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Panic Flight into Corporatism as System Breaks Down
How FDR Asserted Government Power Over Wall Street

**A New Dark Age Is Now Near:
Today's Brutish Imperialism**



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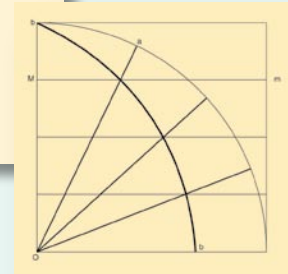
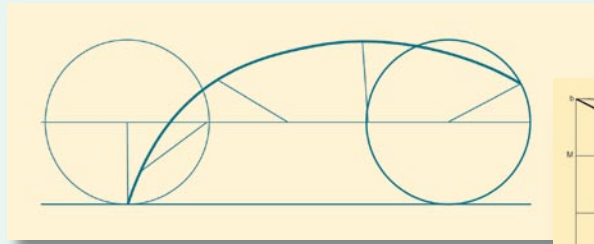
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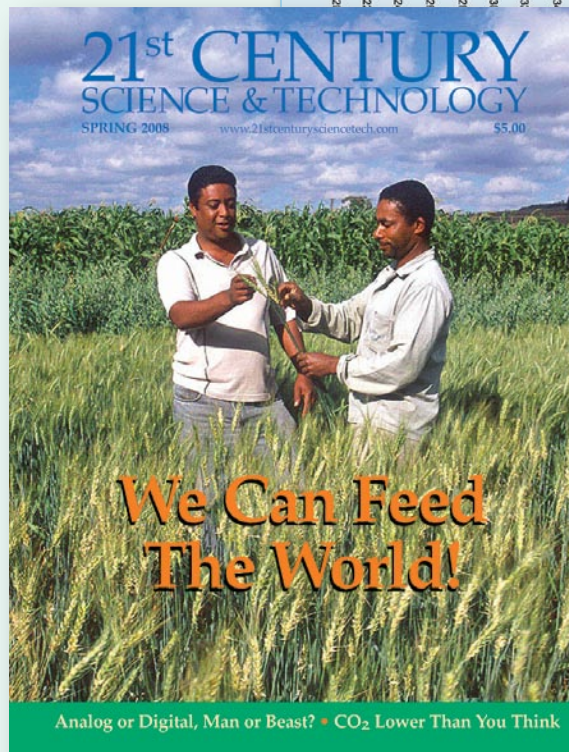
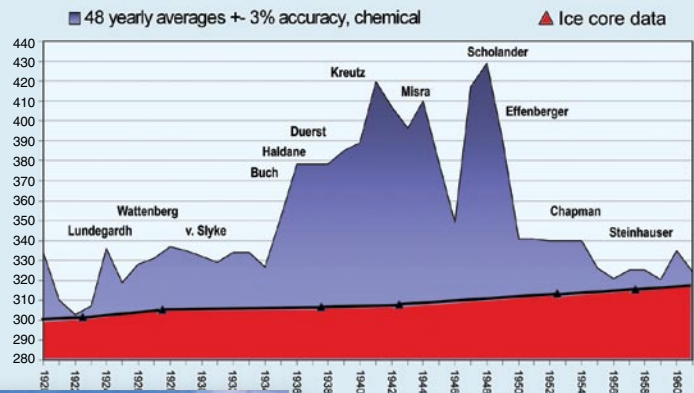
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Mohd Peter Davis

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REAL CO₂ MEASUREMENTS VS. GLOBAL WARMERS' FABRICATION (1920-1961) NORTHERN HEMISPHERE



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EIR

From the Assistant Managing Editor

From Manhattan, to Moscow, to Milan, to Manila, the word is out: LaRouche was right! When LaRouche PAC organizers set up a table at Wall Street and Broadway in Lower Manhattan, bankers and brokers lined up ten-deep to find out what Lyndon LaRouche, the only economist who has been consistently right for the past four decades, had to say about the current global meltdown of the system; journalists from French TV, Al-Jazeera, and others, demanded interviews with the organizers; in Moscow, as in Milan, Manila, and world capitals in between, the whisper has become a roar: *LaRouche Was Right!*

This recognition comes late, but hopefully, not too late. As LaRouche writes in this week's *Feature*, a New Dark Age is closer than you think—unless the urgent recovery policies he has proposed are acted on immediately: “You stand here and now, in this moment of world history, between the hope of Heaven and prospect of Hell, such as you have never even dreamed before.”

What is wanted now is calm reflection, and deliberate action, not the hysteria which has broken out among leading political and financial circles, which are pushing for Weimar-style hyperinflation and Mussolini-style corporatist fascism.

The remedies are easy to identify. The Russian leadership, along with leading figures in France and Italy, are calling for a New Bretton Woods system. The issue that no one, outside of LaRouche's movement, wants to touch with a ten-foot pole, is identifying the enemy of that proposal: the British (Brutish) imperial system, which is promoting, through Prime Minister Gordon Brown, a Delphic version of the New Bretton Woods—one that rejects the Westphalia principle: the benefit of the other—the *sine qua non* of Franklin Roosevelt's, and LaRouche's, system.

For an historical treatment of Roosevelt's response to the Hoover Crash and Depression, be sure to read L. Wolfe's report, “How FDR Asserted the Power of Government Over Wall Street.” Unlike today's political mandarins' bailout of the bloated financial system, Roosevelt took on the “economic royalists”—and won.

This week, we also offer case studies from the Philippines and Mexico, where LaRouche's allies are fighting to bring about the LaRouche/FDR solution.



Cover This Week

Prince of Wales Edward Albert (with rifle), later King Edward VII, on a tiger hunt in India, 1875-76. The humans were treated no better than the tigers.



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4 A New Dark Age Is Now Near: Today's Brutish Imperialism

By Lyndon H. LaRouche, Jr. "At present, the popular, but utterly incompetent notion, among professed socialists and others, that the U.S.A. 'is the world's leading imperialism today,' is not only an utterly wrong idea, but a belief which could be presently suicidal in actual practice for nations such as the U.S.A., Russia, and others, today. Nonetheless, that wrong idea is a belief among many leading economists, statesmen, throughout the world, who cling stubbornly to the notion of American imperialism, still today. Thus, the world is presently menaced by the effects upon the credulous, of that strategic delusion, the delusion that it is the U.S.A., rather than the British Empire's Anglo-Dutch Liberal system, which is, uniquely, the dominant, actually imperialist strategic force operating throughout the planet today. Indeed, each of the impassioned haters of the U.S.A. among even our citizens, and others abroad, even leading political figures, is a product of the fact that they are virtually, either unwitting, or more or less witting British agents against our United States, whether they are able to grasp that fact, or not. A similar delusion is met among many in Russia, still today."

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The planned Nov. 15 meeting on monetary matters with Bush et al. would be more like a Mad Hatter's Tea Party than a serious conference. But the fact that a meeting on the New Bretton Woods is occurring at all, reflects serious international momentum toward the only competent proposal: that of Lyndon LaRouche.

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Instead of bowing to pressure for a bailout of financial paper or "injections of liquidity" into a frozen banking system, President Franklin D. Roosevelt went right at the power of the financier oligarchy which had brought on the crisis in the first place. To accomplish this, he asserted the power of the Constitution over banking and finance, while taking steps to re-create a locally based system for the distribution of government-issued credit to get the economy moving again.

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A NEW DARK AGE IS NOW NEAR:

Today's Brutish Imperialism

by Lyndon H. LaRouche, Jr.

October 18, 2008

The following report may come to be considered by some among the world's leading circles of today, as the most important political document you have read, or might have read, during your lifetime to date. Certainly, the strategic issues presented here provide what would have been heretofore the most important subject in the world's historical experience of modern European civilization.

You stand here and now, in this moment of world history, between the hope of Heaven and prospect of Hell, such as you have never even dreamed before.

However matters of that sort, with which we deal in this report, are to be seen, it were suitable that there be no harsh battle-cries, but that what must be said, is said in those quiet tones of deadly earnest used by the commanders of the troops on the early morning of the day the greatest war was to begin. It is not the wild passions of the drunken mob, but the chillingly quiet cadences with which the cavalry man steadies his mount, and commanders calm their charges at times when the unthinkable is, at last, finally, actually to begin.

Therefore, as I have just promised you that I would, I speak calmly of things which men should remember in the aftermath of the great battle now coming on. Read these words calmly, that you might read them with an

open mind. For, if you can accept calmly the reality of what I report to you here, we were all more likely to make the decisions through which we survive this presently oncoming general breakdown-crisis of present society, world wide.

That celebrated daughter of the once-famous Bund, Rosa Luxemburg, was, without doubt, the most competent economist, scholarly or otherwise, among her socialist contemporaries: the best such, by far. Although she is almost forgotten in today's academic and political life, her uniquely original, and correct treatment of the subject of British imperialism, then, comes now to the surface of current world-crisis events, on the verge of the November 4th U.S. Presidential election, when our planet as a whole now careens, at accelerating speeds, into what threatens to become a world-wide plunge of the entire planet into a deeper new dark age than that of Europe's 14th Century.

The relevance of Rosa's Luxemburg's study of modern imperialism then, is to be presently located by us here as, in the fact, that, to understand the present crisis of world civilization, we must recognize two considerations. First, that this present world crisis is a product of a current influence exerted by the same British-imperialist enemies of President Franklin D. Roosevelt, and by Britain's own U.S. and other sympathizers which had been mobilized against Roosevelt beginning Summer



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King Edward VII (formerly Prince of Wales Edward Albert) used British imperial policy to prepare the way for World War I and Japan's wars against China—both intended to destroy any nation-state that could challenge the power of the British Empire. Above: A French view of Edward, "Shameless Albion" (Jean Veber, 1901).

general breakdown-crisis of the entire world monetary and physical-economic systems. If that physical-economic situation were not to be turned around—verysoon—theperiod following the November 4, 2008 U.S. general election could be the clarion for the collapse of the economies of all nations of the planet of a type similar to, but far, far worse than that which Europe experienced during that Fourteenth-Century New Dark Age, a New Dark Age during which the number of parishes of Europe shrank by half, the population of Europe was quickly reduced by one third, and the Black Death was the characteristic cultural feature of the decades following the official bankruptcy of the King of England.¹ This time, if that dark age looming on your doorstep is actually unleashed, the result will be one far, far worse than what happened to Europe during

that previous European New Dark Age.

On account of this issue of British imperialism today, Rosa Luxemburg stands out still, in fact, as apart from and above a presently reigning generation of both most economists, and the academics in the field of so-called "political science" and law generally, or the generality of leading political figures today. This includes nearly all recent or present candidates for U.S. President, none of whom has a grasp of the notion of history as a process, rather than merely a sequence of selected events whose outcomes might be bought and sold to the highest bidder today.

As the consistent decline of the U.S. physical economy since 1968 attests, only a few among us, internationally, and, chiefly, only of my generation or a relatively fewer of the immediately younger generation today, stand out as being, even rarely, exceptions to to-

1944, by virtual enemies including Winston Churchill accomplice, and President Harry S Truman. Second, that succession of changes in U.S. policy made by British influence of variously corrupt, or stupid, leading U.S. figures since the death of Franklin Roosevelt, especially following the riotous Weatherman-terrorist events of the 1968-70 period. Those events reflect the changes which, have induced all U.S. Presidential administrations since 1971 to either promote, or lack the temper to resist, a state of affairs, inside the U.S.A. itself, in which the **net physical output** of the U.S. economy as a whole, has been shrinking at a generally accelerating net rate, between gains and losses, over the entire interval spanning U.S. fiscal year 1967-68 to the present date.

The relevance of Rosa Luxemburg's work for the times of today's crisis, is to be found in the result of those British-imperialist-directed attacks against the policies of U.S. President Franklin Roosevelt, which are expressed today as having been the careening of the economy of the entire planet into the present condition of a

1. Cf. Barbara Tuchman, *A Distant Mirror: The Calamitous 14th Century* (New York: Alfred A. Knopf, 1978).

day's general rule of incompetence in the shaping of the economic policies of nations of the world today. Her 1913 *Accumulation of Capital*, whose English-language translation was published by Monthly Review back in 1951, is remarkable in that it provided the English-speaking reader a uniquely scientific approach to the subject of modern imperialism, relative to other European sources. It therefore deserves recognition today as a starting-point provided by a competently professional historian, Luxemburg herself, for the understanding of the origins of the general, global economic breakdown-crisis currently in progress, today.²

So, let the following be said, and received as an appropriate introduction to the great, rapidly soaring crisis of world economy which we must address, with the highest degree of authority, now.

Her Crucial Part in History

Rosa Luxemburg was the socialist economist who proved that Russia's V.I. Lenin, as also the German Social-Democracy of that time, lacked comprehension of the real-life meaning of what is called modern imperialism. Her only rival in competence as a leading economist from among socialists, during her time, was France's Jaurès.

In my own personal experience, it was in my post-war engagement, as a U.S. soldier, in 1946 Calcutta, during the first half of that year, that a high density of initial meetings and repeated encounters with typical leaders and others of the political parties of India, afforded me a deep, well grounded insight into the cruelly, and mass-murderously raw nature of British imperialism, and my deep, justly existential quality of contempt for the British imperialist stooge back home, that Harry S Truman who succeeded our justly beloved, devoutly anti-imperialist President Franklin Roosevelt.

However, it was not until the U.S. State Department



The Polish-German socialist Rosa Luxemburg (ca. 1870-1919) grasped the nature of modern imperialism in a way that V.I. Lenin, for example, did not.

professional, Herbert Feis,³ documented the case for this same argument on the subject of modern imperialism, by Rosa Luxemburg, that any well known economic historian had actually developed the publicly available, rounded, corroborative evidence, publicly, in depth, which showed that Rosa Luxemburg had been right, against her socialist rivals, and others, then, as now.

British Imperialism Today

Similarly, at present, the popular, but utterly incompetent notion, among professed socialists and others, that the U.S.A. "is the world's leading imperialism today," is not only an utterly wrong idea, but a belief which could be presently suicidal in actual practice for nations such as both the U.S.A. and Russia, and others, today. Nonetheless, that wrong idea is a belief among many leading economists and statesmen, throughout the world, who cling stubbornly to the notion of American imperialism, still today. Thus, the world is presently menaced by the effects upon the credulous, of that strategic delusion, the delusion that it is the U.S.A., rather than the British Empire's Anglo-Dutch Liberal

2. Rosa Luxemburg, *The Accumulation of Capital* (New York: Monthly Review Press, 1951).

3. Herbert Feis, *Europe the World's Banker, 1870-1914* (New Haven, Yale University Press, 1930).

system, which is, uniquely, the dominant, actually imperialist strategic force operating throughout the planet today. Indeed, each of the impassioned haters of the U.S.A. among even our citizens, and others abroad, even leading political figures, is a product of the fact that they are virtually, either unwitting, or more or less witting British agents against our United States, whether they are able to grasp that fact, or not. A similar delusion is met among many in Russia, still today.

As I indicate later in this present report, the term imperialism, competently employed, never corresponds to an extension of world-power by some particular nation-state. In reality, as distinct from the childish fairy-tales of the credulous, all empires are dynamically supranational, and the kingdoms or comparable states of that time are merely, in and of themselves, the subjects of some supranational, imperialist power, as that relationship is illustrated by the thrust toward the condition in western and central Europe under which the supra-national authority of supra-national government, such as “globalization” and “free trade” generally, or the World Trade Organization in particular, subordinates, or even replaces actual national sovereignties.

Fighting the wrong choice of enemy, especially in the wrong war, especially long wars according to designs tailored for the U.S.A. by London, or British agents-in-fact such as former President George H.W. Bush, the son of the Prescott Bush who moved funds to bail out Adolf Hitler’s Nazi Party, most especially, perpetual wars, is the best way to get one’s own nation destroyed, as we should recognize this factor in the effects of the long U.S. war in Vietnam, under Presidents Johnson and Nixon, then, or, now in Iraq, under Presidents Bush, father and son, since January 1989.⁴

It is the legacy of that chief adversary of the present world’s British imperialism, the constitutional United States, since the crucial historical break of the February 1763 Peace of Paris, and also the legacy of Massachusetts’ Winthrops and Mathers, and their political heir Benjamin Franklin: that United States remains the most effective force so far, even despite the two U.S. Presidents Bush, to secure the true freedom of nations from so-called “British” imperialism of today.

The legacy of Benjamin Franklin’s leading role in

4. Only a modern fool fights to win a war; sane and moral nations and leaders fight to win a common peace, briefly, and one beneficial to friend and foe alike.

crafting the constitutional U.S. republic in its essential character, remains, still, the leading, constitutional adversary of the world’s only true empire of today, the Anglo-Dutch Liberal empire sprung from the tradition of Paolo Sarpi. At the least, this is true of our United States to the degree it has, repeatedly, represented, as under President Franklin D. Roosevelt, the rallying-point of peoples of the world against what has been the leading traditional opponent, British imperialism, since February 1763.

Our United States has never been an imperialist nation in its national character, and has seldom acted in a way even resembling an imperialist power, except when the U.S. government was controlled by British influences such as our own American Tory party descended from such as that outright traitor and British Foreign Office agent U.S. Vice-President Aaron Burr; or, as under avowed virtual agent of British influence, President Harry S Truman, or was confronted by a multi-national adversary, such as, most frequently, the allies and agents of our republic’s principal adversary in fact, the British empire itself.⁵

Today, the United States alone could not win the battle for its freedom from Anglo-Dutch Liberal imperialism. Since the death of President Franklin Roosevelt, and the ascendancy of that wretched defender of British colonialism, President Harry Truman, the power and practiced principle of our United States has been spoiled, that to such a degree that long since the accession of Truman, the U.S.A. has been chiefly self-ruined by a rarely interrupted succession of phases marked by the accession of Truman, the assassination of President John Kennedy, the break-up of the Bretton Woods system sought by London (on the initiative of the accomplices of British subversion of the U.S. administration of President Richard Nixon), and by those predatory, treasonous hordes of David Rockefeller’s Trilateral Commission, the which were deployed in service of the same, pro-genocidal green fascism of the pro-genocidal World Wildlife Fund of Britain’s Duke of Edinburgh (Prince Philip) and his leading, recently deceased partner, Nazi-

5. Notable cases of U.S. Presidents and Vice-Presidents who shared the British imperialist outlook included, notably, Vice-President (and traitor) Aaron Burr, and Presidents van Buren, Polk, Theodore Roosevelt, and Woodrow Wilson, all of whom were British agents in fact. President Thomas Jefferson lacked the guts, at the relevant time, to bring about the indictment of an Aaron Burr whom the evidence available showed to have been an open agent of the British Foreign Office’s Jeremy Bentham.

SS veteran Prince Bernhard of the Netherlands.

That much said on background for the following report as a whole, turn, now, to the preface and, then, the main body of the report itself.

Introduction: Lenin's Blunder in Economics

For reasons which shall be made clearer during the course of the present report's in-depth study of the causes, prevention, and cure of the presently ongoing general economic breakdown-crisis of our planet, there are immediately available prospects for a safe escape from the present crisis.

Notably, the present world financial-monetary system could not survive, and we of the U.S.A. would not survive, either, without entering into a new quality of co-operation with Russia and other nations during the immediate months ahead, a coalition sufficiently powerful in itself to crush the efforts of the Anglo-Dutch Liberal financier interest's efforts to destroy all of us together, by hanging each one among us separately. If those particular partners are divided, all mankind loses. In history, powerful alliances from among the predator's intended victims, often bring down the tyrant himself.

However, a new world economic system of respectively sovereign, "globalization-free," modern nation-states, must, and could be established, a system which would be entirely consistent with the original intention of such as Benjamin Franklin and Alexander Hamilton in the founding of our own U.S. Federal Republic. This would have nothing in common with the monetary-economic and related characteristics of the British (Anglo-Dutch Liberal) world empire and its presently Fabian roots in such locations of the essentially Fabian imperialist British Labour Party leadership of such as the author of the Iraq war and other, similar atrocities (by aid of both fraud and by the death of an honest British intelligence figure, Dr. David Kelly), Tony Blair, and of Baroness Liz Symons and her husband, and Gordon Brown today.

The U.S.A. & Russia

The outstanding significance of Russia as a U.S. partner in this global economic-recovery-program, can be found in relations between the two nations since the time of Catherine the Great's role in creating that



Contrary to Lenin's view, imperialism was not a "stage" of capitalism. It is actually older than Babylon. Finance capitalism, as the German Social-Democracy and Lenin called it, is much older than what the followers of Marx called capitalism or socialism. Here, an early Soviet poster shows Lenin sweeping away kings, bankers, and clerics, with the headline, "Comrade Lenin PURGES the Earth of scum."

League of Armed Neutrality on which the U.S.A.'s own freedom depended at that time. Similarly, when our republic's traditional imperialist adversary, the British Empire, rallied Napoleon III and the slaving-trading Spanish monarchy in the efforts to destroy us and Mexico, in 1861-65, it was the Russian navy which came to contribute crucial margins of aid to us, in deploying its naval force to guarantee the defense of our Pacific and Atlantic Coasts against an outright British naval attack.

However, there was a still deeper, common root of that relationship with Russia then; the connection was the common influence of Gottfried Leibniz in shaping the ideas on which our own economic development and the design of our Declaration of Independence de-

pended, ideas which had influenced the Peter the Great who had visited Saxony's Freiberg Academy, both as Prince and Czar, during the same period of a few years as Leibniz's visit to the same place.

However, the role of Russia as a prospective key partner of the U.S.A. in any possible, global recovery of the present world's economy, has two additional leading features. First, that we and Russia have deeply rooted, long-standing, historical common interests between ourselves. Second, that Russia is, for historical reasons dating from the time of Genghis Khan, the world's principal Eurasian culture. Russia, together with a group of presently independent republics in the area of what had once been the Soviet Union, and imperial Russia earlier, is the gateway between the republican currents within the world's trans-Atlantic culture as extended to the land-mass of Asia as well.

