman Alan Greenspan.

The result of this trend in the rise of Anglo-Dutch Liberal power, at the expense of, most notably, an increasingly ruined U.S. economy, has been a resurgence of nothing other than the old British Empire unwashed, but newly pressed old rags of a past imperial glory. This is a development better described as resurgence of the power of Anglo-Dutch Liberal financier interests, that now in a form echoing the Fourteenth-Century conditions and trends leading into the "New Dark Age" of Europe's Fourteenth Century.

Sometimes, even sophisticated people are astonished by my insistence, that the only true empire of the world today is the Anglo-Dutch Liberal empire set into motion, as the new model of Venetian empire, by Paolo Sarpi. That astonishment reflects a lack of sufficient attention to the true distinction of human beings from the beasts. I explain this extraordinarily important point.

## The Effects of Cultural Stagnation

The crucial point is the distinction of the Noösphere from the Biosphere. The aspect of this distinction on which to focus at this point in the report, is the fact that lower species of life have relatively fixed levels of potential relative population-density, relative to their environment and its current condition; whereas, the cognitive powers unique to the human species, are the source of a voluntary power of the human species, a power to change its potential relative population-density, upward, as no other species can do this. This reflects a specific power of the human mind which does not exist in the animal brain.

Thus, speaking strictly, although mankind can attribute a history to the existence of an animal species, no animal species can attribute such a voluntary history to itself. Man is thus fairly described as a distinctly historical species.

Thus, patterns of principled kinds of policies transmitted over successive generations, act like the *a-priori* forms of axioms and postulates attributed to a formal geometry, to such effect that seeming traditions of a certain society during a certain time impose what are effectively ideas generated in the past, acting upon several of more, successive, later generations. In that specific sense, the very wicked Mr. Paolo Sarpi is very much alive, as a willful agency today; only his human body is dead.

This fact of historical man, as distinct from animal species, has been the principal source of my uniquely successful history as a long-range forecaster over more than four decades. That is to say, that day to day decisions, even innovations, have only a very limited influence over history in the longer term, for as long as certain relevant, principled types of policies, policies of a type which characterize a cultural mind-set, remain in effect. Other kinds of decisions have





*Belief in Newton, writes LaRouche “is a matter of pagan religious belief, not science. The cult of Isaac Newton can be traced chiefly to Sarpi’s lackey Galileo (left), who produced a series of hoaxes which became his alleged scientific accomplishments. The engraving is titled, “Newton’s dog burns his Alchemy writings in 1693.”*



only a relatively minor, temporary effect in shaping the direction of a society’s movement into its future. The principal, axiomatic-like assumptions of belief associated with the existing social system prevail, until some breakdown or equivalent change in the course of history intervenes to change the course of history.

Thus, to understand the Anglo-Dutch Liberal system of imperial tyranny which menaces world civilization today, you must understand that the legacy of Paolo Sarpi still reigns. Think of adopted “axioms,” such as the arbitrary axiom of “free trade,” as akin, in its functional effect on human behavior, to genetics in the design of an animal species. The imperialist Liberals of today are, as a social class, a species with the “genetic” characteristics transmitted from Paolo Sarpi. To understand them, you must first study the case of their “genetic” ancestor, one like the Grand Inquisitor of Dostoyevsky’s novel, the evil, virtually Satanic, Paolo Sarpi.

### **The Choice Before Nations**

Thus, the only competent economic policy of any nation, or for the world as a whole, is what is loosely described as a “science-driver” policy for both sovereign nations and the world community at large. All of the principal evils known as the cause for failure of nations and peoples, are expressions of either a neglect of that policy, or, worse, commitment to uproot it, such as that of modern Malthusians from Malthus through genocidalists such as Adolf Hitler’s regime, or today’s former Vice-President Al Gore today.

Thus, the efforts to defend humanity from brutish systems of government and conventions, during the interval from the accession of William of Orange to power in England, as the virus which was the cultural legacy of Paolo Sarpi’s neo-Venetian Liberalism, settled upon its new geographical, Anglo-Dutch nesting-places, and consolidated the outcome of this as the habit more or less securely established in most of Europe by the post-Seven Years War, February 1763 Peace of Paris.

There had been several qualitative steps leading into this and ensuing results since the cultural disaster of the expulsion of the Jews from Spain by the Grand Inquisitor, Tomas de Torquemada, acting in concert with the takeover of the Spanish monarchy by the Habsburg interest. The impact of a subsequent, parallel change from the reign of Henry VII to Henry VIII in England, engineered by leading Venetian intelligence official and impromptu marriage-counsellor to Henry VIII Francesco Zorzi, had been a keystone for a plague of religious warfare in Europe which persisted as a trend from 1492 until those actions of Cardinal Mazarin which triggered the 1648 Peace of Westphalia.<sup>44</sup>

In the midst of this 1492-1648 interval, Paolo Sarpi had risen to prominence as the leader of a faction of reform for a significant portion of the Venetian oligarchy. This did not mean that Sarpi was devoted to a peace of faiths; the best evidence is that he sought what became, in effect, the Thirty Years War of 1618-1648. Sarpi was not motivated by desire for peace; his concern was the inability of Venice, under its pre-existing social policies, to suppress the political-economic legacy of such as Nicholas of Cusa, Louis XI’s France, and England’s Henry VII. The economic, scientific, and social reforms unleashed by Cusa et al. in the great ecumenical Council of Florence, had produced a science-oriented, urban, city-centered culture, which the massed forces of the Habsburg interests could not suppress as long as they clung to radically Olympian, Aristotelean dogma respecting social-technological practice.<sup>45</sup>

44. Mazarin had been the Papacy’s chief agent in the efforts to bring about peace between France and Spain. He continued that assigned function with his movement into France, where he succeeded the authority held by Cardinal Richelieu.

45. Consider the opinion of a close friend of the martyred Christian Apostle Peter, the Jewish rabbi Philo of Alexandria, against the doctrine attributed to Aristotle. Aristotle had defined a God rendered impotent by the attributed “perfection” of his Creation, thus leaving Satan free to roam. The point is, that

Sarpi's policy was one of seeking to maintain Venice's power as a finance-imperialist interest, by adapting to, and working to corrupt the scientific-technical changes in European culture, rather than fighting against them. Therefore, the keystone of Sarpi's policy had been what is known today as Anglo-Dutch Liberalism. For this, Sarpi needed an ideological lever, which he found in his revival of the irrationalist ideology of a notorious medieval figure, William of Ockham. This substitution of Ockham for Aristotle, by Sarpi and Sarpi's lackey Galileo, and Sarpi follower Thomas Hobbes, became the core of the Anglo-Dutch Liberal dogma adopted and spread by the emerging Anglo-Dutch imperialism of the Netherlands and Britain. The case of the virtual "stuffed dummy," of the circles of Antonio Conti and Robert Hooke, Isaac Newton, is the typification of the philosophical world-outlook of a modern British culture embodying the living spirit which had occupied the former mortal figure of Sarpi.<sup>46</sup>

### What Was Isaac Newton?

The origin of what became the cult of Isaac Newton, is traced chiefly to Sarpi's lackey Galileo, who used his access to some of Kepler's work through Kepler's correspondence on music with Galileo's father. Galileo, in his other role as Sarpi's ideological lackey, produced a series of hoaxes which became his alleged accomplishments in science. Later, Galileo's model was employed by his English followers to copy and reify relevant published writings by Kepler, to fabricate a mangled and fraudulent attribution of the discovery of gravitation to a science-incompetent figurehead, Isaac "Open the Window" Newton.<sup>47</sup>

In short, belief in Newton is a matter of pagan religious

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what was created was an anti-entropic, inherently creative universe. The argument against which Philo, among Christians and others, complained is to be recognized as that of the evil Olympian Zeus of Aeschylus' *Prometheus Bound*, the satanic Zeus on whom the worship of Malthus and Prince Philip's batty World Wildlife Fund is premised.

46. Whereas, the actual and unique establishment of the calculus had been published by Gottfried Leibniz, before his leaving Paris, in 1676, the later claims of Isaac Newton's keepers rested upon the claim that Newton had already made the discovery, but had neglected to publish it. The explanation proffered by the keepers of the Newton cult, was that the original discovery was to be found in Newton's chest of scientific papers, which, it was explained, had been mysteriously misplaced. Said chest finally appeared in the Twentieth Century. The celebrated John Maynard Keynes was entrusted with examining the contents. A Keynes horrified by the mass of black magic and similar materials contained within the chest, proposed publicly that it be shut tight, and never opened again. In fact, no actual calculus was ever produced by Newton, or in Newton's name, during his lifetime; what was produced was a treatment of "infinite series," probably done by, or in collaboration with Hooke.

47. The lack of any recorded actually orally uttered statement on science from the mouth of Isaac Newton, is typified by Newton's long-standing position as a member of Parliament. The only oral utterance on record from there, is Newton's "Will someone open a window." There is, curiously, no evidence that former Vice-President Gore was visiting the premises on that occasion.

belief, not science. The god of that particular pagan religious cult, was not God, but something tantamount to the Olympian Zeus of Aeschylus' *Prometheus Bound*, a pagan god whose traditional priesthood came to include the plagiarist and hoaxster Thomas Malthus. The rest of the matter is simply the issue of who does, and who does not attend that particular pagan church called Anglo-Dutch Liberalism.

The scientific issue posed by Sarpi's Liberalism, is that Sarpi and his followers, such as Rene Descartes, crafted a system among mathematicians, in which mathematical formulations are employed as substitutes for physical principles. Since the modern notion of a physical principle in science has rested chiefly on the affirmation of the method of Cusa's *De Docta Ignorantia*, as that method was realized by Kepler's uniquely original discovery of universal gravitation, there should be no mystery as to why Sarpi, with his avowed mission of employing Ockham as a substitute for Claudius Ptolemy's Aristotle, should have required the invention of the irrationalist myth of empiricism, and why the invention of a virtually mythical Isaac Newton-the-scientist should have been concocted by Paris-based Antonio Conti, et al., to serve, like a stuffed shop-window dummy, as an English-speaking substitute for a nominally French Descartes.

### Art & Science

It were sufficient to look back to the historical origins and persistence of the Liberal (i.e., Ockhamite) Venetian reforms introduced by Paolo Sarpi, including the shift of Venetian maritime power from its former Adriatic base, to the northern European maritime provinces, to recognize the consistency of the principled determination of the nature and practices of the Anglo-Dutch Liberal financier-oligarchical imperial interest, to its present-day expression in the current 2008 U.S. Presidential election-campaign.

Most of the leading actors on that present stage, are to be seen as, to a very large degree, virtual puppets of Paolo Sarpi.

It is therefore of some practical, political importance today, to express decent disgust for the staging of Classical Greek, or modern Shakespearean, Lessing, or Schiller drama in costumes of times which do not correspond to the historical setting in which the original staging of the drama by the author was located. Staging *Macbeth* or *Lear* in times other than those which Shakespeare chose, or, the same for *Hamlet* or *Julius Caesar*, or the same for the great master of the drama, the thorough historian Friedrich Schiller, as above all, his *Wallenstein* Trilogy, is already a fraud perpetrated on the audience. History, in each of its phases of time and place, has a cultural specificity which, as such a specificity, is the essential feature of the drama.

It is the culture which is speaking, and speaking to the actual audience across the intervening actuality of the span of time and place. No decent play is simply the interaction among some actors placed on some stage. The most important feature

of any drama is its historically actual place in the cultural history of mankind. The great Classical dramatists put actual history as they knew it, on stage, and put the passions of what they perceived as those times to play out on stage as intended expression of the historical times to which the performance referred. Classical drama must not entertain the audience, but grip the audience to such effect, that, as Friedrich Schiller prescribed, the member of the audience must leave the theater a better citizen than he had entered. To change the historical setting from the actual setting of events, to some other time and place, is an immoral act in and of itself.<sup>48</sup>

That is to repeat a preceding point, respecting such historically specific phenomena as the proposed Lisbon Treaty, that that treaty can not be understood except as the imprint of Paolo Sarpi, as a continuing matrix of culture principle intrinsic to the establishment of what was to become, and has remained the legacy of Paolo Sarpi.

The most significant implication of that same point of historical fact, is that any world-shaking crisis, such as that descending upon all humanity today, can have come into existence only as the overlong persistence of some set of misguided paradigms of a quality simulating axiomatic features of a culture. Thus, as the fate of the world today is largely in the grip of a paradigm established by Sarpi's influence for Europe today, especially Anglo-Dutch Liberal imperial power, so it is against our enemy Paolo Sarpi that the force of our defense of civilization must be focussed.

The world has changed in many ways since the death of Sarpi, but the conflict within the body of the English-speaking institutions, those of the Anglo-Dutch Liberal system and our United States, remains as an essential conflict between what are, virtually, two opposing, relatively immortal systems of society.

It is the axiomatic-like principles which characterize the response-patterns typical of a culture, which remain the determining characteristics of the pattern of developments within, and among cultures as long as those axiomatic-like patterns persist. It is only a seemingly radical change in those axiomatic-like patterns, often, in history, spanning centuries, which determine the history of, and among the relevant nations and cultures.

What remains constant among these patterns shifting in that way, is the essential nature of man, and the actuality of the relative level of development of cultures. The principal changes in the long-wave trends of behavior among cultures, are to be located in the axiomatic-like features. Hence, Paolo Sarpi, although long-dead, typifies the forces which have per-

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48. For example, Giuseppe Verdi's transfer of times and places from Sweden, to Boston, Massachusetts was not the intention of Verdi, but of the Italian censor of that time. Shakespeare was exacting in this respect, and Friedrich Schiller a true genius. Eugene O'Neill's *The Iceman Cometh*, passes the test nicely as a case which belongs in my time and nation. Orson Welles' Mercury Theater productions were often the clever machinations of a highly talented and pompous ass.

sisted in Europe since his time, that until we are rid of what he, in principle, represents from our current history's past, as he does, efficiently, still today. The most essential feature of this conflict, centers on that between the legacy of Sarpi and of the *noëtic* principle. Thus, the conflict portrayed by Aeschylus' Prometheus Bound, remains the principal pivot of historic conflict within the world today.

So, the crucial objective for the future of mankind must be to free mankind and its nations from the grip of institutionalized ideologies such as the slavery of tradition typified by the brutish ideologies attributed to the mythical Olympian Zeus or Paolo Sarpi, and to bring the actual power of human creative reason into play, instead.

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## IV. The Program of Development

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The objective of what is discussed today as "A New Bretton Woods," may be fairly described as an expression of the wish to return to the original Bretton Woods intention of U.S. President Franklin Roosevelt, as if he had not died early during his fourth term in office.

To refresh the reader's memory from the preceding chapters of this report: the regrettable intention expressed by deceased President Roosevelt's successor, President Harry S Truman, was to overturn several among President Roosevelt's essential intentions for the post-war time, especially Roosevelt's intention to uproot pro-colonialist aspects of imperialism from the planet. These Truman actions which were aimed to wreck much of President Roosevelt's achievements, were expressed in chiefly two ways. First, as Truman's intentions to destroy features of those policies which were displeasing to Winston Churchill's anti-U.S.A., British imperialist intentions for the post-war period. Second, to bring that about by aid of forcing a threatened nuclear confrontation with the Soviet Union.

Had President Roosevelt lived to carry out his avowed mission for the post-war period, the entire colonialist and quasi-colonialist systems of European powers would have been liquidated, and Britain itself freed to enjoy a normal national sovereignty under a system of a world composed, exclusively, of an intended system of sovereign nation-state republics.

If we wish to survive the presently onrushing, global economic-breakdown crisis, we, of the United States, must insist on returning to Roosevelt's intentions now. First, we must re-establish the principle of national sovereignty. Then, each presently deprived nation, must be assisted to fulfil its desire to develop into the desired form of the sovereign nation-state. Not all objectives will be reached immediately, even though they are proper choices; therefore, our policy must be establishing an intended, working system of *developing* sovereign nation-state republics, a goal which must be reached, or else nothing much will have been reached, after all.



As a matter of practice which we are implicitly required to adopt under the present conditions of an onrushing general breakdown-crisis of the world's present monetary system, the policy of the U.S.A. must become that of replacing the present monetary system by establishing a new Bretton Woods system, as such a design was implicit in President Franklin Roosevelt's efforts through the Bretton Woods conference, instead of the error introduced under President Harry S Truman, of adopting John Maynard Keynes' misinterpretation of President Roosevelt's intention.

The significance of this requirement, is best argued from the standpoint of examining the inherent insanity (and immorality) of the present system of so-called "globalization," as that was the present policy of the Anglo-Dutch Liberal imperialists which was installed during the 1970s. That radical change in direction of the planet's evolution, toward "globalization," away from the U.S. policies of the 1950s and early 1960s, was brought about not only by the August 1971 scrapping of the Bretton Woods system, but by the petroleum-price hoax of the Anglo-Dutch-Saudi operation of 1973 onward, and by the systematic wrecking of the U.S. economy as a whole through the globally radiated impact of the installation of the ruinous program of the Trilateral Commission under the hapless Presidency of Jimmy Carter, and into the 1980s and beyond.

What we of our U.S.A. permitted to happen to our republic, during the interval of the term of Britain's Prime Minister Margaret Thatcher, was tantamount to the influence of treason among us.<sup>49</sup>

## The Evil of Out-Sourcing

Back during the 1950s, the bellwether of future disaster was the phenomenon which began to be described, then, as the effects of "run-away shops." What has, subsequently, become a global policy, began to be seen within the United States itself, with the transfer of employment. still within the same corporate structure, from places where higher skills, and relatively higher wages, of a relatively higher-paid quality of labor-force had existed during the World War II times, to areas where significantly cheaper wage-rates and lower local tax-rates (and poorer infrastructure) prevailed. Later, qualitative changes became the prevailing trend, and the export of employment opportunities from the U.S.A. and western and central Europe, to nations with dramatically lowered standards of living.

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49. Notable was the policy of the U.S. under Secretary of Defense and George Shultz crony Caspar Weinberger, as in the instances of the Malvinas War of Britain against Argentina and the wrecking of the economy of Mexico during the related State Department operations during Summer-Autumn 1982. The "good side" of President Ronald Reagan showed in Reagan's avowed hatred of a U.S. defense policy based on what Reagan had denounced as "revenge weapons." However, with George H.W. Bush as Vice-President, with Shultz and Weinberger in Reagan's Administration, with Henry A. Kissinger deployed on special missions, and the same Trilateral Commission which had reigned under Carter all over the Reagan Administration, that Administration, in the end, was, overall, a shambles in performance from 1982-1984 on.

The more radical change in the U.S.A. came during, and following the 1970s: with the U.S. Nixon Administration's August 1971 wrecking of the Bretton Woods system, the oil-shortage hoax of 1973, and, especially, the 1977-1981 wrecking of the U.S. economy under the Carter Presidency, a wrecking done according to the guidelines adopted by David Rockefeller's Trilateral Commission, led by Zbigniew Brzezinski. The physical-economic conditions of life for the lower eighty percentile of family-income brackets in the U.S.A., have become persistently worse, at a generally accelerating rate, ever since those and related developments of that decade.

To see the result on a global scale, take the case of China.

That U.S. reopening to China which occurred during the Administration of U.S. President Richard Nixon, was not an error in itself; to that degree, it was not only correct, but overdue. However, what should have happened, instead of the lunatic 1971-1972 wrecking of the Bretton Woods fixed exchange-rate system, was the use of the opening of constructive relations with China through negotiating a long-term system of credit under a fixed-exchange-rate system. By that means, we should have acted to emphasize the development of the agro-industrial infrastructure of a developing China economy, that to such effect that a commitment to the full development of the entirety of China's territory and population, should have been the primary objective from the start.

The bad effect of neglecting the latter approach should be clearly evident to competently skilled observers today. The extent of the internal problems in the relatively poorer regions of China today, reflect that fact. The wrong approach taken by the U.S.A. was basing the new relations with China on a "free trade" premise, the policy of inducing China to fulfill U.S. internal consumption requirements at prices far below those which could be matched by production within the U.S.A. itself.<sup>50</sup> Under that misguided premise, especially since 1989-1990, China, like nearly all nations which have experienced expansion of their export industries under "free trade" arrangements since the collapse of the Soviet Union, find that the gain in national income of the developing economy from exports, is not sufficient to sustain more than a minority of the exporting nation's total population and territory. In other words, the exporting nation is losing money on the costs of production represented by the failure to cover the true costs of that national production as a whole. The chief reason for this short-fall is the relevant practice of "free trade," under which China, for example, produces for export at *an incurred true national physical cost* which is marginally greater than the relevant income from export earnings.

This is complicated by the ironical balance of U.S. dollar

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50. In significant part, the longer-range purpose of this sort was to shut down the internal market of nations, to make each dependent for a crucial part of its consumption needs on international trade controlled by oligarchical forms of international speculation.

holdings by China, under the present trend of both the collapse of value of the U.S. dollar on international markets, and the related depreciation of China's current income from exports to the U.S.A. The ugly, medium- to long-term reality of the matter now comes to the fore in this and other ways. A more equitable arrangement between the U.S.A. and China is now needed at a time when the stability and strengthening of relations among the "Big Four" of the U.S.A., Russia, China, and India, is crucial for all mankind.

In the case of China, for example, the problem of underdevelopment of the greater parts of the territory and population is, in itself, a rough measure that China is not paid sufficiently for its exported products to cover the physical costs actually incurred by China as a whole, in producing what represents the net export of China's total production. This is an affliction which infects virtually all of the national economies which have absorbed the production of what was formerly produced in North America or western and central Europe, for sale to, largely, the North American or western and central European nations which had formerly exported the production of these goods to developing nations.

We should have adopted a "fair trade" policy for prices of goods produced outside the U.S.A., instead. It is our failure to continue the U.S. "fair trade," so-called "protectionist" policies of the 1950s which has ruined the U.S.A. in favor of Anglo-Dutch Liberal imperialism, and has created the pattern of crisis and also economic and social disasters among nations exporting cheap products to such places as North America and Europe.

Similarly, since 1989, the former Comecon states, including Russia, have undergone a similar heavy loss on account of the true costs of exports, and of labor, that to the present day. In other words, the apparent "market value" of exports has fallen far below the true costs of production, not only costs of goods, but costs of human life.

In general, the process of globalization, especially as it evolved, since the U.S. stock-market crash of October 1987, during the reign of Alan Greenspan as Chairman of the U.S. Federal Reserve System, has brought about a "globalization-driven" collapse in the real economy of the world as a whole.

The effect of the relevant, prevalent official delusion, on nearly all sides of decision-making, has been that the determined "market price" of goods has been driven far below the true *physical* cost of production by the relevant nation: a policy corresponding to what Soviet economist Evgeny Preobrazhensky of the 1920s called his proposed Soviet policy of "primitive socialist accumulation." Preobrazhensky, during his part in the Preobrazhensky-Bukharin debate of that time, was echoing the rather uniquely competent insight by econo-



Rosa Luxemburg Foundation

*Rosa Luxemburg (1870-1919), "the brilliant daughter" of a German labor leader, was right on economics, when the so-called "orthodox Marxists," V.I. Lenin and others, were wrong.*

mist Rosa Luxemburg, and also, later, former U.S. State Department official and historian Herbert Feis, on the specific subject of international loans under finance-imperialist conditions.<sup>51</sup> Otherwise, V.I. Lenin and the German Social-Democrats, like others, had been essentially mistaken in their relevant economic doctrines on the subject of modern imperialism.

These and related facts might seem to be unclear to many commentators, until several points of clarification have been introduced to show the incompetence of most leading, mostly wrong popular opinion about this matter. For this reason, we must return to subject-matters referenced in some of the preceding chapters of this report.

See how and why the post-1970 policies of the U.S.A. have become such a disastrous, presently global, and terrible failure. Begin with this specific kind of failure in the policies, and the beliefs of the Marxists.

### When Rosa Luxemburg Was Right

The mistake of the so-called "orthodox Marxists," V.I. Lenin, and others, who failed where the brilliant daughter of a *Bund* figure, Rosa Luxemburg,<sup>52</sup> had succeeded, has a

51. Rosa Luxemburg, *The Accumulation of Capital*, Agnes Schwarzchild, trans. (New York: Monthly Review Press, 1951); Herbert Feis, *Europe, the World's Banker 1870-1914* (Harvard University Press, 1964).

52. The "*Bund*" refers to a labor association known in its U.S. extension as "The Workman's Circle." Rosa Luxemburg was the daughter of a notable

little-recognized significance for today on precisely this account.

She was not a “Marxist” in the sense of the impact of Marx’s doctrines bearing on such matters of economy as I have just emphasized immediately above. That is to emphasize, that there is no necessarily “rational” relationship between what the so-called “orthodox” Marxists distinguished as “price” and “value.” *There is no basis for the assumption that, in a so-called “market economy,” there is an underlying, long-term, asymptotic convergence of a so-called “free market,” monetary price upon relative physical value. In the entire sweep of U.S. experience since 1968, for example, exactly the opposite has been consistently true for the U.S. economy as a whole.*

*The problem with the minds of so many deluded U.S. citizens, is their tendency to prefer to believe, even devoutly, what their masters frighten them into pretending to believe, even when the bitter evidence of experience should have convinced them of the opposite.*

The real subject of a policy of “free trade,” is not the cheapness of goods, but the cheapness of expendable people, even to the extent of the currently rising, virtually genocidal rise of rates of mass starvation globally, which nothing so much as present, “World Trade Organization” (WTO) policies has done. Such have been among the means for implementing those pro-genocidal policies of Britain’s Prince Philip and his World Wildlife Fund, which express his avowed intention to reduce the world’s population from more than six and a half billions persons, to no more than two, that in relatively short order of historical time. Worse, that is not only Prince Philip’s policy, but had been that of his now deceased accomplice, the Prince Bernhard of the Netherlands who had once signed his letter of resignation from Hitler’s SS in the manner he did on the occasion of the date of his marriage to the Netherlands princess. Such is Prince Philip’s policy and practice; it is his actual practice, and that of the fraudulent “Malthusian” schemes of such among his lackeys as former U.S. Vice-President Al Gore.