The U.S.A. and Russia also share a common strategic interest in resisting the evil done by their chief common enemy, the British (or, better said, "British") empire. The evil leading role of Prime Minister Margaret Thatcher in the efforts of the Thatcher-Mitterrand-Bush plot to crush Germany, as through the Maastricht agreement, and also eastern Europe (including Russia), and the later deployment of the British royal yacht for the destruction of the then-existing government of Italy, from that time to the present date, are only typical of British imperialism's attitudes toward relations with its continental European neighbors.

The planet as a whole has been dominated, increasingly, by the systemic, trans-Atlantic conflict of principled interest between the English-speaking population of the U.S. and the imperialist interests centered in Britain, since about 1620. The establishment of the British monarchy and Anglo-Dutch Liberal financier-Liberal system through the so-called "Seven Years War" of 1755-1763, divided the patriots of English-speaking North America from Britain in a manner which has persisted in Britain's chosen role as the principal foe of the continued existence of what would become the U.S.A. of Benjamin Franklin et al. since the February 1763 Peace of Paris. It was that Peace of Paris which had established the British East India Company of Lord Shelburne et al. as that true, Anglo-Dutch Liberal imperial power which has remained, through all its own internal evolutions, as our own republic's most consistent enemy, from then to the present year's controlling role of British Foreign Office agents such as drug-lord George Soros in top-down control of the Democratic

Party and its U.S. Presidential primaries and into the November general election.

Since February 1763, that Anglo-Dutch Liberal form of imperialist interest has been the principal continuing influence which has repeatedly ruined the efforts to develop viable systems of government on the continent of Europe.

Britain's War Against Us, Since 1890

From the time of the establishment of the British Foreign Office by the British East India Company's Lord Shelburne, in 1782,⁶ the essential feature of British imperialism has never been the British colonies as such, but, rather, the overreach of the British East India Company of Lord Shelburne, Jeremy Bentham, et al., and the Company's Anglo-Dutch Liberal financier hierarchy, as extended throughout most of the planet as a whole. The legacy of the Seven Years War of 1755-63 stamped the character of the British imperial system since that time, a character to which it has returned in a clearly visible way, again and again, especially since the 1865 failure of its determination to break up the United States, a failure brought about through its defeat, with Russia's help, by forces under U.S. President Abraham Lincoln. This British defeat by Lincoln's republic, was a menacing defeat of what had been Britain's imperial policy under the British Foreign Office's Jeremy Bentham and Lord Palmerston, successively, the defeat of the British intention to isolate and destroy the U.S.A.'s continued existence as a potency within the Americas themselves.

Had the British not mobilized to incite warfare throughout Eurasia at that point, the British Empire—the Anglo-Dutch empire of usury—would have long since ceased to exist. The threat to end British imperial power, was a reflection of the adoption of the model of the American System of political-economy, whose influence, and imitations, had been spread from North America into continental Europe and beyond. Thus, from that moment, the U.S. influence's challenge to the tyranny of British sea-power, on which the British

6. This occurred under the British Rockingham government, but Lord Shelburne was already the power in that government, even prior to Shelburne's becoming Prime Minister on the occasion of Rockingham's death. The British Foreign Office, in which Shelburne's favorite Jeremy Bentham served as controller of the Office's Secret Committee—the one which organized and ran the French Revolution through British-run French and Savoyard freemasonic conspirators, did not represent the autonomous interests of the British monarchy at that time, or under Bentham and, later, his protégé and principal successor Lord Palmerston.



Prussian Chancellor Otto von Bismarck (right), shown here with the talented Field Marshal Helmut von Moltke. Bismarck, who was implementing economic reforms on the model of the American System, was ousted in 1890 on orders from London's King Edward VII. He warned that London's maneuvers would lead to general war, as they did in 1914.

empire depended, became the so-called “geopolitical” issue around which the British Empire has repeatedly launched general warfare ever since, especially since the Prince of Wales succeeded in prompting the ejection of Chancellor Bismarck in 1890. Essentially, all important warfare on this planet since those times, has been an expression of the model of the so-called “geopolitical” conflict between the American republican and the British imperialist models of society.

British rage against President Lincoln was obviously the primary motive for the British intelligence services’ assassination of President Lincoln, as also Presidents Garfield and McKinley, later—and these have not been the only cases; but, British imperialism’s strategic interest in eliminating the U.S. republic as the most deadly challenger of continued British imperial power, as by President Franklin D. Roosevelt, has been primary. Assassinations, or corruption of the U.S.’s Presidency and legislatures, has been the more com-

monplace efforts to the same general effect. However, the fact of the British monarchy’s role in bringing about the ouster of Germany’s Chancellor Otto von Bismarck, that done in order to bring on what became World War I, exposes the broader, continuing anti-American strategy of the Anglo-Dutch Liberal system over the entire period since February 1763.

To illustrate that point of principle, consider the following.

During the time after his 1890 ouster from office, Chancellor Otto von Bismarck warned that the sole cause for what was, in fact, to become London’s intended Balkans wars, wars which would lead, predictably, into the 1914 outbreak of general warfare, was an intended British re-enactment of the Anglo-Dutch Liberal financier interests’ launching of that 1755-1763 Seven Years War which had resulted in the establishment of the British East India Company’s emergence as an imperial entity and world power at the February 1763 Peace of Paris. It is that British imperial, international financier-oligarchical institution, which is determined to weaken and destroy would-be challengers of the British role on this account. That

role has been a reflection of the intent to establish Anglo-Dutch Liberal financier power as the only truly world-wide, “globalized” empire on this planet, from that time to the present day. As for the British monarchy itself, it is simply a creature of the imperial financier oligarchy whose modern political and financier power is an institutional expression of the so-called New Venetian party of Paolo Sarpi and his followers.

To understand this should be a simple matter for any educated person who is not also a silly ideologue of a Rudyard Kipling sort of “Colonel Blimp” category. *The Decline and Fall of the Roman Empire*, written by Edward Gibbon as a report delivered personally to his master, Lord Shelburne, is the actual draft of all long-term objectives, and of the adopted imperial character, by Shelburne, of the intended existence of the British Empire. What is prescribed as doctrine for the empire is the adoption of the model of Julian the Apostate, as the characteristic feature of the empire’s design was so de-

scribed by Gibbon, and has remained the manifest intention of practice, since that time, to the present day.

Thus, we came to enjoy, courtesy of Shelburne, Gibbon, et al., not only the 1914-1918 general war, but both World War II and the post-President Franklin Roosevelt U.S.A. "Cold War" under British accomplice President Harry Truman.⁷ The Truman-Churchill creation of the long conflict between the U.S.A. and the Soviet Union were never anything, in principle, but, exactly as Chancellor Bismarck understood, continuations of the intention expressed by the followers of the British East India Company's Lord Shelburne in the continuing aftermath of the February 1763 Peace of Paris.

So, the French Revolution of July 14, 1789 and beyond, and London's and the Habsburgs' use of Napoleon Bonaparte's ruin of continental Europe to long-term British imperial, strategic advantage, were expressions of the principal type of wider operations among those machinations of the British Foreign Office run by the British East India Company's British Foreign office, as under the leadership of Shelburne and his followers. From that time, to the present day, these have been the followers who were proceeding, under the same imperial strategy used by the British East India Company for the orchestration of the 1755-1763 Seven Years War.

Unwitting British asset Napoleon Bonaparte was used, in this same way, to the advantage of his all-the-while giggling, British puppet-masters, all done to the same purpose as the Anglo-Dutch Liberals' orchestration of the "Seven Years War." As former Chancellor Bismarck was to emphasize implicitly, the 1814-1815 Congress of Vienna was one among a succession of the true successors to the British East India Company's imperial triumph in the February 1763 Peace of Paris.

After the defeat, by President Abraham Lincoln's leadership, of the British Empire's fresh efforts to destroy the challenge of the U.S.A., through the empire's operations which had been run continuously through the British Foreign Office of Lord Shelburne, Jeremy Bentham, and Lord Palmerston, over the 1815-1865 interval, the British Empire launched what became "geopolitical" World Wars I and II. This new, post-1865 em-

7. The theological doctrine of Shelburne's favorite, Jeremy Bentham, leaves no room to doubt that the British Empire harbored its own Julian the Apostate, as British imperial practice since tends to affirm this. Take the cases of the contemporary Prince Philip of the pro-Satanic World Wildlife Fund, and of his like-minded son, Prince Charles, for example.

phasis in British imperial policy was on a continuing succession of general, imperial warfares, as typified by the role of the British Prince of Wales Edward Albert's use of the ouster of Bismarck to set the stage for pitting the Russia of Czar Nicholas II against the Germany of Kaiser Wilhelm II. At the same time, Prince of Wales Edward Albert wooed Japan's Mikado into the 1894 launching, on Britain's behalf, of Japan's 1894-1945 wars aimed for the twofold goals, of destroying the government of China, dismembering that nation, and also, destroying the Pacific maritime power of the Mikado's and Britain's common adversary, the United States.⁸

That post-1865 phase of the British empire used those same methods, through employing what were, during my lifetime thus far, then presently "former Anglo-American backers of Adolf Hitler," such as the current U.S. President's grandfather, the Prescott Bush who played a key role in rescuing Hitler from bankruptcy at a crucial moment, for the purpose of drawing the U.S.A. itself into the role of a British puppet of what became today's Anglo-Dutch Liberal thrust for using a nuclear conflict between the U.S.A. and the Soviet Union, as the infinitely evil Bertrand Russell had demanded, from 1946 on, for the purpose of effecting the mutually assured nuclear destruction of both of those principal strategic targets.⁹

That 1923-1940, British virtual alliance-in-fact with Hitler's cause, was thrown off balance by a coincidence of the role of a pro-fascist government of France in opening the gates of France to the Wehrmacht assault, which prompted British leading circles, such as Winston Churchill, to break with Hitler over Hitler's breach of the agreement to recognize France as a British puppet. Then, the British turned to the U.S.A. under President Franklin Roosevelt for salvation, and Nazi Germany

8. The Japan-Britain attack on the U.S. Pearl Harbor base had been planned by those allies as part of the early 1920s schemes for an attack on U.S. post-World War I naval power in both the Pacific and Atlantic. Japan's mission, in service of Britain, was to take out the Pearl Harbor naval base, already during the early through middle 1920s! This came to the surface publicly in the famous court-martial of General Billy Mitchell, whose development of carrier-based naval air forces was the only actual issue posed against him by members of the U.S. Presidency sympathetic to Britain, over the U.S.A., at that time. This was also a prominently included feature of U.S. war-planning strategy during the early and later 1920s.

9. The essentially fascist Bertrand Russell had no compunctions in the matter of policies which he explicitly intended as means to promote mass deaths.

came to be defeated in what was, for the Nazi power, an ultimately hopeless, two-front war.¹⁰

That same British imperialism, is the source of all the most notably of the principal strategic evil afoot on this planet today, especially that promoted through the pro-Satanic, post-1989-1991 devices of the organized moral and economic depravity known as the “environmentalism” and “globalization.” The latter is that which British asset, former U.S. Vice-President Al Gore has promoted, with his lies against science, an effort he has made in his capacity as an associate of that British Prince Philip (the Duke of Edinburgh) who has openly demanded genocide against much of the planet’s population, that done in company with the Duke’s now deceased accomplice, Prince Bernhard, in the pro-genocidal campaigning of the World Wildlife Fund.

All this has crucial, strategic economic and related consequences at the present moment.

The effects of this Anglo-Dutch Liberal, imperialist policy, are also the origin of those processes over the 1945-2008 interval, to present date, of the presently ongoing, planetary, general economic breakdown-crisis of the entire world system of this present moment.

Thus, over these centuries, we have now reached that point in time, at which the cumulative economic and other cultural factors generated, chiefly, by Anglo-Dutch financier-ruled Liberalism, have now created the over-ripe preconditions for the presently, immediately threatened, general, physical breakdown-crisis of the entire planet.

Therefore, the most urgent intellectual concern which we must adopt, is attention to those faults in the behavior of the intended victim-nations themselves, faulty behavior which tends to prevent the witting among the intended victims of Anglo-Dutch Liberal-

ism, including, most notably, the leading powers among Britain’s intended victims, such as the U.S.A., Russia, China, and India, from becoming the needed, potent rallying point of those nations which might be resolved to free themselves, forever, from playing the part of Britain’s duped strategic victims, yet once, again, and again, and yet once again.

Law: Empire versus Nation

This present period of modern history, following both the establishment of the Anglo-Dutch mode in Liberal power under William of Orange, and the final awful two years preceding the death of England’s Queen Anne, has been a British campaign for the replacement of governments of actually sovereign nation-states, by the corrupted role of nations, such that, as the cases of the European Union and the Maastricht Treaty attest, nations have tended to become, consequently, mere appendages, mere subordinates, almost “petty kingdoms,” within a Classical, ancient through modern, “globalized” form of world empire.

The specter of genocide through the new “Tower of Babel” called “globalization,” is the prospect for the time immediately ahead, unless the forces of Anglo-Dutch Liberal usury are defeated by us now. For that contingency, we require a force of nations which is sufficiently powerful to put so-called British imperialism out of operation, for once and for all.

So, for related British reasons, the fascist “Weatherman” cult, an outgrowth of what had been spawned on the campus of New York’s Columbia University, was to be seen in the infamous Chicago riots. This utterly depraved, dionysian cult-formation found its echoed, more violent expression in late 1980s Germany, where the anti-nuclear, fascist rioting reached near to the level of outright civil war by the German “cousins” of the Weathermen. This is the key for understanding the Sorelian cult of violence expressed by the so-called “international terrorism,” the new “1848,” of the entire 1968-2008 interval to date.

This insurrectionary factor in contemporary nations is always directed from above, from inside leading financial institutions and related law firms of kindred financial affinities, always chiefly centered in a structure of command within the scope of Anglo-Dutch Liberal networks of high finance. The intention behind the deployment of these young fascists of the Weatherman or similar types, is always the same as it was with the way in which Anglo-Venetian financier interests launched

10. What became London’s “Hitler project” was set into motion during the crisis provoked in Germany by the hyperinflation caused entirely by the Versailles conditionalities. From about that time there was a rising level of commitment to support for the Nazi cause of Hermann Göring and Adolf Hitler from, chiefly, Anglo-Dutch Liberals including the circles of Prescott Bush (the grandfather of the current U.S. President), a support for Hitler organized chiefly from the Bank of England’s Montagu Norman and Hjalmar Schacht, and such New York City forces as Prescott Bush’s employer of relevant times, Brown Brothers Harriman. This support for Hitler continued in those financier circles until Britain reluctantly abandoned Hitler after not only the Nazi victory in France, but Germany’s intention to grab the French naval and economic forces, for Hitler’s intended conquest of all Europe through crushing, decimation and fragmentation of the Soviet Union—much like Britain’s agent George Soros today.



German terrorist cousins of the Weathermen assault a nuclear plant in Germany, 1986. The rioting came close to the level of outright civil war, and shifted the nation into a “green” worldview that led to the ban on all new nuclear plants, and the phaseout of existing ones. That ban remains in effect today.

Mussolini in a staged exhibition of Sorelian “purgative violence.” Look behind the Weatherman fascist cult to the offices where it finds homes today, to see where the danger to our republic lies simmering, now.

The degeneration of the former sovereignties of continental western and central Europe since Germany’s submission to Prime Minister Margaret Thatcher’s stripping away the sovereignty of Chancellor Helmut Kohl’s Germany (with U.S. President George H.W. Bush’s consent at that time), has now reached the condition, at least for the moment, at which, technically, no nation of western and central continental Europe is a true sovereign, unless, and until it frees itself from the existential quicksand of British-led “environmentalism” and “globalization.” Notably, as seen most clearly in the current cases of France and Italy, there are pronounced expressions of a rising determination to accomplish such needed freedom from the iron heel of Anglo-Dutch Liberal imperialism.

So, Great Britain itself is not, essentially, a truly sovereign nation-state, but virtually a mere province of an imperial financier-oligarchical monarchy, an imperial monarchy which reigns over subordinates, such as nation-states, which are essentially, therefore, reduced to components of a virtual “Tower of Babylon,” an increasingly “globalized” likeness of mere kingdoms of Europe’s past imperial orders, such as Venetian-steered feudalism, rather than true sovereigns. The victims include kingdoms, or the like, operating under imperial

authority established, under the oligarchical order, with such outcomes of this agreement as the empire of Augustus Caesar, and also the later expression of that (originally Asian) form of empire under Diocletian and his successor Constantine.

As under that same *ultramontane* principle of imperialism, only an emperor can establish general principles of law; the kingdoms have no power beyond the making of what are fairly described as local ordinances within the lesser domain. Thus, according to the ancient Asian-European, oligarchical principle of imperial law, the international, internationally extended Liberal financier-oligarchy, not the United Kingdom, is the only existing imperial authority of government of the world at large presented in the world as a whole today.

of the world at large presented in the world as a whole today.

The Neo-Feudal Road to a Dying Europe

With the decline of Byzantium, more than a thousand years ago, the power of the empire shifted its seat of power from Byzantium, to the rising financier-oligarchical power of Venice: a Venice which used, most notably, the chivalry of the Anjou, the model for the future Nazi SS, as an instrument enforcing a reign of the feudal equivalent of modern international fascism of an SS, *Caesarian* state.

This evolution of medieval Europe under Venetian management of the feudal system, led into the notorious “New Dark Age” of the Fourteenth Century, during which the parishes of Europe were reduced by half, and the level of population by one third. This “New Dark Age” was brought onto the stage of history of that time by practices of Lombard usury, which employed methods similar to those of the present 1987-2008 interval, through which the world as a whole has been brought, presently, to the brink of a general economic breakdown-crisis of global civilization now.

The new-born modern Europe of the Fifteenth Century had been rescued by developments centered around the leadership of such figures as that great genius, Cardinal Nicholas of Cusa, who set forth both the principle of the modern sovereign nation-state and established the foundations of all competent modern science. The



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The financier-oligarchical power of Venice replaced Byzantium as the seat of empire in Europe, enforcing the feudal equivalent of modern fascism, the Nazi SS. Here: Venice's Bridge of Sighs connects the ancient prisons with interrogation rooms in the Doge's Palace.

influence of Cusa led to the founding of the first modern European sovereign nation-state republics, that of France's Louis XI and his admirer Henry VII's England. These developments established modern European civilization, but they were, unfortunately, not uncontested. The same Venetian interests represented by the Habsburgs struck back, plunging Europe into the religious warfare of 1492-1648.

Thus, with the Habsburg-linked expulsion of the Jews from Spain, in 1492, the system of sovereign nation-states and modern science, which had been established by the great ecumenical Council of Florence, was significantly suppressed, with the resulting 1492-1648 subjugation of all Europe to a long period of religious warfare. Out of this continuing warfare, the Venetian faction led by Paolo Sarpi emerged as a major, rising power of so-called Protestant authority, an authority based in the riparian regions of the north coasts of Europe, as opposed to the formerly reigning, nominally

Catholic regions of the Mediterranean maritime regions.

Within that 1492-1648 interval of perpetual religious warfare, preceding the 1648 Peace of Westphalia, there were two important, if partial victories of the cause of the sovereign form of European nation-state.

The first was a product of the great ecumenical Council of Florence, as expressed in the establishment of modern physical science by, chiefly, the work of Cardinal Nicholas of Cusa, and the carrying forward of Cusa's proposal for trans-oceanic development which was put into effect, initially, through Christopher Columbus.

The second, later, crucial positive development, was as expressed, as an echo of France's Louis XI and England's Henry V, in the crucial role of Cardinal Mazarin and his associate Jean-Baptiste Colbert, in the installation and development of the great principled form known as the 1648 Peace of Westphalia's ecumenical principle for relations among sovereigns.

Over the course of the 1492-1648 interval, there were two crucial, closely related, added developments, which had shaped the history of the principal modern, globally extended developments, to the present date.

The first, was the movement set into motion by Columbus' implementation of Cusa's program for this purpose, of carrying the best samplings of modern European civilization across the oceans, to places from whence the needed reforms of a Europe corrupted with the legacy of the ancient, Asian "oligarchical model" might be developed and launched to effect the needed reform to free Europe itself from that oligarchical evil. The development of the future U.S.A., as in the pre-1689 Massachusetts Bay Colony, was a leading example of this; the founding and securing of the U.S. republic up to the point of the death of President Franklin Roosevelt, typifies this happy development.

However, the legacy of the neo-Venetian Paolo Sarpi's Liberal system, the so-called Anglo-Dutch Liberal system, became the leading efficient adversary of those happier developments which had come to be typified by the American republican form based on the principle of the Treaty of Westphalia.

The result of that conflict, was the increasing concentration of the greatest relative impetus for, and against economic development in two, mutually opposing, English-speaking powers, the U.S. republic versus the Brit-



Jean-Baptiste Colbert
(1619-1683)

Prior to the Peace of Westphalia, partial victories in the cause of creating sovereign nation-states were achieved thanks to the efforts of Nicholas of Cusa; in the 17th Century, Cardinal Mazarin and his associate Jean-Baptiste Colbert developed the ecumenical principle for relations among sovereigns that ended the Thirty Years War, with the Peace of Westphalia in 1648.



Cardinal Jules Mazarin
(1602-1661)



Cardinal Nicholas of Cusa
(1401-1464)

ish Liberal system. That trans-Atlantic struggle, centered in opposing, English-speaking cultures, a struggle for true human freedom against the Anglo-Dutch Liberal form of neo-Venetian imperialism, is the struggle which has been the principal pivot of world history under this arrangement, to the present day.

It is only from that outlook on those leading elements of modern and related history, that the present mortal threat to the continued existence of civilization, can be located and understood. That understanding is now indispensable if peace and progress are to exist anywhere on this planet, during the foreseeable generations just ahead.

A Note on Rosa Luxemburg

My references to Rosa Luxemburg here, refer to a complex personality, a true creative genius, but not a perfected specimen in all matters at hand.

To wit: Starting from the insane state of affairs in Europe, and also the U.S.A., after the ouster of Bismarck, and after the assassinations of France's President

Carnot and the U.S.A.'s Presidents Garfield and McKinley, conditions throughout both Europe and the U.S.A., as elsewhere, reached a heated state of complexity which had no obvious precedent in the experience of those nations at that time. World War I and its outcomes, were already brewing, but creating a state of affairs whose complexities were not clearly understood by any source available on records

known to me from that time, to the present day.

For a better appreciation of the complexity of those global circumstances, imagine a U.S.A. of the early 1860s without the presence of a President Abraham Lincoln. Lincoln's steady hand and deeply grounded notions of efficient principles in history, responded to circumstances which no contemporary but Lincoln himself grasped. There are, thus, crises, such as that of today's world, which no ordinary leading figure of the time could be presumed to understand. Only a true genius such as Lincoln, could leap that hurdle of comprehension. Only the figure who understands the crisis, could actually craft a clear and coherent vision of the remedy. Without knowing the question, the discovery of the answer remains doubtful.

To add to it all, Rosa Luxemburg was very much a woman, and thus representative of a sexual "species" not taken much into account in those times, in the usual

course of settling great matters of nations. Not only did she experience such a psychological predicament within herself, but she was, like the victim of the Norman inquisition, Jeanne d'Arc, fatally encumbered with her obligation, so to speak, to wear men's clothes, burdened by the reaction to any woman's playing such a role in the great events of that time. Even today, women thrust into leading political and comparable roles, either tend to drift into the safer hiding place of specialization, or make fools of themselves out of their reaction to the still prevalent view of the limited role suitable for women in society.

They should be better; but, could we dare to say that it is only their own fault?

In the meantime, she suffered the combined effects of seeking to combine being a political leader on the grand scale, and an effective woman in her desired personal life to be a wife and mother, too. The threatening situation in which she found herself, not only on each account, but the dynamic domain in which the two combined, has not ceased to be a most difficult one for women generally, still today. Take her for what she achieved, and be grateful enough not to condemn her for what she was not.

1. *Britain & Karl Marx*

To enter the body of this report, I must begin with a reference to the Marxian view of political-economy. That is a view of a technical subject which is, itself, on the verge of going the way of the Dodo; but the effects, if not the intent of what had been so-called Marxism's former influence and role, remain crucial today, especially so when we are considering the crucially important history of strategic relations between Russia and the U.S.A.

Since I am obliged, by such presently very important strategic considerations, to take up this subject here, and since the subject itself is still a very touchy one, we must get through that discussion decently, without unnecessary rancor, before turning attention to pressing, other relevant matters.

That much said, I proceed as follows.

In any outlook but that of a piece of fantasy, the possibility of preventing the world as whole from falling into a general economic, cultural, social breakdown of world civilization, that very soon, hangs, as I shall show here, on a certain immediate, qualitative improvement of the relationship between the U.S.A. and Russia. This is to be considered a relationship grounded in the unique

role of their co-operation of a certain form: co-operation in their combined efforts in bringing immediately into being, a committed coalition of sovereign nation-states, a coalition without which the planet as whole would be soon plunged into a dark age worse than that of Europe's Fourteenth Century.

In this case, the significance of the influence of the idea of the doctrines of Karl Marx, remains, for many represented on one or the other of both sides of the required co-operation, the large pebble of inconvenience in the boot of progress. Unless that difficulty is removed, it could be a lack of agreement motivated by memory of past quarrels, which would tend to cause both nations, and, thus, the world as a whole, to stumble into a dark age.

Thus, if we do not clear away what came to be seen as the related matter of "Cold War" after-effects, and recognize the crimes of Prime Minister Thatcher and U.S. President George H.W. Bush, during the post-1989-1992 interval for what they have been, the needed quality of co-operation could not be effected in a sufficiently timely fashion, perhaps not at all. In that case, all nations and peoples of the planet would be plunged into a prolonged new dark age, in which entire cultures would disappear into a general, rapid and accelerating collapse of the level of population of the planet as a whole, a collapse in the order of billions of persons.

In times prior to the middle through late 1970s, it was often still necessary to pose certain categories of economic notions with reference to a plausibly "orthodox Marxian" standpoint, but, as in the case of my own practice of that convention, always emphasizing, at the same time, that the foundations of a competent modern economics are actually to be found in the work of the follower of Leibniz, Alexander Hamilton, and, for my own purposes, also the physics of Bernhard Riemann. That is also to say, that it is not necessary to resolve all possible quarrels at all times, but, rather, often, to proceed by way of a Platonic conception of an organic quality of ongoing dialogue, a dialogue crafted with the goal of discarding troubling, habituated differences in the process of reaching agreement on urgent, validated higher principles and their goals.

The method of the Platonic dialogue, in and of itself, is to be recognized as the shared process of the discovery of truth, respecting principles, through dialectic.

The most important among the dialogues respecting physical-economic policies today, is posed by the closing sentence of Bernhard Riemann's 1854 habilitation

dissertation: "This leads into another scientific domain, that of physics, which the quality of the present occasion [the subject of mathematics as such] does not permit us to enter." No true universal physical principle was ever defined by mere mathematics; by their very nature, all true principles of the universe stand as if outside formal mathematics as such; they lie in the domain of the so-called infinitesimal, as that infinitesimal is to be recognized by Johannes Kepler's uniquely original, experimental discovery of the principle of universal gravitation, and in the application of that notion of universal principle by Fermat and Leibniz, especially Leibniz' definition of an anti-Cartesian science, which he supplied during the course of the 1690s, as by his *Specimen Dynamicum*.

Keep that in mind as we proceed to the later parts of this present chapter. Shift our focus for a moment, to the empirical fact, that the physical economy of the U.S.A. has been in a continuing collapse, per capita and per square kilometer, since U.S. Fiscal Year 1967-68. This collapse has been driven by a willful collapse of physical investment in infrastructure, scientific progress, technology, and the long-term decline in rates of physical standard of living of the lower eighty percentile of the U.S. population, that throughout the entire 1968-2008 interval to date. Overpaid parasites, such as those with their "golden parachutes," make poor, foolish Queen Marie Antoinette seem almost a prophetic genius in promotion of a higher standard of living for those living outside the privileged ranks of our predatory investment banking's social parasites of today.

With the 1977 advent of a U.S. Carter Administration, one which was thoroughly duped by the hideous schemes of David Rockefeller's Trilateral Commission, the only purpose for continuing the dialogue in the same terms was to seek out a dialogue, as I did at that time, with the last bastion of Marxist teachings, on the "other side" of what was stereotyped as the "capitalist-versus-socialist" divide. It was proper to honor the graves of the deceased, but not to propose that actually living people simply transfer the social life of the living to the residences of the dead.

In this present, critically strategic circumstance of the entirety of our planet, the possibility of bringing the U.S.A., Russia, China, and India together, as the needed seed-core of initiating sponsors of a new, constructive global peace among most parts of the world, thus requires the approach adopted in launching a sudden surge of what might be named "non-ideological" intel-

lectual clarity about not only the actual role of Karl Marx and his doctrines, and also the perversion of those doctrines, as in the crafting of the myth on which British imperialism has relied heavily for dulling the general population into the duped condition of support for a new imperialist mouse-trap called "globalization."

This presently, urgently needed escape from chaos into a real New Bretton Woods agreement, into a global, fixed-exchange-rate system, also requires a refreshed, new conception of the nature of the proper principles of political-economy, principles which are either generally unknown, or simply, arbitrarily rejected in a world which, largely, mistakes what is, essentially, merely financial accounting, and currencies bloated with soaring rates of inflation, for economic science. A rejection of the urgently needed general reforms which I have proposed, would therefore result in the kinds of ensuing, far worse consequences than those into which the world is currently being led. This would bring us all, soon, into the depths of that abyss of a general breakdown-crisis of the world, one worse than what Europe experienced during the so-called "New Dark Age" of the Fourteenth Century. What the world as a whole now faces, and that immediately, is a consequence of a global folly which is already in a very advanced state of development, today.

The issues which I have posed in what I have written in this report thus far, have been largely negative. This has been a necessary introductory step, since our attention must be focused on the negative features of those currently ongoing plunges into what is not a mere economic depression, such as that of 1929-1933, within the present world crisis, but a general break-down crisis of the planet in its entirety.

However, as I shall make clear in the course of this present report, the fact that a great tragedy now grips this planet, means that the world at large is now being challenged to reply to this menacing reality, by seeking out remedies which could not be found without, first, discovering that the principled character of the deadly issues of the present, must be treated as warnings, that certain kinds of categorical changes in global relations must be recognized, whether those changes are well-liked at present, or not. Insight into such specific, underlying, determining trends must lead us all, secondly, into the discovery and adoption of a relevant higher state of understanding of what is actually the presently needed development of relations among nations, a development which should have been made earlier, but was not, for one reason or another.

So, to define, here and now, those new, higher goals for relations among sovereign nation-states, we must pass through, and round out a series of topics, as preparation for reducing the results of that dialogue into a general conclusion as to needed principle. We must quickly pass through that dialogue, here and now, before attempting to present the needed end-game remedies at an appropriate, later point, as I shall in the course of this present dialogue in its entirety.

As will be made clear, at certain relevant points in this present report as a whole, some of the required topics are by no means simply understood, but they are indispensable if survival of civilization is to be had. In the meanwhile, here, let us take the course of touching on each relevant topic in our stride.

For that purpose, the roots of the principal causes of crises of the planet during 1945-2008, must be situated within what is a fresh, corrected view of the profound change in the relations of the U.S.A. and Soviet Union, from those during the time the foe of British imperialism, President Franklin Roosevelt, led the United States, while he lived, into the opposite direction of relations which were defined in a different direction, under his successor, the President Harry Truman who was a supporter of British and related European colonialism. This change, from Roosevelt to Truman, produced the radically changed U.S. direction in foreign and also domestic relations which we experienced under Truman, and, much worse, under Presidents



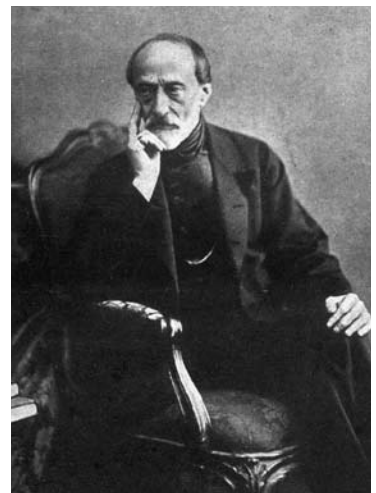
*Jeremy Bentham (stuffed)
(1748-1832)*



*David Urquhart
(1805-1877)*



*Lord Palmerston
(1784-1865)*



*Giuseppe Mazzini
(1805-1872)*



*Karl Marx
(1818-1883)*

Levels of oligarchical control: Lord Palmerston was the successor to the despicable Jeremy Bentham in the British Foreign Office, from which post he deployed his agent Giuseppe Mazzini to capture Karl Marx and other European "revolutionaries" for British imperial purposes. Palmerston's agent David Urquhart, from his posting at the British Museum, guided Marx's career.

Nixon, Ford, Carter, and the Bushes. This change of U.S. Presidents, and of the U.S.'s shifting choices among new, if temporary, changes in choices of friend and foe, must be seen with respect to the consequent changes, both those which have occurred, and those which should occur, in the essential character of the interaction by the U.S.A. with the past Soviet Union, the present Russia, and other states.

Since Russia's present, post-Soviet role, is of crucial importance in any set of workable remedies for this planet for today, we must begin by reconsidering some among those rarely recognized, but crucial issues, which are tied up, inextricably, with conflicts of strongly held opinions, in assessment of the practical influence of Karl Marx in shaping the past and present policies of practice in and among nations.

This is not a matter of settling “old scores.” Many of the issues, including many heated ones of past times and places, have been more diversions of attention from important practical issues, than the actual issues of policy which needed to be resolved. Often, as in the history of nations, it is what you don’t know, or refuse to recognize, which kills you. This is the crucial problem which it is my intent to clarify in this report. In such cases, a reflection on the history of the problem at hand, is what is usually required in search of remedies. The aspects of Marx’s influence worth considering at length here, are, fortunately, reduced to a few essentials; the others are already merely relics.

What Is Really Wrong with Marx?

For the treatment of that indispensable subject for discussion here, we should begin with attention to the relevant, shared delusion, concerning modern economy, of the German Social-Democrats and V.I. Lenin, in their times. This was the theory, adopted through the credulity of Lord Palmerston’s duped British asset Karl Marx, that “Adam Smith was installed as the only paragon of a valid doctrine of political-economy.”¹¹ Such a misguided view of the governing outlook and related role of Karl Marx has proven, that the specifics of Marx’s own doctrine have had a significant, auxiliary role in the developments contributing to causing the present world crisis, and have played a significant role in promoting absurd, and essentially diversionary no-

11. Marx was brought into England as an asset of Lord Palmerston’s Young Europe and Young America organizations. Formally, Marx was adopted, under the Palmerston who had been the protege and successor to Jeremy Bentham in the British Foreign Office. Marx, who never recognized the truth of his actual situation in Britain, was thus presented to the ever-credulous public, technically, as a property of Palmerston’s agent Giuseppe Mazzini, the Mazzini who was the head of one among Palmerston’s British assets: the one known either as Young Europe, or the Young America which was the core of the treasonously subversive forces deployed within the U.S.A. The influence over Marx developed under the immediate guidance of David Urquhart, then in charge of the intelligence service headquartered in the British Museum (today’s British Library). It was through Mazzini’s public actions that Marx was appointed, publicly, head of the newly founded International Working Men’s Association, the so-called “First Communist International.” With the defeat of the British strategic intelligence operation known as the Confederacy, the duped Marx who had damned his owner, Palmerston, as “a Russian agent,” lost his value, and status, and was replaced, under British agent Napoleon III of France, by the founding of the synarchist international, as a branching from the British asset Bakunin’s anarchist association. With the affair of the Paris commune, Karl Marx drifted quickly into relative political oblivion for the remainder of his own actual life.

tions of the nature and cause of imperialism. However, those matters of belief were not, in themselves, the primary cause of the economic collapse of the Soviet Union.

The cause of the collapse is found in the influence of the ideas, not of Marx as such, but those associated with that impassioned hater of American freedom, Shelburne hack Adam Smith. The collapse must be considered, rather, as being symptomatic of the chiefly other, usually problematic, conditions which allowed the Soviet Union, paradoxically, on the one side, to develop great leadership in the military aspects of economic strategy, on the one hand, but, at the same time, to fail tragically in economy, largely because of Marx’s teaching of Adam Smith to socialists.

There is a principled consideration underlying the Soviet economy’s systemic inclination to such ironical failure in physical-economic policies, a failure which was rooted in a grave error of epistemology respecting the nature of the distinctive, uniquely creative powers of the individual human mind. It was chiefly for reason of this particular error in Marxist policy generally, substituting the horny hand of labor for that human mind which defines the laborer as human. It was an error expressed in a most extremely decadent, implicitly terminal form in the current customs and related specific mythologies and doctrines of post-1968 trans-Atlantic Liberalism.

That lesson, of that error, from the past, must be grasped, and that very quickly, if a solution is to be found for the onrushing general breakdown-crisis and threatened conditions of warfare inhering in the general economic breakdown-crisis of the world as a whole today.

U.S.A., Russia, and Marx

There are two leading problematic problems arising from the systemic blunders by Karl Marx, which plague discussion of strategy today. There remain problems, some of which are merely blunders which must be simply recognized, and, sometimes, others which must be corrected, if a timely performance is to be expected in what is presently the urgently needed co-operation, as keystone partners, between the U.S.A. and Russia.

The objective to be brought clearly into view, is, briefly this.

The essential fact to be considered in seeking co-operation between the U.S.A. and western and central Europe, is the British disease rooted in that same pro-

feudalist, oligarchical legacy of continental Europe which prompted the most far-seeing European leaders to follow the advice of Cardinal Nicholas of Cusa, the advice Columbus read from Cusa's own written words, advice Christopher Columbus adopted, to go across the oceans to find the leverage to remedy the chronic, oligarchical (read, "Venetian") disease of Europe. This was the same advice respecting the United States, which Germany's Otto von Bismarck heeded, in seeking peaceful relations with Russia, during his service as Germany's Chancellor.

However, the most important fact to be considered, is typified by the fact that Russia had been the ally of the United States, not only during the reign of the Empress Catherine the Great, but against the U.S.A.'s enemy Britain, during the period of the U.S. Civil War.

For that same reason, a close relationship had begun to develop between the United States and the government of Russia during the same period as the United States' own struggle for freedom against the British empire which had been founded at the February 1763 Treaty of Paris.

We must never overlook, that during the period of the Soviet Union, Russia never ceased to exist. President Franklin Roosevelt understood this, to such effect that no conflict between Russia and the United States would have been possible as long as Franklin Roosevelt's policy led the U.S. Presidency. The British Empire clearly understood, as did Stalin's government, in its own way, that if Roosevelt lived, the British Empire and the system of British imperialism which reigns, even over the U.S. electoral process now, would have vanished peacefully from the Earth. England would have not only survived, but benefitted from this change, but the British empire not. Communism was never, in itself, a break, but only a remediable source of difficulties in the historic good relations between Russia and the United States.

Presently, the continued existence of a civilized life among nations anywhere on this planet, depends upon an effective return to the long-ranging co-operation between Russia and the United States which had persisted, essentially, from the time of John Quincy Adams' term of U.S. public service in Petrograd, up to the point of the British-steered assassination of U.S. President William McKinley.

The leading issue in this connection, is, once again, the outcome of the Anglo-Dutch Liberals' organization of the 1755-1763 Seven Years War. War, mixed with

conflict leading toward wars, between the powers of continental Europe, and between the U.S.A. and some European and other powers, has always been, as Bismarck clearly understood, the strategic cornerstone of the British Empire since the close of the Seven Years War.

The wisest leaders of Russia, whether in its role as a monarchy, or a Communist state, have always understood this fact, more or less clearly. Soviet orientation, as under Khrushchov, Andropov, and Gorbachov, toward alliance with the British Empire against the U.S.A., has always been the road toward ruin of both Russia and the United States. All truly competent and patriotic leaders of the United States have also understood this, if in their own choice of terms, rather than exactly my own.

However, the Communist legacy was no longer a source of existential frictions, as long as President Franklin Roosevelt remained President, or his policy were perpetuated. Now, however, that friction became a significant problem, not because of Communist traditions, but because of the results of President George H.W. Bush's shamefully kissing the foot of British Prime Minister Margaret Thatcher in the matter of the terms of Germany's reunification. The source of the remaining problems there has been the British determination to destroy Germany, and also Eastern Europe and Russia, thoroughly, now that Germany was no longer a bastion manning NATO's eastern front.

The only real problem of the Marxist legacy in the relationship between Russia and the U.S.A. presently, is the failure to clarify the systemic errors which the British ties have fostered as the kind of rapacious carpet-bagging, typified by the phenomenon of thieving, London-linked, ex-Communist Russian billionaires, or the British Empire's George Soros, and others, which ran rampant throughout the post-Soviet 1990s, and still burrows from within today. Communist economic policy was a failure, if not by any means for the reasons given by the vultures of the existentialist and otherwise pro-fascist Congress for Cultural Freedom. Much more could be said on that; we have said enough here, so that the general idea of the matter should be reasonably clear.

However, for as long as certain actual errors of Marxist dogma are not recognized, the mistakes of the economic policy of the Soviet period are still hung, like the albatross of Coleridge's *Ancient Mariner*, as a burden about the neck of any Russian government

today. Given the severity of the presently onrushing global breakdown-crisis in the productive forces, it is important, to us all, today, that the idea of the Russian nation, rather than its experiments with sundry economic ideologies, be the pivot for the shaping of U.S. foreign economic policy. The fact is, that there is no nation whose economic policies of practice during the recent forty years has not been greatly at fault on one leading account or another. The government which rules by the impulse to recognize and promptly correct such mistakes must be the standard by which the shaping of new, urgently needed forms of co-operation be crafted.

It is therefore important, that these poor effects of the past policy and practice, be better understood and corrected, rather than swept under the carpets, both in Russia and, especially, other nations which must now be a core of initiators of the general, global reform of economic policies adopted by the world as a whole today.

The Problems of Marxism Today

There are three broadly defined goals, which unless set into motion very soon, would mean the slide of the planet as a whole into new dark age, worse than that experienced by Europe during its Fourteenth Century.

One is an urgent return to emphasis on science-driven, capital-intensive, energy-dense modes of production and transportation, without which some form of great disaster will surely and now quickly overtake the planet, whatever the otherwise beneficial reforms might be.

Secondly, we must reorganize relations among states according to what can be described as a Franklin Roosevelt Bretton Woods system, not a Truman, nor a Keynesian counterfeit. The former policy means building up science-driven, power-dense restoration of formerly industrialized nations to their former, pre-1968-1971 roles in the planet as a whole, this in order to generate a long wave of increase of per-capita density of infrastructure and net output per square kilometer of territory.

Thirdly, to make these beneficial changes feasible, we must build up a mass of long-lived basic economic infrastructure of the planet, as this is indispensable for meeting the production and consumption goals of all sectors of humanity. This requires a new, international credit-system, to replace, and essentially eliminate, the presently failed European idea of monetary systems. This will require the U.S. to follow U.S. Treasury Secre-

tary Alexander Hamilton (not pathetic “Mad Hatter” Hank Paulson, nor “Dormouse” Ben Bernanke), in the establishing of national banking institutions as the intermediaries of regular transactions between the treasuries of sovereign governments. No more of those damnable, European Central Banking Systems which are already presently bankrupted beyond redemption through the efforts to sustain the mountainous derivatives bubble launched by the U.S.A.’s Alan Greenspan.

Our proper shared concern, inside the U.S.A. and also Russia, is that systemic errors of either adopted interpretations of Marxist doctrine, or the actual doctrine itself, not become systemic, not viciously systemic obstacles to timely adoption of those urgently needed reforms in relations among the prospective allied nations of a revival of President Franklin Roosevelt’s 1944 intentions for what is called a Bretton Woods system.¹²

The Relevant Obstacles

In the case of Russia, but not Russia alone. the foremost of these problems, is Marx’s notion of capitalism, a notion, as expressed by him and others, whose implied view of the U.S.A., in particular, was one which has no reality in the actual establishment of the U.S.A. as an historically novel form of Federal republic.