It was thus, also, precisely that, from the inauguration of President Harry Truman, on, in the first instance, and from the relatively much more radical measures of de-construction of the U.S. economy since 1968, which has made the U.S. economy of the 1968-2008 interval the “terminal case” which is expressed by the general breakdown-process of the world economy confronting us all today.

Therefore, it is that miscreant’s economic policy-of-

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figure of the association, from Poland, whose career in the Socialist movement was strongly influenced by the French Jean Jaurès whose assassination on July 21, 1914 virtually destroyed what became popularly known as the Zimmerwald movement, so named for a peace conference scheduled to be convened in Zimmerwald in 1915, which was the leading opposition to the unleashing of what was to become known as the impending World War I. Her association with the role of Jaurès was among the most important formative influences of her development as a political figure.

practice of Prince Philip and former U.S. Vice-President Al Gore, which is the most important of the globally decisive issues of policy menacing the economy of the entire world, which must be addressed at this point in our ongoing account here. The most relevant way in which to address this issue, is to reference the contrast between the evolution of U.S. economic policy of practice up to the time of the death of President Franklin Roosevelt, in contrast to the lunacy of policy-trends since the assassination of President John F. Kennedy, and, most emphatically, the systemic insanity of political trends in economic policy-shaping which have taken over, more and more, the shaping of U.S. social and economic policy since the end of Winter 1968, and since the approximately coinciding effects, internationally, of the end of the Konrad Adenauer and Ludwig Erhard governments of West Germany, and the virtual ouster of France’s President Charles de Gaulle in the same 1963-1968 time-frame.

### What Is a ‘Fair Price’?

The practice of empire, as illustrated for Europe since Augustus Caesar established that pact, on Capri, with the oriental cult of Mithra, has been the enforcing of the status of what were relatively human cattle, a status which had been imposed upon the great mass of the population of that empire. This policy of practice has been continued by all empires since: by the Roman Empire, Byzantium, by the medieval system dominated by Venetian usurers and Norman chivalry, by the Habsburg-dominated region, and the modern system of Anglo-Dutch Liberal tyranny whose hegemony was defined by the succession of London’s orchestration of the so-called “Seven Years War” and the outcome of that war as the British East India Company’s imperial triumph in the February 1763 Peace of Paris.

The essential characteristic of the imperialism of these forms, and of kindred oriental forms earlier, has been the denial of the existence of actually creative powers of the individual human mind, as by the legendary Olympian Zeus of Aeschylus’ *Prometheus Bound*. This policy of practice, as it is exemplified by the practice of imperialism, is premised, as by the law of that Olympian Zeus, on forbidding the ordinary human beings to be given knowledge of “fire,”—signifying “fire” as symbolic of those creative powers of progress in knowledge of fundamental physical principles on which the increase of the power of the individual member of society depends, as measurable per capita and per square kilometer of relevant territory.

The practice of empire and its likeness, has demanded the suppression of the actual knowledge of such “fire,” and the limiting of access to its use where it is known. In this way, the empire’s reign over its subjects, denies them those powers of mental development by means of which they might become willfully independent of imperial and kindred forms of oppressive rule.

Hence, since the maintenance of a certain potential rela-





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*A competent government, such as that led by President Franklin Roosevelt, LaRouche explains, “is impelled to create a ‘fair price’ system, a system designed to conform to the requirement of an increase of potential relative population-density, per capita and per square kilometer of total territory.” Shown: the President and Eleanor Roosevelt’s 1936 whistle-stop campaign for reelection.*

tive population-density must overcome depletion of currently standard resources through scientific and technological progress, the consequent, stupefying—e.g., “Malthusian”—quality of rule by any imperial or kindred system of society is, ultimately, as world-wide now, the perennial source of the doom of empires, such as today’s form of the British empire, which have run out of available space to expand. Thus, all empires and kindred systems are doomed by their very continuation in that mode, as the present existence of Prince Philip’s pro-Malthusian notion of a British Empire-in-practice, would doom a planet which continues to tolerate such British imperial rule today.

When we consider this prospect from the vantage-point of V.I. Vernadsky’s conception of the Noösphere, this cyclical aspect of imperial systems of rule is to be seen as clearly unnatural. Mankind is naturally an anti-entropic species operating within an anti-entropic universe. Thus, the matter of useful price must be considered in these terms of reference.

Consequently, a competent government is impelled to create a “fair price” system, a system designed to conform to the requirement of an increase of potential relative population-density, per capita and per square kilometer of total territory. The solution for the problems this entails was accomplished in the U.S.A. under President Franklin Roosevelt, and was the implied intention of searches in this direction by governments operating in the tradition of what the U.S.A.’s

first Treasury Secretary, Alexander Hamilton defined as “The American System of political-economy.”

The most significant experience with such an approach to pricing was the U.S. experience with the mobilization for warfare, for which the way was prepared by President Franklin Roosevelt from the first day he entered his first term of office in March 1933, at a time when World War II had been made virtually inevitable by the award of dictatorial powers to Adolf Hitler on the day following Hermann Göring’s orchestration of the burning of Germany’s Reichstag—a fire which was Germany’s historic, London-orchestrated predecessor for our experience of “9-11.”<sup>53</sup> Roosevelt’s Administration was aware of the virtual inevitability, if certainly not in every detail, of a U.S. involvement in such a war. The amount of sheer physical-economic might which the U.S. marshaled and maintained to enable the allies to win that war, is a demonstration of the great economic principle of all modern history, a lesson which the

United States appears to have forgotten since the assassination of President John F. Kennedy, and, especially, the death of most citizens of my own generation.

### Price: From the Top, Down

To understand the matter of pricing, it is essential to work one’s way from the top, down, rather than the bottom, up. It is essential to examine a national economy as a whole, and, then, to examine how that economy does, or should appear, if we were looking from the bottom, up, as we do in looking at the local transaction, rather than the top-down process as a whole.

The first thing to examine is the national productive infrastructure as a whole, from the top down. Then, to examine the process of production of agricultural, industrial, and comparable goods produced. Then, to take into account services such as education, health-care, and sanitation. Always looking at the economy as a whole—from the top, down, rather than in local detail.

In this view of the matter, our attention must be focused

53. Adolf Hitler was brought to power by the intention of a complex of financier interests centered on Hjalmar Schacht’s sponsor, the Bank of England’s Montagu Norman. These were forces including Averell Harriman’s Brown Brothers Harriman, and the grandfather, Prescott Bush, of the current President of the U.S.A.

upon the way in which a net increase in productivity per capita and per square kilometer of total territory is effected.

The functional view to be adopted in such a study, is that of attention to the fact that there is an indispensable combination of these, and related component categories, which will determine the net productivity of the entire economy, per capita and per square kilometer. Since there is always attrition, in the forms of attrition of sundry kinds of essential resources, there can be no stability in the economy without a continuing process of scientific and technological progress in the degree required to offset the forces of attrition intrinsic to any fixed mode of technology.

The intellectual function of sundry aspects of public and private policy-shaping is that of what is often termed an “allocation” function. This function, which shapes policy and practice respecting details of activity within the economy as a whole, leads to such included results as the proper roles of taxation, credit, and price. Those roles must be subordinated to the mission-orientation assigned to the economy as a whole, from the top down. Local initiative, as if from the bottom up, smooths out the general policy which evolves from the top down.

“From the top, down” signifies longer capital cycles of investment and consumption, which are largely matters of the functions of international treaty institutions, national

governments, local governments, large private enterprises, learned professions, and so on, down the list, from top to bottom.

In all of these functions, the crucial, needed element of change, is the practice of science and related innovation by individuals and small groups. In general, this requires a predominant role of physical science and Classical forms of artistic culture.

The result of this process of such interactions in the large, includes the matter of local price, and of transactions among individuals and small organizations.

When we inspect a real economy in those terms of references and comparisons, we discover that all of this detail, from the top down, and bottom up, results in a net gain or net loss in the rate of relative physical productivity of the national economy, and world economy, considered as wholes.

The connection among such decisions, at all levels, and in all aspects, results in a measurable estimate of historic values of progress, stagnation, or retrogression. The only competent measurement of performance of an economy then becomes what I have defined as a *potential relative population-density per capita and per square kilometer* of the whole territory and population of a nation, or group of nations. *This is the true measure of economic value.*

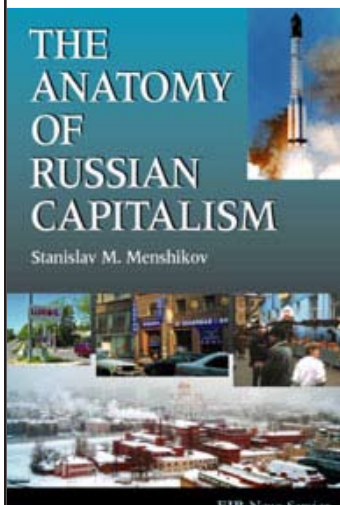
Statistical methods congruent with the axiomatic presumptions of Cartesian and related statistical methods are intrinsically incompetent attempted substitutes. People who think in Cartesian-like statistical terms, are therefore intrinsically incompetent as general forecasters. Riemannian dynamics, as a further development of what Gottfried Leibniz introduced as the principled notion of dynamics of modern science, in rejecting the intrinsic incompetence of Cartesian and related statistical methods, points to the foundations of the required methods.

The set of systemic relations I have outlined in the preceding paragraphs can not be competently represented in any formal way not consistent with the concept of a relevant Riemannian manifold. In practice, a good estimate is an acceptable approximation.

### Global Fair Pricing

The internationalization of production expressed, in an increasingly significant degree, by “globalization,” means that we are approaching a manifest state of world affairs in which the total production by the world is on the way to be less than the costs incurred by the production, in all nations, of the world’s consumed product. The horror which this presently intended state of affairs portends, is typified by the collapse of the supply of foodstuffs, a collapse which is an implicit expression of failure of the world to meet the true costs of what it produces—the true physical cost of what it produces and consumes.

To the same effect, there has been a general net collapse in



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basic economic infrastructure in North America and Europe, among other locations, a trend of net collapse of combined wasted and newly built infrastructure since about 1967-68. A collapse of the number of serving physicians, and of hospital and related facilities, in North America and Europe, is an expression of this.

This is to be compared with the monstrosity large incomes of a small percentile of the population, who, in net effect, are, like the hedge funds, engaged more in looting, than in even marginal production of useful physical goods and high-quality forms of essential services.

There are many factors of folly which have contributed to this general decline of the practice of physical economy in formerly leading industrialized nations, since about the 1967-68 turn downward in the U.S.A. and Europe, among other places. However, in large part, this decadence of the economies of North America and Europe, for example, has been the cultural effect of the rise into adulthood of the “white collar” portion of the generation born between the close of World War II and the 1958 depth of the 1957-58 U.S. recession. The “anti-blue collar,” “anti-industrial,” “anti-nuclear power,” and “green” traits of that increasingly influential, “white-collar baby-boomer” portion of the population, have exerted an extraordinary influence of the type associated with the lunatic traditions of the Malthusian “machine-stormers” of early Nineteenth-Century Europe, on the political institutions, and other critical aspects of culture, politics, and production of wealth.

The most deadly factor in this complex of ruin which has dominated North America and Europe, most notably, since the riotous days of 1968, has been the influence of the form of mass-insanity typified by the influence, in Europe, of a virtual witches’ coven represented by the 1920s and 1930s launching of what was incarnated, after 1945, as a combination of substituting the cult of “information theory” for science, and the operations and influence of the virtually Satanic Congress for Cultural Freedom and the related influence of the British trio of witchcraft’s Aleister Crowley, H.G. Wells, and Bertrand Russell.

These forms of economic cultural warfare against modern civilization, combined with the Malthusian campaign, by Britain’s Prince Philip, et al., for reducing the world’s population from over six to two billions living human individuals, or worse—a much greater genocide than Adolf Hitler’s, has been, in combined direct and indirect ways, the greatest single motivating force for the spread of economic and cultural depravity which has gripped the world increasingly since the late 1960s.

Thus, through economic policies of those who promote today’s policies of “globalization,” and through the cultural policies, such as those of the former Congress for Cultural Freedom, we have driven the net price of production below a less than zero-growth economic standard of living for a great

portion of the world’s population at large, and, even worse, have been using these means for driving down the per-capita physical productivity of the existing world population (of more than six and a half billions persons) toward what Britain’s Prince Philip insists must become no more than two billions.

The true physical cost of production, contrary to those evils of currently intended practice, is the cost of maintaining the entire human race in a rising standard of physical productivity per capita and per square kilometer. The true value of goods and services produced is therefore to be determined as the standard of living and productive culture, required for the planet as a whole, per capita and per square kilometer.

### **The Role of Language-Culture**

The present goal of what is advocated as “Globalization,” is the transformation of global civilization into a gigantic, new “Tower of Babel,”—i.e., tower of babble.

As the experience of our U.S.A. “melting-pot” nation illustrate the point, the efficient definition of culture is not a specific language, but, rather, a language-culture: a group of languages in use, assembled around a principal national language. That means, as the best aspects of U.S. culture illustrate the point, that there is a national language of record for legal and related functions, but the language is a kind of bench-mark for the set of secondary, family tongues of which the population is composed; that legal language serves as the pivot for unifying, rather than “ghettoizing,” a language-culture of the population as a whole. The multiplicity of languages associated with a central language-culture, is not a drain on the language-culture of the people, but, rather, tends to force the raising of the cultural level of the population as a whole.

The principal source of unprofitable quarrels about the matter of a national language-culture, so defined, is the kind of ignorance which is spread through attempts to standardize speaking and writing in such a way as to limit the meaning of words, sentences, and paragraphs to a strict, dictionary codifying of meanings, as by aid of a rigid style-book. The New York Times Style Book is case in point.

The characteristic of the mental development of the individual human being is associated with the principle of Classical irony, as the case of William Shakespeare, Percy B. Shelley, and John Keats, typifies this for the use of the English language by intelligent speakers. It is through irony, and only through Classical conceptions of irony, that the creative powers of the mind generate and impart creative expressions among literate users of the same language, or language-culture.

This significance of Classical literacy in art, is ultimately the same as the distinction of the crippled mind of the literal worshipper of mathematical formulas, from the competent scientific thinker. The crippled mind locates the idea in terms



of the equation; the intelligent citizen sees the formula as a mere shadow of a universal physical principle, as the work of Bernhard Riemann illustrates that point.<sup>54</sup>

The literally deductive mode of thinking, whether in physical science, or in practice of grammar, is not only the mark of a self-damaged mind, but is a practice which damages the human mind by crippling the individual's native potential for true creativity.

We already see the ongoing process of "globalization" as crippling the potential of the individual subjected to the effects of a tendency toward a "Tower of Babel" as a substitute for a literate language-culture. It is the enriching of the use of the creative powers of the individual mind, through the promotion of the powers of creativity associated with irony, on which the progress, and the morality of society depend.

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## V. Phaedo: What Is Immortality?

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The time has come, in the writing of this report, at which I should speak for myself.

The greatest of all of the commonplace failures of societies thus far, has been the failure to grasp the actual implication of the common theme of ancient Plato's *Phaedo* and the writing on the subject of that great work by modern Moses Mendelssohn: the true implication of the immortality of the mortal individual's human soul. Unfortunately, most among even those who profess to seek immortality, do not see it as a continuation of something uniquely specific to human life, but, rather, with the prefatory remark, on the anticipated brink of death, "And, then?"

For the rest of mankind, they are so gripped by their own fearful prescience of human mortality, that they do not even suspect the purpose in mortal life which they should be seeking. The best part of them, is the fearful sense that it is something like that which they should be seeking.

Simply, the animal aspect of the individual denies itself such knowledge; but, what is called the soul remains as it was, always there, as I have spoken and written on past occasions,

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54. "... Es führt dies hinüber in das Gebiet einer andern Wissenschaft, in das Gebiet der Physik, welches Wohl die Natur der heutigen Veranlassung nicht zu betreten erlaubt." From Riemann's 1854 habilitation dissertation, *Über die Hypothesen, welche der Geometrie zu Grunde liegen*, Bernhard Riemann's *Gesammelte Mathematische Werke*, H. Weber, ed. (New York: Dover Publications reprint, 1953).



*"Mankind is so gripped by their own fearful prescience of human mortality, that they do not even suspect the purpose in mortal life which they should be seeking." Raphael's "School of Athens" (1510), in the Vatican, portrays the principle of immortality. Shown: a detail, with Socrates (top row, second from right), in dialogue with other members of the Platonic Academy.*

as if continued life of the soul might suggest the assembly of souls, from assorted past times, portrayed by Raphael Sanzio's *The School of Athens*.

The problem has been, that most people, still today, (empiricists, for example) do not believe that they actually possess a "soul," except as a Sunday-go-to-meeting dress which they have borrowed for the occasion. There is a reason for this phenomenon; that is, that the victims of such an induced outlook treat themselves as loyal subjects of what Aeschylus portrayed as the Olympian Zeus of the *Prometheus Bound*. They accept the obligation to deny the actual principle of human individual creativity which is the difference of man from beasts, as a quality which does not lie within the bounds of the mortality assigned to the beasts. They accept the status of virtual cattle, which British empiricism, such as that of slave-trader John Locke, assigns to people. They accept the view of that willing slave, who does not create, but, rather, like the

believer in the swindle called “faith-based initiative,” hopes for good things—especially money, or what it might buy—to be caused to descend upon him.

So, where truth is known, great accomplishments in national economies, when they occur, often have a “life” in the order of a century or more. Important developments in development of power-systems and essential investments in productive facilities, have economic life-spans equal to those of a contemporary human generation, or longer. The development of the technologies required for progress, requires the dedication to producing such effects over several successive generations. The mission of society on these accounts is immortal, as one generation produces a successor, and another successor generation after that. We teach our young, if we are sane and moral, the premises of the accomplishments which will be realized by our children and grandchildren.

Yet, those discoveries of universal physical principle which have generated all of the great improvements, live on, eternally, as the goodness from which relatively long-lived man-made benefits, as of a generation or more, live on temporarily for our advantage.

Thus, on those premises of experience, alone, we should suspect that the human individual, as distinguished from the functions performed by the member of the animal species, is immortal.

## A Hellish Fact, or Two

I have explained this earlier in this report, in emphasizing the specific legacy of Paolo Sarpi as the central feature of the Anglo-Dutch Liberal characteristics of British Liberalism today. In the case of the history of British Liberalism since its emergence around Sarpi during the last decades of the Sixteenth Century, we are confronted with a form of mental-moral disease typified by moral-intellectual stagnation, as in the shift from Marlowe and Shakespeare to the depraved circles of Bacon and Hobbes. In the happier variety of cases, we would expect a high rate of conceptual progress from generation to generation.

When we consider the poverty which reigns in most of entire continents, such as in Africa and Asia today, and when we also consider the types of known remedies which are required to overcome these conditions, a moral society is to be defined in terms of centuries of its commitment to foreseeable goals of general development of the quality of not only the productive powers of labor as such, but the creative powers of the individual human mind. Thus, our departed ancestors live in us, as we should live in the improvements, as changes, which we have transmitted to our descendants.

When we define the term productivity within those terms of reference, we experience a qualitatively different definition of individual and general morality than when we think of the narrow interest of individual life between the bookends of birth and death.

We may come close to the truth of this matter, when we

speak of “immortal” works of art, such as the crafting of that cupola of Florence’s Santa Maria del Fiore by Filippo Brunelleschi, which was the first modern definition of the use of the catenary as a principle of physical design, later defined by Leibniz’s demonstration of the universal principle of physical least action.<sup>55</sup> A true demonstration of a universal principle is Johannes Kepler’s discovery of the universal principle of gravitation as such, in his *Harmonies*, as being a true universal physical principle; the argument of Albert Einstein on the uniquely valid universality of Kepler’s discovery, as the prototype of a truly universal physical principle, is relevant.

Immortality is not “a thing,” but a principle of the universe, for which certain objects are predicates. Immortal principles of the sort which typify the human soul as a being distinct from all forms of merely animal life, lie in the progress of accumulated knowledge of the human mind, powers accumulated through transmission of those living conceptions, that by aid of re-experienced acts of such discoveries. The great concrete works of physical science and Classical artistic composition, are footprints of the passage of those principles. It is through the replication of such acts of discovery of universal principles, that the immortality of the human soul is efficiently expressed. The footprints of that movement of the creative human soul, are what is more famously recognized as key to locating the works produced by the immortality of the human soul.

The common difficulty, even among elegant individual minds, is the fearful seizing upon the mortal act which expresses a footprint of immortality, for the actual foot which leaves that print behind.

The true statesman, of the special type we require for conquering the great challenge now before us, recognizes, and acts upon that specific distinction of the spirit which moves the true hero, by the current effect which the spirit has expressed. A long life, of men and women who have contributed great acts, is good; but, immortality is all that is truly enduring. Such men and women are the true immortals from among our species.

Those of us who are so persuaded, adopt as their life’s immortal mission, service to the future of mankind. It is that self-interest which we defend. It is that self-interest which we refuse to betray.

There is a great mission presented as a challenge to present-day mankind. That is a mission to accept the distinct sovereignties of the people of respective nations, with no attempted “Tower of Babel” permitted. The function of the existence of each sovereign people, is all future mankind.

The signs are clear. These terrible times now immediately before us, warn us to unite, as respectively sovereigns, to defend the proper common aims of mankind.

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55. Paolo Sarpi’s hoaxster Galileo Galilei, for example, never actually knew what a catenary (the funicular curve) is, although he claimed to know.

## Now for a Europe of Sovereign Republics!

by Helga Zepp-LaRouche

There is much howling and gnashing of teeth in banking circles these days. They're completely at loggerheads over how to steer a course between the Scylla of unchecked inflation, and the Charybdis of the world economy careening into a deep depression. Suddenly, there's been a great hue and cry—even though the hyperinflationary surge has been obvious since last September, while, already, back on July 25, 2007, Lyndon LaRouche announced at his webcast forum, that the world's financial system had already collapsed, and that now we can only watch how the various effects of the collapse play out on the surface of events.

The price of oil is now over \$140 a barrel, with some analysts forecasting that it will soon climb to \$170, \$200, or even \$300, while official inflation in Europe, even after being doctored down, is now almost 4%, and is expected to climb to 5.5% in August. There are now increasing indications, that sometime in July, the European Central Bank (ECB) will raise its minimum interest rate from 4% to 4.25%, because, among other things, public opinion has now hardened into the conviction that the Europe is not only a "Teuro,"<sup>1</sup> but that unlike the old hard deutschemark, the new currency is as soft as cotton candy. A parade of economists, such as Albert Edwards, chief strategist at Société Générale, warn that the ECB is making a grave mistake, and that by attempting to counter inflation by raising interest rates, it is simply pulling the economy more deeply into the abyss.

Contrary to the well-known proverb,<sup>2</sup> the crows are now beginning to peck each others' eyes out, and the U.S. Federal

Reserve is fast becoming the favorite punching bag of frustrated bankers. Barclays Capital has sent its clients a report warning of a worldwide financial storm, blaming the Fed for inflation, and stating that the Fed has lost all credibility. David Woo, the bank's foreign exchange expert, accuses the Fed of having exported inflation to some 45 other countries which have tied their currencies to the dollar. And it is indeed a fact, that the lion's share of the blame for inflation, goes to the Fed's and other central banks' decision to use repeated injections of liquidity in order to prevent private investment banks and other "creative financial institutions," with their multi-trillion-dollar "structured investment vehicles," from going under. Because the liquidity didn't just go into a piggy-bank; it continues to circulate, pumping up the monetary house of cards. Or, as the ECB's chairman answered, when asked to what degree speculation is responsible for the price of oil: "Portfolios," he said, have moved "in the direction of commodities."

The dispute over which of the two problems—rampant inflation or so-called stagflation—is the more serious one to be addressed, is a waste of time, and simply demonstrates how blockheaded these neoliberal ideologues are. Because the fact is, we have been in a hyperinflationary process for some time now—a process which will explode, in a very short time, with the bursting of more financial bubbles, and tsunami-strength financial storms.

### Ireland's 'No' Vote

It was against this background that Ireland voted "No" in its referendum on the new EU Treaty. The Irish population was certainly not cognizant of the full dimensions of the systemic crisis, but they were acutely aware of the ill effects of

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1. *Teuer* = expensive.

2. German proverb: "Crows don't peck out one another's eyes."





EIRNS/John Morton

*Dublin during the run-up to the June 12 referendum, in which the Irish resoundingly defeated the supranational Lisbon Treaty (the vote was 53.4% to 46.6%). Alone among EU member countries, Ireland's Constitution requires a referendum for any treaty which would abrogate national sovereignty.*

the EU's neoliberal policies on their own country's industries and farms. The advocates of the Treaty claim that the Irish were ungrateful, since so many had profited from EU membership. But not only does Ireland have a bursting real-estate bubble: Household indebtedness has climbed to 176% of its Gross Domestic Product, and it is being hit equally hard by the general credit crunch and the collapse of the dollar and the pound sterling. Ireland's farmers reacted especially strongly against the threat of completely unregulated free trade, which the EU's negotiations with the World Trade Organization seem to be heading toward.

Contrary to German Chancellor Angela Merkel and French President Nicolas Sarkozy, who are acting as if reality does not exist, insisting that the process of ratifying the Lisbon Treaty continue: One of the City of London's more conservative mouthpieces, Ambrose Evans-Pritchard, notes that the attempt to impose a "super-state" onto the nations of Europe has now ended in failure. In the *Telegraph* he wrote: "The attempt to override the triple 'No' votes of the French, Dutch, and Irish peoples has brought the EU to a systemic crisis of legitimacy. A line too many has been crossed. Any sentient citizen can see that the process has become unhinged. While 'Europe' blunders on as if nothing has happened, it is now an open question whether the Lisbon Treaty—née Constitution—will ever come into force, whether the EU will ever acquire the machinery of an economic, diplomatic, and military power, and whether the euro will ever have a polity to back it up. Henceforth, Brussels will struggle to retain

powers already amassed. Functions will flow back to the nation states, the proper venue for authentic democracy."

Now, you might not be a friend Ambrose Evans-Pritchard, but when he's right, he's right. Further on, he cites warnings from Germany's central bank, the Bundesbank, that European monetary union will eventually buckle without the cement of political union—i.e., without an EU treasury, a unified wage system, and a common debt and pensions pool. And now the elites will have to face the great euro storm of 2008 to 2009 with the limited tools they have. We are reminded of the "Ibycus principle" set forth in Schiller's famous poem "The Cranes of Ibycus": There is a higher power which "secretly watches over and judges us," which has miraculous ways of exacting retribution for injustice; and the evil-doers, just when they think themselves safe, are overtaken by the Erinyes.

### Thatcher's Nemesis

Let us recall the circumstances under which Germany was forced to accept European monetary union. The Berlin Wall came down in November 1989, and then-Chancellor Helmut Kohl issued his Ten-Point Program, which called for close cooperation between the two confederated states of Germany, leading toward federation. British Prime Minister Margaret Thatcher thereupon launched her "Fourth Reich" slander campaign against Germany, while French President François Mitterrand threatened that France would only agree to reunification, if Germany renounced the deutschemark and agreed to the earlier anticipated monetary union. Mitterrand advisor Jacques Attali wrote later, in a biography of his boss, that Mitterrand had even threatened Kohl with war and a revival of the Triple Entente, in the event that Germany refused to comply. Two days later, one of Kohl's closest advisors, Alfred Herrhausen, was assassinated. Kohl later described the pressure coming down on him at the EU summit meeting in Strasbourg in early December, to give up the deutschemark, as his life's darkest hour.

It was clear at the time to anyone with economic sense, that this monetary union could not function without European political unity to back it up. Because as a separate, forced measure, it would not serve as a catalyst for European unity, but instead would permit the various states' divers interests to erupt all the more starkly. And that is precisely what will become clear now in the coming "great euro storm," in the context of worldwide hyperinflationary explosion.

And so, the attempt by Europe's heads of state to conduct a quasi-stealth operation to trick Europe's nations into ac-



EIRNS/James Rea

*The Civil Rights Movement Solidarity (BüSo), the German political party headed by Helga Zepp-LaRouche, organizes in Dresden. The banner reads: “After Ireland’s ‘No’ to the EU Treaty, Now Cancel All EU Treaties!” The BüSo’s candidate for mayor, Marcus Kührt, is at the microphone.*

cepting the European Constitution in the guise of the Lisbon Treaty—even after the Constitution had already been rejected by France and the Netherlands—has now boomeranged on its instigators. Despite the fact that former German President Roman Herzog had said that the EU Treaty would abolish parliamentary democracy, there was not one single report about the effort to push it through in the entire German media. But with the Irish “No” vote, the EU Treaty is, in keeping with its own provisions, nothing but waste-paper, as Czech President Vaclav Klaus put it so aptly.

## Back to Pre-Maastricht Europe

In a recent speech, Vaclav Klaus also called upon Europe to return to the forms of cooperation used prior to the adoption of the Maastricht Treaty. This is an eminently reasonable idea, given that the ECB does not consider itself to be the *lender of last resort*, and therefore, national governments, if deprived of sovereignty over their own currencies, have no instrumentality to shield their populations from the effects of the financial storms which are already raging, and which promise to become stronger still. By the same token, the provisions of the EU’s Stability and Growth Pact are a corset forbidding governments from making the explicitly state interventions which would be necessary to conquer the now-erupting hyperinflation and depression.

The oft-cited thesis that Europe needs the EU Treaty, and

that Europe must therefore be transformed into an oligarchical dictatorship in order to maintain “its role in the world,” is utter poppycock. A neoliberal, militarized super-state, which purports to be able to weather the depression by massively reducing its citizens’ living standards: that sounds a lot like the strange teachings of Professor Unsinn.<sup>3</sup> Hello, Hjalmar Schacht!

The more quickly Europe’s various states can cancel the EU treaties—something which they are absolutely entitled to do according to international law, because the treaties contravene their existential interests—the more quickly they can act in the tradition of Franklin D. Roosevelt’s New Deal, of Dr. Wilhelm Lautenbach, and of the 1931 Woytinsky-Tarnow-Baade Plan of the German Trade Union Confederation (ADGB), setting into motion the necessary stimulus programs for getting the

productive economy moving again, and attaining full productive employment. There is nothing preventing Europe’s nations from then acting jointly as sovereign states, as a Europe of the Fatherlands, to address international tasks, such as cooperation in constructing the Eurasian Land-Bridge and its extension into Africa. You don’t need a bureaucracy in Brussels to do that—but you do need economists, engineers, and specialists, who don’t need to know anything about structured investment vehicles, but who *do* need to know a lot about physical economy.

At the upcoming Group of Eight summit meeting in Japan, Russia’s President Dmitri Medvedev will present the intention to establish a ruble zone in the Commonwealth of Independent States. The developing countries’ camp will raise their demand that the G-8 countries should decide to do something effective to halt the hunger catastrophe. All summit participants will be measured by the solutions they present. And already on the table, are LaRouche’s proposals for a New Bretton Woods system, as a true way out of the crisis.

3. Pun on Hans-Werner Sinn, head of Germany’s IFO Institute for Economic Research, Munich University. *Unsinn* is the German word for “nonsense.” See Helga Zepp-LaRouche, “Lie-Masters Invent New Fairy-Tale,” *EIR*, Feb. 1, 2008, [http://www.larouchepub.com/hzl/2008/3505rogue\\_trader\\_tale.html](http://www.larouchepub.com/hzl/2008/3505rogue_trader_tale.html).

# The World Food Crisis Can Be A Lever to End Globalization

by Claudio Celani

Lyndon LaRouche and Helga Zepp-LaRouche paid a visit to Italy, June 18-19, in the aftermath of the Irish “No” vote on the European Union’s dictatorial Lisbon Treaty, and on the eve of Italy’s planned parliamentary vote on the same issue. Behind a facade of formal consensus, the political class is in disarray, as the ratification vote is now useless. (The Treaty must be approved by all member-nations.) Nevertheless, the pro-EU lobby, led by President Giorgio Napolitano and powerful media, corporate, and financial interests, attempts to strong-arm the Parliament to ratify it in July. There will be a discussion in the relevant Parliamentary committee, and at least one party, the Northern League, has called for a debate.

In this context, the LaRouches provided leadership in their meetings with political, intellectual, and religious leaders, by connecting the resistance to the Lisbon Treaty to the worldwide fight to defend the “lower 80%” of the population against the effects of the collapsing globalized economic system. Italy now has a unique opportunity to take the lead, with a clear rejection of the supranational Treaty, that would reduce continental Europe to “a British colony run from the outside,” LaRouche stressed.

Over the last two decades, the LaRouches have visited Italy many times, and helped to shape the current political debate. In 2001, a significant number of parliamentarians raised the issue of a new international monetary system in the legislature. In 2005, the Chamber of Deputies approved a motion for “a new and more just international financial system,” with the objective of “preventing financial crashes and supporting the real economy.”

Then, in June 2007, *EIR* held a conference at the Hotel Nazionale in Rome, in front of the Chamber of Deputies, in which Giulio Tremonti, now finance minister, strongly supported LaRouche’s proposal for Eurasian infrastructure development, concluding his speech by stating that the LaRouche movement’s ideas “must be spread.” Earlier this year, Tremonti released his book, *Fear and Hope*, in which he calls explicitly for a New Bretton Woods.

## Double Food Production; Kill the WTO

On June 18, 2008 the LaRouches held a press conference, together with former Sen. Lidia Menapace, on the subject of the global food crisis. Zepp-LaRouche regretted the failure of

the recent FAO (UN Food and Agriculture Organization) meeting to provide solutions to the crisis, but welcomed the fact that many countries refused to capitulate to the free-market faction. The next step, she said, is to put on the agenda of the upcoming UN General Assembly the fight to immediately double world food production, dissolve the WTO (World Trade Organization), and establish a worldwide New Deal. Africa, the continent hit hardest by the food crisis, is being helped only by Russia, China, and India, while Europe and the United States do nothing but complain about the “expansion of those countries’ influence.”

However, the Irish defeat of the Treaty has delivered a clear message: The lower 80% of the population, who are hardest hit by inflation, want governments to act to protect them. If the political parties fail to do this, they will disintegrate, Lyndon LaRouche said. Our task is to “get people to organize themselves politically,” and fight to change the system. As for the United States, the next 60 days, leading into the late-Summer party nominating conventions, will be crucial, LaRouche said, because everything remains open, and many things can, and will, happen between now and then.

Senator Menapace said that she celebrated the defeat of the Lisbon Treaty, which she considers anti-democratic. Despite what government and state leaders say, the Treaty is now dead and the ratification process cannot go on. She then polemicized against those who try to re-introduce Thomas Malthus’ ideas to justify the food crisis, as if it were a consequence of natural causes and not man-made. She therefore supported Zepp-LaRouche’s call to shut down the WTO and launch an effort to double world food production.

The entire press conference was taped and posted by Radio Radicale on its website.

Later during the day, the LaRouches emphasized the same issues in an interview with Egyptian television, supporting President Hosni Mubarak’s call to end production of biofuels.

The LaRouches held an informal meeting on June 19 with several members of the Parliament in a Senate room, to discuss the global systemic crisis, as well as the strategic perspectives around the U.S. elections and the Lisbon Treaty debate. Only a bankruptcy reorganization of the system can work, the American economist said, so as to replace the British-style monetary system with a real credit system. La-





EIRNS/Daniel Grasenack-Tente

*Lyndon and Helga LaRouche met in Italy with political, intellectual, and religious leaders, discussing resistance to the Lisbon Treaty, the financial-economic collapse, and other issues of concern. Here, the LaRouches are shown visiting the Italian Senate's Labor and Social Security Committee, during a trip to Rome last year.*

Rouche's political movement is working to ensure that, by September, a person of the qualities of Hillary Clinton is the Democratic Presidential candidate. In that case, LaRouche said, we have a chance to influence the U.S. Presidency, which, together with Russia, China, India, and other countries, could proceed to make the needed international changes. Among the participants, a decision was taken to launch future initiatives in favor of a new Bretton Woods system.

### **Aldo Moro: A 30-Year Memorial**

Lyndon LaRouche was the guest of honor at a conference dedicated to the memory of Aldo Moro June 19. The event was organized as a discussion of Giovanni Galloni's book on the former Prime Minister, entitled *30 Years with Moro*. Galloni was a collaborator of Moro from the founding of the left-wing current in the Christian Democratic Party (DC), until Moro's assassination in 1978, when Moro was chairman, and Galloni was deputy secretary general of the DC. LaRouche was introduced by Galloni's son, economist Nino Galloni, who recounted how he first became acquainted with LaRouche's ideas through his book *The Science of Christian Economy*, many years ago.

Among the other speakers, were former Moro collaborators or allies Paola Gaiotti, Giulio Alfano, and Giuseppe Chiarante, who expressed the view that Moro's assassination 30 years ago is still an open case, since the real string-pullers have not been identified. The name of Henry Kissinger came up several times, in relation to his famous meeting with Moro in 1976 in Washington. The then-U.S. Secretary of State warned the Italian leader that if he intended to go ahead with

his policy of involving the Italian Communist Party in a government alliance while splitting from Moscow (known as the "Historic Compromise"), he would end up badly. Two years later, on the very day that a government based on his policy was to be inaugurated in the Parliament, March 16, 1978, Moro was kidnapped. Two months later, on May 9, he was killed by the Red Brigades terrorist organization.

The audience, which included many figures who, three decades ago, represented Italy's political establishment, eagerly awaited LaRouche's intervention, as it had been announced that he would speak on the subject of Henry Kissinger. They were not disappointed, although LaRouche began by noting that Kissinger's role has been greatly exaggerated: Sir Henry is, in fact, just a lackey for the British empire. Other figures, such as George Shultz, are more important, LaRouche said, explaining Shultz's record as an

agent of the Anglo-Dutch Liberal oligarchy.

To locate the strategic context in which Moro was killed, LaRouche went back to the developments unfolding in the 1960s: a wave of assassinations in the U.S. and Europe (the Kennedys, Malcolm X, Martin Luther King; the many attempts on the life of Charles de Gaulle; the ousting of Konrad Adenauer and Harold Macmillan); the 1968 upsurge that brought Nixon into power; the dismantling of the Bretton Woods system and the U.S. economy since 1971, etc. Moro was killed because he represented an opposition to that process, LaRouche stated.

Giovanni Galloni concluded the event, declaring that he fully agreed with LaRouche's analysis, which he partly reflects in the concluding chapter of his book. Galloni forcefully stated once again that a higher entity was pulling the strings of the Red Brigades terrorists who, as he knows from his sources, and as has written in his book, were infiltrated by American and Israeli intelligence.

On June 19, LaRouche gave a beautiful lecture on scientific creativity to students and teachers of the Physics Department of Rome University "La Sapienza." The lecture polarized the audience, especially because LaRouche polemicized against textbook methods of learning vs. real learning. "You want to have the dog and not just its footprints," LaRouche said, showing, in Kepler's work, a unique reproduction of the true process of scientific discovery as against simple mathematical formulas or theories. Educating the youth in real creativity, as the LaRouche Youth Movement is doing, is the key to having independent thinking in political leadership for the future of society, LaRouche explained.

# Afghanistan: An Unwinnable War To Meet Colonial Geostrategic Ends

by Ramtanu Maitra

A spectacular assault by Taliban suicide bombers on the main prison in the southern Afghan city of Kandahar on the night of June 20, led to the escape of at least 1,250 prisoners and laid bare once again the West's failed Afghan mission. Of these prisoners, 350 have been officially identified as Taliban fighters. There is little doubt whom the other escapees will fight for in the coming days.

This brazen assault, coupled with the deteriorating security situation across the border in Pakistan, has made evident that the entire region, which also includes the Central Asian countries and Iran, is in danger of falling into real chaos. The biggest threat such chaos poses now is to Pakistan's sovereignty.

## Break-Up of Pakistan on the Agenda?

Pakistan is caught in a vise. Only nominally governed from Islamabad, the Federally Administered Tribal Areas (FATA) are slipping fast into the hands of secessionist forces. These militant groups have organized under a new banner, Tehrik-e-Taliban-e-Pakistan (TTP), otherwise known as the Pakistani Taliban. The situation has deteriorated so much, that at Pakistan's National Assembly, speaking on a point of order on June 23, Jamiat Ulema-e-Islam-Fazlur (JUI-F) chief Maulana Fazlur Rehman said that it was only a matter of months until the North West Frontier Province (NWFP) was "no longer part of the country." He also criticized the government, saying it would further aggravate the situation through the use of force, as demanded by the foreign troops inside Afghanistan.

The break-up of Pakistan's westernmost wing is evidently backed by the colonial forces, and their adjuncts; it would establish an unstable state that would depend wholly on Western powers for its survival. That would cut off both India and China, in particular, from land access to the Central Asian oil and gas fields, as well as from Iran. Over a period of time, it would also endanger Russia's southern flank.

The Kandahar jailbreak was followed by a tactical move by the Taliban fighters, who converged in the Arghandab River valley, south of Kandahar. There they were poised to assault that city, which is the birthplace of the Taliban, and is infested with Taliban supporters. NATO retaliated quickly, and one air strike followed another. While it is arguable how many of the militants were actually killed, the large contin-

gent of the Taliban melted away into the fruit orchards of the Arghandab valley, sure to challenge the occupying forces another day, perhaps in another place.

Meanwhile, in the Khyber Agency (district), Afghan militants have begun to hurt the foreign troops who bring in supplies through the Khyber Pass, disrupting supply lines that bring in about 70% of foreign troops' food, armaments, and other supplies, including the oil tankers. The Taliban has issued a warning to Pakistani private transporters not to transport gasoline from the Karachi port to Afghanistan.

Gulbuddin Hekmatyar, Washington's blue-eyed *mujahid* during the Soviet occupation of Afghanistan in the 1980s, now a sworn enemy of Afghan President Hamid Karzai and the foreign occupying forces, in a statement provided to Pajhwok Afghan News, said that Pakistan played a key role in the U.S. occupation of Afghanistan, by providing logistical support to the foreign troops and their main supply lines. He urged the Pakistani Taliban to fight the Americans in Pakistan, by attacking their military convoys and equipment that is being supplied through Pakistan to kill Afghan children.

## What the Prison Break Implies

The Kandahar jailbreak epitomized the growing strength of the Taliban, the way the Tet offensive by the Viet Cong in 1968 taunted Robert "bodycount" McNamara and Co. and made clear that the invaders were not "winning" the war ... and never would. Within a week of the attack on the prison, things got rougher. U.S. and NATO troops have conducted wide-ranging air strikes, killing Afghans who happen to be all "Taliban." Such killings have once again brought many Afghans out on the streets, protesting the killing of innocent civilians.

At the same time, reports of deaths of occupying troops have multiplied. In the month of May, more U.S. troops died in Afghanistan than in Iraq. Counting the British, Canadians, and others, the numbers are growing rapidly.

On June 23, U.S. Army Maj. Gen. Jeffrey Schloesser told reporters during a teleconference from Afghanistan: "We've had about a 40% increase in 'kinetic events': We define those as the number of enemy attacks that we've had on our coalition and our Afghan partners." That means that attacks by Taliban militants on Afghanistan's border with Pakistan were up in the first five months of 2008 by 40%—not an insignificant

number. “This number was not unexpected,” he continued, adding that the frequency of attacks has increased each year since 2002. “The enemies are aggressively burning schools, killing teachers and students,” said Schloesser.

There are also reports from Afghan intelligence agencies that the Taliban and al-Qaeda are planning a spectacular attack on Kabul. That could come soon, since the militants have moved as close as 12 miles from Kabul, and are reportedly sending recruits from the United States and Britain into the city to collect information needed to kidnap Westerners, and prepare for spectacular suicide attacks. “Spectacular/High Profile attack in Kabul” is expected in the upcoming months, and “female suicide members present in Kabul ... U.S./British citizens,” one recent security report states.

### **Business as Usual**

But these developments have not sunk in, inside the corridors of power in Washington. As one analyst pointed out, at their June meeting in Europe, President Bush and other coalition leaders pledged another \$20-plus billion in aid to Kabul—if Karzai’s regime becomes much less corrupt—while Australian Defense Minister Joel Fitzgibbon called for an additional 10,000 NATO troops for Afghanistan, and said that the war against the Taliban and its allies, including al-Qaeda, would take another ten years.

While it is for certain that Fitzgibbon did not have a clue about the subject about which he was so confident, the statement indicates a “Vietnam War” mentality. If the Karzai government does not remain as corrupt, if the Taliban insurgents do not come across the border from Pakistan, if the amount of funding is just right, if some more troops could be brought in ... the war could be won! Well, the Bush Administration does not have to worry too long that these “ifs” will never materialize. The Administration will be history in a few months, leaving behind the bloody baggage for the next incumbent in the White House.

In the midst of such absurdities, which indicate how little the people in power understand the gravity of the situation, or want to make it worse, like those of the British colonial mindset do, Karzai—often referred to derisively as the Mayor of Kabul, because of his virtual non-existence as President—threatened Pakistan with some sort of invasion, if Islamabad

does not prevent incursion of militants inside Afghanistan. He made this warning a day after the jailbreak. Karzai has been reportedly informed by Afghan intelligence service personnel that the April 27 failed attempt on his life in Kabul was carried out with the help of the Pakistani Inter-Services Intelligence (ISI). Pakistani Defense Minister Chaudhury Ahmad Mukhtar on June 26 rejected those allegations, telling AFP that “this is all baseless, this is not true. ISI is a professional organization which is not interfering in the affairs of any country.”

No matter what, any aggressive action against Pakistan by Kabul could draw Western powers into a full-fledged war in Asia, next door to Iran, which is now in the crosshairs of Western governments. Islamabad believes that Karzai issued this threat under pressure from Washington, London, and Brussels, while knowing full well that Afghan troops, without support of the occupying forces, would be no match for the Pakistani Army and, unlike the uncontested American incursions, any incursion by Afghan forces would be militarily contested by Pakistan.

On the other hand, it should be evident by now that the Afghan war cannot be “won” by the occupying powers. Notwithstanding this reality, more troops are being poured into Afghanistan to tame the insurgents. Germany’s Chancellor Angela Merkel, desperate to be on the wrong side of this absurd war, has committed 1,000 more troops, to bring up the number of German soldiers in Afghanistan to 4,500. This was announced by Defense Minister Franz Josef Jung, and the decision was made despite the fact that the deployment remains a hot topic inside the country.

In addition, it has been reported that Moscow and Washington signed a deal in mid-June in Moscow, as part of the United States-Russia Working Group on Counterterrorism (CTWG), over the supply of Russian weaponry to the Afghan Army in its fight against the Taliban. “An agreement in principle to provide Russian military matériel to the Afghanistan National Army,” was concluded during a two-day meeting of the CTWG, the communiqué said. “We in the past have already provided military equipment to Afghanistan and we feel there is now a demand by the Afghan population and the ability of Afghanistan to take its security in its own hands,” Deputy Foreign Minister Sergei Kislyak told reporters.

### **Lost War, but Geostrategic Gains?**

Meanwhile, reports from London indicate that Britain’s armed forces were stretched beyond their capabilities and could not continue fighting two wars in Iraq and Afghanistan, the *Daily Telegraph* reported on June 25. “We are not structured or resourced to do two of these things on this scale on an enduring basis, but we have been doing it on an enduring basis for years,” Chief of the British Defence Staff Air Chief Marshal Sir Jock Stirrup said.

Debates have also ensued in Canada about the role of its troops in Afghanistan. The Canadian government has acknowledged that its troops can be used for protecting the

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Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline, favored by Washington over the Iran-Pakistan-India (IPI) pipeline deal, which is scheduled to be signed in July. The Bush Administration has made clear that it does not support the IPI, because it would bring in revenue to one of the “axis of evil” nations, Iran, and the pipeline could be extended to China in the future.

The war in Afghanistan cannot be “won” for a number of reasons. According to NATO’s recently retired U.S. Commander Gen. Dan McNeill, “this is an under-resourced war and it needs more maneuver units, it needs more flying machines, it needs more intelligence, surveillance and reconnaissance apparatus.” McNeill pointed out that America’s counterinsurgency textbooks would recommend 400,000 soldiers to stabilize a country of Afghanistan’s size and terrain, as opposed to the 65,000 troops that have been deployed so far. Clearly impossible.

The war in Afghanistan cannot be “won” also because of the in-built contradictions that started this war. The war was launched in the Winter of 2001, not against the Afghans, or the Pakistanis, but ostensibly against al-Qaeda and the Taliban. But, the war was conducted, in reality, with the mindset of a colonial power. The objective of the war, as it stands now, is to have a geostrategic presence with the purpose of keeping Central Asia in permanent turmoil, and containing Iran, China, and Russia, even if that leads to the break-up of Pakistan, and thus the formation of unviable, hostile nations. From that standpoint, one may claim that the war in Afghanistan is heading towards “victory.”

Those who study history, and recall it for the sake of understanding current realities, know that this war in Afghanistan cannot be “won.” The United States, when it invaded Afghanistan in the Winter of 2001, had two options. The first was what British Col. Frederick Roberts (later Lord Roberts, and the subject of Rudyard Kipling’s sarcasm as “Bobs Bahadur”) did on Sept. 1, 1880, when he was confronted with more than 2,000 Afghan insurgents under Ayub Khan in Kandahar. He slaughtered them all, bringing temporary peace in Afghanistan. In this context, McNeill’s remarks about the necessity of deploying 400,000 troops make sense.

The other option, as pointed out by another analyst, is on the model of a temporarily successful Western military operation in Afghanistan: Alexander the Great’s settlement of a significant number of Greek soldiers and civilians there, four centuries before Christ. But, this does not seem a viable option for the West either in the present context. Therefore, it is a certainty now that the West is following the path toward the humiliating defeat in Afghanistan suffered by Britain in 1842, and the Soviet Union between 1979 and 1989.

Finally, one must not forget Bobs Bahadur’s later musings, in a letter to a friend: “It may not be very flattering to our *amour propre* [self-esteem], but I feel sure I am right when I say that the less the Afghans see of us, the less they dislike of us....”

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## Montreal Economic Forum

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# A Stone in the Shoe of The ‘Masters of Change’

by Rob Ainsworth,  
Canadian LaRouche Youth Movement

Preening as would-be “masters of change,” 3,200 individuals gathered in Montreal June 9-12, for the 14th International Economic Forum of the Americas, to celebrate the “success” of globalization. The irony of this assembly of financiers, businessmen, and politicians lay in the palpable insecurity which permeated the conference.

In the final estimation, these “great men” have shrunk to almost nothing, their power dwindles by the day; meanwhile humanity, slumbering for so long, has begun to awaken. The power of ideas increasingly exerts itself over mankind, while the fabrications and threats of the financial oligarchy appear increasingly empty of potency. This is exactly what Lyndon LaRouche has identified as the subject of dynamic versus mechanistic thinking which predominates in our societies today. It is in light of this power of change in a time of great crisis, that the events of the International Economic Forum of the Americas must be viewed. The organizers of the conference expected four days of speeches extolling the virtues and glories of their New World Order; what they got instead was a string of dissonances, which changed, dynamically, the entire event: This year, for the participants, globalization’s invulnerability would be effectively exploded—by three young people.