The first such, unfortunate fact of this moment, is that no generally employed accounting system in the world today, permits any consideration of those essential, universal principles of human creativity on which all physically successful economic policy, excepting stealing (such as that of the derivative swindles, or kindred predatory practices) depend, absolutely.

The second such is the complete suppression of the notion of the role of human creativity in national economy. On this most crucial point, the actual policies of Karl Marx become a serious threat to progress, *since Karl Marx’s writings never acknowledged the role of the active presence of creative powers akin to those of fundamental, capital-intensive, scientific progress in increasing the productive powers of labor, nor those in any way which reflect the existence of such powers.*

Marx’s systemic exclusion of *the specific concept of human scientific and Classical-artistic creativity which*

12. The matter of the difference between the abominably Keynesian IMF uttered into being by the Harry Truman Administration, is to the 1944 Bretton Woods’ intention of President Franklin Roosevelt like a creature from H.G. Wells’ “The Island of Dr. Moreau,” when contrasted with Roosevelt’s actual intention. See Chapter 3, below, for discussion of that point.

separates mankind categorically from beasts, was always a fatal systemic flaw in his argument, and, therefore, his *British-empiricism-driven denial of the actual existence of human individual creative-mental powers*, to a significantly large degree, as also by his avowed followers, as by all other varieties of radical reductionists, such as the empiricists and positivists of today.

This, and all related kinds of major errors in Marx's arguments respecting political-economy are rooted in the corrupting influence he enjoyed from his preferred sources in the Haileybury School of Jeremy Bentham, Adam Smith, et al. Every part of the teaching of this school, was evil, and must be recognized as such.

Contrary to evil Olympian Zeus of Aeschylus's *Prometheus Bound*, the proper goal for man, is not the education of the individual, but the development of the creative powers of that individual. Man is not to be educated as a dog to do tricks, but to become a creator in the likeness of our Creator.¹³

I identify and explain the principle of actual human creativity a bit later in this present chapter. First, before turning to the physical-scientific core of this issue, I situate the issue historically.

The Effects of Empiricism

Marx's own adoption of Adam Smith's doctrine for economics is, essentially, typical of the systemically crippling intellectual enslavement of many nations, by the Eighteenth-Century British empiricism which had produced imperialist Lord Shelburne's agent Adam Smith. The recruiters to Marxism did not need to indoctrinate their following in this sort of belief; usually, the Liberal *indoctrinaires* had already delivered that supply of Liberal sophistry, on which Marx had also relied, to

13. From my own management consulting and related professional experience, the relevant problem of production within the Soviet Union, was much discussed in the relevant Soviet literature during the last decades of that government. It appears that the military incentive was relatively successful in Soviet military technology, where the factory producing other goods failed in numerous ways which became celebrated in legendary cases. The key to such problems, in many nations, is that the creative powers of mankind are located only in the individual creative mind, and never in systems and procedures. Creativity in society inherently tends to "go against the pricks." The challenge is to motivate the individual for creative contributions to his place in society, and to society generally. When "competitive incentives" supplant patriotic motivation, what should be expected is likely to occur. In the U.S.A. itself, there was a moral degeneration in outlook of all levels of management and supervision over the course of the 1950s onward, for much of which fear of the FBI and kindred security agencies were much to be blamed.

their victims from among the general public in their society and culture, usually in childhood or adolescence, in schools and other commonplace ways.

The argument, respecting empiricism, which I have just summarized, is true; but, we must be careful about attributing individual beliefs, too strongly, to the individual's judgment to almost anything that happens in society, either to Marx or almost any other person, as such. As I shall have reason to place special emphasis on this point, in the course of this present report, the principle of dynamics, competently understood, warns us that the adopted beliefs and related behavior of the typical member of a society, or a species, have been, usually, chiefly rooted in the society, or species, rather than originating in the mind of the individual member of that group—excepting extraordinary persons and situations in society. Those exceptions, either for the very good, or very bad, exist, but even those exceptions can be rarely understood in any different way than as remarkable exceptions in the characteristics of the individual will.

The essential issue respecting mass behavior, as the focus of attention in this report, is that which I pinpointed earlier in the course of this present chapter of the report. It is the systemic exclusion of actual human creativity from any part of the British Eighteenth-Century empiricism of Adam Smith, et al. This exclusion is typical of the empiricism on which both the so-called science and avowed dogmas of Cartesian method were extended, to form, thus, the mass behavior expressed by the Newtonian pseudo-science and also British political-economy. Those are beliefs which may be presumed to have been derived from the same empiricist ideology employed by the plagiarist Adam Smith.¹⁴

This is key for understanding the systemically fatal flaw in what Karl Marx professed to be his reductionist

14. Adam Smith, who was personally assigned by Lord Shelburne, beginning 1763, to spy against both the leading circles of North America and France at that time, cribbed most of his economic argument in *The Wealth of Nations*, as a spy, cribbing from what he pilfered as work-in-progress of France's prominent Physiocrat A.R.J. Turgot. The explicit liftings from Turgot's work were to be found in what spy Smith had taken explicitly from that manuscript of Turgot's draft-in-progress from which Smith lifted much that he claimed as his own. See Douglas Dakin, *Turgot and the Ancient Regime in France* (Methuen, 1939); this fact is referenced by Allen Salisbury, *The Civil War and the American System*, (Campaigner, 1978). All of this is centered on Shelburne's use of the circles of David Hume, through which Adam Smith emerged as one of Shelburne's network of spies. There was never anything either good, or even frankly sincere, in the work of Adam Smith.

conception of materialism, which was the belief which Marx swallowed from the British authors he admired wishfully as the font of “the only economic science,” whether from Britain’s Frederick Engels, the British Museum’s David Urquhart, Palmerston’s Giuseppe Mazzini, or other such sources. All of the systemic errors intrinsically underlying the prevalent ideological assumptions of sundry varieties of Marxian movements, have been errors which contributed directly to the most crucial, and presumed scientifically profound among the blunders in policies of civilian economic practice in Soviet Russia, as distinct from the military practice of the Soviet Union, for example.

The most notable result of these types of simplistic errors in Marx’s adopted opinions and his method, echoes the wider spread of the dogma of such dupes as the empiricists (and later positivists), and, also, the even more badly educated academic circles throughout much of the world generally since the rise of the existentialists’ influence, that especially since 1968’s Dionysiac rioters, until today. Among such latter varieties of folk, the silly, crudely aprioristic notion prevailed, that since society had been assimilated into the industrial capitalist interests of specific nations, as defined by Adam Smith and other members of the British East India Company’s Haileybury School, any form of modern imperialism today must be presumed to be essentially a product of what the British identify as the industrial-capitalist “stage of development.” Such had been the adopted basis, *a priori*, for what I have referenced, at the outset of this publication, as the misguided view of imperialism represented by such as both Lenin and the leading German Social-Democrats.

To sum up that point: as I have just emphasized it in these final paragraphs of this first chapter of the main body of my report, the great flaw commonplace to Marxian socialism lies essentially in its adoption of the prevalent, but erroneous ideology respecting the human principle underlying healthy directions of change in society. That is an ideology which Marx himself adopted, but which was also an ideology already distributed full-blown from the body of British Eighteenth-Century empiricist ideology, such as that of John Locke, David Hume, Adam Smith, and Bentham’s Haileybury school generally.

Before turning to that central feature of this next chapter of the report, let us begin that chapter by putting a few of the most significant collateral matters to rest. For this purpose, turn attention directly to the practical

and proper juridical, and scientific meaning of the term imperialism.

2. Science & Human Ecology

After certain important prefatory remarks, this second chapter of the report will be devoted to the subject of the determining agency associated with the increase of mankind’s power not only to increase its productive powers of labor, but to overcome what would otherwise be a decline in the ability of the Biosphere, not only to support an increase of both physical productivity, per capita and per square kilometer, but, also, to nullify the tendency of population-growth and previous human consumption to deplete the Biosphere.

To prepare the table for that crucial, scientific discussion, I begin this chapter with the following note on those aspects of the nature and effects of actual imperialism relevant for this part of the report.

First of all, as I have already emphasized this, contrary to Lenin and relevant others, “imperialism” was not “a stage of capitalism.” Imperialism as known to Europe, is older than Babylon. “Finance capitalism” as the German Social-Democracy and Lenin named it, is much older than that which the followers of Marx called “capitalism” or “socialism.” It is also older than the brutish ruining of the bow-tenure plots of once-proud Sumer by the introduction of the same “loan shark” methods which had been used against Sumer’s farmers. Again and again, ancient, medieval, and modern civilizations have been ruined by the same practice of usury, as used again and again, to induce the civilizations of Southwest Asia to destroy themselves as if by their own hands, as has been done, since the death of Franklin Roosevelt, by globally extended Anglo-Dutch Liberalism, most notably since the break-up of the already looted Bretton Woods System, in 1971-72.

The combination of the 1971-72 break-up of the Bretton Woods system, as followed quickly, in 1973, by the predatory Anglo-Dutch-Saudi conspiracy which created the reign of the Anglo-Dutch petroleum “spot market” over the world’s finance, destroyed the U.S.A.’s control over its own dollar, and degraded the world monetary-financial dollar to a mere toy in the hands of the British empire. The influence of what had been once called British imperialism, as opposed to the true nation-state, has been a continuously leading phenomenon in globally extended European history from that time, to

the present day.¹⁵ As Rosa Luxemburg had explained, and Herbert Feis later, imperialism, is, today, as then, simply a 1970s rebirth of the Anglo-Dutch Liberal tyranny of a global financial system based, as both Rosa Luxemburg and Herbert Feis had shown, on a revived Anglo-Dutch Liberal system of international, essentially usurious loans.

For all practical purposes, in opening any discussion of the present global crisis-situation, we should start with the rough, working assumption, that there is no essential difference, as to type, between the natures of the causes of the general, global financial breakdown-crisis which has been ongoing since late July 2007, and the characteristic cause of the collapse of Fourteenth-Century Europe into a catastrophic “break-down” crisis, like that now in accelerating motion, world-wide today. Lest we had forgotten that medieval New Dark Age, into which we are now being plunged once again, by the same kind of Venetian-controlled system of international loans experienced during the Fourteenth Century, afresh, this time in the guise of financial derivatives, today.

Therefore, the following must be said here on the subject of imperialism generally.

15. From reading Karl Marx’s paper on choosing a profession, written under the Trier secondary program of Trier’s celebrated Wytttenbach, my conclusion is that Marx was not lacking in creative potential. Some of the correspondence between Karl Marx and his father during the period of Karl’s studies as Bonn, showed some very nasty changes in Marx’s personality had occurred. Later, in Marx’s studies in law at the Berlin university under the predecessor of Carl Schmitt, Karl von Savigny, Marx fell into the worst sort of company, as his sometime acquaintance Heinrich Heine sensed something wrong with him. In the all-too typical loss of earlier creativity among post-adolescents, especially university students in their later university studies, as in their late twenties, there is a frequent loss of creative powers, as emphasized by Dr. Lawrence Kubie. In my experience, this is frequent among young adults who had shown creative potential during their middle through late twenties, most notably among candidates for doctoral degrees. Most relevant is the fact that Karl Marx was virtually a “born Baby Boomer.” The father reflected the pro-American generation, and was associated with the Leser Gesellschaft of supporters of the American Revolution, as was Wytttenbach. There is a significant parallel to that conflict of my own generation, which had gone to war against Hitler, in the decadence of the cases of those of their children’s generation who ended up as of the types of the 68ers of the 1968 Chicago convention riots. There is a similarity of the factors of certain Americans born between 1945-1958, to the layer of Europeans born and raised in the interval of the great right-wing reaction led by Prince Metternich and Metternich’s right-wing tool G.W.F. Hegel, with Hegel’s close right-wing associate, Karl von Savigny, at the Berlin university, a Savigny who was prominent among the right-wing school of law of his time, and the head of the law department under which Marx studied.

Since the fall of the Achaemenid dynasty, and the later rise of imperial Rome during the aftermath of the Second Punic War, continental Europe, whether within or beyond the Mediterranean regions, has always been dominated by ruling political-financial institutions in the tradition traceable from the role of usury in the collapse of the bow-tenure system of Sumer, via Babylon, this despite the greatness of the intervening period of ascension of the Baghdad Caliphate, as to the present day’s general, global, monetary-financial downfall.

However, it is also true, that we must now escape that same kind of moral decadence which exerted great influence on the civilization of the European continent, especially since the shock of February 1763, despite a parallel, contrary, Renaissance-like feature of the 1763-1789, pro-American, anti-British, Classical interval. This was the interval typified by the crucial contributions from German Renaissance factors such as Abraham Kästner, his student Gotthold Lessing, Moses Mendelssohn, Goethe, Schiller, and Lazare Carnot, as continued for a time by the von Humboldt brothers, Johann Friedrich Herbart, et al. The pro-American generation from the time preceding the ugly shock of the Jacobin Terror, and Pierre Robespierre’s sometime protégé Napoleon Bonaparte, reflected the impact of the essential, necessary nature of the parallel role of the colonial developments in North America, in combating the morally corrupting, pro-oligarchical habits underlying the persistence of that decadence already pervading the modern traditions of European political, and related culture.

As I shall indicate at an appropriate point in this report, below, what might appear to some, mistakenly, as a certain confusion in these among my characterizations of the relevant intervals of history thus far, is not a product of any confusion in my argument here. It merely reflects the fact that I found it prudent pedagogy, for the sake of ultimate clarity, that rather than incur distracting side-tracks in the interim, to postpone the conclusion of a certain discussion of the relevant principle of dynamics, until an appropriate, later point in the development of that argument here, when the ground for introducing that clarification will have been better prepared in the mind of the reader. My justification for that course of action will be made clear before the conclusion of this present report.

There is, already, as I shall show, within this present chapter of this report, another fuller exposition of a crucially significant, profound principle of the science of

physical economy, which must be presented, before a straight-forward treatment of the underlying principles of economy as science could be introduced to this present discussion.

These principles of economic science, on which all of my always “successful” forecasts since 1956, have been premised, have now been confirmed by such recent developments as a stunning accumulation of my recent, unique successes as an economic forecaster, such that, intelligent people with a relevant sense of experience, are looking with mixed astonishment and despair at their formerly accustomed view on the subject of economics, and are asking of me, “How did you do it?” Some people would never see a physician about their illnesses, until a certain element of fear brought them to the equivalent of the physician’s door. The difference is, as with my former so-called critics, that circumstances have brought them to the point, that, as it is said, “The sane ones are more than ready to listen.”

Despite all that, there is nothing terribly new to me, in particular, about the disease now to be discussed in these pages, only the profundity of, and remedies for the present crisis.

The Principle of Empire

The baldly exposed current intention of the Anglo-Dutch Liberal, or so-called “British” empire, is to eliminate the existence of the sovereign nation-state from this planet, now as rapidly as possible. The names for this British campaign include “globalization,” “free trade,” and neo-malthusian “environmentalism.”

If such brutish impulses as those are not defeated, and reversed, a vastly shrunken remnant of mankind will inhabit a new barbarism of a planet probably populated by much less than one billions living persons. Presuming that we avoid nuclear warfare, the brutish imperial goal, which is more or less the goal adopted publicly (and with great emphasis) by Britain’s Duke of Edinburgh, Prince Philip, would be “achieved” within approximately one to two generations. Centuries would be required for the descendants of that remnant of humanity to creep and crawl back to something which might be regarded as a semblance of what was once known as the relatively civilized state of much of humanity prior to these horrid developments now oncoming today.

That is the key to understanding why the present global, strategic situation is so monstrously dangerous, why those forces centered in the ideologies of the

Anglo-Dutch political descendants of Paolo Sarpi are such a monstrous sort of present danger to all mankind.

To understand this grave, immediate strategic threat, we must learn the lessons embedded in manifest long-range patterns of human behavior, as, for example, since prior to the founding of Sumer, from times preceding the known history of empires over the recent seven or more thousand years.

So, since the fall of the Achaemenid Empire, through the role of the essentially barbarous British Empire still today, the principal leading political powers within globally extended European and near-Asian civilization, have been based on an endemic form of usury which sometimes erupts in such extreme forms of imperialist practice as that of Europe’s Fourteenth-Century “New Dark Age.”

Typical of this chronic, pathological tendency for today, are the Anglo-Dutch controlled, international drug-cartels, typified by British intelligence’s George Soros’ financial operations based among his many roosts from around the world, such as his havens in the Dutch Antilles, and his top-down control over Howard Dean’s U.S. Democratic Party today. Or, compare the price of a farmer’s opium crop in Southwest Asian regions such as Afghanistan, with the price of the same product, ten thousand times greater, when British-linked networks have brought the product into European or U.S.A. markets associated with locals of the activities of George Soros or his kind. This presently hyper-inflationary echo of Germany 1923 and Fourteenth-Century Europe’s so-called New Dark Age, is integral to the influence of such auxiliaries of today’s British imperialism as former U.S. Federal Reserve Chairman, and the notable swindler, Alan Greenspan.

However, there is a much more profound, specifically, and also systemically scientific meaning of that term imperialism. Therefore, please turn your attention to defining those indispensable conceptions here and now: turn to the extremely relevant subject of real “human ecology,” as distinct from the brutish views of the Duke of Edinburgh and his perverse, and thoroughly vicious lackey, the former U.S. Vice-President, and perennially plump Leporello, Al Gore.

This present economic crisis is not the spread of “an American recession,” nor a “recession” at all. It was never “a sub-prime crisis.” It has shown itself clearly in recent developments, as I warned publicly and widely since my widely broadcast address of July 25, 2007. It

has shown itself, exactly as I warned then, to have been a *general monetary-financial, and physical breakdown-crisis of the present financial-monetary-economic system of our planet as a whole*. Since I had warned repeatedly of the oncoming characteristics among the types of economic phenomena leading into this crisis, the relevant question often asked of me now, has two parts. First, how did I know? Second, why did the supposed experts fail to recognize what I had already foreseen, and had repeatedly described as a long-range trend, that with remarkable precision, over, in point of fact, all these now five decades past?

What, therefore, is, or should be, the science and practice of economy for today, actually?

What Is ‘Human Ecology’?

This brings us now to the explicitly physical-scientific aspects of the matter placed before us. To illustrate the core argument of this present chapter of the report, consider the systemic implications to be found in examining the comparative ecologies of three selected, respectively distinct orders (in fact) among living species: the marsupials, the mammals, and the human beings.¹⁶ This takes us toward to the core of a science of physical economy.

Understand *dynamics* as being coherent with the successive phases of development of the methods of Gottfried Leibniz, Carl Gauss, Lejeune Dirichlet, and Bernhard Riemann. Choose this view, whose modern



Amaury Olivier Laporte

Marsupials that were dominant in Australia prior to the English settlement (such as the koala shown here), were subjected to a process of takeover by mammals; most of them disappeared. But between both lower species and man, there is an unbridgeable gap.

origins are anti-Cartesian *dynamics*, rather than the terms employed in the empiricists’ Cartesian form of reductionism. Both marsupials and mammals have respectively, qualitatively different, but *relatively (dynamically) fixed* ranges of variation of degrees of relative potential population-densities; whereas, the human potential relative population-density, while also *dynamic*, is not bounded in that way. Examine this matter more closely, for its bearing on the matter of the global economic breakdown-crisis already in progress now.¹⁷

The outline of the principal features of that subject, is presently of great importance for correcting some potentially deadly errors in the practice of economists, and even of some very serious physical scientists, today. The subject is, at bottom, that unique nature of our human species which underlies all of man’s competent knowledge of both himself and his universe.

To illustrate this crucially important fact, look, first, at a culture in which the marsupial order had been dominant, dynamically, as in Australia prior to the English settlement; and, then, after that, consider the effect of the process of ongoing takeover of formerly marsupial habitats by mammalians, or even by human beings. Generally speaking, the invasion, by the mammalian order, of a habitat formerly dominated by marsupials, results in a process of collapse (e.g., replacement) of the potential structure of the array of types of creatures

16. I presented this crucially important argument, at this point here, a few weeks ago, to an internal meeting held together with associates of mine who are members of the scientific team based in Loudoun County, then working on their relevant Riemann project. That oral report was transcribed for appearance in the internal daily briefing, the following morning, and was, restated in significantly large part in a republished reply to a correspondent, containing crucial features of the same argument, a few days later. To define man’s nature as that of a mere mammal, is a step toward treating your neighbor as food.

17. My use of the term “dynamics” here, references the ancient Classical Greek *dynamis*, a concept associated with the *Sphaerics* of the Pythagoreans and Plato, as reintroduced, explicitly, as the modern concept of dynamics, by Leibniz (as in exposing the incompetence of Descartes, in 1692, and posing the same subject in his 1695 *Specimen Dynamicum*). The concept hovers in the work of Carl F. Gauss, and others prior to Riemann’s work, but is recapitulated in more general terms by Riemann, as in Riemann’s 1854 habilitation dissertation. Thus, since the relevant statements published by Albert Einstein, on the subject of Kepler’s discoveries, the general definition of *dynamics* is Riemannian.

constituting the population of the marsupial order, to such effect, that most types of the latter tend to disappear, eventually, as a result of this process (excepting, for example, garbage-collectors such as the opossum).

However, there is a fundamental difference of principle between the respective kinds of ecological dynamics of those first two orders of species, on the one hand, and that of the existence of humanity, on the other. The human species' ecology is not simply bounded by the ecology in the same way as the respective animal orders of both the marsupials, the mammals, and others generally. The members of the human order are not bounded, at least not in a definitive way, by heritable genetic determinations of the kind of dynamic set of potential affecting the lower species, as found in the cases of either the marsupial or mammalian order.

The systematic understanding of this fundamental distinction, in physical principle, of the human species from all others, requires adoption of the standpoint of a modern dynamics as previously defined by Gottfried Leibniz. This is what is also expressed, implicitly, in a qualitatively more advanced degree, by Bernhard Riemann's 1854 habilitation dissertation, when compared with what Leibniz defined as *dynamics*, in opposition to Descartes, as I have already emphasized here. Without employing that intermediate, Leibniz-Riemann development in the dynamic approach to defining the relative population-potential of a society, per capita and per square kilometer, an approach conducted in Riemann's terms, the results of any argument on this subject would be intrinsically incompetent. Effective insight into most of the worst errors of assumption in political and related practice of entire nations today, is provided within Riemann's appreciation of the anti-Cartesian implications of, once more, Leibniz's own *Specimen Dynamicum*.

In Russian academic scientific experience, this matter is expressed in a relatively advanced, and crucially significant way by the manner in which the great physical chemist Academician V.I. Vernadsky defined the Biosphere, and also the Noösphere, *dynamically*.

Succinctly, the human population can outrun the inferred immediate limits of its habitat, as no animal species could; this qualitative up-shift in the potential of the human population, is effected by raising the qualitative level of the species-behavior of some leading portion of a society to a *higher physical state of dynamic potency*, as such an advance can be approximately defined as a rise in net energy-flux-density of the human society's habitation of the relevant domain.

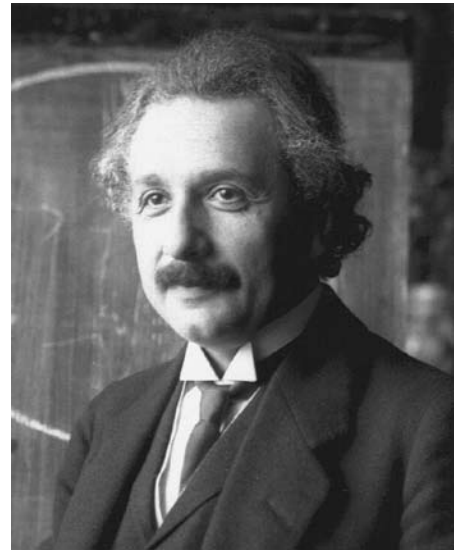
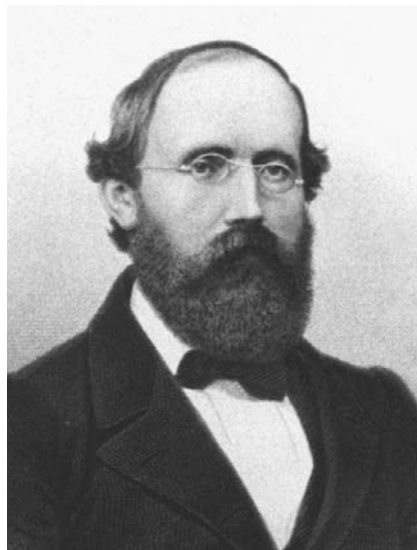
This access of a progressively developing society to a higher physical state of potential relative population-density, involves the willfully conscious discovery of new physical principles, or their artistic equivalent, as Leibniz has anticipated Bernhard Riemann's outlook in Leibniz's own *Specimen Dynamicum*, in anticipating Riemann's sweeping eradication, in his 1854 habilitation dissertation, of all aprioristic definitions, axioms, and postulates of sundry geometries, such as those from Euclid through the dupes of the virtually Satanic Bertrand Russell. Riemann presents his essential case, even in summary, in the opening pages, and closing sentence, of his great 1854 habilitation dissertation. In all cases, this has been made clear for modern physical science, as I shall emphasize, and as Albert Einstein did, as being an outgrowth of Johannes Kepler's uniquely original discovery of the principle of the universal harmonies underlying Kepler's uniquely original method of discovery of the principle of universal gravitation.

Thus, although the legacy of Rene Descartes (or, the same thing, the myth of Newtonian science) underlies all modern academic and related opposition to Kepler, Fermat, Leibniz, and Riemann today, it is only those more friendly predecessors of Riemann whose achievements afford us a competent general view of the principled nature of the process of development of modern science today, including any attempts at an actual physical science of economy.

Why Kepler Is Crucial

The most relevant case to this effect, is illustrated by Kepler's discovery of universal gravitation, as Albert Einstein lays stress on this unique achievement by Kepler. What Kepler actually proves, beyond his principle of universal gravitation as such, is that, as Einstein emphasized, any such discovery of an efficiently universal discovery of physical or comparable principle, defines, what is in principle, a finite universe, rather than an indefinitely extended form of a Euclidean or Cartesian one. This means a Kepler-Riemann-Einstein universe which is, thus, self-bounded by such universal principles, and which, therefore, defines *a universe without external bounds* (hence *finite* in Einstein's sense).¹⁸

18. I.e., Kepler, *The Harmonies of the World*. Cf. *Animating Creativity*, www.wlym.com/~animations. I shall return to this subject, for examination of the more profound implications of what I have just stated, up to the present point in this present report.



Ferdinand Schmutzer

The Kepler-Riemann-Einstein universe in which we live is self-bounded by universal physical principles such as gravitation, and is thus a universe without external bounds.

This standpoint in scientific method, is absolutely indispensable for any currently, adequately competent physical-scientific insights into any quality of the world's economy known, retrospectively, or currently, to historians today.

Thus, the power unique to the individual human mind, the power to effect discoveries of principle of that significance, distinguishes the members of the human species, and that species as a whole, as a category of living existence absolutely distinct, as a species of existence, from all lower forms of life. This distinction, as defined in scientific-functional terms of reference, is an absolute distinction of the human individual from both the marsupials and the mammals more broadly.

We human beings are, admittedly, mammals in apparent form, and we have no good reason to presume that we might prefer a different form of our mortal, merely biological existence than that; but, yet, we are also not merely mammals. We die as mammals die, but we live as a conscious part of the history which precedes, includes, and follows our time of life, in a quasi-living form of immortality of the conscious mind, as men and women can muster this, and as no mere mammal could be motivated to act according to these historical considerations.

We live with a certain practical access, if we are able, to a special kind of immortality as efficiently memorable personalities of an historically, upwardly-self-

evolving species, evolving not biologically, but as mentally trans-generational, explicitly creative beings—as it is written, in the image of the Creator. That fact about us is virtually everything most essential that we need to know, essentially, in treating the principal subject of this report.¹⁹

This distinction of the human individual has a crucially significant, efficiently physical reflection in the way in which the conception of universal physical principles takes the human individual mind beyond the kinds of hereditary species-characteristics common to all inferior forms of living species. This is a distinction which can be observed only in the instance of the creative mental powers of the human individual, but no lower form of life than mankind. All competent scientific, and, therefore, political thinking about economy, depends absolutely upon plumbing the implications of this unique distinction of the progressive development of the potential powers of the individual human mind.

The crucial principle, as already conceptualized in ancient Classical Greek discoveries in *Sphaerics*, is the principle known to modern European mathematical physics as the *ontological infinitesimal* of Leibniz, Riemann, Einstein, et al. This is also the ontological in-fini-

19. This potency of the soul resides only in the actually creative activities of the human mind's practiced action upon its universe, not in slogans or other mere incantations. It resides within our efficiently creative intentions.

tesimal of the Leibniz calculus, as distinct from the mythical, failed, merely mathematically infinitesimal attributable to that Euler-Lagrange-Cauchy calculus premised on the false, *a-priori* presumptions of a Euclid or the like.

This notion of such an ontological infinitesimal (as distinct from Leonhard Euler's (frankly silly, and intentionally fraudulent, linear-geometric, e.g., Euclidean or Cartesian notion of an infinitesimal) represents the existence of a true universal principle, such as Kepler's discovery of the principle of universal gravitation, as in his *The Harmonies of the World*. Such a principle corresponds to a principle of the universe, as Albert Einstein emphasized the significance of Kepler in these terms of reference which I have emphasized here.²⁰

The Principle At Issue

Modern European science, is defined for Kepler by works of Nicholas of Cusa traced from Cusa's *De Docta Ignorantia*, which is to be regarded as the founding of a competent modern physical science. The crucially pivotal issue is that fact, that human sense-perception is a function of the biological equipment customarily delivered with the infant, equipment whose function has the fairly attributed quality of instrumentation. Vision and hearing are the principal customary references in this matter, but, as the case of Helen Keller illustrated, certainly not the only such.

This function of our sensory-perceptual apparatus, prompts us to doubt that sense-perception as such; it, while indispensable to our species, is only a self-evident, naive representation of our functional interaction with the universe in which we dwell. The most crucial demonstration of the significance of this paradox is supplied by Kepler in his *The Harmonies*. Special attention to Book IV is required.

As it is rather well known to those who are careful about such matters, Kepler's discovery of the principle of the ontologically, rather than mathematically infinitesimal determination of the orbital relationships among the Sun, Earth and Mars, as presented in *The New Astronomy*, returned his attention to the harmonically ordered relationships among the planetary orbits of the

then known Solar System. In brief, as my associates have developed Kepler's case in unusual detail in La-Rouche Youth LLC (2006),²¹ the re-enactment of the process of uniquely original discovery of a general Solar principle of universal gravitation by Kepler, frees man from the scientific frauds of followers of the neo-Cartesian Newtonian hoax. Taking that reference into account, Albert Einstein's conclusions on this matter come, together with the original, anti-Machian work of Max Planck, such that Einstein's view of Kepler's work, that from the standpoint of the dynamics of Bernhard Riemann, presents us, from him, with what is probably one of the most crucial statements respecting the very foundations of an adequately competent notion of modern science in general.²²

Einstein's and coinciding work represents an accomplishment on behalf of the very idea of science and truthfulness generally, which is all too easily passed over by the all-so-slippery Sophist minds of contemporary academia. The crucial issue here, an issue of the greatest immediate importance for dealing with the on-rushing, monstrous, general economic-breakdown-crisis of today, is the popular, reductionist's habit of mistaking a mere mathematical formulation for a principle of nature.

In the broad known history of European and related science in particular, from the Pyramids of Giza, through the Sphaerics of the Pythagoreans and Plato, the essential issue of the very idea of science, as so named, or by other names, is the issue whether what our senses report to our cognitive processes is, or is not the exclusive nature of reality we experience with aid of those senses? From the best, from those scientific sources, through the work of such figures as Riemann, Einstein, Planck, and Academician Vernadsky on the Biosphere and Noösphere, and from the standpoint of the remarkable case of Helen Keller, the human mind, not the attached apparatus of sense-perception, is that which provides mankind the means of efficient practice, by means of which the potential relative population-density of our human species, accomplished what no other living species can do: increase the potential

20. See my reference to Albert Einstein on Kepler's uniquely original discovery of the principle of universal gravitation. Or, as Riemann emphasizes in the concluding sentence of his 1854 habilitation dissertation, admonishing the mere mathematicians, true physical science lies beyond the merely mathematical forms which exist only as shadows of efficient, universal material reality.

21. See <http://wlym.com/~animations/harmonies/index.php>. The crucially relevant treatment of Book IV of Kepler's *Harmonies* was omitted from the published WLYM report. The omission is being corrected by a member of the original team, and will be soon included in that publication.

22. Contrary to the frauds of the followers of Ernst Mach, and, worse, Bertrand Russell and his followers.

relative population-density of our human species without perceptible ultimate limit.

It is true, that in aid of this accomplishment, we require a mathematical insight into the orderly examination of the experience of our senses; but, it is a grave mistake, verging upon insanity, to assume that a mathematical formulation is the ontologically efficient, immediate expression of some universal physical principle.

The same type of challenge is presented by those artificed instruments which not only aid us in examining what serves us as experimental evidence, but, as in the domain of sub-atomic microphysics, represent artificial extensions for complementing the function of the astronomical or microphysical capacity of ordinary sense-experience.

Music, For Example

We are confronted with a related, illustrative challenge today, in the reliance on digital recording and reproduction of Classical musical performances as replacement for the analog. The replacement does not succeed, and, as a matter of physical principle, could not succeed. It becomes clear to the musician who has not lost much of his or her hearing, that the ordering of the relations of Classical counterpoint in the analog-ordered mind of the human ear, especially in performance of Classical counterpoint, belongs to a different physical curvature of space-time of hearing than the digital ordering. I cite this here to illustrate the point, that it is not simple mathematical formulations which represent the universe, but that any digital form of mathematical representation of sense-perceptual experience, is never better than a poor shadow of actual physical reality. The digital system can be heard, but is the sound heard actually human?

Thus, the manifestation of each such principle is expressed as in the apparently infinitesimally small at the same time that it is also efficiently universal; but, contrary to Eighteenth-Century, anti-Leibniz empiricists, such as de Moivre, D'Alembert, Euler, and Lagrange, it is not "mathematically infinitesimal," but, rather, an expression of a true (ontologically efficient) universal physical principle. A principle may be expressed by a mathematical recipe, but only in the guise of the footprint of a principle, not its generation as a conception deployed strategically by an individual human mind. This latter, which being both universal and physically efficient, is expressed in any smallest interval of action,

an interval which is always smaller than the finest possible mathematical-physical analysis of an interval of efficient physical action.²³

This defines a universal physical geometry, in which discoverable principles bound the universe of the actions which it contains. The universe is so defined, as Kepler's method of discovery implies, and as Albert Einstein affirmed Kepler's genius on this account, is that the expanding physical universe is finite (e.g., bounded by its own universal physical principles), but also expanding in the sense of the discovery of such principles, or even creating new such principles.

Animals have their destiny, but, unlike beasts and the duped lackeys of British imperialists, we are empowered by our nature, to choose a better destiny, as the prophet of *Genesis* described this, by discovering it as a matter of principle, and acting to make the intended premise of its crafting come true.

Art & Science

To carry this crucially important conception an essential step further, we must decry the popularized view of an implicitly hermetic separation of physical science from true Classical artistic composition. Essentially, what are often seen as categorically unmiscible states of mind, actually share the same universal principles, as the unique success of Kepler's original discovery of a universal mode of gravitation depended upon the same inherently musical principles shared with the principle

23. For this same reason, there is no digital system of musical recording whose measured interval of action were sufficiently minute that we might treat a digital recording of a Classical musical performance as interchangeable in effect with an analog one. This difference shows up in instances such as a performance "between the notes" conducted by the late Wilhelm Furtwängler. Simple sense-perception may not understand the distinction, but the mind of any competent performer of counterpoint in the tradition of J.S. Bach does. In musical performance of authentically Classical compositions in the Bach tradition, this is the reason only auditing a live performance by a qualified performer, or performers, affords an immediate sense of this crucially important distinction. Sometimes, the difference is absolutely stunning, when comparing the auditing of a live performance with hearing almost any recorded version. This is also crucial in physical science, as in grasping the genius of Kepler's most crucial discoveries in harmonics. The capacity to hear this is weakened as we grow much, much older, but the idea of the distinction remains with us, as it did, manifestly, with aging composer Ludwig van Beethoven's composition, as in his Opus 132 and 133, the clearest experience of most brilliantly conceived counterpoint in any known musical composition to date. It was our tragedy, that the members of the Amadeus Quartet did not live to finish the performance of their intended recapitulation of their already exceptional performance of the Beethoven string quartets.

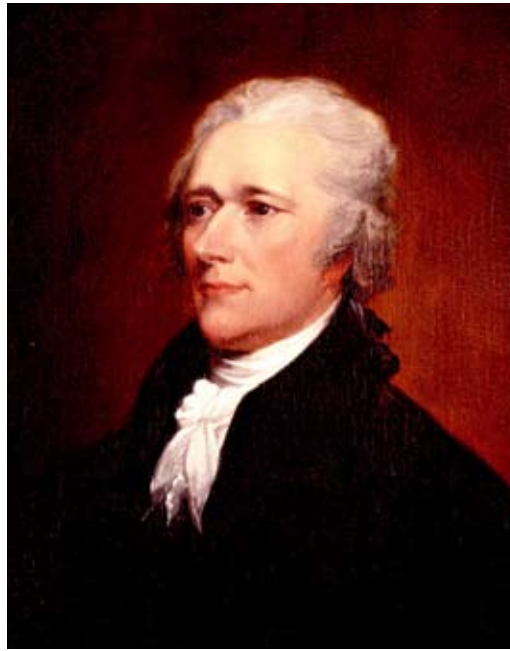
of musical counterpoint presented to us by Johann Sebastian Bach and his followers.

In that department customarily distinguished as physical science, the human mind is considering man's practical view of the domain which is Riemannian physically-geometrically external to our species' conceptual-perceptual processes. In Classical artistic composition and its performance, a different arrangement comes into play; instead of studying nature around us, our attention is properly focused upon the individual human mind's view of the processes in which the human mind masters the domain of man's willful action on that mind of man, through which man's mind applies its same powers of creative insight to the study of man's own behavior in our species' control over the physical preconditions of human mortal life. In great Classical art, as the case of Kepler's predecessor Leonardo da Vinci goes toward the heart of the relevant principle, it is the mental-social functions of the individual human mind which are to be explored, as by the methods of fugal and related counterpoint by the greatest musical composers and performers since Bach.

Man reigns within the universe, and his knowledge of that universe is therefore man's self-conscious apprehension of that which his acquisition of such knowledge represents as his power in and over that same universe. The true subject of science is man himself, and his Creator.

Capitalism: A Significant 'Side Issue'

In stark contrast to British imperial empiricism, the idea of the existence of "capitalism," as distinct from the constitutional intention of of such United States Presidents as Washington, Lincoln, and Franklin Roosevelt, exists only as a curious variety of Anglo-Dutch Liberal, pagan religious belief. (Hence an inevitable, inherently systemic conflict between what is called capitalism and Christianity, for example.) Happily, the



The remedy for a superstitious belief in something called "capitalism" is to be found in, for example, the work of U.S. Treasury Secretary Alexander Hamilton. The constitutional principle upon which the United States was founded was a repudiation of British imperial empiricism (which both Adam Smith and Karl Marx viewed as "capitalism").

remedy for such a superstitious belief is to be found in the work of such founders of the U.S. constitutional system, as in commentaries, as in the work of U.S. Treasury Secretary Alexander Hamilton's commentaries on the quaint, pagan customs among Dutch *poltroons*. The constitutional principle upon which the foundation of the U.S. republic depended, from the beginning, through the adoption of the Federal Constitution, was a rejection of the class systems of earlier and contemporary Europe alike. Unfortunately, the ideas of the U.S. Constitutional system have been the victims of a stunning lack popularity for them, in today's lately reigning U.S. government circles, especially during the most recent two years.

It was against that conception on which the U.S. republic was founded, which was the anti-British expression in the U.S. Declaration of Independence, which prompted Lord Shelburne's lackey, Adam Smith, an avowed hater of the United States, to devote his own 1776 *The Wealth of Nations*, explicitly, to demanding the crushing of the young U.S. republic. No U.S. citizen can properly defend Smith for that, and also regard himself as a U.S. patriot if he does.

Among the principal supporters of the U.S. cause of 1776 and later, from among the crowned heads of Europe and relevant other Europeans, such as the Marquis de Lafayette, there was the widely expressed desire by enlightened leading Europeans, to see the success of the U.S. venture of 1776-1789, as a model for the desired, humanistic reforms of the very same systems of European government over which they either reigned, or were of influential rank. Such European supporters rightly saw us as pace-setters for effecting the pro-humanistic reforms, but not necessarily so-called "capitalist" reforms, which they desired for their own nations; we, therefore, became, thus, the expression of their own cause.

The most essential among those desired humanistic

reforms, as promoted by many from around our planet, was the liberation of the great mass of the people of Europe from the millennia-old system of subjugation of the great mass of the population by the principle of perpetual ignorance which the Olympian Zeus of the playwright Aeschylus' *Prometheus Bound* described as the Olympian Zeus' prohibition of the extension of the fire of scientific progress to the subject human population. Those European statesman, scientists, and poets who had assimilated the legacy of that great ecumenical Council of Florence which had set modern European civilization into motion upon the debris of feudalism, were personally committed to the relevant uplifting of the status and individual development of the general population of that nation for whose destiny they considered themselves as largely responsible, and in the vital interest of their fellow-citizens, too.

The same issue which inspired both the founders of the U.S.A. and also those who assisted it in resisting the brutishness of the Anglo-Dutch Liberal imperial system established in February 1763, reigns as a necessary view of matters for the present day. "Capitalism" is just a deceptive, silly name, used to divert attention from the actual, human issues facing humanity at large, then, as also still today. The U.S. economic system, whose reality was laid out by Treasury Secretary Alexander Hamilton, and defended by President Franklin Roosevelt, is the entirely different system which all the greatest patriots of the U.S. fought to defend and promote: forget that dirty British word, "capitalism."

Ecology as Economy: Empiricism

In the immediate years following the close of what is called "The Second World War," the argument began to be spread, that the new name for "economy" should be "ecology." There was no effective clarity among those who referred to ecology as a basis for economy, or upon exactly what principle this discussion should be premised, although, in my view, the prevalent tendency was typified by the line of the Julian Huxley who was the grandson of Britain's same notorious Thomas Huxley, who had spawned the career of the virtually Satanic, and avowed fascist, H.G. Wells. Yet, at the same time, the more meaningful use of the term "ecology" as identifying a category of human behavior, would be to emphasize the categorical distinction of the physical principles specific to human ecology, as distinguished from either as merely a sub-category of animal ecology, or as economies might be described as econo-

mies viewed as subjects of what are essentially monetary systems.

Our U.S. republic's essential enemy from within "Old Europe," and that Europe's imperialist's reach into the present world at large, is an ideology, the ideology of empiricism traced from the leading role played by Venice's reformer Paolo Sarpi, during his lifetime, and that of his principal lackey, the hoaxster Galileo Galilei. The denial of the existence of knowable truth, respecting matters of physical science and other leading categories of human knowledge, was the devilishly clever trick for depriving people of the protection of principles, by asserting that no such principles could have ever existed.

They stole your money, and then replied, as Wall Street or British swindlers would say today: "What money?"

Ecology as popularly defined today, has proven itself an effective force for evil, on this account.