As the conference took place, great events were shaking the world: Lehman Brothers’ stock was collapsing amid rumors of the firm’s impending bankruptcy; the Doha Round of WTO negotiations was falling apart; and on June 12, the Irish people resoundingly rejected the fascist Lisbon Treaty—a blow to the British Empire’s drive for a Europe-wide dictatorship as a prelude to further wars in Asia.

Three members of the Canadian LaRouche Youth Movement attended the conference, representing *EIR*; Pascal Chevrier, Valerie Trudel, and Rob Ainsworth, spoke to dozens of participants and took every opportunity to pose provocative questions during the many forums and presentations. The effect was striking, demonstrating the power of great ideas to inspire others. Each time one of the young people spoke out, someone would approach him or her, expressing gratitude that someone had said out loud what the others were thinking! The three youth challenged the consensus of the conference, pointing out the total bankruptcy of globalization, and offering the only concrete alternative to global fascist austerity: LaRouche’s New Bretton Woods. Therefore, it is not surpris-

ing that so many participants found the Canadian LYM to be an invigorating influence amid the otherwise predominantly dry proceedings.

### The Same Neoliberal Poison

The paranoia and denial infecting our political and financial leadership, was in evidence at the opening luncheon, where International Monetary Fund managing director Dominique Strauss-Kahn spoke about the uncertainty facing the world economy, the extent of the “unknown unknowns,” the difficulty of guessing whether the worst of the crisis has passed, or is yet to come. He also reprimanded nations that were returning to what he termed, the failed doctrines of mercantilism and protectionism. He did, however, note the threat of wars and instability from the food and energy crisis, although his solutions were simply more of the same, old neoliberal poison.

Strauss-Kahn was followed by Canadian Finance Minister Jim Flaherty, who was in a similar state of denial, repeating the mantra that “the fundamentals are sound.”

Former Federal Reserve chairman Paul Volcker (1979-87), at least came a bit closer to reality with his gloomy thoughts on the crisis in the United States, claiming that any recovery would take years; not surprisingly, Volcker made no mention of his own role in creating the current economic disaster.

In contrast, Guy Ryder, secretary general of the International Trade Union Confederation (ITUC), attacked globalization, its effect upon the lower-income 80%, and the destruction of the morality and values of Western culture. Ryder called for a just economic system which gives as much protection to labor rights as to the rights of the corporations. Later, in response to a question from the LYM, on the need for a new Bretton Woods monetary system, Ryder replied, “I think that you answered your own question. Definitely, we do need a new system. Regulation, thus far, has been sub-minimal, and this cannot continue.”

### Global Warming and Malthusian Madness

Unfortunately, this note of sanity was short-lived: The second day of the conference dealt primarily with the frauds of “sustainable development” and climate change. One session, entitled “Coping with Climate Change: How the Vulnerable Must Adapt,” featured John Stone, co-chair of the IPCC (Intergovernmental Panel on Climate Change). The discussion revolved around tear-jerking stories of melting tundra and despondent polar bears; retreating glaciers, and droughts in Africa, all allegedly caused by human beings, of course. Again, during the question period, a member of the Youth Movement pointed to articles published in *EIR*, such as the work of Prof. Ernst-Georg Beck, challenging the IPCC for using fraudulent computer models and ignoring extensive scientific evidence that contradicts “the self-evident truth of man-made global warming” (*EIR*, March 2, 2007).

Following this intervention, a number of the participants



UN/Marco Castro

*Chilean President Michelle Bachelet's speech provided a welcome counterpoint to the no-growth, pro-globalization mantra of many other speakers. Bachelet, shown here addressing the UN in September 2007, presented her plans to modernize the nation.*

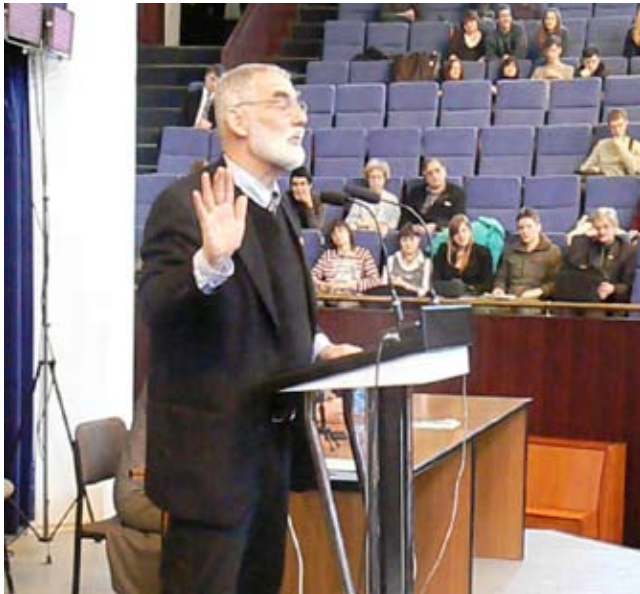
approached the LaRouche organizers to thank them for their courage in standing alone against the consensus. This response was repeated many times throughout the four-day conference.

To conclude the second day, a panel of international figures was assembled for the plenary session, including the infamous Dennis Meadows, author of the Malthusian *Limits to Growth* of 1972. Rehashing the genocidal doctrine of Parson Thomas Malthus, Meadows claimed that current population levels could not be sustained, at the same standard of living; that a correction will be necessary, and the pain of such a correction will be unavoidable. A LYM organizer challenged Meadows' Malthusian axioms, citing LaRouche's book *There Are No Limits To Growth*, and describing the power of human creativity and the potential of nuclear power, maglev trains, and other advanced technologies, to overcome apparent limits to growth. The organizer cited Henry C. Carey's refutation of Thomas Malthus, namely, that wherever Malthus's “natural remedies” to overpopulation were found, the people were starving, miserable, and thinly populated, while in any nation which had ignored Malthus's theories, people were found happy, well-fed, and densely populated! This drew some laughs and smiles from the audience.

Meadows defended himself by claiming he was not proposing solutions, simply pointed to issues to be dealt with. This didn't seem to convince anybody, since the organizers were approached afterwards by a number of people who had seen through Meadows' fraud, and wanted to discuss how Malthus's so-called “remedies” had been used against their nations.

### British Imperialism vs. Ibero-America

The Americas were the target of the third day of the conference. One panel featured the Americas editor of the London



*Members of the LaRouche Youth Movement exposed the genocidal intentions behind the “Limits to Growth” program of Dennis Meadows, who rehashed the doctrine of Parson Malthus. Here, the lunatic Meadows holds forth at a sparsely attended lecture in Moscow, February 2007.*

*Economist*, Michael Reid, who, sounding like an imperial British overlord, gave a chilling presentation on Ibero-America, detailing which nations were dutifully obeying globalization, and which not.

Even Sir Henry Kissinger (knighted by the Queen in 1995), was there, mumbling his way through an incoherent speech, in which he claimed that the post-Westphalia system of sovereign nation-states has been abandoned in Europe, and is not culturally suited to the Middle East. Islamism, he said, threatens to sweep away national boundaries all the way to Pakistan and India; among other challenges to his imperial masters, Kissinger pointed to the hot-spots of Central Asia and the Middle East, highlighting the problem of Asia, which, he observed, is becoming the new center of gravity in the world.

Chilean President Michelle Bachelet’s speech provided a refreshing counterpoint, and stood in stark contrast to most of the others. Bachelet placed great emphasis on the unity of the Chilean people behind the government’s plan to modernize the nation, focussing on three areas: education, research and development in science and technology, and infrastructure development. She noted that a continental transportation corridor from Brazil, through Bolivia, to Chile, would be completed in 2009.

Between Kissinger’s and Bachelet’s speeches there was a packed afternoon session, in which Stephen Poloz, senior vice-president at Export Development Canada, tore apart the economists as fools, whose models have failed, who couldn’t explain the housing bubble, who couldn’t predict the blowout of the housing bubble, and who cannot tell us what is yet to

come, exclaiming, “We don’t even understand our own models!” It was a damning indictment of the folly and delusions of the past 40 years.

In the question session, a LaRouche organizer thanked Poloz for his frank admission that the economists have all been wrong, but, he said: “*There is one economist who has forecast every major financial crisis of the past 38 years—my boss, Lyndon LaRouche.* He is saying that the system is completely bankrupt and that the only solution is a government-led reorganization, like President Franklin Roosevelt’s actions in the 1930s. From 1929 to 1933, when FDR took office, people never admitted that there was a depression; they kept saying that the recovery was just around the corner; but there was no recovery, *and there couldn’t be a recovery until Roosevelt came in and kicked the money-changers out of the temple.*” The room went deathly silent, as people took in the import of his words.

### **Infrastructure or PPPs?**

The final day of the conference was dedicated primarily to issues of infrastructure, which really meant public-private-partnerships (PPPs). Speakers addressed investment in Africa, but focussed on the possibilities of private finance rather than state credit. The list of speakers ranged from politicians and leaders from Gabon, the Democratic Republic of Congo, and Benin, to the CEO of PPP Quebec, and a representative of the European Bank for Reconstruction and Development. During the question period a LYM organizer emphasized that because the financial system is totally bankrupt, funds for infrastructure development are rapidly disappearing; he called for LaRouche’s New Bretton Woods and for the end of financial parasitism. A second organizer provoked an angry response from one of the panelists, indignant at the charge that PPPs were merely a clever way of taxing the poor.

The impact of the LaRouche Youth Movement on the conference as a whole was perhaps best expressed in the hostility of Marie DuPont, the general director of the conference, who hotly asserted that, regarding the issue of the nation-state, she and her associates were “on opposite sides” from LaRouche and his allies. Gil Remillard, the founding chairman of the conference, patronizingly reminded the organizers of how much he had done for them, by letting them attend, but cautioned them not to “miss the boat,” as he ushered them toward the exit. In his closing remarks only moments before, Remillard announced the ominous theme for next year’s conference: “Managing the Realities of the New World Order.”

However, the world had changed a great deal since the conference had begun. The vote in Ireland was soon to be announced; the once-impregnable firms of Wall Street and London were preparing for even greater losses; and several thousand people were leaving the conference knowing not only that the system was dead, but that LaRouche had been right, and it was the youth alone who had the courage to tell the truth: The Emperor has no clothes.



# Is Zimbabwe Violence A British Operation?

by Douglas DeGroot

African military intelligence sources have told *EIR* that the brutality and professional, execution-style nature of the killings and violence during the period leading up to the June 27 Presidential run-off election in Zimbabwe were obviously not the actions of misguided youth, but reminded him of the British-style special-forces counterinsurgency operations that were used against the freedom fighters in Zimbabwe before independence, which were carried out by the Rhodesian Selous Scouts. Reports indicate that the gruesome violence, unprecedented since independence (in 1980), that the London-based Anglo-Dutch financial cartel-dominated international press is using to work world opinion into a frenzy against Zimbabwe's President Robert Mugabe, is controlled top-down as a high-level British-run counterinsurgency operation.

Those concerned about Zimbabwe should stop googling for stories that blame everything on the government, and look at reality instead. The London-centered financial cartel is intent on eliminating the sovereignty of Zimbabwe, and South Africa, to clear the way to turn Africa into a globalized free-trade looting zone. South African President Thabo Mbeki's understanding of this strategic reality has helped Zimbabwe stave off the ferocious British attack, up to now.

The Selous Scouts special forces regiment of the Rhodesian Army, the most vicious of the Rhodesian special forces groups, was a more advanced form of what the British had deployed in Kenya, and Malaya (today Malaysia) before that, in the respective struggles of those countries for independence from the British Empire. The Scouts regiment, named after Frederick Courtney Selous, a friend of the southern African champion of the British Empire, Cecil Rhodes, was set up in 1973 by a Rhodesian, Ronald Reid-Daly, who was a veteran of the British SAS counterinsurgency in Malaya. The charter of the Selous Scouts directed the clandestine elimination of freedom fighters inside and outside the country, according to the June 2 Zimbabwe *Guardian*.

The British-controlled operatives are singling out members of the British-backed Movement for Democratic Change (MDC) for brutal attacks, including the mutilation of bodies, and then blaming the attacks on the ruling Zanu-PF party of President Robert Mugabe.

## How the Operation Works

According to the Zimbabwe *Sunday Times* June 1, top opposition MDC officials have been "working in cahoots

with some Rhodesian elements to set up underground structures that are behind the anti-immigrant attacks in South Africa and the terror campaign in Zimbabwe." The *Times* reports that, "Although the MDC has been claiming that its supporters have fallen victim to political violence, top party officials are allegedly recruiting young Zimbabweans in South Africa who are being deployed to cause terror in Zimbabwe." The *Times* said that people are being recruited from universities in South Africa, and others are Zimbabwe National Army deserters and former policemen.

Zimbabwean sources report that the modus operandi for these forces, in Zimbabwe, is to have their operatives dress up in the regalia of the ruling Zanu-PF, and go out to commit an atrocity. They then alert the press that an atrocity has taken place. The press arrives on the scene, hearing witnesses saying that the attack was carried out by Zanu people.

The *Times* reports that one group of recruits is known to be based at a farm in South Africa near Pietermaritzburg, where youths are being trained by former Rhodesian Selous Scouts.

Selous Scouts and Rhodesian forces, according to the *Guardian*, are said to have introduced the form of attack called necklacing (tying up a person, and killing him by burning a tire placed around his neck) into South Africa. Following the dissolution of Ian Smith's Rhodesian regime at the time of independence, the *Guardian* reports, many of its soldiers travelled south "to join the South African Defence Force, especially the 5 Reconnaissance Commando."

MDC Presidential candidate Morgan Tsvangirai was, in the 2005 election, the candidate of choice for Smith, Rhodesia's last leader as a British colony, under whom the Scouts carried out their murderous campaign. Tsvangirai is still backed today by veterans of Smith's Rhodesian Front, such as Roy Bennett, who has become his chief fundraiser. Bennett has crisscrossed British Commonwealth countries to raise funds, and was also in the United States a few months ago.

On June 23, at a UN Security Council meeting at which Britain wanted the UNSC to name Tsvangirai as President, because, ostensibly, violence by the government made a fair vote impossible, Zimbabwe's permanent representative to the UN, Amb. Boniface Chidyausiku, neutralized the British initiative, when he told the Security Council meeting "that there have been numerous cases of MDC-T (Tsvangirai's faction of the MDC) supporters going around dressed in Zanu-PF regalia and beating up people."

"This is an outdated strategy used by the Selous Scouts during the liberation struggle," Chidyausiku said, "and with the predominance of Selous Scouts in the MDC-T, it is obvious what is going on." As a result of the submissions by Chidyausiku and the South African ambassador, the Security Council decided not to call for halting the run-off, and not to call for installing the British-backed Tsvangirai to replace Mugabe, without a run-off.

# LaRouche: Brits Behind Argentine Coup Attempt

by Cynthia R. Rush

In a statement June 21, Lyndon LaRouche placed the blame for the attempted destabilization of President Cristina Fernández de Kirchner's government in Argentina, squarely on the doorstep of British imperial interests. Under the Monroe Doctrine, he said, this is "something that the United States, when it is being honorable, would not tolerate. The British are trying to overthrow the government of Argentina."

LaRouche was referring to the fact that British media outlets and financial players, such as George Soros, are using the Fernández government's March 11 decree increasing taxes on soybean and sunflower seed exports, as the pretext to trigger an insurgency against her government. That insurgency has taken the form of a strike, carried by four major agricultural producer organizations—the Rural Society (SRA), Rural Confederations (CRA), Coninagro, and the Argentine Agrarian Federation (FAA)—for the purpose of halting all grain and livestock exports.

But changing the tax policy is only the nominal reason for the strike. Its ultimate goal is to unleash violence and force the President's ouster, much as the British are doing in numerous other countries, to maintain political control under conditions of financial disintegration.

The leaders of the insurgency have wrapped themselves in the flag, claiming to be fighting an "authoritarian" central government. But their claim is fraudulent, belied by the driving force behind the strike, the Rural Society—made up of members of the landed oligarchy who consider Great Britain as their "mother country." This oligarchical grouping has a long history of slavish obedience to the British Crown and its free-trade ideology. The SRA praised the 1976-83 military dictatorship for having "correct economic leadership." In July 1979, then-SRA president Juan Pirán said that the junta's free-market policies allowed for "strengthening the principles of free enterprise and private initiative." He failed to mention that the Rural Society deployed its own shock troops against its opponents.

## Enforce the Monroe Doctrine!

"The point is, it's a British operation," LaRouche said, located in the historical context of the 1982 Malvinas War. Some corrupt circles in the Reagan Administration—such as Defense Secretary Caspar Weinberger—were manipulated by the British to get involved in that war. In 1988, Weinberger was made Honorary Knight Grand Cross of the Order of the

British Empire for his services to London, LaRouche recalled.

Today, LaRouche and the LaRouche Youth Movement (LYM) in Argentina, are the only ones heard internationally denouncing British operations against Argentina, while Wall Street and most U.S. policy-makers follow London's lead in calling for "regime change" there.

After the President announced on June 17 that she was sending the tax bill to Congress for debate, the Rural Society and its allies immediately deployed to pressure lawmakers into overturning the bill, literally invading the Congress, with fistfights and yelling. Ricardo Buryaile, vice president of Rural Confederations, threatened that if Congress failed to overturn the export tax bill, "it should be dissolved." Buryaile himself had greatly expanded his property thanks to the military junta, and is known for opposing any government action to improve the working and living conditions of rural workers, 58% of whom work off the books, with no benefits.

But outside the Congress, where supporters of the President had set up tents, the LYM intervened with LaRouche's statement and its own leaflet, to educate people on the British offensive and the global crisis.

What enrages the British financiers is the fact that the Argentine President has asserted the State's right to protect the general welfare. When Fernández announced the export tax decree, she stressed that its purpose was to prevent high international commodity prices from being passed on to the internal market, and to ensure a more equitable distribution of national income. She also underscored that soybean production had expanded to such a degree that it threatened production of other more traditional food crops that make up the nutritious Argentine diet. The globalists and their allies inside the country have made a fortune from the soybean craze. Now, they warn, no mere elected President will be allowed to interfere with their spectacular profits.

Hence the ever-louder drumbeat from the City of London and its allies in the media, demanding the overthrow of the Argentine President. Typical was the June 17 London *Guardian*, which argued that the cause of violence in the country was Fernández de Kirchner's refusal to rescind the tax, and that she was leading Argentina "into anarchy." Unless she acts, the daily warned darkly, the country could face "even more violence in the streets, and the real possibility of social disintegration and political collapse." Germany's Internet rag *Berliner Tageblatt* asserted in May that Mrs. Kirchner "will be violently removed from office."

Then there is George Soros (see *Dossier*, p. 64), whom LaRouche describes as part of the British operation against Argentina. Soros has a long history of thuggery there, dating back to the 1990s, when he invested in farming and real estate, and became the country's biggest landowner. He controls one of the three largest "sowing pools"—speculative investment funds—that have seized control of soybean exports, to destroy traditional agriculture while destabilizing the government.

## Saving Banks, and Nations, From the Parasites

by John Hoefle

To be sovereign, a nation must control its own credit, a point which is well understood by the imperial financiers of the Anglo-Dutch Liberal system. Mayer Rothschild, of the banking family made famous by its service to the Venetians, famously observed that he cared not who made a nation's laws, as long as he controlled its money, and that dictum has informed oligarchic policy ever since. It lies at the dark heart of the network of the central banks which dominate the global financial system—banks like the Bank of England, the European Central Bank, and the Federal Reserve, which are essentially private institutions operating under the coloration of government authority, but actually working for the imperial financiers.

Today, the issue of who controls the credit of a nation is of critical importance, an issue which will play a major role in determining whether mankind descends into a new Dark Age, or recovers from the last four decades of financial insanity and resumes its transition out of the age of empires into the age of modern sovereign nation-states. We can already see the early stages of the descent, as the Four Horsemen of the Apocalypse thunder across the poorer nations of the world, and the fascist policies of the Anglo-Dutch financiers spread famine, war, and death across the globe.

The only way to stop this plunge into the horrors of a new Dark Age is for governments to assert their sovereignty in defense of their populations, acting in concert to strip these parasitic financiers of their power to manipulate nations and their economies. The nation-state, the best example of which is the United States as established by the Declaration of Independence and the Constitution, is a far superior form of government to any imperial construct, including the fake parliamentary democracies of Europe, "Lords and peasants" oligarchic systems with thin veneers

of public accountability.

Lyndon LaRouche has laid out a three-part program to use the power of the nation-state to defeat the empires once and for all. That program begins with the passage of the Homeowners and Bank Protection Act, which would erect a firewall to protect the population, while the financial system is put through bankruptcy, and the necessary functions of a national banking system are extracted from the clutches of the parasites.

That done, a two-tiered credit system would be put into place to facilitate the rebuilding of the productive sector of the economy. Credit would be extended at low interest rates, through the restructured banking system, for a series of projects designed to rebuild our tattered infrastructure, put Americans back to work in productive jobs, and move the economy into the era of nuclear power and the use of hydrogen as a fuel. The third phase would involve international cooperation among the largest and most populous nations on Earth—Russia, China, and India, among others—to create a political bloc powerful enough to smash the power of the oligarchs. Other nations, not powerful enough to buck the British Empire on their own, would gladly join such a movement, once they saw that the major nations were serious.

The alternative, as we shall quickly see, is an unstoppable collapse.

### The System Is Dead

Only fools—although admittedly there are a lot of them around—believe that the current crisis is cyclical, some sort of rough patch we can get through if we just stay the course. The more clever types realize that the system has died, and that the rotting parts have begun to drop off. The implications



of this are staggering. First, it should be obvious that with the death of the global securities machine, the volume of business no longer exists to sustain all the speculators who grew up around the bubble.

This includes, most emphatically, the big investment banks and the investment banking arms of the big bank holding companies. Although these firms have already reported some \$400 billion in losses since the collapse began last year, these are from the first wave of losses, the write-downs of the values of securities. Successive shocks are beginning to work their way through the system, as the effects of soaring food and gasoline prices, combined with falling real estate values, devastate household budgets and greatly restrict consumer spending. Households will increasingly default on their debts, as will businesses dependent upon consumer spending, and it will all fall back on the banks, creating a tsunami which will drown them all. With no securities market to fund new debt, the debt can not be rolled over, and the debt bomb will explode.

Faced with this reality, the oligarchs are racing to restructure the banking system, amputating the lesser players in order to save the core. Bear Stearns is already gone, and rumors surround Lehman Brothers, Citigroup, Wachovia, and UBS, among others. The FDIC is warning that many smaller banks, overloaded with commercial real estate loans, will fail. The particulars are interesting, but it is the overall process of disintegration which counts; and, as LaRouche repeatedly stresses, it is a non-linear process, an accelerating collapse.

## Pirate Equity

The latest move being mooted to save the banks is to have the private equity—or, pirate equity—firms bail them out with big capital injections. The Fed has reportedly been meeting with a number of these pirates to work out the details: According to the *Wall Street Journal*, the Fed has met recently with J.C. Flowers, Carlyle Group, KKR, and Warburg Pincus, and with banking lawyers, to reach some sort of agreement on how to proceed. Part of the problem is that Federal law requires that any entity owning 25% or more of a commercial bank must register as a bank holding company, and that ownership of 10% or more subjects the entity to regulatory oversight, to make sure that it does not try to influence the bank's actions.

Another problem, as cited by Carlyle Group managing directors Olivier Sarkozy and Randal Quarles, in an opinion piece in the same June 26 edition of the *Journal*, is the “source of strength” doctrine, which requires a bank holding company to inject capital into a bank it controls should that bank get into financial trouble. Sarkozy and Quarles called this doctrine “a powerful deterrent to potential new capital.”

They argue that the private equity firms, with more than \$400 billion in available funds, could provide badly needed capital to the banks. “They are exactly the kind of investors

we should attract to the financial-services industry,” the pair claimed, were not the regulations “far stricter than necessary.”

The same theme of private equity bailouts of the banks also appeared in the July 2008 edition of Britain's *Prospect* magazine, in an article by former Bank of England official Mark Hannam. The article itself was a roundtable discussion among several prominent Brits and British agents, including Bank of England deputy governor John Gieve, Anatole Kaletsky of the *Times* of London, Martin Wolf of the *Financial Times*, and speculator George Soros. Kaletsky set the stage by asserting that the “hedge fund industry” has remained “relatively unscathed through this whole thing,” leaving Soros to predict that “private equity funds will replace the investment banks as the dominant force in the economy.” Wolf noted that “senior bankers” were actively discussing a significant consolidation of the banking system.

Kaletsky also raised the issue of punishing the directors of Citigroup and Bear Stearns, to which Soros, with his typical disdain for humanity, replied, “Why not shoot them?”

## London Bridge Is Falling Down

Obviously, the idea that the private equity firms could bail out the banking system is insane, as is the idea that these firms are “relatively unscathed.” Their claimed \$400 billion in available assets is made up of the same worthless paper the banks are holding, so this scheme would merely add junk to junk, solving the problem in appearance only. The system cannot bail itself out by shifting junk from one pocket to the other.

Sarkozy and Quarles pointed out that 39 of the 42 financial institutions which sold stock to bolster their capital positions since last Summer, are now trading below the price at which that stock was issued, costing investors more than \$35 billion. Over \$300 billion in emergency capital injections has been arranged, and the pool is drying up, both because of the poor returns and because the system itself is shutting down. Another \$400 billion from the private equity funds, assuming they pumped in all the available capital they claim to have, probably wouldn't last the quarter. After all, the \$3.6 trillion in loans the central banks have pumped in since the crisis began hasn't stopped the slide, and against that amount the funds of private equity are trivial.