In reality, as U.S. Treasury Secretary Paulson has demonstrated so abundantly today, there is no intrinsic value in money itself, nor can any durably useful conclusions be drawn from the effort to explain the behavior of real economies in terms of some concocted monetary principle.

In history customarily, the significance of a money-system lies in a principle of usury which preys upon, but reigns from outside the domain of physical economy of any sovereign nation. This predicament is typified by the systemically defined, fundamental difference between the constitutional system of economy on which the U.S. Federal Constitution was premised, and the implicitly imperialistic financial systems in the continuing parliamentary traditions of government characteristic of Europe even still today.

For a healthy republic's economy, the state must exert a virtual birth-right monopoly over the uttering of currency, and of related appendages of a typical monetary process, as the U.S. Federal Constitution provides. Whereas, in Europe, still today, even where the monetary system is forced to bargain with the nation-state over the division of territorial rights, the monetary power exists in the form of a creation of a private monopoly, such as that of implicitly supra-national monetary systems, above the national state.

This supranational, implicitly usurious character of typical European monetary systems, is key for competent understanding of the distinction between the traditional parliamentary basis of representation provided

for the governments of Europe, and the truly republican American constitutional system. Thus, to the extent that the United States has compromised its Federal Constitution by concessions to designs deemed more consistent with the European political-economy models, our own U.S.A., having thus betrayed its own birth-right, has been more or less badly ruined each time we made such compromises with the inherently imperialist monetary systems and practices of “Old Europe.”

The source of this historic failure of European systems, is most easily recognized in terms of the modern European systems themselves, by the fate of the attempted reforms of France’s Fifth Republic under a President Charles de Gaulle whose very personal existence was set in perpetual peril by the assassins of the British monarchy’s imperialist financial-monetary system. The same, implicitly fascist threat, experienced at London’s hands, by President Charles de Gaulle, has been introduced into the present U.S. Presidential-election campaign, through British top-down control over the principal mass of the financing and direction of Presidential election-campaigns since about February 2006.

The essential economic and constitutional distinction in law and practice between the U.S. Federal constitutional system, and those of parliamentary Europe, is that the U.S. Constitution prudently requires a U.S. fundamental power, as a sovereign nation, over the uttering and circulation of money and related forms of public credit. Thus, we have the fundamental difference in principle between the actually original Bretton Woods design under President Franklin Roosevelt, and the contrary design for the conduct of that system under the reign of a British imperialism’s vulgar stooge, President Harry S Truman.

Summing this point up in brief: the U.S. economy is organized around the constitutional principle of public credit, rather than a typically European parliamentary regime held in virtual imperial captivity by a European style in monetary systems.

It is in those terms of reference, that the fate of all humanity presently, is menaced by the predatory tyranny of functionally imperialist, globally reigning monetarist systems.

Consequently . . .

In the hands of that British crowd and its virtual colonials of today, imperial Britain’s American ideologi-

cal lackeys, the direction of the discussion of ecology followed the lines of Anglo-American pro-genocidalists who had shared in the promotion of the eugenics movement, and are represented today by organizations, such as the neo-malthusian Club of Rome and the closely related Club of Rome’s ally, that Laxenberg, Austria-based International Institute for Applied Systems Analysis, which came into being, as an offshoot of that Cambridge program of Systems Analysis associated with the influence of Bertrand Russell.

Russell’s influence since he came to relative notability during the 1890s, has represented a process of successive phases of moral and intellectual degeneration in the work of physical and related science. Most notable is the succession of the phase of such degeneration beginning with that represented by the work of the positivist Ernst Mach. Mach’s influence, which is associated with the degeneration of physical science into a mere matter of mechanics, was a crucial shift, downwards, which dominated notable scientific quarrels through the period of World War I Berlin and Austria; Mach’s influence to this effect, which peaked during the period of World War I, was then superseded by the much more radical degeneration introduced by the influence of Bertrand Russell’s *Principia Mathematica*, a thesis which emerged as setting a dominant trend in British radical-empiricist (positivist) ideology during the period of the 1920s Solvay Conferences.²⁴

Among the most notable roles of Russell was that, although Russell was filling-in for H.G. Wells in Russell’s announcing, in September 1946, a campaign for a causeless launching of a “nuclear assault” on the Soviet Union, Russell, while still defending this during the 1950s and beyond, reached an accommodation with the government of Soviet General Secretary Khrushchov under the auspices of Russell’s own organization of a disgusting political concoction known as World Parliamentarians for World Government, and was the leading advocate, in association with his protégé, the curiously mad Leo Szilard, in escalation of nuclear-confrontational schemes, during the course of the late 1950s and 1960s.

The general character of the work of Russell and

24. So-called “information theory” has become a leading offshoot of the qualitative degeneration which Russell brought about in the practice of Twentieth-Century and later academic practice, through two of Russell’s noted American pupils, Professor Norbert Wiener (*Cybernetics*, 1948) and John von Neumann.

H.G. Wells, from their curious personal coincidence and rivalries over the period from Wells' emergence as a leading Fabian strategist for what became World War I, from the 1890s on, through their pact of common goals and common ends reached in their 1928 pact around the time of the publication of Wells' *The Open Conspiracy*, is that they remained British imperial utopians, always determined, as Russell himself emphasized on repeated occasions, to concoct some scheme which would ensure the eternal supremacy of the British empire to the proverbial "end of time." This has been, since, essentially the same Anglo-Dutch Liberal imperial goal which has been continued, beyond the decease of former Nazi-SS veteran Prince Bernhard of the Netherlands, by his co-conspirator, the Duke of Edinburgh (Prince Philip), these two the co-authors of the pro-genocidalist World Wildlife Fund behind the global neo-malthusian movement of today.

This is the true imperial face of mankind's leading enemy, still today. The sundry, utopian schemes haunting the world still today, such as Prince Philip's echo of Russell in proposing the reduction of the world's present population from approximately six-and-a-half billions persons, to two billions or less, hopefully, according to Russell, during the 1950s, and Prince Philip still today. There is no essential moral difference between these types and Adolf Hitler, except that these British fellows and their prominent co-thinkers around the world are much more likely to succeed, unless nations band together to outlaw such criminal schemes in some efficient way.

These intended mass-murderers could not succeed without the consent of international circles which are rooted in today's international neo-malthusian schemes, such as the World Wildlife Fund, or the frauds promoted by such lackeys of Prince Philip as the hoaxster, former U.S. Vice-President Al Gore.

While these evil circles of influence from around the world, profess themselves humanitarians, they have the same deep-rooted, axiomatic goals of today as the Hitler movement of the 1920s and later, and will resort to kindred, or much worse means for realizing those goals of imperial population control, unless they are stopped today. That evil scheme, is what all the feverishly impassioned popular chatter today, about so-called "environmentalism," is all about. When we examine the last decades of the Soviet Union, from the early accommodations to Russell and his circle, during the 1950s through the influence of Russell's malthusian schemes

centered on the Cambridge systems analysis projects, that is what we see. That is the draught of ideological poison which came to infest, and ruin the Soviet system from within, more and more, from the top down, as the visible end of that system approached.

Affairs of the world, including the affairs of the world's economy, have reached the point of a threatened, monstrously deadly, terminal crisis of civilization as a whole.

It should be obvious from the experience of the most recent two U.S. Presidential terms, that, while the pure rage of nuclear horrors remains possible, the more likely ruin of the planet will tend to come through nothing so much as toleration of a combination of utopian financier schemes, such as the assorted expressions of "globalization," and the suicidal slide toward a monstrous, planetary "new dark age," like, but far worse than that which struck feudal Europe, done by the hand of Venetian financier interests behind the Lombard League, during Europe's Fourteenth Century. Then, one-third of Europe's population was wiped out during approximately the span of approximately a single generation; this time, if permitted, it would take at least eighty percent of the present world population.

Any nuclear-weapons or related atrocities would be essentially side-effects.

Our common strategic task, is to take the constructive economic and social measures needed to prevent that presently looming, global catastrophe from actually happening. The distance to Hell itself is now becoming very, very short.

3. Discover a New World

Apportion the outline of the proposed programmatic approach to the immediate launching of a global physical-economic recovery, among the following principal categories.

A. A New, Global, Bretton Woods System

The present financial systems of the world at large are not only hopelessly bankrupt, when considered in the entirety of the nominally outstanding assets and liabilities of each nation, or region of the world. Although we must choose, selectively, to secure the valid elements among the claimed nominal assets, the merely nominal claims, most of which, like financial derivatives, are essentially only gambling debts, must be



Alan Yue

“Without the types of long-term ‘crash program’ efforts associated with the 1933-1945 practice under President Franklin D. Roosevelt, a rescue of the planet from today’s threat of a new dark age would not be feasible.” Here, a plan for magnetically levitated rail to encircle the Earth, requiring infrastructure development on a global scale, modeled on FDR’s New Deal projects. The result would be vast leaps in productivity and living standards.

simply discarded as waste. Any possibility of the present survival of civilization depends upon the imposition of that condition.

It should be recalled, that, despite the Federal U.S. preceding conviction of Michael Milken, former U.S. Federal Reserve Chairman Alan Greenspan took the lead in unloosing that flood of financial derivatives, now totalling in the amount of not less than quadrillions of U.S. dollars denomination, which is the principal driver of the general, global financial breakdown-crisis of the world financial system in its presently accelerating collapse-phase today. This already monstrous crisis has been aggravated by insane efforts, led by the U.S. and British governments, to subsidize such merely nominal assets at the expense of the otherwise probably valid holdings and claims of the international financial system.

Although, as in my international webcast of July 25, 2007, I had already warned of an immediate eruption of a general, international financial breakdown-crisis, and had presented valid actions by the U.S. government to bring that crisis under control, with the measures actually taken over the interval August 1 through October 18, 2008, relevant Federal legislative and Executive Branch agencies have not only failed to take these indicated actions, but have taken directly contrary measures which could have no other effect than literally destroying the credibility of a possible

recovery from the already bankrupt, entire international financial system.

Matters have reached the point that only certain drastic emergency measures, taken by a combination of leading governments of the world, could halt the presently accelerating plunge of the world’s financial-monetary systems.

However, if those emergency measures which I have prescribed are taken by a sufficient part of the of the world’s leading, and some other nations, remedies are available. Such emergency measures require an initiative among some leading powers of the world, to employ the authority implicit in the combined efforts of a significant number of the present world’s leading national powers, to force a proceeding in bankruptcy-reorganization of the world’s financial monetary system.

Any negotiation which does not proceed from that specific, first step, will result in a far worse catastrophe than is already oncoming. The worst thing that could be done now, would be to call an impromptu “new Bretton Woods” convention which would be a hodge-podge of diplomatic debating points. By resorting to what is such an inherently failed effort, the credibility of any competent subsequent action would be ruined in advance—and the world as a whole would then, more or less assuredly, deliver itself to a sojourn of centuries to come, in a forthcoming economic version of Hell.

In my option, we must begin with measures including a process of discarding forms of human end-product properly regarded as financial waste-matter. We must take this action as a precaution on behalf of other portions representing morally legitimate claims, such as valid deposits of citizens and functionally viable assets of useful public or private institutions. Those portions of the present world financial-monetary system which are intrinsically viable and essential to the economic health of nations, must be set aside, by that combination of authorities for governmental legal protection, after which, the remainder of nominal claims report to the same hereafter where, within the U.S.A., the nominal currency of Britain's 1860s former Confederacy puppet still reposes safely in perpetual peaceful neglect today.

All claims on the account of financial derivatives, for example, are simply to be cast into oblivion as being nothing better than gambler's debts to what might have been, in fact, Alan Greenspan's defunct derivatives casino. The attempt to panic governments and others by stating that all financial claims of those institutions must be honored, more or less equally (of everyone but ordinary citizens and physically productive enterprises), is to be treated as sheer buncombe. What effective government is resolved to defend through bankruptcy protection, is all of the present financial claims which could be defended without crashing the world's physical economy into proverbial "smithereens." Any compensation wrongly awarded by recent, probably unlawful actions by government, must be returned as rapidly as feasible, to the victim, from whoever had been the illicit holder of such donations. Notably, any drug-trafficking gains accessible to governmental action should be confiscated, and delivered to the most probable choice of the beneficiary, as quickly as practicable, under the same general rule.

Among things to be protected, now privileged portions represented as legitimate claims under the process of financial reorganization, must now find a place of safe residence, under general financial and credit reorganization, for those claims. That place, should, in typical cases, be provided by the creation of newly formed credit systems, a place where legitimate claims from the former monetary systems, so defined, are now honored, according to lawful terms, consistent with the intent of national constitutions such as our own U.S. Federal Constitution, and thus provided protection under the lawful terms of a new, international credit-system.

Under New Credit Systems

The reciprocal relationship between the newly established, national credit-systems, and the intended, uninterrupted fulfillment of valid and necessary economic and related functions, must be brought into being as if, as it used to be said in these United States, "turning on a dime."

The shards of an already shattered, and monstrosly bankrupt, present world financial-monetary system, must be reprocessed in this way. This happy transformation must be caused to occur in such a way that the relatively idled portion of human and other functionally valuable resources, is quickly re-directed, as flow, into an expansion of a newly expanded physically productive sector, and that as rapidly as might be possible. This will occur largely, at first, through necessary publicly funded, public works.²⁵ The purpose of this initial transitional phase should be, to bring the economy of each and all nations, as rapidly as possible, into a condition above the level of inherent physical-economic break-even of costs and income, that by the standard for performance of the celebrated colonist Captain John Smith, all proceeding, hopefully, as if almost no temporary breakdown of the system had actually occurred.

The intention expressed by the relevant provision of the U.S. Federal Constitution, respecting the uttering of lawful credit by national government, must be employed for this purpose.

In this transformation from the presently onrushing, virtual economic death of the nations of this world as a whole, we, a concert of nations, must act to bring virtually new life to each and all willing nations. This protection, is to be crafted as in the model of the Bretton Woods system, as that system of credit was prescribed by President Franklin D. Roosevelt in 1944 must be followed, (rather than the poisonous, British ("Keynesian") compromise with British imperial monetarism struck under President Truman.

Truman's intention was clearly manifest, after Roosevelt's death, as the intention to destroy Roosevelt's anti-monetarist, anti-imperialist legacy as quickly as might be tolerated. The seed of monetarist evil chosen instead, was contracted, between President Harry S Truman and those British and other empires which President Franklin Roosevelt had intended to de-

25. What this means, as a practical matter of relevant law and related public practice, will be addressed in the next principal section of this chapter.

stroy, that for reason of his determination that we might free the world from the evil Anglo-Dutch Liberal imperialism, and its like. Roosevelt's avowed intention had been, in fact, to eradicate the origin of the two great wars from which humanity had recently suffered up to that time.

The Mission of Reform

President Franklin Roosevelt's intention then, was the same, essentially, as my own stated here today. We must go beyond the limited general intention of that 1648 Peace of Westphalia, upon which all decent life on this planet was intentionally premised then, to revive that intention of 1648, but add other provisions needed for the immediate steps toward establishment of a planetary political system in which only perfectly sovereign nation-states have legitimate authority as the lawful personality of sovereign nations.

The delimited juridical purpose in creating such a system among nation-states, is not to prescribe the internal affairs of nations, as imperialist systems do, but only the essential features of relations as such among the membership of that community of sovereigns. This is to say, that all traces of the atrocities of that new Tower of Babel called "globalization," must now be uprooted and eradicated.²⁶

In place of the former lawful arrangements thus removed, a certain principle must be newly introduced.

End the Evil of Liberalism

The fact to be noted on behalf of these needed reforms of the previously failed world monetary system, is that modern European Liberalism is a product of the initiatives of the Paolo Sarpi who founded the system of modern Liberalism upon an adapted resurrection of the wild irrationalism of the medieval William of Ockham.

It has often been argued, contrary to fact, that Sarpi freed the portions of Europe under his influence from the brutish barbarism of factional opponents of the Council of Trent. Quite the contrary. Sarpi did change the manner of selection of his targets, but, as the 1618-1648 Thirty Years War attests, the butchery authored by

26. As pointed out in an earlier chapter of this report, the present practice, especially notable since August 15, 1971, of using the power of being supranational agencies, to set codes of conduct of financial and other internal affairs of subject nations, has the specific hallmark of imperialism since earlier than the fall of the King of Babylon. The nation which is not sovereign in these matters, is not sovereign at all.

Sarpi's Liberalism was as liberally a satanic lust for butchery as that under the Habsburg tyranny.

Essentially, under Sarpi's legacy, there was, and could be no respectable expression of morality. It is an axiomatic feature of the Liberalism of Sarpi and his Ockhamite ideological followers, that either no actual morality exists on this planet, even adducible physical laws of the universe; or, if it exists in scientific fact, it will not be tolerated. For the Liberals who sprang from Sarpi's ideological womb, there is only expediency, not truth.

Under Liberalism, whatever passes for being perceived, more or less officially, as popular, supercedes any actually principled notion of morality. Every man has the authority to choose, and even to enforce what he chooses, cynically, to call "morality," if he senses that he has the power to do so, even to the point of a self-righteous form of assertion of the licence to kill whoever might disagree, as in Guantanamo prison.

This moral disorder of Sarpi's Ockhamite Liberalism, is made most transparently clear, when it comes to the matter of principles of physical science. The following implications of that are most notable for practical attention here.

"The Zombies are eating our babies!" seems to be the fair description of the sense of horror expressed by those actually moral people, expressing the degree to which they are appalled by the virtually cannibals' spread of that panic of mass lunacy called neo-Malthusian "environmentalism" today. The Flagellants of the Fourteenth-Century "New Dark Age" were no more insane, than the so-called "environmentalist" cults of today. Simply said, Liberalism and actual human morality are intrinsically adversaries.

True attempts at promotion of morality and true science may often clash, but they can be reunited by the diligent pursuit of reason. They do not compromise their differences, but are united by principles whose basis is of the same nature as Johannes Kepler's uniquely original discovery of universal gravitation.

The Spirit of the Reform Itself

In any great Classical composition, such as a composition by Ludwig van Beethoven, or a great Classical drama, a truly accomplished plan of a composition begins by creating a kind of truthful image of the actual universe within the mind of the intended audience, from the start. The great Classical composition, be it poem, song, drama, or a painting echoing the principles of the

later productions of Leonardo da Vinci, or Rembrandt, creates a kind of universe within the mind of the composer or performer, such that the entirety of the subsequently unfolding development occurs, for the mind of the audience, within the evolution of the human space introduced at the opening.

The opening line, and stanza of a Classically thoroughly composed poem, is an example of this. Or, take the case of a crucially important Percy B. Shelley's *In Defence of Poetry*, or the entirety of that stroke of genius in the domain of development of sight and sound over a vast span of history, John Keats' *Ode on a Grecian Urn*.

For an example from prose, take a most remarkably powerful passage from the closing paragraphs of Shelley's *In Defence*: "... *The most unfailing herald, companion, and follower of the awakening of a great people to work a beneficial change in opinion or institution, is poetry. At such periods there is an accumulation of the power of communicating and imparting intense and impassioned conceptions respecting man and nature. The person in whom this power resides, may often, as regards many portions of their nature, have little apparent correspondence with that spirit of good of which they are the ministers. But even whilst they deny and abjure, they are yet compelled to serve, that power which is seated upon the throne of their own soul...*" and so on to the close of that composition.

That excerpt which I have just quoted here, prepares a defined stage as it must appear on the opening curtain of the drama. What follows that in Shelley's subsequent sentences which I have not quoted here, defines the ensuing exposition of the drama defined by the lines from which I have quoted here, above.

As the Classical drama, whatever it may be, whatever its principal subject from beginning to end, or a great song from the Classical repertoire, or, the development of the drama, lying between the bounds of the context created for its start, is begun with the *punctum saliens* of the development which proceeds from, and from within the bounds of the subject and territory of the opening.

In this design of Classical drama we see Creation as Albert Einstein depicted the universe discovered by Johannes Kepler. There is the opening of Creation, and, then, the ensuing development on the stage of the imagination of the audience, as Einstein defined a Keplerian universe which is finite and unbounded. All scientific and comparable expressions of true human creativity

have this expression in common.

So, the proper subject of the entire composition, including a competent act of statecraft, its opening, its development, its conclusion, is an impassioned movement of conceptions, each and all defined within the special universe of that artistic composition which is a process of transformation of the intellectual space which is implicitly bounded, as an idea, with the opening.

If that intention of the composition as a whole is not fulfilled, either the author or the performers failed.

In statecraft, as in Classical artistic composition and its adequate performance, it is much the same. A conflict of one nation against another, is, in itself, essentially chaos, unreason. It is defining the conflict among nations as a unified conception of a necessary unfolding of development, from that beginning, which defines the idea of development of mankind out from the nightmare of wars and kindred strife which have torn civilization apart, from known beginnings to the present. That is a condition of wretchedness whose remedy must be posed by proceeding, at the opening, from the real-life stage upon which the conflict of the respective forces has entered the drama's opening scene. Only in this fashion, as defining constitutions of law, or Classical art, can the process of transcending horror be conceptualized as a single image, a single idea of transformation, by the member of the drama's audience.

We have such a present horror which now demands such perspective, such a creative mission, placed now before us all.

The Mission-Oriented

As a matter of fact, civilization as a whole now pivots, at this moment, on the combination of the following actions, taken jointly, by four and more from among the obviously leading nation-state powers of the planet, and no other agency should be entrusted, initially, with the required remedial initiatives. The obvious four leading powers from among these willing nations required, are the U.S.A., Russia, China, and India. Their diversity, and the great numbers of the Asian powers, in particular, is their great source of strength and authority for the relevant consent to agreements. Without these specific four powers, no effective reform could be introduced at this time; in the case that role of those four powers were not brought into being, a prolonged new dark age for the planet as a whole would now be virtually inevitable.



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India's Taj Mahal



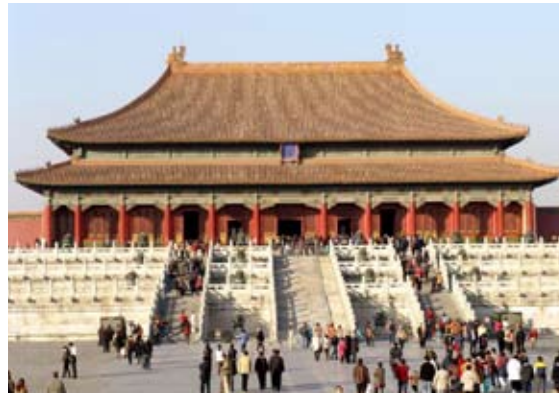
EIRNS/Guggenbuhl Archive

St. Basil's Cathedral in Moscow



EIRNS/Stuart Lewis

The U.S. Capitol



Saad Akhtar

Beijing's Forbidden City

Cooperation among the four great powers—the U.S.A., Russia, China, and India—is essential for effective reform at this time. “In the case that role of those four powers were not brought into being, a prolonged new dark age for the planet as a whole would now be virtually inevitable.”

The crucial considerations are the following in naming those four powers for the role of the consenting, initiating body to assemble sovereign states generally into a common effort at reform.

Only the U.S. Federal Constitution provides, presently, the pre-existing, constitutional mechanisms, provided by a major power among the world's nations, to launch a new Bretton Woods system of a type competent to deal with the monstrous world, financial breakdown-crisis presently unfolding.

The principal mechanism required for this purpose, is the constitutional uniqueness of the U.S. Federal Constitution's implicit abhorrence of international monetary-financial monetary systems of the presently

operating type, that in favor of national credit-systems rather than independent, or quasi-independent monetary systems. Under the U.S. Federal Constitution, the uttering of currency and related public credit is a monopoly of the government of the United States of America. That feature of the constitution of a major world power, the U.S.A., provides the urgently needed mechanism for creating a new world credit-system, through treaty agreements of the U.S.A. among the four indicated and other powers.

The immediate, and urgent practical issue posed on this account, is the need to create a mass of regulated state credit among nations, as the supply of credit, chiefly for long-term investment in the creation of employment for the production of great new physical assets of basic economic private and public infrastructure, including health-care and educational institutions, agriculture, and manufacturing, for increasing the net, physical

productive powers of labor of each of the nations, and their common undertakings, as much as can become physically possible, to bring the net product of the world community as a whole up to the level of the economic and related security requirements of the combined, respectively perfectly sovereign nation-states of the world.

For practical reasons, such a rejuvenation of the world economy which has been wrecked, so thoroughly, by the destructive changes in policies among nations since August 1971, requires an initial concentration of such economic-reconstruction efforts on the forms of public investment in basic economic infrastructure which are indispensable public preconditions for the

net physical growth of each and all nations of the world.

Without the types of long-term “crash program” efforts associated with the 1933-1945 practice under President Franklin D. Roosevelt, such a rescue of the planet from today’s threat of a new dark age would not be feasible.

Thus, the world’s present financial-monetary system must be replaced, summarily, by a new, global system of public credit, that of the type prescribed by the intent of the crafting of the U.S. Federal Constitution.

B. The Dynamic Role of Infrastructure

Without the stroke of genius, executed by Gottfried Leibniz, in reviving the ancient principle of Classical Greek scientific methods, dynamics, (*dynamis*) i.e., the modern *dynamics* later) more fully developed by such followers of Nicholas of Cusa as Bernhard Riemann, Max Planck, and Albert Einstein, the essentials of a competent understanding of the crucial role of infrastructure in the science of physical economy could not have existed.

As I have already emphasized, under science and ecology, the principle which places the existence of the human species in a category above the mammals, as the principle of the mammals reigns above that of the marsupials, and as I had treated the outgrowths of Academician V.I. Vernadsky’s physically principled distinction of the Noösphere from the Biosphere, the most significant function of society’s progressive development of its basic economic infrastructure, is of the same nature as the class of principle defining the placental order as superior to the marsupial. In turn, just as, as Albert Einstein emphasized, the principle of universal gravitation, as originally discovered only by Nicholas of Cusa’s follower Johannes Kepler, contains the Solar System as a process, so the principled advances in the organization of that aspect of basic economic infrastructure affecting production, are the subsuming agency prompting what are effectively qualitative, as also quantitative improvements in those productive powers of labor situated in the relevant infrastructural domain. The supply of the benefit so secured, is not confined to the action of the individual person, or enterprise; it acts through changes in the environment of production and daily existence of the members of society, which are effected not at the point of production, but, rather, in the environment of production.

The simplest example of this, is provided by com-

paring the increase of the potential relative energy-flux-density of the power supplied to production, as distinct from improvements internal to the local process of production. In other words, only an idiot measures power in calories; competent economic science locates power in units of calories per square centimeter (e.g., temperature): the higher the temperature, as measured in relevant increments, the greater the power expressed by the same number of calories.²⁷

This is key to the economic superiority of mass-transportation by rail, or magnetic-levitation transport, over an individually operated mass of highway vehicles transporting the same amount of passengers or freight.

We require potable water, per capita and per square kilometer; power, measured in both quantity and energy flux-density; available mass transport of people and freight; medical care and public health provisions; quality of education and Classical modalities in entertainment and general education; density of physical-scientific research, per capita, and rate of advancement in knowledge of physical and related principles. The general point to be emphasized as among included considerations, is education for development of the quality of the human individual mind, rather than emphasis on so-called “practical education” specific choices of assignments.

C. The Creation of International Credit

Call it, in the alternative, “energy/capital flux-density.”

This is usefully translated as an orientation toward the increase of the ratio of number of persons employed in developing and improving the capital-intensity of both production and increase of relative physical output per unit of output per-capita and per square kilometer, rather than merely linear increases. In short, the rate of net productivity per capita and per square kilometer must not merely increase, but accelerate, as Gottfried Leibniz would have informed Descartes, if Leibniz had thought talking to Descartes could have any useful outcome.

27. Compare Wall Street’s post-World War II promotion of highway vehicles as a method of destroying the net productivity of the U.S. economy effected through mass transit, and imposing the wasteful use of air transport, relative to densely organized high-speed rail, or magnetic-levitation service, as through cutting back the rail system for the vastly less efficient competing systems. E.g. compare the respective mass effects of the door-to-door lapsed-time for rail commuting, and the cost of that transport, with both highway and air travel.

The monetary or kindred aspects of this function, must be considered, preferably, in human parameters, rather than today's ordinary, essentially linear ones. The respective rations of mammals to marsupials, and people to other mammals, are to be recognized as another reflection of the same principle of physical economy.

All very much in the footsteps of Gottfried Leibniz.

D. An Eurasia-Africa Global Perspective

Since no later than the relevant problem was stated by Aeschylus in his *Prometheus Trilogy*, the most characteristic social problem of known societies of mankind, has been, in fact, the kind of injunction uttered by the Olympian Zeus of that drama, that ordinary mankind should not be given access to knowledge of "fire," which would signify such things as knowledge of the power of nuclear fission, today.

It must be emphasized, that since as distant in mankind's past as we have actually historical, rather than merely archeological knowledge of what has passed through human minds of the past, the crucial problem of society, has been that beastly oppression which the great Classical tragedian Aeschylus identified in his *Prometheus Trilogy*, his *Prometheus Bound* in particular. The great majority of humanity is to be recognized, thus, as degraded to the virtual status of cattle, lest the awakened power of human reason native to our species be quickened, and tyrannies are thus brought to an end. Our own patriots' revolt against the bestiality of the British imperial system established by the British East India Company by the February 1763 Peace of Paris is typical of the evil oppression from which mankind must now be freed at last, as the patriots of the founding of our republic, had intended in their own great struggle against the evil of the British empire of that time.

It should be our policy, that where there is oppression of the type of Aeschylus' depiction of the Olympian Zeus, every person's freedom on this planet remains in jeopardy. Thus, to establish a system of self-government under that quality of freedom which our Declaration of Independence defined, all of the world must be secure in the right to achieve true human freedom, not the freedom of action of lower forms of life. It is the power of reason which is the only standard of true freedom, a power of reason of which most of the world remains deprived, as by many among the universities and schools of our own republic today.

As it is with all men and women, human freedom is not a lack of shackles, but the liberation of the creative powers which separate men and women from the beasts, from the shackles which rich and other oligarchs impose upon the minds of those whom they regard as their rightful cattle, their subjects, the ordinary folk of this planet.

Since the middle of the 1970s, very influential people then, in the United States, chose to commit our own nation to a British imperial policy of treating the mineral and related resources of Africa, especially sub-Saharan Africa, as assets to be defended, against Africans themselves, as resources to be conserved for the benefit of the ruling financier interests of Britain and the United States. The stench of that still unremedied legacy of British imperialism and its accomplices of today, is a mortal threat to the freedom of all among the nations and peoples of the world.

Unless some stunning change occurs, a great demonstration of the repudiation of such British and similar evil against the people of Africa, there is no effective commitment, anywhere on this planet for anyone over the course of the near or distant future.

The special mission which must be the rallying-point for those nations and persons of the world which are committed to justice for the special nature of the potential creative mental powers specific only to the human individual, among all living species, is the premise on which decency of man to man, everywhere depends. Therefore, the improvement in the access to self-development of those creative mental powers of mankind typified by Johannes Kepler's uniquely original discovery of the universal principle of gravitation, sets a useful choice of standard by which to measure the degree to which governments and other authorities are capable of recognizing what human freedom truly is.

Therefore, the commitment to the destiny of the poorest and least protected among the peoples of the world, the commitment to their acquisition of the efficient means of self-government for progress in the human condition, rather than that of some pet animal, demands that the goals of all humanity are being tested, that by the prospects of a truly human life, that in the full meaning of the adducible creative powers unique to the human individual, which must be the goal and standard of a future new order of progress for all mankind today. Let the reign of all oligarchies of the type of Anglo-Dutch Liberalism, or even worse, now be brought to an end.

The International Momentum Is For LaRouche's New Bretton Woods

by Nancy Spannaus

Oct. 22—As should be totally clear to even the political novice, no one can expect a competent plan for a new monetary system on the model of FDR's New Bretton Woods to come out of the G8-Plus emergency summit which French President Nicolas Sarkozy convinced President Bush to convene on Nov. 15. A meeting on monetary matters with Bush et al., Lyndon LaRouche recently remarked, would be more like a Mad Hatter's Tea Party than a serious conference.

However, there is no question but that the convening of this conference reflects an accelerating, and dead-serious momentum within major world capitals toward the only competent proposal for a new world economic order which is on the table: LaRouche's New Bretton Woods proposal. The ongoing disintegration of the world monetary system is causing terror throughout banking and political circles everywhere, especially as every plan put forward by the "authorities" implodes within days of its announcement.

The British bankers who sit on top of the Anglo-Dutch slime mold which created the current civilization-threatening crisis have their own reorganization plan, of course. As British Prime Minister Gordon Brown put it, there must be a "global response to the first truly global crisis," i.e., a global bankers' dictatorship run by the very same "experts" who created the current disaster.

But in this moment of increasing panic, those leaders who are determined to defend the sovereignty and existence of their nations are reaching back into their

memories, for the one expert who forecast the crisis, *and* put forward the solution—Lyndon LaRouche.

A Global Pattern

In effect, the upsurge of support internationally, including in major countries such as Russia, India, China, France, and Italy, represents a form of pincer movement around the United States, where there is currently no leading establishment force which has taken up LaRouche's call.

The following developments reflect the scope of the international attention. Note that the coverage is substantial in all of the major powers LaRouche has identified as key to coming to a New Bretton Woods agreement—except the United States.

- **India:** On Oct. 19 LaRouche was interviewed live on the 9 p.m. News show on "India This Week," a prime-time program on India's most-watched national TV channel, NDTV. The program had an estimated 11-15 million viewers. LaRouche was introduced as a former U.S. Democratic Presidential candidate, and pictured in front of the White House during the interview.

On the subject of global financial collapse, LaRouche said: "We're in a crisis which is comparable in category, to what happened in Europe in the 14th Century with what was called the New Dark Age. This is a crisis immediately caused by the quadrillions of dollars, outstanding obligations in the derivatives category. And the system is crashing; it's going to a terminal end unless an immediate reform is made, which will involve

a number of countries coming to an agreement, around the idea of what's called a 'New Bretton Woods.'"

- Russia: For the second time in a month, on Sept. 22, Russia's English-language TV channel, Russia Today, broadcast a live interview with LaRouche, on critical strategic developments; the first was aired Aug. 21. In this second interview, LaRouche emphasized the terminal nature of the current crisis, and the need for a totally new monetary system.

In addition, LaRouche's concept of a New Bretton Woods has been widely circulated in print, including in an article by the prominent Russian economist Prof. Stanislav Menshikov, that first appeared Oct. 17 in *Slovo* (see *EIR*, Oct. 24, for an English translation).

- China: LaRouche's economic analysis has been the subject of numerous lengthy articles in the Chinese press, over the last month.

- Italy: On Oct. 20, the nation's newspaper of record, *Corriere della Sera*, in its economic supplement, featured an article comparing the ideas of Italian Economics Minister Giulio Tremonti and those of LaRouche, on the New Bretton Woods.

- France: On Oct. 17, the leading representative of the LaRouche movement in France, former Presidential candidate and president of the Solidarity and Progress association, Jacques Cheminade, was an invited guest in a debate with Christian de Boissieu, president of the French Prime Minister's Economic Analysis Council, on the all-news international TV Channel France 24. Cheminade presented LaRouche's view on the global bailout, and the principles of the New Bretton Woods.

Italy and France

Within Europe, the major impetus for LaRouche's New Bretton Woods idea is coming from Italy and France. The *Corriere della Sera* article summarized it as follows:

"Interviewed by *Corriere* in Brussels, Tremonti then specified that he meant that he was the first among government officials to propose a 'new Bretton Woods,' and that he was well aware that the idea had been pushed for many years by the American political guru Lyndon LaRouche, a historical enemy of financial speculation and deregulated free-marketism. The Economics Minister pointed out that he participated in a discussion with LaRouche in 2007, at a conference entitled 'Marketism or New Deal,' organized in Rome by [Member of Parliament] Alfonso Gianni, from Rifondazione Comunista.

"Tremonti said that he thinks highly of LaRouche's writings—LaRouche has been a perennial (unwelcome) candidate in the Democratic Presidential Primaries, an economist without a University degree, and, since the '90s, he has announced the 'big crash' of speculative finance. Lega Nord MEP [Member of European Parliament] Mario Borghezio has invited LaRouche to speak at the European Parliament. [Sen.] Oskar Peterlini (SVP [Southern Tyrol People's Party]) and many other Senators from the Democratic Party and the UDC have asked the Berlusconi government to deal with the financial crisis by using the draft legislation circulated in the U.S. by LaRouche before the Summer, when he announced that the banking collapse due to subprime mortgages [sic] was imminent."

Sarkozy's initiatives seem to be heavily influenced by the Italians, but they are by no means as clear in intention. He and members of his cabinet have spoken out against the speculators, and for defense of national sovereignty—a stance which tends to pit them against the British. And speaking before the European Parliament on Oct. 21, Sarkozy appeared to propose fixed exchange rates, a leading element of the LaRouche anti-globalization Bretton Woods plan. But there is no developed plan.

What's Wrong with This Picture?

Coverage of LaRouche's New Bretton Woods is by no means confined to the major world powers. Over the recent weeks, as the financial disintegration has accelerated, there has been extensive newspaper and radio attention paid to LaRouche's ideas in the Philippines and various nations of Ibero-America, for example.

Then, on Oct. 22, the Kuwaiti daily *Awan* published an article by syndicated columnist Karim al-Hazzaa counterposing the policies of Alan Greenspan to those of LaRouche. Al-Hazzaa shows what a hoaxster Greenspan is, in contrast to the physical economist LaRouche, quoting statements made by both over the years. He states that LaRouche's New Bretton Woods solutions are the only workable ones in this crisis.

But, in the United States, which is crucial to realization of the New Bretton Woods, the British media have continued to keep a lid on LaRouche's economic record and proposals. The only straightforward coverage of LaRouche's economic forecasting record and proposed solution, in the United States, appeared, deep-down, in an Oct. 11 *New York Times* article about the protests against the bailout.

What Is the Real New Bretton Woods?

by Lyndon H. LaRouche, Jr.

This article, dated Sept. 24, 1998, originally appeared in a New Federalist pamphlet.

At a March 18, 1998 conference in Washington, D.C., I presented a formal statement of my proposal for the adoption of a “New Bretton Woods” policy. This was presented as an action to be initiated by the President of the U.S.A. It represented then, as now, the only feasible alternative to the continuation of a then already ongoing process of disintegration of the world’s financial and monetary system.

Later, during late August of this year, following fresh, thunderously ominous escalations of Japan’s and Russia’s ongoing financial and monetary crises, a limited, but significant number of prominent figures and institutions began to echo my “New Bretton Woods” proposal; the proposals from these bankers and others were more limited in scope than my own, but were otherwise competent. Among sane bankers, there was general recognition of the urgency of four crucial facts which I had stressed in my proposals:

1. That, despite the dead-headed ideologues who refuse stubbornly to face the overwhelming evidence: the era of “globalization” has come to a screaming collision with long-looming reality. Either we reverse the process of “globalization,” and return immediately to international economic relations premised upon the sovereign nation-state as the highest authority, or there will be no recovery from the present process of disintegration of the international financial and monetary system.

2. That the model of economic policy, of nations, and among nations, must be a return to nothing different than the spirit and methods of protectionism employed throughout post-war reconstruction, measures modelled closely on the protectionist actions prevailing through 1958.

3. That strictly enforced capital and exchange controls must be instituted by the authority of sovereign

nation-states, with no substitution for the sovereign authority of the nation-state by old or new international agencies of any kind.

4. That there must be a strictly protectionist policy of large-scale, but highly selective expansion of credit for production and trade in tangible products of agriculture, infrastructure, and manufacturing, a protectionist policy which boosts production and trade in these areas, but sharply constricts credit-flows in other areas. Financial speculation, above all, must be put out of business, and the unpayable masses of so-called “derivatives” obligations simply cancelled as if they had never existed.

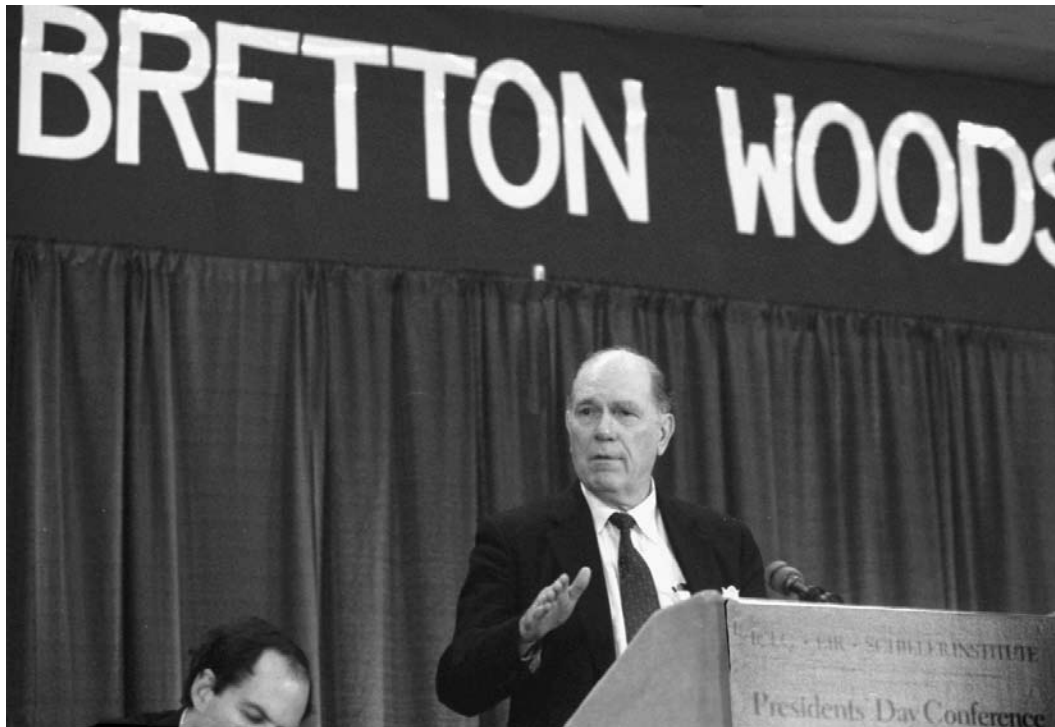
More recently, as might be expected, a number of fakers jumped in, notably Britain’s fading Prime Minister, Tony “Cheshire Cat” Blair, claiming themselves to be the authors of proposals for a “New Bretton Woods.” What the latter have presented, like Blair, is pure deception and dangerous incompetence. Meanwhile, all competent authorities agree that the required specifications for a “New Bretton Woods” are precisely those which I presented officially, from Washington, this past March 18.

Unfortunately, some persons, who ought to have known better, have been taken in by charlatans such as Blair. Such duped persons have said of my “New Bretton Woods” proposal: “Yes, you were the first to propose it, but, now, many others have taken over the proposal, squeezing you out of the picture.” If such persons had thought before speaking, they would not have been duped by such foolish, and potentially dangerous, false propaganda.

What Tony Blair, for example, could never seem to understand, is, that “God is not prepared to negotiate the laws of the universe with the kind of financier-oligarchical interest which Blair represents.”

The essential fact of the present situation, is, that during the period from the 1962 Cuba Missile Crisis through the 1972 establishment of the foolish “floating exchange-rate monetary system,” and also the “new world order” which Britain’s Thatcher, France’s Mitterrand, and the U.S.’s Bush put into effect during 1989-1992, the hegemonic governments and other monetary authorities of this planet installed a series of fundamental changes in direction of policy-shaping. All of these changes have combined to produce the global financial, monetary, and economic catastrophe now in its final phases.