There's something else going on here, most likely plans to jettison a chunk of the banking system, while protecting the Anglo-Dutch core with the fig leaf of private equity capital. Both the *Wall Street Journal* and the *Times* of London are owned by Rupert Murdoch's News Corp., and *Prospect* is politically a spinoff of the *Financial Times*, and that, along with the presence of the Bank of England and George Soros, shows this to be a British operation. The goal would be to use the petrodollar and other hot money flows to save the oligarchy's main banks, and sink the rest. It is exactly the opposite of LaRouche's HBPA proposal.

# ‘Un-Natural’ Floods, Speculation Hit U.S. Farmbelt; Cancel Biofuels!

by Marcia Merry Baker

The impact of the second “500-year flood” in 15 years in the U.S. Midwest farmbelt is an automatic supply disaster for world grains and meat, besides causing vast damage to the residents and economy of the Upper Mississippi River Basin. But the destruction from the “Flood of 2008” is not caused by Mother Nature; it is the result of the policy morass in Washington, D.C.

Congress and the Executive branch have been in the thrall of British imperial designs for globalization, cartelized food, opposition to public infrastructure—except where cartel interests desire it—, and commodity speculation. Now this is capped off by the mass diversion of food crops into bio-energy. The key emergency response needed for the Mississippi flooding crisis, is for Washington to declare, “Cancel biofuels!” This would indicate a return to policies based on moral and scientific economics, instead of the insanity now destroying the United States and world economies.

The LaRouche Political Action Committee (LPAC) is circulating the kinds of measures required, in a White Paper titled “Kill the WTO; Double Food Production.” Written by the LPAC Youth Movement, it was issued before the June 3-5 Rome conference of the UN Food and Agriculture Organization.

Among the paper’s recommended actions are to stop bio-fuels; ban speculation in oil and food; muster emergency food supplies for points of need internationally; support farmers with low-interest production credits and parity-based prices for their output; build needed water, power, and transportation infrastructure; stop cartelization, and especially, eliminate the World Trade Organization. Not pie-in-the-sky, such measures are being pursued in part by many nations the world over, from Honduras to Malawi to Vietnam.

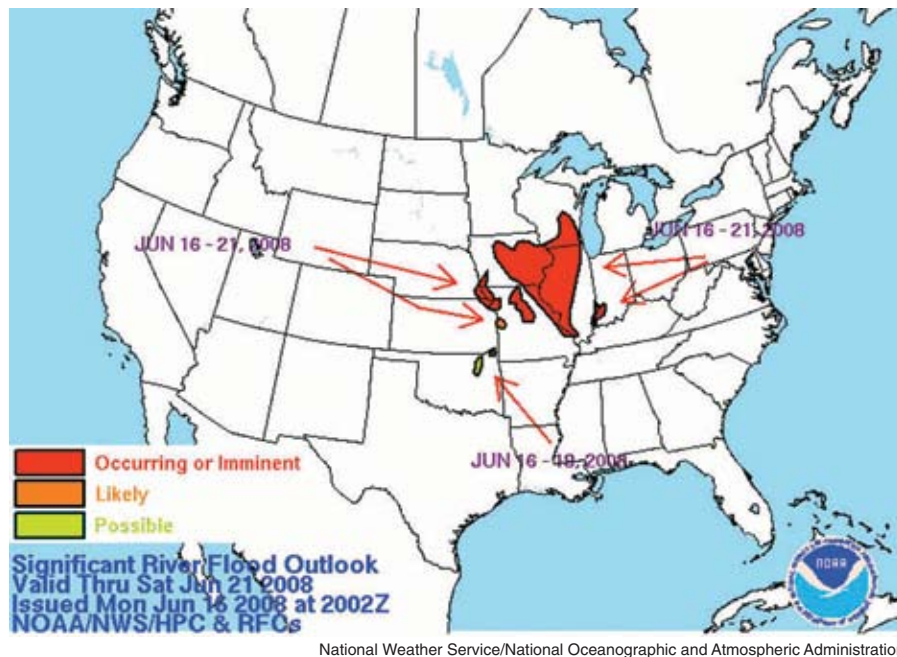
Of great strategic importance is the fact that Russia, India and China have all initiated programs in the direction



*On June 14, 2008, in Des Moines, Iowa, a town levee broke on the Des Moines River—a tributary of the Mississippi—causing floods that forced thousands to evacuate the 200,000-person state capital.*

Interiority

FIGURE 1  
**Upper Mississippi Basin Flood Zones, Through June 21, 2008**



of food-self sufficiency, and have imposed controls on food exports and prices, as needed, to protect their populations. This amounts to a rejection of the years-long WTO free-trade regime, enforced by the International Monetary Fund, World Bank, and London financial powers, which have disallowed such nation-serving actions. It's now time for the United States to sink or swim.

**Upper Mississippi Lacks Flood Defenses**

For decades, the funding has been denied to the U.S. Army Corps of Engineers to build and maintain the needed Upper Mississippi Basin flood control infrastructure—flood lakes, levees, diversion channels, etc. For example, there are today about 1,500 levees in this region, only 5% built or managed by the Corps, which has lacked the backing to improve all structures—including locks and dams for navigation—to make the system work for maximum protection for all.

Even after the epic Flood of 1993, which temporarily created a “Lake Iowa,” the Army Corps was not fully backed. Funding has also been withheld from local entities (towns, soil

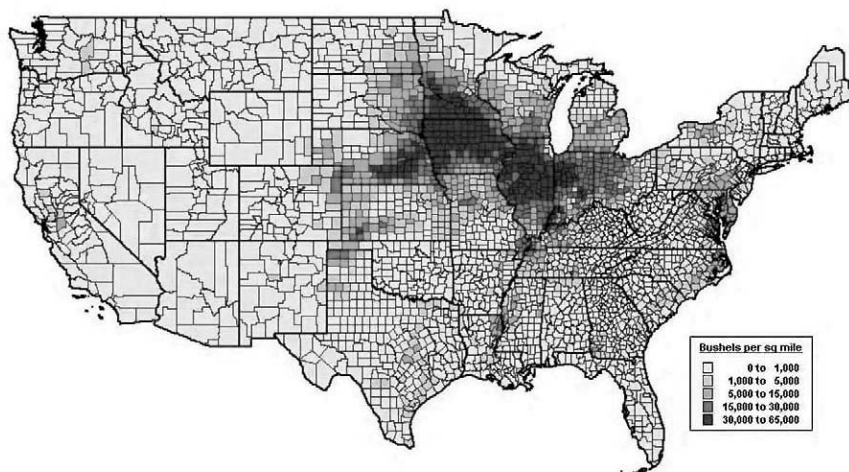
districts, agriculture associations), along with denial of resources to key Federal agencies, such as the Agriculture Department, which is responsible for thousands of small, upper watershed dams, a vital part of run-off control.

Meantime, under globalization, the Midwest countryside has been de-structured into vast croplands without hedgerows or stands of trees, into suburban sprawl, and into many riverside real estate boondoggles, where levees weren't built because they would “spoil the view”! Therefore, when the rains come down, the floods come up.

The Mississippi River Basin is second in area only to the Amazon Basin. What is called the Upper Mississippi Basin drains all or part of 13 states and several Canadian provinces, an area of 723,700 square miles above the confluence of the Mississippi and Ohio Rivers at Cairo,

Ill. The partially built flood-control infrastructure in the Upper Mississippi Basin is credited with reducing the damage by 50% from the Great Flood of 1993. But, if it had been fully built out over the past 15 years, it would have almost completely protected against the current flooding. Instead, vast areas are still under water.

FIGURE 2  
**Concentration of Annual U.S. Corn Production in the Upper Mississippi River Basin**  
 (10.6 Billion Bushels; Average Over 2000-04, in Bushels per Square Mile, by County)



Sources: USDA National Agriculture Statistics Service; Kansas State University.



## World Food Supplies Hit

The two maps shown here make the point about the world scale of agriculture losses from the Upper Mississippi Basin flooding. **Figure 1** is one of the flood warning maps issued daily in June by the National Weather Service/National Oceanographic and Atmospheric Administration, showing the locations and dates of the likely or imminent flooding. The most extensive flooding is right in the heart of the U.S. cornbelt, shown in **Figure 2**. Almost one-third of the entire U.S. corn harvest comes from this extended Midwest region; and the U.S. accounts for about 40% of world corn produced. There could be a 5% drop in world corn output at least. The Midwest losses will have a huge impact.

Whereas last year the United States produced a record corn crop of 13.1 billion bushels (333 million metric tons),

### LaRouche: 'The Greatest Part of Our Food Supply'

*Speaking on Sept. 15, 2005, at a webcast from Washington, D.C., after Hurricane Katrina, Lyndon LaRouche called for emergency re-building measures for the entire U.S. economy, stressing the significance of the Mississippi Basin:*

Remember, the greatest part of our food and export supply comes from an area which is between the two mountain ranges, the Rocky Mountains and the Allegheny Mountains. And you have river systems which flow down there: These river systems are not only water systems, they're also transportation systems. The greatest amount of our exports comes from these areas—western Pennsylvania on down on one side, and so forth on the other. They come down toward the mouth of the Mississippi, into the Gulf area. And there, they are exported to the world. And then, of course, you have some transport that goes up the river, in reverse, but more comes down.

So this area, the whole area, has been in a process of economic collapse, from western Pennsylvania—the whole area, Michigan, Ohio, Indiana, Illinois, Minnesota, the grain states in general. They're in a process of collapse, and *have been*, in a process of collapse, over a period of more than 30 years. It's actually industrial collapse. Whole communities have vanished, or virtually vanished.

this year, only 11.735 bb (255 mmt) were projected by the U.S. Department of Agriculture *before the flooding occurred*; and now, a U.S. crop of less than 11 bb may be harvested. This is far below the U.S. corn usage projected for 2008, in the range of 12.51 bb, counting 4-5 bb for corn ethanol. Either this "ethanol corn" is cancelled, or the question becomes: Who won't get U.S. corn? Mexico, Japan, nations in Africa? Or will U.S. livestock producers be stiffed?

A Purdue University Extension Service economist, Chris Hurt, is issuing warnings, "The corn isn't there." The National Cattlemen's Beef Association (NCBA) put out a statement June 19 saying: "Corn growers responded to increased demand last year by producing a record harvest. However, the cattle industry does not operate in the past. Both the marketplace and Mother Nature have created a drastically different scenario this year. Lower acreage and below trend line yields can only mean one thing: less corn." The NCBA is asking for a waiver on using corn for biofuels, given the shortages and high prices.

### Speculation Gone Wild

Speculators are making a killing off the crop loss prospects from the flood. This gaming comes on top of months of rampant speculation on the Chicago Board of Trade and other exchanges, both because of the world food crisis, and because hot money flows have no other "casino" available anymore except commodities, given the blow-out of other speculative swindles, such as securitized mortgages. Yet Washington so far will not intervene, just hold hearings to decry it. Corn futures prices spiked 28% in the month of June; year on year, the price has more than doubled, hitting \$7.95 a bushel on June 26.

The physical damage to farming is enormous. Some 20% of Iowa farmland is directly flood-affected by sand, debris, silt, and pollution; and the other 80% is in poor shape from the wet Spring. Hundreds of grain elevators are down along the Mississippi. Farms with grain bins are stuck with water-logged grain several feet deep. There is a danger of aflatoxin. Mosquitoes and disease-causing bacteria are spreading. Veterinarians are worried about animals drinking contaminated water. With all the disturbance to the ground, they also are watching for anthrax showing up, as it can persist dormant in the soil for decades.

Some 27% of Iowa's corn has typically gone to feed hogs—the state has raised 25% of the hogs in the United States in recent years. But now, the feed, energy, and marketing conditions are in chaos.

The washed-out roads, rail lines and downed or unsafe bridges have disrupted economic activity in all directions. There were 36 breached or overtopped levees as of the last week in June. An initial survey done by Texas-based Industrial Info Resources, noted that the state has 41 power plants, with many experiencing trouble. Three coal-fired plants in the state were shut down by Alliant Energy Corp.

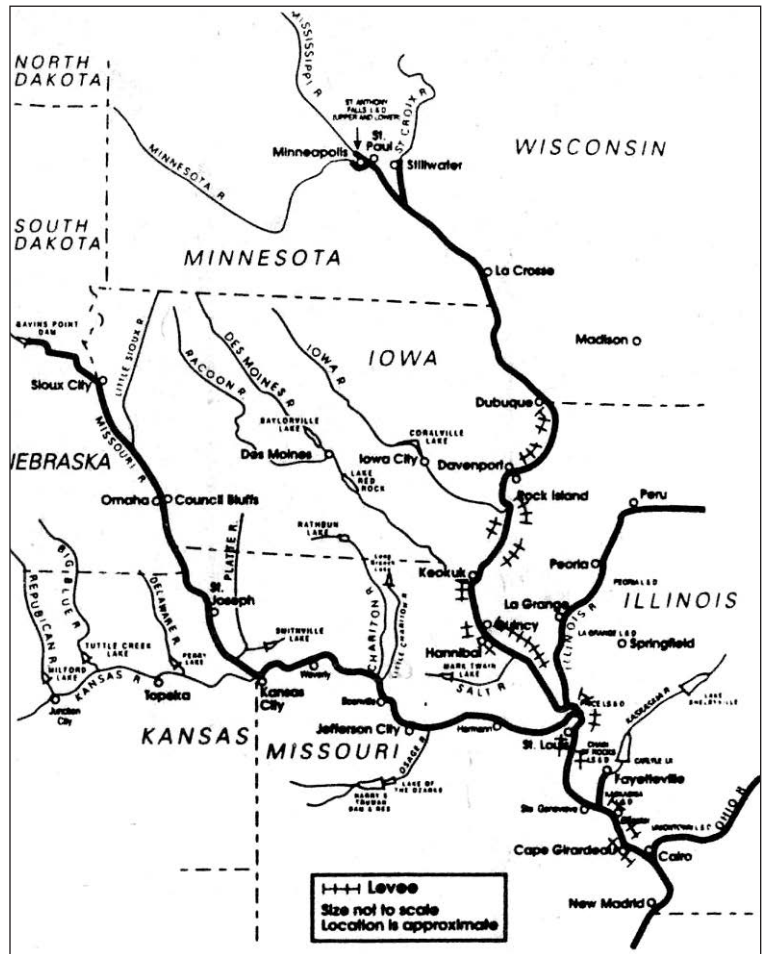
Many of the big-name food processing plants will remain closed into July, including sites run by Cargill, Inc., ADM, Quaker Oats, Tyson Pork, and Penford. Dozens of smaller facilities are also out of commission, among the 93 food and beverage plants total in the state. ADM said it may try to re-open its Cedar Rapids corn-processing plant the first week of July. Cargill, the privately owned cartel company, has not indicated when it intends to re-open closed plants. On June 17, Cargill declared *force majeure* on certain corn product contracts, releasing a statement, “This means that Cargill will not be able to meet all of its customers’ contracted volumes, and supply of corn syrup from Cargill will be limited until further notice.”

### Cancel Biofuels!

Under these emergency conditions of corn scarcity, the U.S. government’s refusal to cancel the renewable fuel standards, RFS—set in 2005 and 2007, for how much bio-energy must be in use over the coming years, especially from corn ethanol—amounts to a mass death decree. If just the same amount of U.S. corn goes to ethanol this year, as in 2007, this amounts to food equivalent for potentially 150 million people (either milled, or through the livestock feed chain). That is the scale of food deprivation caused if the ethanol craze is allowed to continue.

The Mississippi Basin itself has wrought vengeance on the biofuels insanity, by closing several Iowa ethanol plants, either by flooding them out, or

FIGURE 3  
Upper Mississippi Flood Control Levee System



US Army Corps of Engineers



A farm in southern Indiana, June 12, 2008.

USAF/Senior Master Sgt. John S. Chapman

cutting them off from transportation. In addition, the soaring corn prices, spiked by speculation, will shut down other distilleries. VeraSun Energy Co. postponed its June opening of a new Minnesota plant, which would be one of the world’s largest. Iowa itself—the epicenter of the farm disaster—has 30% of all the 131 ethanol plants in the United States.

In the midst of floods, two new ethanol plants opened in June. Bio-Fuel Energy Corp. announced the start-up of its operations in Wood River, Neb. and Fairmont, Minn., both sited next to old Cargill grain elevators. Cargill has contracted to provide the corn. So far, no one is stopping them.

# The British Empire Threshes The Australian Wheat Board

by Alexandra Perebikovsky and Stephanie Nelson, LaRouche Youth Movement

Our own tragic folly in policy-shaping over the last decades taunts us now, like a sick joke at the expense of the poorest people. The nature of the global systemic financial and economic breakdown has brought back Holbein's "Death," whose impish grin once again accompanies the scenes of everyday life. His "Husbandman" could be any farmer in the world today, whose toil is mocked by the intentional collapse of agriculture under the free trade system of globalization. That is why today we face a world food shortage, whose approach could have and should have been foreseen.

In the middle of this growing crisis, the UN Food and Agriculture Organization (FAO) held a meeting June 3-5 in Rome, where a fight ensued between free-market policies and protectionist trade for food security. Although free-trade policies suffered a defeat, no effective remedy was established, and the 850 million people worldwide facing starvation found no alleviation.

Prior to that FAO conference, Schiller Institute chairwoman Helga Zepp-LaRouche issued a call for the world's policy-makers to kill the World Trade Organization (WTO) and double world food production. On the heels of that mobilization, LaRouche PAC issued a food policy memorandum, demanding the same two points and offering examples of where the needed food could be grown to immediately avert the starvation of hundreds of millions of human beings. Obvious potential lies in the world's foremost granaries: Argentina, Australia, Canada, and the United States. Were these and other countries allowed to produce at full capacity, one planting season would be sufficient to wipe out hunger. Unfortunately, the latest developments in these countries leave the future of farming in doubt.

The Imperial British Commonwealth delivered a crippling blow to Australia's wheat production in June, by a Parliamentary vote to dissolve the "single desk" of the Australian Wheat Board (AWB), leaving it completely deregulated. Under the single desk system, the AWB had a monopoly over Australian wheat exports, guaranteeing farmers a parity price for their crops, to the benefit of the small and family farmers who otherwise would have been crushed by grain cartels and speculators.

## The Wheat Board: A Fight for Agricultural Protection

In 1929, the Australian government set up a committee, chaired by J.B. Brigden, to examine the pros and cons of Australia's protectionist policy. This report, entitled, "The Australian Tariff: An Economic Enquiry," exposed the intentions of the British Empire to keep Australia's population down to no more than 5 million people through imperial free-trade policies. Brigden's committee found that the Empire intended to create a landed aristocracy of Australian farmers to dig up and export vital raw materials back to London. Rather than capitulate to the imperial looting system, the committee recommended protectionist measures, which laid the foundations for the Australian Wheat Board.

In the early 1940s, the government of Prime Minister John Curtin, in collaboration with U.S. President Franklin Delano Roosevelt, took up this fight for protectionism, established the Wheat Board, and set a precedent for the legendary Country Party leader John McEwen's later reforms. Jock Campbell, an advisor to Trade Minister McEwen in the 1950s, summarized the findings of the Brigden report: "Australia would be a country where there would be a handful of people—I think they said 5 millions—and they would grow wool and beef and mine lead. There would be no manufacturing industry and the maximum the country could support would be 5 million who would live at an extraordinarily high level of average income because they were the world's best at it. Those who were lucky to have a slice of it would do tremendously well."

At the time, Australia already had a population of about 9 million people.

In opposition to this intentional policy of genocide, the government used the chaos and harsh conditions during the years leading up to World War II to establish the modern-day Wheat Board. The precedent for the AWB began in 1915, during World War I, when Australian farmers, devastated by the speculative actions of the grain cartels, pooled their wheat and demanded a floor price for their goods. In order to institutionalize that authority, a wheat board was established and maintained throughout the war. However, in 1921, the board was taken down by the government, and farmers, forced back into the horrid conditions of British free trade, were driven off





Two woodcuts from a series by Hans Holbein the Younger (1497-1543), the “Dance of Death”: *The Emperor and The Husbandman*. Free trade and globalization today make a mockery of the farmer’s toil, as of the ruler’s self-delusions.

the land. Australia’s next opportunity for establishing a wheat board came in 1939, when the modern-day “single desk” Australian Wheat Board was founded.

Under the leadership of Prime Minister Curtin, and later, Trade Minister McEwen, the Wheat Board acted as a regulatory agency mediating between the Australian farmer and the preying financial grain cartels. The Board would set a fair floor price for all wheat, farmers would deliver their grains into the AWB storage bins, immediately receiving a check for the grains, and the AWB, drawing from the wheat pool, would take care of its export and trade. This regulation upheld the livelihood of small and local farmers, regardless of grain quality or time harvested. On top of this, the Curtin and McEwen governments, explicitly against the free-trade imperial policies which had run Australian agriculture and industry into the ground over the previous two decades, ensured the establishment of credit for infrastructure and development projects to aid production and manufacturing. Over the intervening decades, this system proved so successful, that Australia became an industrial and agricultural powerhouse, which, today, exports over 15% of the world’s wheat.

Since the 1980s, however, the hand of the British Commonwealth, grabbing for the riches of Australia’s raw materials base, has reached directly into the heart of the nation in an attempt to dismantle the protective Wheat Board. In 1986, the Parliament enacted the first of a series of laws to aid in the deregulation and breaking down of the AWB. To enforce this legislation, in 1999, the Wheat Board was turned into a corporation, AWB, Ltd., and private interests were given power to veto the export of its wheat. With its new status as a private company, not directly tied to the government, the AWB was

implicated as the greatest of over 2,000 offenders in the supposed Iraq “oil-for-food” crisis, and its grain export contract with Iraq was immediately terminated. Using this scandal and the “monopolistic actions” of the Board as an pretext, the Commonwealth shut down the Board’s export monopoly in 2003, to make way for complete, unregulated free trade. The final bomb was dropped on June 19, when the Senate voted to eliminate the AWB’s single desk, the last line of defense between the demoralized local family farmer and the predatory grain cartels.<sup>1</sup>

### Battle at the Capital

Hundreds of Australian farmers, dependent for their livelihood on the regulatory measures of the Wheat Board’s single desk system, turned out the week before the vote to hold rallies in Australia’s capital, and protest the devastating legislation. As one farmer put it, “The dismantling of the Wheat Board means the difference between my planting a full crop this year, or just half of my crop, or even none at all!” The Australian LaRouche Youth Movement, following a week of meetings with parliamentarians about the AWB legislation, mobilized the lower 80% farmers as a force to intervene against the AWB takedown and to rally around a nine-point solution<sup>2</sup> for reviving the grain capability of the nation.

Meanwhile, inside the Parliament, Sen. Barnaby Joyce, the leading official campaigning for the rights of the farmers,

1. Technicalities require a second vote which expects the legislation to pass.

2. Citizens Electoral Council leaflet, “Australia Must Act Now to Address Global Food Crisis” ([www.cecaust.com.au](http://www.cecaust.com.au)).



EIRNS

Farmers in Canberra, Australia protest against the takedown of the Australian Wheat Board, June 15, 2008. The current incarnation of the AWB was established in 1939, to protect farmers from British free trade policies.

led an all-out fight to save the Australian Wheat Board from going under. Joyce argued that the passage of the bill would lead to the utter destruction of the small and local wheat farmers, while allowing for the complete and unchecked plunder by grain cartels. In an exchange between Joyce and Sen. Nick Sherry (Tasmania, Minister for Superannuation and Corporate Law), regarding the new structure for the wheat board, it became clear that not a single position had been established on the Board for a wheat farmer.<sup>3</sup>

Under questioning from Joyce, Sherry admitted: “There is no specifically allocated person on the board, but the selection criteria include that as one of the criteria against which a recommendation will be made to the minister.” Joyce shot back: “You have now confirmed that no one on the board need necessarily have any experience in wheat, and the board could be totally selected without anyone having any experience in wheat. Yet this is the body that is going to have the Australian wheat industry in its hands. . . .” Sherry was also forced to concede that members of the Board do not have to be Australian citizens.

With the new system, Australian agriculture is subjected to a free-for-all in terms of marketing and wheat export! Major grain cartels are given the right to cherry-pick the types of

wheat and farming they want to buy up. This leaves the door open for large corporations to take over the Australian wheat industry, kick small farmers off the land, and drastically reduce the amount of wheat being produced and exported.

The takedown of Australia’s Wheat Board comes on top of a years-long takeover and destruction of small farms in the nation. For years, the government has refused to implement the necessary infrastructure projects, such as developing the Murray Darling River basin system, in order to have flourishing agriculture throughout the entire region. As a matter of fact, under the guise of “environmentalism”<sup>4</sup> and “river health,” the federal and state governments have created a speculative “free market” in water rights. They now pay desperate farmers up to \$2,000-5,000 per megaliter for their water rights (\$40 was a typical cost per megaliter, up until recently), and then divert the

water from the parched farmland to flow unused into the ocean—this in the midst of one of the worst droughts in a century! Australia, if its potentials are activated, can and must help to double the food production of the world! It is completely insane, that in the middle of the world’s greatest hunger crisis, the British Commonwealth is doing everything possible to eliminate Australia’s ability to become a major granary for our poverty stricken world.

### What About the Other Granaries?

The remaining three major granaries are facing their own uphill battles. Canada is especially threatened by the recent vote in Australia. It has its own wheat board, and the decision against the AWB is viewed as a precedent for the British imperialists who want to do the same to the Canadian Wheat Board. The implications for the world’s food supply should conjure up the image of Holbein’s wicked “Death” again. Canada accounts for 50% of the world’s wheat exports, so that Canada and Australia combined are responsible for 65% of world wheat exports. If farmers continue to be subjected to free-trade policies that make it impossible for them to make a living, and multinational cartels take over with the intention

3. Commonwealth Senate Hansard in Canberra, Australia, June 19, 2008. A transcript can be found at: [www.aph.gov.au/senate/work/journals/index.htm](http://www.aph.gov.au/senate/work/journals/index.htm).

4. Environmentalism is a highly contagious disease which spread rapidly throughout nations all over the world in the 1960s and 1970s. It was believed to have been acquired from the incidental mating of one unfortunate man with a monkey. The offspring is present-day Al Gore.



to decrease the food supply, humanity will face an unimaginable crisis.

Moreover, Argentina's impressive grain production has recently been replaced by soy monoculture, so that soy now accounts for 54% of all Argentine cropped land area, with a devastating effect on its soil. Large "sowing pools"—speculative investment funds—have also been organized, and have seized control of the soy export business. In March of this year, the government of President Cristina Fernández de Kirchner issued a decree to raise export taxes on soybean and sunflower seeds, in defense of the general welfare. In reaction, a phony "people's" movement has been organized against the "tyrannical" government, with agriculture producers going on strike (in the middle of a grave food crisis!). Implicated in this is George Soros, identified by LaRouche PAC as the top British agent meddling in the U.S. Presidential campaign.<sup>5</sup> Soros owns one of Argentina's largest sowing pools, Adecoagro. The Kirchner government has pointed its finger repeatedly at these funds as the financial interests behind the strikes.

5. See The Soros Dossier: "Your Enemy, George Soros," elsewhere in this issue.

In the United States, storms hit the Midwest in early June, causing vast flooding in an area with an incredible concentration of grain and livestock production, processing, shipping, and farm machinery manufacture. The total damage is yet to be calculated, but it will inevitably hit the global food system very hard. Natural disasters never have good timing, but with starvation and food riots occurring around the world, the flooding of one of the world's largest corn and wheat belts is an especially devastating blow. The tragedy is that the damage could have been contained, had the proper infrastructure been built. Similar but less severe flooding struck the same area in 1993, drawing attention then to the inadequate infrastructure in the region. At that time, Lyndon LaRouche issued a call to restore the Army Corps of Engineers and finish the flood control and development projects in the upper regions of the Mississippi River basin, through a retooling of the auto industry.

Whether it is decreasing food production while population levels rise, refusing to build vital infrastructure, or continuing with deregulation and free trade, we have no excuses for the deadly effects of these policies but our own folly. We have the capability to scrap this system of lunacy and save civilization, but we must act *NOW!*

## Defend the Canadian Wheat Board!

"The history of the Canadian Wheat Board (CWB) is grounded in the experience of farmers prior to World War I," according to the CWB's website. "Many farmers at the time felt captive to the railways, the line elevator companies, and the Winnipeg Grain Exchange for the delivery, weighing, grading, and pricing of their grain. They wanted greater power and protection for themselves in the grain marketing system. They developed a strong confidence in cooperative strategies and government intervention for addressing their needs..." (www.cwb.ca).

The first CWB, established in 1919, utilized a two-payment system: one payment in the Spring and another in the Fall, depending on price levels. The Federal government guaranteed any shortfalls due to low prices, effectively setting a floor price for the farmers' produce. The second, and current, CWB, now representing over 75,000 farmers, was established in 1935 to protect the farming community from the ravages of the Great Depression. Its role has changed a great deal over the years, but its function in promoting the interests of Canada's Western farmers has endured.

In the 1960s, the CWB began making direct deals and entering into long-term contracts with its customers, such as

the governments of Russia and China, thus circumventing the speculators and middlemen, a decision which the grain cartels have never forgiven. Today the CWB is the world's single largest grain exporter, and the last of the big international Wheat Boards; in 2007 it exported 21.5 million tons of grain.

The current Conservative government of Stephen Harper is committed to terminating the CWB, but recently received a major setback. A Federal Court Judge ruled on June 20 that the Harper government had violated Canada's Charter of Rights and Freedoms, when it issued a directive in 2005 forbidding the CWB from promoting or defending its own existence in the media, while the government organized a massive media campaign aimed at manipulating farmers into supporting the dissolution of the Wheat Board's mandate. Unfortunately for Harper, the CWB remains exceptionally popular among Western farmers, and it can only be eliminated through a farmer plebiscite, something which is highly unlikely for the near future. However, with the dissolution of the Australian Wheat Board, the CWB will come under increasing pressure.

With the floods now hitting the U.S. breadbasket, the grain cartels pushing for completely liberalized trade, and many countries facing food shortages, the world cannot afford to lose the CWB, which could be a precedent for other nations, such as Argentina, which have shown interest in reviving grain marketing boards of their own, in defense of the general welfare. —Rob Ainsworth



## Your Enemy, George Soros



George Soros

EIRNS/Stuart Lewis

*Editor's Note: We present here the major part of a mass-circulation pamphlet produced by the LaRouche Political Action Committee.*

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### Introduction

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Back during Presidential campaign year 2004, my associates and I were calling attention to an important book on the subject of *The Confessions of an Economic Hit-Man*. That man had a conscience. In the following report, LPAC is featuring a much bigger story, on the subject of George Soros as a political-economic hit-man. The George Soros we present in this report, has no conscience about what he has done, or what he does. This is a report written, in large part, by Soros' own mouth.

George Soros is not a top-ranking financier, he is like the mafia thug, without a real conscience, like a thug sent to kill a friend of yours, but only a hit-man for the really big financial interests, hired out to rob your friends, and you, of about everything, including their nation, and your personal freedom.

George Soros does not actually own Senator Barack Obama; some other people do; but, Soros is a key controller, and seemingly the virtual owner of both Democratic Party Chairman Howard "Scream" Dean, that Party, perhaps your political party, and, in fact, your nation, which are both what political-economic hit-man George Soros is aiming to destroy.

—Lyndon H. LaRouche, Jr.  
June 16, 2008

# George Soros: Hit-Man for The British Oligarchy

by Hector A. Rivas, Jr.

The British financial oligarchy is desperately committed to completely annihilating all forms of sovereign nation-states from our planet, most importantly, the United States, and George Soros is their chosen hit-man to accomplish the task. Directly, on behalf of the city of London, George Soros, with the aid of his puppet, Democratic National Committee Chairman Howard Dean, bankrolled filthy operations against Hillary Clinton's Presidential primary campaign, to guarantee that no policies which reflect a revival of Franklin Roosevelt's commitment to the lower 80% of family income brackets take hold in the White House after January 2009. Soros is no new comer to the world of criminal activity. According to former associates and published reports he was handed his start-up money by Baron Edmond de Rothschild's right-hand man, George Karlweiss, who also launched the career of fugitive narcotics-trafficker Robert Vesco. Since then, Soros has been involved in various vicious operations, under the direction of the British Empire, such as financial speculative warfare to destroy national currencies, pushing murderous, "useless eater" euthanasia policies, and massively financing international campaigns for the legalization of drugs. But of course, the disgraceful character of George Soros is not solely attributable to himself, but rather, it was partially generated by his handlers during his formative adolescent years: the Nazis.

## The Golem Is Born

The pathetic creature known as George Soros made a willful decision early in life to become the character that he is now: a Golem. A teenager during the Nazi Occupation of his homeland, Hungary, Soros began his genocidal legacy by working for the killing machines that slaughtered 500,000 Hungarian Jews during the Holocaust. Young Soros was given a job looting the properties of Jews under the regime of SS Lt. Gen. Kurt Becher, head of the Waffen SS section known euphemistically as The Economic Department of the SS Command.

Soros credits his father for his own good fortune in avoiding the gruesome scenes of the concentration camps. In a broadcast on WNET/Thirteen TV on April 15, 1993 Soros recalled those experiences that formed his beastly identity: "When the Germans came in, he [the father—ed.] said, 'This is a lawless occupation. The normal rules don't apply. You have to forget how you behave in a normal society. This is an

abnormal situation.' And he arranged for all of us to have false papers, everybody had a different arrangement. I was adopted by an official of the minister of agriculture, whose job was to take over Jewish properties, so I actually went with him and we took possession of these large estates. That was my identity. So it's a strange, very strange life. I was 14 years old at the time." His father, Tivadar Soros, professed further that, "as pseudo-Christians, we had not quite reached that level of Christianity where we were willing to return bread for stones." The Soros family indeed offered plenty of stones to the many poor Hungarian Jews who were shipped off to Auschwitz to meet their death.<sup>1</sup>

The Soros family was among the "elite" Hungarian Jews, which afforded them the ability to make arrangements to survive under the Nazi occupation. Prince Alexis Scherbatoff, former member of the U.S. Army Counterintelligence Corps before and after World War II, alleged that Soros obtained his first small fortune by selling his share of the loot seized with the Nazis. He reported that Soros' first accomplice was another Hungarian Jew, who sold rubies and other Nazi plunder in Belgium after World War II.

Ben Hecht, author of the book *Perfidy*, documents the activities of the Nazi Economic Department in Hungary, and the atrocities committed by the employers of young Soros. The Department was in charge of pillaging Jewish properties and "removing the gold fillings from the millions of teeth of the dead Jews; in cutting off the hair of millions of Jewesses before killing them, and shipping bales of hair to Germany's mattress factories; in converting the fat of dead Jews into bath soap, and in figuring out effective methods of torture to induce the Jews awaiting death to reveal where they had hidden their last possessions."

George Soros was confronted with such images during an interview with Steve Kroft on CBS's 60 Minutes on December 20, 1998:

**Kroft:** (Voiceover) These are pictures from 1944 of what happened to George Soros' friends and neighbors. (Vintage footage of women and men with bags over their shoulders walking; crowd by a train)

**Kroft:** (Voiceover) You're a Hungarian Jew...

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1. *Masquerade, Dancing Around Death in Nazi Occupied Hungary*, Tivadar Soros, Arcade Publications, New York, 2001.



*Hungarian Jews on their way to the gas chambers. Auschwitz-Birkenau, Poland, May 1944.*



*Archives of Mechanical Documentation, courtesy of USHMM Photo Archives*

*A member of the German SS supervises the boarding of Jews onto trains during a deportation action in the Krakow ghetto, ca. 1943-44.*

**Mr. Soros:** (Voiceover) Mm-hmm.

**Kroft:** (Voiceover) ...who escaped the Holocaust... (Vintage footage of women walking by train)

**Mr. Soros:** (Voiceover) Mm-hmm. (Vintage footage of people getting on train)

**Kroft:** (Voiceover) ...by—by posing as a Christian.

**Mr. Soros:** (Voiceover) Right. (Vintage footage of women helping each other get on train; train door closing with people in boxcar)

**Kroft:** (Voiceover) And you watched lots of people get shipped off to the death camps.

**Mr. Soros:** Right. I was 14 years old. And I would say that that's when my character was made.

**Kroft:** In what way?

**Mr. Soros:** That one should think ahead. One should understand and—and anticipate events and when—when one is threatened. It was a tremendous threat of evil. I mean, it was a—a very personal experience of evil.

**Kroft:** My understanding is that you went out with this protector of yours who swore that you were his adopted godson.

**Mr. Soros:** Yes. Yes.

**Kroft:** Went out, in fact, and helped in the confiscation of property from the Jews.

**Mr. Soros:** Yes. That's right. Yes.

**Kroft:** I mean, that's—that sounds like an experience that would send lots of people to the psychiatric couch for many, many years. Was it difficult?

**Mr. Soros:** Not—not at all. Not at all. Maybe as a child you don't—you don't see the connection. But it was—it created no—no problem at all.

**Kroft:** No feeling of guilt?

**Mr. Soros:** No.

**Kroft:** For example that, 'I'm Jewish and here I am, watching these people go. I could just as easily be there. I should be there.' None of that?

**Mr. Soros:** Well, of course I c—I could be on the other side or I could be the one from whom the thing is being taken away. But there was no sense that I shouldn't be there, because that was—well, actually, in a funny way, it's just like in markets—that if I weren't there—of course, I wasn't doing it, but somebody else would—would—would be taking it away anyhow. And it was the—whether I was there or not, I was only a spectator, the property was being taken away. So the—I had no role in taking away that property. So I had no sense of guilt.

## Crafted and Unleashed

Nazi collaborator George Soros, set off to England in 1947 where he became the protégé

of radical positivist Sir Karl Popper, who taught at the Fabian Society-initiated London School of Economics in the 1950's. This is the same Karl Popper who blamed a large part of the crises of developing countries on the "political stupidity" of its leaders. Popper himself states that, "We [the Empire—ed.] have liberated these states too early and in too primitive a way. These are no-law states yet. The same would happen if you'd leave a kindergarten to itself." Soros' mentor then argued that the "civilized world" has the right to launch wars against the Third World for the sake of "peace." Soros bowed to his masters, and carried out that war.



Soros used his Quantum Fund to conduct financial warfare through derivatives and currency speculation. On the European front, in 1992, Soros won a key battle against the European Rate Mechanism (ERM), which was Europe's financial structure to maintain stable exchange rates among the currencies of Europe. Soros created a financial crisis so that the system could be replaced by the Maastricht Treaty, which established the Euro as the single European currency, and put financial authority in the hands of one central bank, controlled by the Anglo-Dutch oligarchy. This plot began when representatives of Soros met on June 2, 1992, with top British and Anglo-Dutch financial predators, on Her Majesty Queen Elizabeth II's yacht *Britannia*.<sup>2</sup>

Part of this operation can be understood by looking at his attacks against the Italian lira in the early 1990's, which earned him 400 billion lira (\$280 million) within a matter of days, while the Bank of Italy was forced to spend, between June and September of 1992, \$48 billion of its reserves in a vain attempt to defend its currency. Within a few years, Soros was under criminal investigation for these sinister attacks. Members of the Movimento Internazionale per Diritti Civili Solidarietà first submitted testimony on Soros to the Milan court in 1995, and by the next year, investigations were launched out of Rome and Naples, which were reported on in the Dec. 24, 1996 issue of *Corriere della Sera*: "The investigation has just started, but the results could be explosive, and the name of the individual being officially investigated gives an idea of how delicate this investigation is: The name is George Soros. ... The crime is stock-jobbing. ... It concerns the attack on the lira."

Of course, not all of the money used in this operation can be attributed to "Golem" Soros, but was only money that was handed to him, by London. After all, a Golem doesn't make himself, he is created and, true to form, Soros' natural instinct is only to do what he is told in order to survive.

His father taught his boy how to follow his masters very well under the Nazi occupation in Hungary: "The most rational approach, in my view, was complete separation, followed by a quiet effort to blend in with the general population. That is the way animals do it: when they sense danger, instead of



Official portrait taken at Buckingham Palace, by Terry O'Neill  
*Her Majesty Queen Elizabeth II and His Royal Highness Prince Philip, the Duke of Edinburgh.*

presenting a clear target to their enemies, their natural mode of self-preservation is to blend with the scenery and simply disappear. Naturalists call this phenomenon 'mimicry.'"<sup>3</sup>

Soros was raised to behave like a beast, and so he does. Upon the destruction of the ERM, which set the stage for Maastricht and, inevitably, the Lisbon Treaty, Soros had only this to say: "I'm sure speculative actions have had some negative consequences. But that does not enter my thinking at all. It cannot. If I abstained from certain actions because of moral doubts, then I would cease to be an effective speculator. I have not even a shadow of remorse for making a profit." He continues, "I did it only to make money."<sup>4</sup>

## Project Death

On Nov. 30, 1994, Soros spoke before an audience at the Columbia Presbyterian Medical Center, and announced his new foundation, Project on Death in America, to shift the training of hospitals, nurses, and doctors away from expensive life-saving treatment, to the proper care of the dying. In pushing euthanasia legislation, Soros made the Nazi "useless eater" policy legal in the U.S.

A Soros-sponsored assisted suicide (a.k.a. homicide) program to offer patients lethal prescriptions was the Oregon Death with Dignity Act, which subsequently passed in 1998: "As the first state in the United States to allow physicians to help terminally ill patients end their lives, Oregon's experience will be closely watched by other states."<sup>5</sup>

Through the Open Society, the Death in America project and other organizations concerned with "end-of-life" issues began collaboration on "transforming the culture of dying." Soros promoted on his website a one-day seminar coordinated by Balfour Mount, M.D. of Royal Victoria Hospital in the mid-1990's entitled "Searching for the Soul of Euthanasia." Soros offered his personal thoughts on the matter: "The use of technology to extend life when life has no meaning, does not make any sense. ... It may be more negative than positive, because it causes unnecessary pain and suffering, not to mention *the expense*" (emphasis added).

3. *Masquerade, Dancing Around Death in Nazi Occupied Hungary*, Tivador Soros, Arcade Publications, New York, 2001

4. London *Guardian* Dec. 19, 1992.

5. <http://www.soros.org/initiatives/pdia>

2. This is the very same Queen Elizabeth which *EIR* discovered in the 1990's was on the exclusive clients list of George Soros' mega-million-dollar offshore Quantum Fund in which he is once again currently active.

# Does Soros Have a Drug Problem?

by Alexandra Perebikovskiy

## The Hustler on the Street Corner

In 1985, in response to the chaos of the British Empire's dope trade, Lyndon LaRouche called on nations to cooperate in a "war on drugs": "What we are fighting, is not only the effects of the use of these drugs on their victims. The international drug traffic has become an evil and powerful government in its own right. It represents today a financial, political, and military power greater than that of entire nations within the Americas. It is a government which is making war against civilized nations, a government upon which we must declare war, a war which we must fight with the weapons of war, and a war which we must win in the same spirit the United States fought for the unconditional defeat of Nazism between 1941 and 1945."

Since then, the British Empire's hustler on the street corner, George Soros, has continued pushing drug legalization in the United States and has even strayed over to the other side of the block and become a supporter of narco-terrorism in South America and Asia. Soros' immorality and ruthless nature<sup>1</sup> made him the perfect hit man for enforcing the Empire's drug operations. Provided with funding through speculative activities, Soros launched his own war against anyone opposing the looting policy of London. Since the dope trade is the cornerstone for the physical and economic looting of nations by the British Empire, Soros chose Lyndon LaRouche's "war on drugs"<sup>2</sup> as his battleground. In defense of his drug hustling operations, Soros wrote that, "The war on drugs was doing



Foto ANCOL. Fernando Ruiz

*President of the New York Stock Exchange, Richard Grasso, and negotiator for the FARC, Raül Reyes, during their 1999 meeting in the Colombian jungle.*

more harm than the drugs themselves.... Drugs kill a few people, incapacitate many more, and give parents sleepless nights...."<sup>3</sup> But, as he summed up, that is nothing compared to the harm of nations intervening on the free market.

Through his Open Society Foundation, Soros consistently funneled money into his Drug Policy Foundation (DPF) and Lindesmith Center to aggressively pursue drug legalization in the United States. Soros claimed, "When I decided to extend the operations of my Open Society Foundation to the United States, I chose drug policy as one of the first fields of engagement. I felt that drug policy was the area in which the United States was in the greatest danger of violating the principles of open society."<sup>4</sup> Soros used the DPF to

1. See *George Soros: Hit-Man for the British Oligarchy*, by Hector Rivas, in this report.

2. *Dope, Inc.: Britain's Opium War Against the United States*, by a U.S. Labor Party Investigating Team, New Benjamin Franklin House, New York, N.Y., 1978.

3. George Soros, *The Bubble of American Supremacy: The Costs of Bush's War in Iraq*, Public Affairs Books, New York, N.Y. 2004, p. 27.

4. Ibid.

fund the Marijuana Policy Project (MPP), an organization committed to reviving the Woodstock pot-smoking days of 1968. The MPP has given support to states across the nation in the fight to legalize marijuana and threw its support behind Rep. Barney Frank, who lost no time in bending over backwards and lighting up for the drug lobby by introducing HR 2618, a bill for the “medical use” of marijuana. In 1996, Soros reached deeper into the Queen’s underpants and funded ballot initiatives to legalize “medical marijuana” in California and Arizona through propositions 215 and 200, respectively. These propositions made it legal even for children to whip out the bong and receive doses of class-one drugs. In 2000, Soros took the legalization efforts even further and funded a bill to set up the legal retail distribution of marijuana in Nevada, thereby taking the first step towards more serious drug legalization.

Meanwhile, in South America, his activities were even more disastrous. With his fist in the British Empire’s laundered money bags, Soros threw his weight behind narco-terrorism in Colombia, Peru, and Bolivia. His group Human Rights Watch/Americas is a major part of the drug cartel’s drug production and terror apparatus, deploying millions of dollars annually for dope propaganda. In Colombia, he became the leading financier in the fight to legalize cocaine and, through Human Rights Watch, attacked government

forces deployed against drug cartel guerrillas, who were slaughtering people across the region. On Nov. 8, 1990, the Medellin drug cartel, leading the violent murder and kidnapping operations in Colombia, sent out a letter demanding that the government publish a report by Soros’ Americas Watch, which denounced the government’s anti-drug actions as violations of human rights. One week later, Juan Mendez, the leader of the Colombian Americas Watch Report, called for “the most total disarmament possible” of the Colombian military in order to allow “free trade” of drugs to resume.

Using two groups in which he was a leading financier, the Andean Council of Coca Leaf Producers and the Andean Commission of Jurists, Soros then established an international project called “Coca 95,” to support the dope trade in Bolivia and Peru. At a conference on March 13-14, 1996, the Andean Commission of Jurists sponsored the “International Meeting on Current Scientific Studies on the Effects of Coca Consumption on Humans,” in which speakers attacked the anti-drug efforts of governments as a threat to the environment! Calling for free trade of all drugs, including cocaine, heroin, marijuana, and synthetics, the Andean Council of Coca Leaf Producers organized for an armed revolt in Bolivia. Soros even cut into the heart of Peru, funding the Presidential campaign of Alejandro Toledo,

## LaRouche’s War on Drugs

Coming from the mouth of Dick Cheney and his ilk, the expression “War on Drugs” has been used to justify unprovoked wars on sovereign nations, imposing regime change on their governments, throwing millions of penny-ante users and small-time dealers in jail in the U.S., driving desperate peasants in drug-producing countries over the cliff into starvation, and backing one cartel of drug runners against another, to keep the market under control—while religiously taking a hands-off attitude towards the big bankers who actually run Dope, Inc. from the very top.

For Lyndon LaRouche—who coined the expression “War on Drugs” in the 1970s—it has always meant the exact opposite. On March 9, 1985, LaRouche presented a 15-point war plan at a Mexico City conference which centered on cooperation among sovereign nation-states, to identify, attack, and destroy the British-centered [financial] interests who actually run the drug trade. These interests act as a powerful government-in-fact, against which we must wage war. Treaties should be agreed upon among nations, to conduct joint military actions against the drug trade, “to the effect that necessary forms of joint military

and law enforcement action do not subvert the national sovereignty of any of the allied nations. . . .” Intelligence and technological aid “should be supplied with assistance of the United States,” in order to eradicate all illegal plantations, processing centers, and laboratories, and all unlogged aircraft flying across borders, which fail to land according to instructions, should be shot down. And most significantly, “A system of total regulation of financial institutions, to the effect of detecting deposits, outbound transfers, and inbound transfers of funds, which might be reasonably suspected of being funds secured from drug-trafficking, must be established and maintained. . . . Special attention should be concentrated on those banks, insurance enterprises, and other business institutions which are in fact elements of an international financial cartel coordinating the flow of hundreds of billions annually of revenues from the international drug traffic.” Those involved are guilty of “crimes against humanity,” based on the Nuremberg standard. Confiscated drug funds, LaRouche added, should be allotted “to beneficial purposes of economic development, in basic economic infrastructure, agriculture, and goods-producing industry.”

That is the essence of LaRouche’s “War on Drugs”—and that is why George Soros, and his British masters, hate it.



thereby toppling the anti-drug government of Alberto Fujimori and once again plunging the nation into chaos.

Sound pretty bad? Well, it's not new. The British Empire's drive for imperial control is what is truly behind these attacks on nations. Soros' promotion of narco-terrorism is the equivalent of the "gunboats" employed by the Empire in its launching of the 19th-Century Opium Wars against China and India.

### British Diplomacy

One of the leading drug traffickers of the British Empire wrote that as long as drug use continues to dominate a country, "there is not the least reason to fear that she will become a military power of any importance, as the habit saps the energies and vitality of the nation."<sup>5</sup> For the last two centuries, the British Empire, using this policy to maintain its imperial control over the world, has dominated the dope trade, using it to prop up its horrific system of slavery. The British East India Company first opened up the opium trade with China in 1715 but, it was not until Lord Shelburne's 1763-83 melding of the bankrupt East India Company and near bankrupt British nation into a global empire, that Britain had a monopoly in the dope and slave trade.

Under the evil free trade doctrine of Adam Smith, this British Empire used its might as a sea power to construct a system of controlled trade and drug trafficking to economically and culturally suppress nations. The prime drug of choice was opium. With the deployment of East India Company merchants into India, the West Indies, and the United States, populations were forced to grow opium and cotton on slave plantations. Banning any kind of manufacturing in the colonies, cotton was exported, loaded onto Royal British Ships, taken on a long trek all the way to "the manufacturing house" of England, spun into cloth, and dragged all the way back to India. Meanwhile, Indian opium was exported to China, and the profits were used to pay for the entire shipping and manufacturing of the imported cloth! This system succeeded in enslaving the populations of India, the Americas, and China, destroying their land, and rendering the nations incapable of improving their impoverished condition!

The Chinese emperor, sick at the sight of his destroyed nation and attempting to resist this cultural enslavement and bombardment of the population, "seized every particle of opium; put under bond every European engaged in the merchandise of it; and the papers of to-day (1839) inform us that he



[www.heroin.org/images/manilaopium.html](http://www.heroin.org/images/manilaopium.html)

*An opium den in Manila, the Philippines, 19th century.*

has cut off the China trade, 'root and branch.'<sup>6</sup> Furious, the British demanded that their "produce" (a.k.a. opium) be imported, or else. As one of the London *Times* editors puts it, "We have everywhere obtained that our goods shall be imported into all these countries.... To attain those ends, we use all sorts of means, from courteous invitation to bombardments. We prefer to employ mere eloquence, because it is cheap and easy; but if talking fails we follow it up by gunboats, and, in that convincing way, we induce hesitating 'barbarians' not only to accept our two unvarying conditions, but also to pay the cost of the expedition by which their consent to these conditions was extorted from them. China was so unwilling to listen to our advice, so blind to the striking merits of our opium and our consuls, that we were obliged, with great regret, to resort to gentle force with her."<sup>7</sup> Any challenge to British imperial policy was immediately met with gunboats and, in the case of China, two opium wars between the years of 1839-1842 and 1858-1860 were waged in order to complete the process of "opening up all of China"<sup>8</sup> to British free trade. This British imperial drive continued and, by the end of World War I, the extent of British imperialism was felt everywhere. Nations which had attempted to avert British imperial control were destroyed economically and culturally and their countries were flooded with drugs.

6. George Thompson, "Lectures on India" in *Lectures, Letters, Debates, Pamphlets, and Related Correspondence of George Thompson*, Manchester University, John Rylands Library, 1834-1886.

7. As quoted in Henry Carey, *Reply to the London Times*, Letter V, p. 2.

8. LaRouche in 2004 Special Report, *To Stop Terrorism—Shut Down Dope, Inc!*, p. 96, LaRouche in 2004, December 2001.

5. Jack Beeching, *The Chinese Opium Wars*, p. 258, New York: Harvest Books, 1975

## Revive the War on Drugs!

The British Empire still exists as an active threat to the world today, though the name has since become taboo. If you've bought in to the media cover stories that history occurs only as isolated local events and are thinking, "I don't believe in conspiracy theories," then you don't know history. In reality the same financier and oligarchical circles which were responsible for the China opium wars throughout the 18th-19th centuries, typified by the ancient imperial models of Babylon, Persia, and Venice, are responsible for creating the current global financial and economic collapse.

George Soros is one of the main British instruments, carefully chosen to be a front man of the Empire, covering up for its disgusting looting policy, now known, euphemistically, as globalization. Through organizations such as Human Rights

Watch and Open Society, Soros pushes drugs and destroys nations. Soros says that now, "The United States, like nineteenth-century Britain, also has an interest in keeping international markets and global commons, such as the oceans, open to all."<sup>9</sup> Just like the British East India Company's devastation of India and China through two opium wars and decades of free trade, the same Empire calls on Soros as the assassin in the destruction of the United States. It is only through the obliteration of British hack George Soros and the British Empire which he represents, that we can hope to sober up the United States today.

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9. *George Soros on Globalization*, George Soros, p. 61, *Public Affairs*, New York, 2002.

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# George Soros: The Forced-Open Society

by Leandra Bernstein

As the world financial system hobbles on its last legs, the City of London has once again unleashed George Soros to open the gates of Hell at the present strategic turning-point in world history. Soros has long been a front man chosen to subjugate nations by funneling offshore money into corruption conduits coyly masked as "philanthropic" and "human rights" organizations. His purpose is to eliminate the U.S. system of national sovereignty, as he states himself, "Democracy and open society cannot be imposed from the outside because the principle of sovereignty stands in the way of outside interference. . . . Admittedly it is difficult to interfere with the internal affairs of sovereign countries, but it is important to face up to the problem."

## Not Philanthropy; Misanthropy

During his first criminal investigation for stock manipulation in 1979, George Soros started The Open Society Fund. The Fund was supposed to create "open societies" through philanthropic organizations; today it operates in 29 countries. The term "open society," Soros took from his mentor, British Aristotelian Society figure Karl Popper. Following Popper, with an admixture of Friedrich von Hayek's economics, Soros raised the banners of "open society" and "people's right to choose" in order to promote his own notions of personal financial aggrandizement through speculation, and to campaign against the modern nation-state.

Asserting that "states have interests but no principles," Soros explains that the ideal open society would suppress particular national interests, while an international political

and financial structure takes responsibility for the so-called common good.<sup>1</sup> Accordingly, Soros arms his philanthropic organizations with cash, buying up key sectors within the population who are then let loose to overthrow a government that tries to maintain a "closed society."<sup>2</sup> If a nation wishes to control its own natural resources, it's a closed society. If a nation wants to develop its economy and power of labor through tariffs and regulations, it's a closed society. Any nation that rejects globalization (i.e., British imperialism), is a closed society and subject to attacks from Soros and his shadow government of national agents.

The Open Society Institute (OSI), Human Rights Watch, the Soros Foundation, the Extractive Industries Transparency Institute, are all British-style intelligence outfits under the supervision of Soros. In 2002, Soros admitted to personally spending over \$2.1 billion in five years on his philanthropic ventures. Of his organizations, he writes, "They work with the government when they can and independently of the government when they cannot; sometimes they are in outright opposition. When foundations can cooperate with the government, they can be more effective; when they cannot, their work is more needed and more appreciated because they offer an al-

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1. In this respect, Soros's admiration for the UN, WTO, World Bank, and IFTI (International Financial and Trade Institutions) is notable, as well as his past and present collaboration with these institutions and their ranking members.

2. To better understand this process, see Euripides' Greek tragedy, *The Bacchae*, on the cult of Dionysus.

ternative source of funding for civil society. As a general rule, the worse the government, the better the foundation because it enjoys the commitment and support of civil society.”

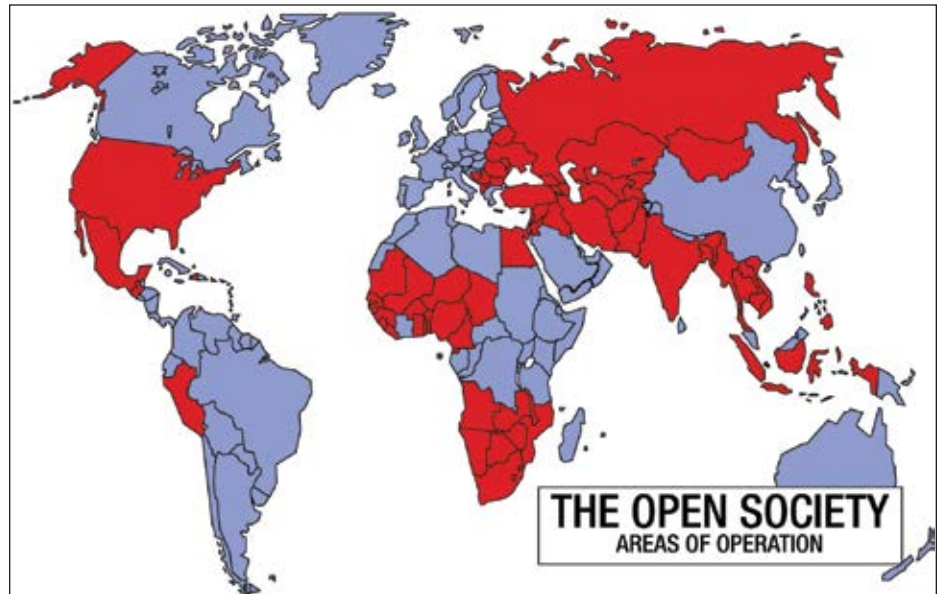
That same year, George Soros and Liberal Imperialist (limp) Tony Blair collaborated on an explicit assault on national sovereignty, they launched the Extractive Industries Transparency Initiative (EITI), to create an international standard by which nations rich in oil, natural gas, and strategic metals would report all revenues and payments related to these resources. The international organization (EITI) lobbies the governments to adopt a standard for revenue reporting which allows them to peer into government-company revenues in strategic industries. Whatever they view as “closed society” behavior is brought before the tribunal of the paid-for demos; or, if the behavior seriously threatens imperial interests, the UN, World Bank, IMF, WTO, etc., can be mobilized to implement sanctions. This process of subjecting a sovereign nation to a fixed international standard of behavior is called, “transparency.” The fixed relationship among those subject nations is called Empire.

Blair explicitly stated his vision for such international institutions in a speech before the UN World Summit in September 2005: “For the first time at this Summit we agreed that states do not have the right to do what they will within their own borders, but that we, in the name of humanity, have a common duty to protect people where their own governments will not.”<sup>3</sup> Already the EITI has 23 countries lined up to be swallowed into the Commonwealth and looted. These nations are primarily in the Horn of Africa, but include crucial states bordering Russia and China.

Yet, many well-meaning people inside the U.S. and elsewhere have thrown their support behind Soros for his “human rights advocacy,” rallying to the call of ending “authoritarian regimes,” and increasing “transparency.”

### The Fight for Eurasia

In his historic 1983 economic forecast, Lyndon LaRouche warned that if the Soviet Union were to reject his Strategic



LPAC/Chris Jadatz

The areas in red show nations in which the Open Society is active, as of 2008.

Defense Initiative, adopted by President Reagan and offered to Moscow as an area of cooperation, then “the strains on the Comecon economy would lead to a collapse of that economic system in about five years.” At his October 1988 address at the Kempinski Hotel in Berlin, LaRouche repeated that warning: “All of us who are members of that stratum called world-class politicians, know that the world has now entered what most agree is the end of the postwar era. . . . What governments do during the coming two years will decide the fate of all humanity for a century or more to come. . . . The time has come for a bold decision on U.S. policy toward Central Europe.” One year later, the Berlin Wall came down, and the LaRouche Movement grabbed the attention of influential circles throughout Eurasia around the prospect of building the Productive Triangle and later the Eurasian Land-Bridge to transform the continent into a prosperous community of nation-states.

LaRouche was the first to identify and act on the coming turning point in world history. But, within the British establishment, a small handful of strategic planners were also thinking in terms of long historical waves, and preparing for possible regime change in the U.S.S.R. and the Comecon. They saw the crisis in East Germany, Eastern Europe at large, and the Soviet Union as an opening for a drastic turn toward their system.

Soros was their point-man. His interventions throughout the contested East European area, but especially in Russia and the Balkans, were decisive in turning a moment of great happiness and hope—the 1989-1991 end of the Cold War division of Europe—into a tragedy for the region’s nations and its people. Everywhere, Soros’ campaign for an “open society” said that a central test of “openness” was radical financial and economic deregulation.

3. Earlier, in 1999, Blair demanded the NATO bombing of Serbia/Yugoslavia, under the humanitarian guise of protecting Kosovo and Albania against the Serbs. Blair’s rejection of the principles of the 1648 Treaty of Westphalia have pioneered the modern era of pre-emptive war, and much of the mess of our war-torn planet today.



Soros deployed into Eastern Europe to build his foundations, well before the Berlin Wall came down in 1989. The Stefan Batory Foundation in Poland, registered in May 1988, was ground zero for the European test-run of Jeffrey Sachs' "shock therapy" model, later used throughout the region to implement free-market looting, and monetary austerity. Soros wrote of the Polish implementation, "The IMF approved and the program went into effect on Jan. 1, 1990. It was very tough on the population, but people were willing to take a lot of pain in order to see real change. ... Inflation has been reduced, but the outcome still hangs in the balance because structural adjustment is slow in coming. Production has fallen 30%, but employment has fallen by 3%. This means the entrenched management of state enterprises is using the respite it gained from wage claims to improve its profit margins and keep the workers employed. There is an unholy alliance between management and labor that will be hard to break."

In other words, Shachtian monetary austerity, slave labor, and wrecking guarantees to state workers. The existing, military-oriented industry of the Soviet bloc was not to be retooled for Eurasian development, it was to be trashed. The skilled industrial workforce of Eastern Europe was to become a cheap labor pool.

This was the same model used to cripple Russia. Here, too, Soros was in the midst of cultivating a new leadership to implement the Hayekian-Friedmanite model, even before the Soviet Union cracked. In 1990, he financed foreign jurists and economists to prepare documentation in support of the Shatalin Plan, also known as the "500 Days" plan for shifting the U.S.S.R. to free market economics, shutting down the Soviet military-industrial economy, and imposing "budgetary discipline." Academician Leonid Abalkin and the late Valentin Pavlov, then the Soviet finance minister, acted to block full adoption of the Shatalin Plan in 1990. But the next year, some of the young economists whom Soros had sponsored, on trips to meet International Monetary Fund officials and other free-market gurus in the West, took power in the first post-Soviet Russian government under Boris Yeltsin. They implemented the disaster of a program which Soros had sought: shock price liberalization, privatization of state industry, rotten deals to sell off strategic metals stockpiles, and an open field for criminal trafficking in raw materials, weapons, and drugs. In only five years, the labor force had largely shifted from production to criminal activity, the living standard plunged, and the former Soviet region saw the fastest expansion of drug trade and drug use in the world.<sup>4</sup>

In the years following the Soviet break-up, Soros set up foundations in 23 countries. After the launching of the 1991 Balkans War, Soros dumped millions into the region, ear-

marking \$15 million for political subversion in Croatia alone. In December 1996, Croatian President Franjo Tudjman launched a useful attack, saying, "With the help of Soros, [the organizations] have entirely infiltrated society. ... They have involved in their project 290 different institutions, as well as hundreds of people. ... [T]hrough financial support, they roped in members of all ages and classes, from high school students to journalists, university professors, and academicians, from all circles of culture, economy, science, health, law, and literature. ... They openly say: Their duty is to change the property and government structures through donations. ... To create favorable circumstances for the subversion of the present authority and situation in Croatia, to gain control over all spheres of life, they intend to focus their energies and influence on the media and the world of culture."

At the same time, Soros set up the International Science Foundation (ISF), offering sizable grants to Russian scientists. People were poor and looking for a living; Soros stepped in with projects and money. Many confided that they knew it was wrong, but they needed the money to survive. Though he was able to pay the scientists, Soros' R&D investments were not nearly enough to accomplish breakthrough work. U.S. intelligence sources were convinced that Soros was just picking their brains. The ISF initially offered large grants, but as Soros steadily withdrew funds, he drew young scientists out of the country, taking from Russia its most vital natural resource.

In 1997, Soros pledged a \$300-500 million infusion of funds into Russia over the following three years, through the Soros Foundation and the Open Society Institute. The seven-part package aimed to make Soros indispensable in areas where Russia was hurting the most: health care, education, culture, books (through a textbook donation program, the OSI seized the high ground in Russian schools), Internet access, law and local government, and retraining of military personnel.

During the height of the Open Society Institute's expansion in Eurasia, Soros continued to play the market there, as well. He snapped up a 25% interest in Russia's national telecommunications company for \$1 billion, and later sold it. In the Russian bond collapse of August 1998, which was precipitated by a wave of speculative money fleeing the chaos touched off by Soros's and related hedge fund currency operations in Southeast Asia, the Quantum Fund and other of his funds lost \$2 billion.

In June 2003, Soros announced that he was scaling back his funding of operations in Russia in order to focus more on the United States, after becoming "preoccupied with problems of globalization" and, since Sept. 11, "with the role that the United States plays in the world."

On June 12 of this year, the OSI announced an initiative to spend \$800 million over the next 10 years "to advance democracy and progressive reform in the United States." Grantees will be funded to study how institutions like the EU and the UN can be used to "influence or constrain illiberal behav-

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4. The spread of drug use coincided with an epidemic of HIV/AIDS largely along the drug trade route into Afghanistan. Today, the Soros Foundation prides itself in "treatment, advocacy, and harm reduction services" to deal with HIV/AIDS and TB, the results of Soros' free-market reforms.

ior,” and how stability and order can be maintained after an “authoritarian regime” has been collapsed. The shock troop attacks Soros’ hordes carried out in the East should be fair warning to those in the U.S. who continue to be soft on Soros’ “democratic reforms” and “open society” projects.

### There Is No Transparency Off-Shore

Contrary to the romantic view of super-financier, George Soros, he has never acted alone in any of his operations, and his primary self-interest has been saving his sorry neck from his sponsors.

A decade before launching The Open Society Fund, Soros left his post at Arnhold and S. Bleichroeder Inc.<sup>5</sup> with sponsorship to launch the off-shore Quantum Fund N.V., which was reportedly managing \$11-14 billion in 2001. Both the Quantum Fund and Soros Fund Management, operate as crucial sources for the money going to the international projects cited above. By setting up in the Netherlands Antilles, a British Protectorate, and excluding American citizens from investing in the fund or sitting on the board of directors, Soros eludes U.S. law enforcement scrutiny, U.S. taxes, and other regulations, while demanding transparency from everyone else.

Soros has gone so far out of his way to avoid U.S. laws that he is not even on the board of his own fund, but serves as official “Investment Advisor” through the New York based Soros Fund Management. Instead, the list of investors and the board of the Quantum Fund is stacked with British, Italian, and Swiss financiers, with Queen Elizabeth II holding a special position on the list of exclusive clients. Quantum board member Richard Katz is also on the board of the London N.M. Rothschild & Sons merchant bank, and is the head of Rothschild Italia S.p.A.; Nils O. Taube, is the head of the London investment group, St. James Palace, a major partner with Lord Rothschild; and George Karlweiss, of Edmond de Rothschild’s Swiss Banca Privata. According to interviews and published sources, Karlweiss played a key role in giving Soros the initial start-up capital for Quantum. The Rothschilds’ banking apparatus, with its international branches, has been, and remains at the center of British sponsored dirty money and financial warfare operations, from money laundering, to raw materials grabs, drugs-for-weapons deals, sponsorship of international crime networks, and significant control over the gold trade—which is essential for the global drug trade.

Quantum board member and top Swiss financier, Edgar de Picciotto, was involved in launching attacks against LaRouche’s European organization through the mid-late 1980’s



Russian peasants.

Ogonyok, February 1989



Soviet women show ration cards to buy food.

Ogonyok, March 1991

when he pushed money through the Swiss think-tank, GeoPol, to fund the corrupt Laurent Murawiec, presently residing at the neo-con Hudson Institute.<sup>6</sup> De Picciotto is presently the chair of the Union Bancaire Privee, the offspring of a shady merger with Edmund Safra’s Trade Development Bank, notably involved in the Iran-Contra affair. Safra, who became too dirty for even the British to use, was famously murdered in 1999 when under investigation by Swiss and U.S. authorities for using his Republic Bank of New York to transfer billions of

5. Arnhold and S. Bleichroeder Inc. represented Rothschild banking interests in Germany during the period of Chancellor Bismarck. As of 1993, it was the principal custodian of the Quantum Fund, along with Citibank.

6. In his 2001 *Strategic Memorandum: Look What Happened in Brazil*, Lyndon LaRouche describes Laurent Murawiec as “a real-life ‘Beetlebaum’ of the legendary mythical horse-race, and a hand-me-down political carcass, currently in the possession of institutions of a peculiar odor.”

Federal Reserve notes to Mafia-controlled banks in Moscow in the early 1990's. He was also under investigation for laundering money through the Turkish and Colombian drug trade.

According to former U.S. State Department intelligence officers, familiar with the Soros case, Soros' Quantum Fund amassed its billions from "silent investors," like Marc Rich—as well as Mossad agents Shaul Eisenberg and Rafi Eytan. During the Soviet break-up, Quantum Fund investor, Marc Rich,<sup>7</sup> was crucial in the raw materials smuggling. He did the groundwork of coercing desperate and corrupt Russian and Soviet leaders to sell the nation's raw material wealth to the global markets. That money was then taken out of the country and invested in offshore accounts. Rich, a U.S. fugitive since 1984, organized the looting from his office in London, where he helped his Russian contacts sell those materials normally used for domestic consumption.

For 17 years, Rich was a fugitive in London from charges of tax evasion, fraud, and trading with the enemy (Iran). Rich hired Lewis Libby as his personal attorney. In 2001, Al "stinking possum" Gore helped get a Presidential pardon for Rich in the final hours of Bill Clinton's term. Later, in testimony before Congress, Libby admitted that he secured the pardon for Rich by working through Gore's former chief of staff, Jack Quinn (as well as two former Mossad agents employed by Rich).

### A Piece of Advice

The global economy is presently undergoing a hyperinflationary blow-out. The international institutions and financier networks outlined above, whose activities are illegal under the United States Federal Constitution, have been positioning themselves for decades to seize control now. It is now possible for the government of the United States to immediately shut down Soros' filthy operations and launch the recovery prescribed in LaRouche's "Three Steps to Survival."

It were wise for all those who are presently defending George Soros by accepting his money to take pause: Whatever happens otherwise, if the United Kingdom continues its present course, Britain's imperial design (1763-2008) is now doomed to a very early and ugly end. All that remains in doubt on this account, is, whether or not the disintegration of the British empire will carry the rest of European civilization down with it, down into a prolonged, planetary-wide dark age, down forever from the Britain of Lord Shelburne which aspired to become a permanent successor to the failed Roman Empire. Is the money really worth it?<sup>8</sup>

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7. Before running \$2.5 billion in "natural resources" trade with Russia, Marc Rich got his start in the triangular trade of weapons, oil, and drugs, around the Afghan and Iran-Iraq wars. See EIR Special Reports, *To Stop Terrorism—Shut Down Dope Inc.* (2001), and *The True Story of Soros the Golem* (1997).

8. Lyndon H. LaRouche Jr., "That Doomed & Brutish Empire," *EIR* Vol. 35, No. 11, March 14, 2008.

## The Case of Malaysia

by Alexandra Perebikovsky

Technically, Malaysia gained its independence from the British Empire in 1957. Since then however, the British intention has been to continue using the nation as its very own playground for its free trade chaos and looting operations. In 1997, Lyndon LaRouche stated, "free-trade, practiced against the nations of Southeast Asia, is simply a new form of colonialism, whose fruit is mass murder. In that sense, there is no difference, in effect, on people, between free trade and Nazism."

Up until the mid-1990s currency crisis, Malaysia was a staunch follower of globalization, albeit taking significant steps toward development in the years following its independence. Since the British deployment of George Soros into Southeast Asia to loot the currencies of these nations, Malaysia has changed its view. In the mid-1990's, Lyndon LaRouche forecast that the so-called "Tigers" of Southeast Asia,<sup>1</sup> after years of globalization, hot money flows, and destructive speculative activity would suffer the same fate as Mexico after 1995—utter collapse. Indeed, in the months leading up to July 1997, Soros worked tirelessly to carry out London's currency warfare, with the intent to collapse the Southeast Asian economies. The Tiger economies had succumbed to the flood of hot money in the 1990s, which created bubble economies based on inflated stock values and financial services. The government "guarantees" on foreign investments, imposed by the western speculators, ultimately bankrupted the Southeast Asian national economies.

Soros financed a large portion of this hot money. He began his attack on the Thai and Malaysian currencies in February of 1997 "with a zeal I haven't seen since the successful assault on several European currencies around three years ago" according to one analyst.<sup>2</sup> Through speculation in futures markets, Soros' Quantum Fund leveraged \$1.2 trillion. He took short positions against the Thai baht, the Philippine peso, the Indonesian rupiah, and the Malaysian ringgit, sending these currencies crashing by 40-70%, collapsing stock markets, and wiping out currency reserves. The breaking point was in July of 1997 when the Thai baht was forced to float, with greater than 20% devaluation, after

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1. It turns out that the Southeast Asian Tigers were no better than those tigers of infamous "magicians" Siegfried and Roy—all doped up.

2. As described by Dawai Institute of Research Director Peter Scheifelbein, days after the meeting of Myanmar's SLORC (State Law and Order Restoration Council).



the government had unsuccessfully spent over \$15 billion trying to defend the currency. The IMF austerity conditions imposed on these nations following the collapse drove their economies back 15-20 years in their potential for development and their standard of living.

On Sept. 20, 1997, Malaysian Prime Minister Dr. Mahathir bin Mohammed stood before the IMF and defiantly spoke out against the looting policies of the British Empire: “We in Malaysia laughed at the suggestion that our country would follow the fate of Mexico. . . . But now we know better. We know why it was suggested that Malaysia would go the way of Mexico. We know now that even as Mexico’s economic crash was manipulated and made to crash, the economies of other developing countries, too, can be suddenly manipulated and forced to bow to the great fund managers who have now come to be the people to decide who should prosper and who shouldn’t.”

Prior to the attack on the Southeast Asian markets, Mahathir had been an outspoken follower of globalization. However, following the British Empire’s organized takedown of the Malaysian economy, the fantasy of “free trade” was broken. Reflecting the proposals of economist Lyndon LaRouche, Dr. Mahathir launched his own attack against speculator George Soros, calling him a “moron.” *EIR*’s special report “The True Story of Soros the Golem; A Profile of Mega-Speculator George Soros,” circulated widely in Malaysia’s leading circles. London, surprised by Mahathir’s sudden backlash, unleashed a string of slanders, including an article published in the *Asian Wall Street Journal* on Sept. 19, 1997, titled: “Malaysia’s Mahathir Finds Strange Source for Soros Campaign; Asian Country’s Media Tap U.S. Conspiracy Theorist Lyndon LaRouche, Jr.” In an attempt to destroy any influence or connection Malaysia had to LaRouche, London deployed Soros once more to clean up the mess. Soros was given a chance to defend himself against Prime Minister Mahathir’s accusations and attempted to deny the charges—he was not successful:

**Ted Koppel:** “You’re talking here about the Malaysian Prime Minister.”

**George Soros:** “That’s right.”

**Koppel:** “And he, I mean his charge is that you, in effect, systematically set out to destroy Malaysia’s currency.”

**Soros:** “And that is absolute nonsense. Now, you know, what more can I say? It’s just absolutely no foundation at all.”

**Koppel:** “Because—I mean put it in easily understandable terms. I mean if you could have profited by destroying Malaysia’s currency, would you have shrunk from that?”

**Soros:** “Not necessarily, because that would have been an unintended consequence of my action. And it’s not my job as a participant to calculate the consequences. This is what a market is. That’s the nature of a market. So I’m a participant in the market.”

**Koppel:** “Apolitical, amoral?”

**Soros:** “That’s exactly right.”<sup>3</sup>



Swiss-image.ch/Remy Steinegger

*Malaysian Prime Minister Dr. Mahathir bin Mohammed in 2002.*

## The Backlash

In September 1998, Dr. Mahathir shocked the world by declaring sovereign currency controls on the Malaysian ringgit, pegging the currency to a fixed exchange rate against the dollar, and thereby effectively ending the speculators’ ability to loot the country through currency speculation. Soros, and the entire Western financial oligarchy,

went berserk, claiming that Dr. Mahathir’s actions against IMF orthodoxy would bring damnation down upon his country. In fact, as was later obvious to all, his defense of the nation’s sovereignty saved the population from the devastation suffered by every other nation that had been subjected to Soros’ butcher knife.

Following Malaysia’s break with globalization, London launched an even nastier operation to create an internal crisis in Malaysia. Anwar Ibrahim was the deputy prime minister and chosen heir to Mahathir; he became the target to carry out the Empire’s brutal operation.

Anwar was later kicked out of his post as deputy prime minister because he “lacked the moral standards required” to lead the nation. Financed by Soros and his cronies through the Open Society Foundation, Anwar proceeded to launch a campaign to bring down the government of Malaysia. He portrayed himself as a freedom fighter and champion of free

3. Pre-recorded interview with Ted Koppel, ABC News Nightline, Oct. 7, 1998

market society, denouncing the new government's protectionist economic policies and accused them of carrying out a conspiracy to destroy him. Meanwhile, Soros' Human Rights and Open Society organizations played their part in labeling Mahathir as the "last of the old-line Asian authoritarians" and showed Anwar as the "reformer" trying to free the people of Malaysia. The Western media, including the *Wall Street Journal*, continued to fuel the turmoil in Malaysia, saying: "The sacking Wednesday night of Malaysian Deputy Prime Minister Anwar Ibrahim signaled the end of a battle for the soul of an important nation. . . . At home and abroad, Mr. Anwar had come to symbolize the democratic aspirations and open-mindedness of a new generation, more at ease in the world and less burdened with the pain of old slights and frustrations than the man he was expected to succeed."<sup>4</sup>

Even Soros buddy Al Gore threw his weight behind the speculators.<sup>5</sup> On November 13, 1998, President Clinton had been invited to speak at the Asia Pacific Economic Cooperation Forum, hosted by Malaysia. Due to the severity of the Iraq crisis, Clinton was forced to stay back and dispatched Al Gore in his place. The resulting catastrophe occurred on November 16 when Gore delivered a speech to the APEC business advisory council where he called for a "short term" recovery by allowing "free markets to work their magic," and, though not naming him, endorsed Anwar Ibrahim over Mahathir to lead the nation.<sup>6</sup> Sprinkling salt in the wound, Gore echoed Anwar's cries for a new government: "People will accept sacrifice in a democracy, not only because they have had a role in choosing it, but because they rightly believe they are likely to benefit from it. . . . The message this year from Indonesia is unmistakable: People are willing to take responsibility for their future—if they have the power to determine that future. . . . Democracy confers a stamp of legitimacy that reforms must have in order to be effective. And so, among nations suffering economic crises, we continue to hear calls for democracy and reform in many languages—'people's power,' 'doi moi,' 'reformasi.' We hear them today—right here, right now—among the brave people of Malaysia." With the Malaysian government incensed and the Malaysian people riled up, Gore promptly left the venue. A few days later, then Foreign Minister Abdullah Badawi, sent the U.S. a heated letter of protest,

4. *The Wall Street Journal*, Sept. 3, 1998.

5. In the intervening decade, with weight to spare, Al Gore threw it behind his own speculative venture in the cap-and-trade carbon market.

6. At that time, Anwar had been under arrest and on trial for charges of corruption and sodomy.



World Economic Forum/swiss-image.ch

*Al Gore at the Davos meeting in January 2008.*

warning that the United States would be held accountable for inciting instability.

### **Malaysia Today**

The escapades of Soros, Gore, and other London cronies in Malaysia can only be seen in one light—the British Empire's continued aims at destabilization in Southeast Asia. Today, Abdullah Badawi has taken over the post of prime minister and Anwar, with one hand permanently glued to Soros' gluttonous money bags, is still running operations aimed at destabilizing the government, including his intended buy-off of parliamentarians in the opposition party, the United Malays Political Organization. The fate of Malaysia remains to be seen. However, in the context of the current global financial collapse, its future lies in the implementation of Lyndon LaRouche's four powers agreement<sup>7</sup> and in the destruction of the British Empire and its crony, George Soros.

7. See Lyndon H. LaRouche's, "Three Steps to Survival," *EIR*, March 28, 2008.

# George Soros Buys the Nomination; Obama Borrows It

by Ed Hamler

The ongoing 2008 Presidential election represents Soros' importation of the techniques he has utilized for popular subversion in foreign lands to the U.S. political process. MoveOn.org, an organization hugely funded by George Soros, played a central role in Barack Obama's capture of the Democratic nomination, despite Hillary Clinton's clear superiority in the popular vote. Although positioned as a pro-Obama instrument long before, as of February of 2008, MoveOn officially backed Obama's campaign, sending him an army of "volunteers" and an established money machine and fundraising base. As Lyndon LaRouche has repeatedly warned, Obama himself is a throwaway in the financial oligarchy's plan to capture the Presidency of the United States under conditions of economic collapse. He was promoted to destroy the Clinton candidacy and its potential for a Rooseveltian solution to the financial collapse.

## MoveOn.Org

MoveOn.org got its start in 1998, receiving major support from the most fascist Democrats in the party, Joe Lieberman and Daniel Patrick Moynihan, to censure President Clinton over the Monica Lewinsky scandal. Faced in 1998 with a worldwide economic collapse, President Clinton called for a "new financial architecture," echoing Lyndon LaRouche's call for a New Bretton Woods financial system. Soros, at the same time, engaged in currency warfare, which intentionally collapsed the Thai baht, the ringgit of Malaysia, and the lira in Italy. In short order after the President called for a new financial architecture, the Lewinsky scandal blew-up. The Newt Gingrich-led Congress, along with Al Gore's treasonous faction inside the Democratic Party fed the ensuing media frenzy, effectively destroying the Clinton Administration's economic program in its remaining years. In its drive to censure President Clinton, MoveOn demonstrated a proclivity for political prostitution, appreciated by Soros' controllers. Soros moved to buy up MoveOn. By 2004, MoveOn, the so-called "grassroots" organization, was practically owned by George Soros.

According to a Michelle Goldberg article in Salon.com,<sup>1</sup> this process began in 2003. Soros and his associates had decided to pour tons of money into the MoveOn coffers. The total contributed from 2003-04 was about \$6.2 million dollars, the largest "soft money" contribution ever. During

1. Michelle Goldberg, "MoveOn Moves Up," Salon.com, Dec. 1, 2003.

2003-04, Soros and MoveOn heavily backed Wall Street suckling Howard "Scream" Dean for President. They later mobilized to ensure him a comfortable seat as Chairman of the Democratic Party to do what he does best: lose! As chairman, Dean's mission has been to demoralize the lower 80% of income brackets (the true base of the Democratic party) while recruiting white collar and affluent professionals, MySpace-addicted youth, and as many minorities and trade unionists who will sell their souls as a new "Democratic majority." Despite Dean's sabotage, the American population gave the Democrats a resounding victory in the 2006 mid-term election, turning out in record numbers to vote on the basis of ending the war and fixing the economy. But by October of the next year, Congress' support from the population fell, from 80% to below that of President Bush, due to Dean and Pelosi's roles in blocking any initiative to reverse the damage wreaked by Bush and Cheney. Mission accomplished.

MoveOn also played an active and significant role in the pressure campaign to make sure Senator Clinton dropped out of the race for President, thus acting as a front organization for Soros and his masters. MoveOn.org sent out a sophistry-ridden e-mail petition, ironically attacking Clinton for putting pressure on the superdelegates for support. It called on the superdelegates to let the voters decide who the Democratic nominee will be:

"Stand up for Democracy in the Democratic Party.

"A group of millionaire Democratic donors are threatening to stop supporting Democrats in Congress because Nancy Pelosi said that the people, not the superdelegates, should decide the Presidential nomination.

"They're Clinton supporters and they're trying to use their high-roller status to strongarm the Democratic leaders.

"So let's tell Nancy Pelosi that if she keeps standing up for regular Americans, thousands of us will have her back.

"A compiled petition with your individual comment will be presented to Speaker Nancy Pelosi and the Democratic leadership.

"Full petition text:

"The Democratic nomination should be decided by the voters—not by superdelegates or party high-rollers. We've given money—and time—to progressive candidates and causes, and we'll support Speaker Pelosi and others who stand up for Democracy in the Democratic Party."

Of course, when Senator Clinton won the popular vote



and the real high-rollers of the world and the party establishment united behind Obama, MoveOn stood fully exposed as the expendable creation of these same forces. Since Senator Clinton actually won the popular vote, will MoveOn stand by its original statement?

Never one to miss an “opportunity,” Soros also personally profited from one of MoveOn’s biggest political campaigns. In 2006, MoveOn and the Center for American Progress waged a campaign against Cheney’s Halliburton. Halliburton’s stock dropped from \$40 to \$26 a share. While MoveOn railed against Halliburton, Soros gradually bought 1,999,450 shares. By December 2006, these shares comprised more than 2% of his total portfolio, making Halliburton the Soros Fund Management’s biggest investment that year. Then, the attacks on Halliburton stopped, and the stock value began climbing, climbing all the way up to today’s \$50/share.

### Democracy Alliance

One further maneuver in Soros’ effort to take over the Democratic Party was his formation of the Democracy Alliance. In 2005, George Soros and 70 millionaires and billionaires got together to discuss further prospects for buying up the Democratic Party. On July 27, 2006 the *Washington Post* reported that there was a requirement that every member of the Democracy Alliance give \$200,000 to the organization, but most members gave more, and Soros was one of the top three contributors. Democracy Alliance funds were thrown into organizations like the Center for American Progress (CAP) and the Association of Community Organizations for Reform Now (ACORN). These organizations also played a role in operations against Senator Clinton in the primary campaign.

For example, on May 13, the day of the West Virginia primary, John Edwards publicly stated his neutral position concerning which candidate he would back for President until the nominating convention in August. A day later he came out to endorse Obama, following Obama’s defeat by Senator Clinton by huge margins in the West Virginia primary. Edwards thus participated in a public spectacle meant to take the sting away from the millions of votes Clinton received from the poorest state in the nation. Edwards had just launched an anti-poverty campaign called “Half-In-Ten,” which proposes to cut poverty in half in the next ten years. Edwards anti-poverty campaign received significant funding from the Soros controlled CAP and ACORN organizations. In addition to threats



Photo: John Pettitt / DeanForAmerica.com  
Howard “Scream” Dean

and other pressure tactics known to have been utilized against superdelegates, one wonders what might have been brought against Edwards concerning the funding of the programs dearest to him?

### Barack Obama

Obama himself has been blessed with Soros’ “soft money” since he was an Illinois state senator. Obama’s career in national politics was catapulted by George Soros’ pool of dough during his run for the U.S. Senate in 2004. Throughout that campaign year, Soros kept tabs on Obama. On July 4, 2004, one month before the Democratic Nominating Convention in Boston, Obama was the only candidate Soros personally met with that year in Soros’ New York home.

This same year, Soros and his family raised \$60,000 for Obama.

In 2006, Obama, as U.S. Senator for the state of Illinois, had his sights set on bigger things. He met with Soros again in his Manhattan office. That meeting lasted about an hour. Immediately afterward, Soros introduced Obama to a dozen of the biggest moneybags in politics, including financier and hedge fund manager Orin Kramer and Union Bank of Switzerland U.S. chief Robert Wolf. A week later Wolf had dinner with Obama in Washington D.C. to craft his campaign strategy, one month before Obama officially launched his Presidential bid.

Obama announced his candidacy for President in January 2007. In just four months, Soros and Wolf raised \$500,000 for Obama. From April until the closing months of the primary campaign season, Soros and his associates held a series of fundraisers and practically guaranteed a steady flow of money into his campaign. In fact, Soros played a major role in changing how political campaigns are run in the United States, through his support for the McCain-Feingold campaign reform legislation in 2002. Soros’ Open Society claims that it provided the key logistical support for the legislation by mobilizing itself and other foundations to lobby for the legislation and to raise the money needed to defend it against subsequent court challenges. As a result of the McCain-Feingold act and subsequent developments, PACs with wealthy sponsors, like MoveOn, Internet-based “movements,” and wealthy bundlers, like those who predominate in Obama’s campaign, have taken the place of constituency organizations, and have thus become the central focus of all political activity. So, after the vast sums of cash that were thrown around, after key Clinton support was simply bought off, should there be any mystery as to how Obama *apparently* got the nomination?

# *The Summer of Our Discontent*

The Summer of 2008 promises to feature maximum turmoil globally. The question is whether, by September, the world will be on the pathway toward a recovery, or a New Dark Age.

On the one side, there is no question but that the Anglo-Dutch financial oligarchy has suffered some stinging defeats. The oligarchy has been unable to ram through their new level of “free trade” through the Doha Round, in the face of the worst food crisis in decades. They have been unable to sell their new European Union dictatorship, known as the Lisbon Treaty, as well. They continue to run up against sovereign nation-states determined to defend their very existence, ranging from China and Russia, to India and Myanmar, and to the embattled Zimbabwe.

On the other side, there is no immediate potential for a grouping of leading nation-states to come together to *stop* the financial and political disintegration now ripping nations and lives apart. While France and Italy might do something interesting in defiance of the globalization push, the necessary combination of nations to establish a new world monetary system—Russia, China, India, and the United States—cannot be constituted while the current political situation prevails in the United States.

Certainly, nothing good is going to come from the Bush Administration, and its Idiot-in-Chief. And the situation around the Presidential candidates in both major political parties remains in flux until the conventions have been held—i.e., until early September. Not until the candidates have been officially nominated, will there be the potential, no matter how limited, for a candidate to respond appropriately to the global crisis.

Thus, given the utter bankruptcy of the financial system, one can only expect the situation to get dramatically worse over the coming months. Hyperinflation, physical infrastructure breakdowns, and shortages of essential commodities are going to be the name of the game.

On the one hand, these developments will further build up a mass constituency for the measures which LaRouche alone is proposing, to deal with the global

crisis. On the other, there will be no coherent leadership during the Summer of 2008.

Under these circumstances, the repeated reports of planned Israeli strikes against Iranian nuclear sites, must be taken very seriously, in LaRouche’s view. The British imperial enemy is determined to keep its planned destabilization plans in operation, and an Israeli strike against Iranian targets would do just that. LaRouche was especially concerned about the effect of these reports on Israel, given the early June maneuvers by the Israeli air force in the eastern Mediterranean, and given the push inside Israel to oust Prime Minister Ehud Olmert, which could come up in the Knesset at any point.

Some intelligence specialists reached by *EIR* on the Israeli threats against Iran said they could not yet tell whether there is an active strike plan, or whether the reports are elaborate “psychological warfare.” LaRouche responded that, at this point, “it doesn’t matter,” because the planning is now so elaborate that it adds up to planning for the attack, and because the oligarchy’s strategic desperation is so great.

Yet, under these conditions, it is not an “anti-war” mobilization which is required, but a blow directly at the heart of the British imperial enemy. A spotlight must be shone on the British role in creating the current crisis—starting with the economic disaster that now threatens to devastate the world’s populations. British cartel control, British control of the speculative markets, British political manipulation—all must be exposed, on the way to being shattered. Most importantly, a mass constituency must be built for the alternative system of finance and government that is required.

Can the world’s population, particularly in the United States, be rallied to demand the necessary program of action? Can it break through the mass insanity represented by the Gore-led genocidal movement for deindustrialization and depopulation, which lies behind the “religion” of global warming? Can it respond to current disasters, such as the food shortage and hyperinflation, by returning to the sanity of an FDR approach?

That is the question which *you* must answer by your activity during the Summer of Our Discontent.

# See LaRouche on Cable TV

## INTERNET

- LAROCHEPUB.COM Click *LaRouche's Writings*. (Avail. 24/7)
- MNN.ORG Click *Watch Ch.57* Fri: 2:30 a.m.
- RAVITELVISION.COM Click *Live Stream*. Mon & Thu 11 am; Wed & Fri 10:30 pm
- SCAN-TV.ORG Click *Scan on the Web*. Sat 2 pm Pac
- WUWF.ORG Click *Watch WUWF-TV*. Last Mon 4:30-5 pm (Eastern)

## ALABAMA

- BIRMINGHAM BH Ch.4: Wed 11 pm
- UNIONTOWN GY Ch.2: Mon-Fri every 4 hours; Sun Afternoons

## ALASKA

- ANCHORAGE GCI Ch.9: Thu 10 pm

## CALIFORNIA

- BEVERLY HILLS TW Ch.43: Wed 4 pm
- CLAYTON/CONCORD CO Ch.26: 2<sup>nd</sup> Tue 7 pm; AS Ch.31: Tue 7:30 pm
- CONTRA COSTA CC Ch.26: 2<sup>nd</sup> Tue 7 pm
- COSTA MESA TW Ch.35: Thu 5:30 pm
- HOLLYWOOD TW Ch.24: Tue 4:30-5 pm
- LANCASTER/PALMDALE TW Ch.36: Sun 1 pm
- LONG BEACH CH Analog Ch.65/69 & Digital Ch.95: 4<sup>th</sup> Tue 1-1:30 pm
- LOS ANGELES TW Ch.98: Wed 3-3:30 pm
- LOS ANGELES (East) TW Ch.98: Mon 2 pm
- MARINA DEL REY TW Ch.98: Wed 3 pm; Thu/Fri 4 pm
- MIDWILSHIRE TW Ch.24: Tue 4:30-5 pm
- ORANGE COUNTY (N) TW Ch.95/97/98: Fri 4 pm
- SAN FDO. VALLEY (East) TW Ch.25: Sun 5:30 pm
- SAN FDO. VALLEY (NE) CC Ch.20: Wed 4 pm
- SAN FDO. VALLEY (West) TW Ch.34: Wed 5:30 pm
- SANTA MONICA TW Ch.77: Wed 3-3:30 pm
- WALNUT CREEK CO Ch.6: 2<sup>nd</sup> Tue 7 pm; AS Ch.31: Tue 7:30 pm
- VAN NUYS TW Ch.25: Sun 5:30 pm

## COLORADO

- DENVER CC Ch.56 Sun 10 am

## CONNECTICUT

- GROTON CC Ch.12: Mon 5 pm
- NEW HAVEN CC Ch. 23: Sat 6 pm

## DISTRICT OF COLUMBIA

- WASHINGTON CC Ch.95 & RCN Ch.10: Irregular Days/Times

## FLORIDA

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

## ILLINOIS

- CHICAGO CC./RCN/WOW Ch.21: Irregular
- PEORIA COUNTY IN Ch.22: Sun 7:30 pm

- QUAD CITIES MC Ch.19: Thu 11 pm
- ROCKFORD CC Ch.17 Wed 9 pm

## IOWA

- QUAD CITIES MC Ch.19: Thu 11 pm

## KENTUCKY

- BOONE/KENTON COUNTIES IN Ch.21: Sun 1 am; Fri Midnight
- JEFFERSON COUNTY IN Ch.98: Fri 2-2:30 pm

## LOUISIANA

- ORLEANS PARISH CX Ch.78: Tue 4 am & 4 pm

## MAINE

- PORTLAND TW Ch.2: Mon 1 & 11 am; 5 pm

## MARYLAND

- ANN ARUNDEL Annapolis Ch.76 & Milleneum Ch.99: Sat/Sun 12:30 am; Tue 6:30 pm
- P.G. COUNTY CC Ch.76 & FIOS Ch.38: Tue/Thu 11:30 am
- MONTGOMERY COUNTY CC Ch.21: Tue 2 pm & Fri 11 pm

## MASSACHUSETTS

- BRAINTREE CC Ch.31 & BD Ch.16: Tue 8 pm
- BROOKLINE CV & RCN Ch.3: Mon 3:30 pm; Tue 3:30 am; Wed 9 am & 9 pm;
- CAMBRIDGE CC Ch.10: Tue 2:30 pm; Fri 10:30 am
- FRANKLIN COUNTY (NE) CC Ch.17: Sun 8 pm; Wed 9 pm; Sat 4 pm
- QUINCY CC Ch.8: Pop-ins.
- WALPOLE CC Ch.8: Tue 1 pm

## MICHIGAN

- BYRON CENTER CC Ch.25: Mon 2 & 7 pm
- DETROIT CC Ch.68: Irregular
- GRAND RAPIDS CC Ch.25: Irreg.
- KALAMAZOO CH Ch.20: Tue 11 pm; Sat 10 am
- KENT COUNTY (North) CH Ch.22: Wed 3:30 & 11 pm
- KENT COUNTY (South) CC Ch.25: Wed 9:30 am
- LAKE ORION CC Ch.10: Mon/Tue 2 & 9 pm
- LANSING CC Ch.16: Fri Noon.
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 5:30 pm; Wed 7 am
- PORTAGE CH Ch.20 Tue/Wed 8:30 am; Thu 1:30 pm
- SHELBY TOWNSHIP CC Ch.20 & WOW Ch.18: Mon/Wed 6:30 pm
- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

## MINNESOTA

- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Wed 8 pm
- DULUTH CH Ch.20: Mon 9 pm; Wed 12 pm, Fri 1 pm
- MARSHALL Prairie Wave & CH Ch.35/8: Sat. 9 am
- MINNEAPOLIS TW Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 3 & 9 pm

- NEW ULM TW Ch. 14: Fri 5 pm
- PROCTOR MC Ch. 12: Tue 5 pm to 1 am
- ST. CLOUD AREA CH Ch.12: Mon 9:30 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun/M/T Midnite, 8 am, 4 pm
- ST. PAUL CC Ch.15: Mon 10 pm
- ST. PAUL (S&W Burbs) CC Ch.15: Wed 10:30 am; Fri 7:30 pm
- SAULK CENTRE SCTV Ch.19: Sat 5 pm
- WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

## NEVADA

- WASHOE COUNTY CH Ch.16: Thu 2 pm

## NEW HAMPSHIRE

- MANCHESTER CC Ch.23: Thu 4:30 pm

## NEW JERSEY

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- HADDON TWP CC Ch.9: Sun 10 am
- MERCER COUNTY CC Trenton Ch.26: 3<sup>rd</sup> & 4<sup>th</sup> Fri 6 pm Windsors Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.22: Thu 11:30 pm
- UNION CC Ch.26: Irregular

## NEW MEXICO

- ALBUQUERQUE CC Ch.27: Thu 4 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE CC Ch.8: Thu 9 pm; Sat 6:30 pm
- SILVER CITY CC Ch.17: Daily 8-10 pm

## NEW YORK

- ALBANY TW Ch.18: Wed 5 pm. TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- BETHLEHEM TW Ch.18: Thu 9:30 pm
- BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN CV Ch.68: Mon 10 am TW Ch.35: Mon 10 am TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- CHEMUNG TW Ch.1/99: Tue 7:30 pm
- ERIE COUNTY TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT TW Ch.15: Mon/Thu 7 pm
- JEFFERSON/LEWIS COUNTIES TW Ch.99: Irregular
- MANHATTAN TW & RCN Ch.57/85 Fri 2:30 am
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Irregular
- QUEENS TW Ch.35: Tue 10:30 am; TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- QUEENSBURY TW Ch.71: Mon 7 pm
- ROCHESTER TW Ch.15: Sun 9 pm; Thu 8 pm
- ROCKLAND CV Ch.76: Mon 5 pm

- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Thu Midnite. Ch.34: Sat 8 am. Ch 572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- TOMPKINS COUNTY TW Ch.13: Sun 12:30 pm; Sat 6 pm
- TRI-LAKES TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm

## NORTH CAROLINA

- HICKORY CH Ch.3: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

## OHIO

- AMHERST TW Ch.95: Daily 12 Noon & 10 pm
- CUYAHOGA COUNTY TW Ch.21: Wed 3:30 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

## OKLAHOMA

- NORMAN CX Ch.20: Wed 9 pm

## OREGON

- LINN/BENTON COUNTIES CC Ch.29: Tue 1 pm; Thu 9 pm
- PORTLAND CC Ch.22: Tue 6 pm. Ch.23: Thu 3 pm

## RHODE ISLAND

- E. PROVIDENCE CX Ch.18: Tue 6:30 pm
- STATEWIDE RI I CX Ch.13 Tue 10 pm

## TEXAS

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

## VERMONT

- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm
- MONTPELIER CC Ch.15: Tue 9 pm; Wed 3 pm

## VIRGINIA

- ALBEMARLE COUNTY CC Ch.13: Sun 4 am; Fri 3 pm
- ARLINGTON CC Ch.33 & FIOS Ch.38: Mon 1 pm; Tue 9 am
- CHESTERFIELD COUNTY CC Ch.6: Tue 5 pm
- FAIRFAX CX Ch.10 & FIOS Ch.10: 1<sup>st</sup> & 2<sup>nd</sup> Wed 1 pm; Sun 4 am. FIOS Ch.41: Wed 6 pm
- LOUDOUN COUNTY CC Ch.98 & FIOS Ch.41: Wed 6 pm
- ROANOKE COUNTY CX Ch.78: Tue 7 pm; Thu 2 pm

## WASHINGTON

- KING COUNTY CC Ch.29/77: Tue 10 am
- TRI CITIES CH Ch. 13/99: Mon 7 pm; Thu 9 pm
- WENATCHEE CH Ch.98: Thu 1 pm

## WISCONSIN

- MARATHON CH Ch.10: Thu 9:30 pm; Fri 12 Noon
- MUSKEGO TW Ch.14: Sat 4 pm; Sun 7 am

## WYOMING

- GILLETTE BR Ch.31: Tue 7

M50 Codes: AS=Astound; BD=Beld; BR=Bresnan; BH=BrightHouse; CV=Cablevision; CB=Cebridge; CH=Charter; CC=Comcast; CX=Cox; GY=Galaxy; IN=Insight; MC=MediaCom; TW=TimeWarner; US=US Cable. FIOS=Verizon FIOS-TV.

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