To cure that sickness, you must remove the cause of



EIRNS/Stuart Lewis

An upsurge of support internationally for Lyndon LaRouche's New Bretton Woods is increasing the pressure on the U.S., which, up till now, has bowed to British imperial demands. LaRouche is shown here addressing a conference in Northern Virginia, in February 1997.

that disease. Either, all of the fundamental changes in economic and related policy of the past thirty-odd years must be reversed, and that abruptly, and now, or else the planet as a whole will be plunged into a “new dark age,” echoing Europe’s mid-Fourteenth Century “new dark age,” but, this time, on a global scale. Such are “God’s laws.” Against such laws, sane governments will not quibble. That disposition for quibbling between right and wrong, for demanding that God behave “more democratically,” is the reason Tony Blair’s political career is on the way to the garbage-dump; similar penalties await those who delude themselves that Tony Blair is proposing “a New Bretton Woods” reform.

What the Self-Doomed Lunatics Suggest

From among those fools who demand that God respond “democratically” to the expressed reluctances and other sensibilities of Blair and other politically suicidal types, there are certain objections raised, which are so typical that it is useful to identify and address them here.

Objection Number One: It was John Maynard Keynes who designed the Bretton Woods system; therefore, “New Bretton Woods must mean that we

are going back to Keynes.”

Objection Number One is essentially false. The policy which President Franklin Roosevelt revived for the U.S. recovery from the Great Depression of the 1930s, and the 1939-1945 mobilization for war, was modelled upon two precedents: the 1861-1876 mobilization launched by President Abraham Lincoln, and the U.S. revival of the methods of the 1861-1876 mobilization for conduct of World War I. These were what are known to all competent economists as the “American methods” of U.S. Treasury Secretary Alexander Hamilton and the world’s leading Nineteenth-Century economist Henry C. Carey. These are methods directly opposed to the versions of “free market” doctrines of both Adam Smith and Keynes.

Admittedly, after the untimely death of Franklin Roosevelt, the Wall Street gang joined with London in a policy of systematic undermining of every policy which Roosevelt had launched prior to his death. Nonetheless, the dominant features of the Bretton Woods system, through 1958, were predominantly based upon the anti-“free trade,” “American methods” associated with the U.S. economic mobilizations of 1861-1876, 1914-1917, and 1934-1945.

Objection Number Two: “Obviously, no one

would suggest actually going back to the Bretton Woods policies of the 1940s and 1950s.”

Why not? Every deviation from those policies of the 1940s and 1950s has resulted in nothing but a long, accelerating process of decline of the post-Kennedy U.S.A., a decline which has produced no net effect to date, but the present global catastrophe. Any sensible person would consider nothing different than returning to policies which were proven successful, to replace subsequent changes which have proven cumulatively disastrous.

Objection Number Three: “The world has changed since 1958. We have to start from perpetuating those changes. We can not turn back the clock of history.”

When, in 1819, the reactionary Holy Alliance of Clement Prince Metternich imposed the fascist-like Carlsbad Decrees on Germany, the Prussian court philosopher who defended these reactionary measures was a fellow known as G.W.F. Hegel. Hegel typifies those immoral creatures who blame society’s changes for the worse upon some occult authority which they identify by such terms as “the World-Spirit,” the “Spirit of the Times,” or “Popular Opinion.” The fact of the matter is, that those things which a Tony Blair,

for example, says we must not change, are precisely those post-1962 changes which are the cause for the downward spiral of the world’s economy up to the present verge of total disintegration. It was those who made these changes, who, in fact, “turned back the clock of history”; it is our responsibility to re-set the clock.

Objection Number Four: “Obviously, no changes can be made without the consent of all of the nations.”

Why not? That sort of nonsense was what apologists for Chamberlain’s and Daladier’s Munich Pact with Adolf Hitler called “Peace in Our Time.” When the issue is survival, the principle is, that those who can and will, must do; let the rest learn their lesson, and catch up later. I have pointed out, repeatedly: if the Presidents of the U.S.A. and China can reach agreements with a crucial minority of other nations, on a new financial, monetary, and economic relationship among themselves, those nations must act, whether other nations object to this, or not. Some nations, like some individuals, seem to learn only from the hard knocks of experience. No patriotic American, for example, has ever waited for assent from the British monarchy or Commonwealth.

The fact is, that if the U.S.A., together with China, India, Russia, and also Germany and [France], can reach a suitable relationship among themselves, the majority of the world will support such a partnership. A partnership, including key nations of the developing sector, a partnership representing the majority of the population of this planet, is the needed, winning combination. Those who refuse or are simply reluctant, will perhaps have to learn the hard way: perhaps that is real democracy in action.

Objection Number Five: “The New Bretton Woods must be a new supranational authority which decides whether or not individual nations will have the right to use temporary measures such as capital and exchange controls.”

No workable agreement will subvert the sovereign rights of any nation-state to sovereign measures such as protectionism in general, or capital and exchange controls in particular. Sovereign partners will, rather, agree to coordinate their sovereign decisions, and will set their sovereign policies according to a principle of informed mutual advantage. They will never alienate their sovereign rights and powers to a supranational authority. . . .

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Philippines Congress Weighs Re-Opening The Never-Used Bataan Nuclear Plant

by Mike Billington

In 1986, U.S. Secretary of State George Shultz and his deputy, Paul Wolfowitz, orchestrated a coup against Philippines President Ferdinand Marcos, to stop the momentum spearheaded by Marcos and backed by the remnants of the “Atoms for Peace” tradition in the United States, to transform the Philippines into a nuclear-power-driven agro-industrial state, based on modern industries and Green Revolution agricultural technologies. The destruction of that mission by the Shultz gang was total. The most devastating symbol of that imperial act is the Bataan Nuclear Power Plant, a 620 megawatt nuclear facility built by Westinghouse during the Marcos years, completed in 1985, but *never turned on*, as the the new American anti-nuclear policy under Shultz and Wolfowitz, backed up by the international environmentalist

hysteria, financed and steered by the British and Dutch royal families, was imposed upon the Philippines. Still today, the completed nuclear plant stands, unused, as a horrible example to the citizens of the Philippines and the developing sector generally, that the British imperial “globalization” era would not allow developing nations to escape their neo-colonial status.

Now, however, for the first time, both the House and the Senate of the Philippine Congress have legislation before them, “Mandating the Immediate Re-commissioning and Commercial Operation of the Bataan Nuclear Power Plant.” The bills, sponsored by Rep. Mark Cojuangco in the House and Sen. Mariam Defensor-Santiago in the Senate, argue in almost identical terms that the citizens of the Philippines have been cheated



EIRNS

The Bataan Nuclear Power Plant, built by Westinghouse, was completed in 1985, but the assault on the Philippines led by U.S. Secretary of State George Shultz made sure that it was never turned on. Finally, moves are afoot to renovate it and power it up, to the great benefit of the nation.



EIRNS

The LaRouche Society of the Philippines tours the Bataan nuclear plant, May 19, 2008. The engineers accompanying the delegation confirmed the assessment of the IAEA, that, after some upgrades and minor repairs, the plant can go into operation if the Congress gives the go-ahead.

and looted by the failure to open up the nuclear facility, and that, as Cojuanco puts it, “this asset is now a part of the patrimony of the nation. It can forever be a useless hulk, or it can be a savior of our energy situation and a tipping point in our national outlook as far as energy and prosperity are concerned.”

Although both bills opportunistically appeal to the fraudulent “global warming” hoax as one motivation for the use of (carbon-free) nuclear power, they otherwise correctly point out that 1) nuclear power is the cheapest form of energy; nuclear plants are dramatically safer than any other form of energy generation; 2) nations such as France and South Korea, which depend on nuclear for significant portions of their energy, have had no safety problems; 3) solar, wind, and other energy fads are far more expensive, unreliable, and generally “unsuitable as a base load source” for a modern nation; and 4) the only feasible source for the electricity needed to produce the huge quantities of hydrogen for the future “hydrogen economies” is nuclear power.

Perhaps most importantly, the bills call for a crash nuclear science and engineering education program, to be centered at the University of the Philippines, such that within ten years, the Bataan plant, and others which should rapidly follow, can be staffed entirely by Filipinos.

While the authors of these bills believe that they have little chance of early passage, the reality of the global financial breakdown, together with the energy crisis, could well place them at the center of emergency legislation.

Atoms for Peace, Philippines, Inc.

Behind this positive shift in the perspective of significant layers of the political leadership regarding nuclear power, is a sustained campaign by the international LaRouche movement. This campaign began even before the 1986 coup against President Marcos, to expose both the coup plot, and the intention of the plotters—

especially the anti-nuclear intention. Later, the LaRouche Society of the Philippines was founded, under the direction of former Undersecretary of Education Butch Valdes, followed by the founding of the Philippine LaRouche Youth Movement (PLYM). These institutions, through weekly radio broadcasts and political organizing efforts among the political elites and youth, presented the urgency of reversing the destruction of the Philippines’ historic leadership in science and technology in Southeast Asia, with the re-opening of the Bataan Nuclear Power Plant a central policy demand.

The PLYM intervened in numerous public events in Manila, called to discuss the energy crisis, denouncing the Malthusian, genocidal nature of the anti-nuclear hysteria from the greenies and Al Gore’s global warming hoaxsters, countering with the need for a global nuclear renaissance to fuel great projects for national development. The PLYM gathered support and won the respect of many youth, scientists, and political leaders for its polemical fight to restore the idea of progress to the nation.

Valdes, by this time, had become recognized as the nation’s political expert on the nuclear issue, and through collaboration with the Philippines Chamber of Commerce Foundation, officials in the Department of Energy, and others, the government was won over to a serious plan to open the Bataan plant, after 22 years on

ice. The International Atomic Energy Agency (IAEA) was brought in to determine whether the plant were still operable—they ruled that it was, with only minor repairs and upgrading required.

Finally, in October, “Atoms for Peace, Philippines, Inc.” was formally established in Manila, as the nation’s first and only institution dedicated to renewing the country’s nuclear position in the world. Valdes is the president, while other members include Ramon Pedrosa, chairman of the Philippines Chamber of Commerce Foundation; Dr. Jose Juliano, a University of the Philippines physics professor and nuclear energy authority; former Undersecretary of Energy Jun Delfin; Bill Shaare, an engineer who worked with President Marcos in the 1980s, and others. The current Under-

secretary of Energy, Mar Salazar, is an advisor to the institution.

In May of this year, the LaRouche Society, the PLYM, and several scientists toured the mothballed nuclear plant (see box), confirming the opinion of the IAEA.

The opening of the Bataan Nuclear Power Plant would be far more than an immediate source of desperately needed electricity and water (through desalination facilities that could be added to the original construction). It would represent a process of overturning the globalization policies implemented during the 1980s and 1990s, and a fight to put the pressing needs of the populations of the underdeveloped nations back on the agenda.

Touring the Bataan Plant

The following is taken from a report by Ligaya Rebolos of the Philippines LaRouche Youth Movement; the full text is on the website of the Philippines LaRouche Society, www.larouchephil.com/LaRouche_phil_prometheus_tries_againhtml.html.

In May 2008, the Philippines LaRouche Society (PLS) had the rare opportunity to visit the first and only nuclear power plant in Southeast Asia, the Bataan Nuclear Power Plant. This unique occasion resulted from the efforts of a small group of youth, who provoked society and government by challenging the pseudo-science and Malthusian genocidal philosophy of Al Gore’s anti-nuclear scare. It was these young people’s intervention at various conferences on global warming, which sparked audiences—including leading government officials—to question the value of “alternative energy,” by posing the necessity of the most advanced technological form of power generation: nuclear power.

The purpose of the tour, arranged by the Department of Energy, was to investigate the effects of 22 years in which the plant had not been used, and to determine whether it could become operational again. On the one hand, we found computers and control panels that were high-end technology during

the late 1970s, but are now obsolete. A lack of proper temperature and humidity controls in the plant had accelerated the deterioration of some machinery. But the plant was fundamentally sound, and could be relatively easily reactivated.

The PLS also discovered excitement, not among one another, but among the engineers who had been employed these past 22 years in maintaining the plant as best they could. They had stretched each cent of the limited government funding to preserve the plant, without ever doubting that what they did would not be in vain. Some of the engineers admitted to being duped during the anti-Marcos campaigns, realizing only later that the political decision to mothball the nuclear plant was a tragic one and should be reversed.

Organizing the engineers around the limitless potential that technological growth would bring, by utilizing nuclear power to provide the energy for water desalination plants and magnetically levitated rail, and producing hydrogen for the hydrogen economy of the future, inspired them even further. Furthermore, the idea that these industrially vectored projects would be a means of achieving a sovereign nation-state republic, was a fundamental breakthrough through which these engineers will cherish for a lifetime.

The Philippine LaRouche Society’s determination to bring about a nuclear renaissance means that, one day, this plant will become operational, and the construction of many more will become a reality.

The Developing Nations Must Go Nuclear

by Mohd Peter Davis

The author is a biochemist and visiting scientist at the Institute of Advanced Technology, Universiti Putra Malaysia, the agriculture-based university near Kuala Lumpur.

Faced with dwindling oil and gas reserves, Malaysia will be exploring nuclear energy to ensure long-term energy security for the nation. This was announced in the Budget Speech for 2009 by Prime Minister Abdullah Ahmad Badawi on Aug. 29. The modest but important statement reopens, for the first time since the 1970s, the possibility of nuclear power plants in Malaysia. A further statement by the Minister of Energy on Sept. 19, made appropriately before youth at the Mara Junior Science College, announced a joint paper with the Minister of Science, recommending that the Cabinet make preparations to generate electricity by nuclear energy within 15 years. High fuel prices leave the government no choice. This paper on nuclear energy as an alternative source of power for the country will be placed before a Cabinet meeting by the end of 2008.

Deputy Science Minister Fadillah Yusof said on Oct. 20 that it was important for the public to know that nuclear power was safe, environmentally friendly, and more affordable in the long run; he added that the government would expect some form of resistance once the project took off.

A Nuclear Renaissance

Malaysia is now part of the greatly welcomed worldwide nuclear renaissance, as developing countries, including Association of Southeast Asian Nations (ASEAN) members Indonesia, Vietnam, Myanmar, Thailand, and the Philippines, make concrete plans to build many nuclear plants.

Despite 40 years of unrelenting anti-nuclear, anti-technology campaigning led by Greenpeace and the

World Wide Fund for Nature, the world is going back, not to nature, but to science and to the sanity of Atoms for Peace. This visionary world program inspired my generation of youth in the 1950s and 1960s to take up science and technology and do something worthwhile and noble with their lives. New nuclear power plants were demonstrating the potential to generate enormous quantities of cheap electricity and fresh desalinated water from sea water. Instead of nuclear bombs to wipe out humanity, we could study how to build nuplexes (nuclear-powered agricultural and manufacturing cities), create the Green Revolution for food production, and even green the deserts for human habitation, thereby liberating Third World countries with science and technology from unnecessary poverty and hunger.

Malthusian Lies

Alas, it did not happen. Science and technology in the first two post-war decades were getting too good with breakthroughs, such as doubling world food production and conquering tropical diseases with the remarkably cheap mosquito insecticide DDT, which was saving millions of lives from malaria and yellow fever. This scientific progress and development upset a small but very powerful international group of environmentalists, who continue the 200-year-old lie of Thomas Malthus that there are too many people on Earth, gobbling up the imagined irreplaceable resources. Influential best-selling books of the 1960s and 1970s, such as *Silent Spring*, *The Population Bomb*, *Limits to Growth*, and *Spaceship Earth*, fed fear and pessimism worldwide, reversing the post-war scientific and cultural optimism. Rather than seeing the human mind, with its discoveries and inventions, as the source of all wealth for the 1,000-fold increase in the human population since the Stone Age, these Malthusians posing as green environmentalists continue to advocate globalization, meaning basically an end to sovereign nations and a great reduction in population, now 6.7 billion, to under 2 billion. It seems the Malthusians love nature but hate mankind, and want to reduce population by famine and disease on a scale never before seen in history.

Instead of recognizing nuclear power as mankind's latest energy technology to sustain a growing world population by sensibly replacing non-renewable lower-energy-density sources (historically wood for fire, then charcoal and coal, and now oil and gas) the Malthusians

falsely claim that nuclear power is too dangerous and offer as alternatives puny candle power such as solar power, wind power, and biofuels. This is not to deny that important scientific progress has been made in these alternative energy sources. However, the useful range of low-energy-flux alternative energy is in remote locations with low population densities, such as rural areas, islands, yachts, camping, and outer space, which make it impractical and uneconomical to install power plants and electricity grids or to transport fuel over long distances. The intermittent source of power from solar or wind, dependent as it is on sunlight hours and wind speed, is completely unacceptable for urban populations living in the industrialized and computer age, but can be tolerated in remote locations since it is a welcomed alternative to no energy at all.

Today's 'Green' Hoaxes

The alternative energy sources are hopelessly incapable, now or in the future, of providing 6.7 billion people with electricity and hydrogen to replace non-renewable fossil fuels, or supplying desalinated water for households and agriculture, as underground water left over from previous Ice Ages becomes depleted at an alarming rate. The ASEAN nations for example, home to 10% of the world's population, currently need 18 times more electricity generation to achieve the level of Australian per-capita electricity consumption and thereby provide a good, but by no means extravagant, standard of living for the whole population.

It is from this scientific and moral standpoint that we need to denounce an article appearing in *The Jakarta Post*, "Nuclear power is a false solution to climate change" (July 15). Dr. Benjamin K. Sovacool, a research fellow at the Centre on Asia and Globalisation at the National University of Singapore, makes the claim that nuclear power plants and mining and enriching uranium will generate excessive carbon dioxide, contributing to climate warming. This is another hoax and fear campaign by the Malthusians to prevent the world going nuclear, and was invented to replace their discredited claim that nuclear energy is dangerous. Twenty years after the Chernobyl nuclear accident, caused by a cavalier disregard for internationally accepted safety procedures, nuclear has proven to be the safest energy technology ever invented, causing 11 times fewer immediate deaths than the gas industry, per quantity electricity produced, 43 times fewer than

the coal industry, and 110 times fewer than hydroelectric dams.

Now, global warming caused by man-made carbon dioxide has become the new fairy tale. A growing body of scientists worldwide has revolted against this scientific fraud, and 31,000 have signed an anti-global warming petition, giving their professional position and scientific qualifications (www.oism.org/pproject).

There is no convincing scientific evidence that human release of carbon dioxide, methane, or other greenhouse gasses is causing or will, in the foreseeable future, cause catastrophic heating of the Earth's atmosphere. Moreover, there is substantial scientific evidence that increases in atmospheric carbon dioxide produce many beneficial effects upon natural plant and animal environments.

Indeed, carbon dioxide has never been an environmental poison in the 4-billion-year history of the Earth's biosphere. Three centuries of science have conclusively proved that carbon dioxide is the gas of life, which, with the aid of sunlight and the chlorophyll of plants, gets fixed by photosynthesis into organic molecules to fuel the food chain.

The rainforest regions of ASEAN have ten times the rate of photosynthesis than temperate regions which do not enjoy our warm and humid, high-carbon-dioxide greenhouse climate. A Malaysian livestock entrepreneur has now discovered how to exploit this wonderfully productive and natural global warming, with grass plantations that can be harvested ten times per year for three years. The cut grass, mixed with concentrates, is fed to the world's best breeds of cattle and sheep in disease-free, climate-controlled housing. This Deep Tropical agricultural breakthrough produces three times more animals per hectare of land than to the best New Zealand grazing farms, and can spread rapidly throughout the humid tropics, allowing these countries to become self-sufficient in milk, beef, and lamb.

As nuclear-desalinated water becomes plentiful over the next 10 to 50 years in drier tropical countries, even deserts, we can fulfill the vision of Atoms for Peace. With nuclear plants producing electricity and desalinated water, a second Green Revolution could raise the food supply of the 80% of the world's population in developing countries, to the quality diet enjoyed in the developed countries.

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Panic Flight Into Corporatism As System Breaks Down

by John Hoefle

Oct. 24—As the global financial system breaks apart, the bankers, their regulators, and governments are also breaking down, psychologically, and lashing out with statements and actions which have no substance, Lyndon LaRouche warned today. Unable to come to grips with reality, they are rushing headlong down the path of Weimar Germany-style hyperinflation and Mussolini-style corporatist fascism.

The dominant themes from this dysfunctional crowd of bozos are escalating bailouts and global financial dictatorship, as they push ever crazier schemes in a desperate effort to save what cannot be saved. What they will get is not success, but deadly hyperinflation, and the collapse into a dark age, a process which has already begun.

Typical of this insanity is the scheme announced by the Fed this week to pump some \$540 billion into money-market mutual funds via a new Money Market Investor Funding Facility, or MMIFF, which will lend the funds to five private special purpose vehicles, or PSPVs, to be managed by J.P. Morgan Chase. These PSPVs, which will also raise funds by selling asset-backed commercial paper, will act as a secondary market to buy assets from money-market mutual funds and other money-market players. Less than a month ago, on Sept. 29, the U.S. Treasury announced a Temporary Guarantee Program for Money Market Funds, with funds provided via the \$50 billion Exchange Stabilization Fund; the new Fed action creates a fund more than ten times larger, reflect-

ing the speed with which the system is disintegrating. Some \$500 billion has been withdrawn from money-market funds since August.

“This is actually Weimar Germany-style hyperinflation,” LaRouche declared.

Meanwhile, most of the Fed money being pumped into the financial system is going not to additional lending as Treasury Secretary Henry Paulson would have us believe, but instead, is going to build up war chests for takeovers, and to cover known, but as yet unreported losses. The big banks are planning to take over the smaller banks in droves, using taxpayer money to fund a dangerous concentration of the banking system into a small number of giant banks. The Oct. 21 *New York Times* quoted an unnamed Treasury official as explicitly admitting that “Treasury doesn’t want to prop up weak banks. One purpose of this plan is to drive consolidation.”

Of the \$125 billion to be provided to the top banks in the first round of equity injections, \$5 billion is going to help fund Wells Fargo’s acquisition of Wachovia, and Bank of America is getting \$5 billion to aid its takeover of Merrill Lynch. All of this conveniently overlooks the fact that the biggest banks are the most bankrupt of all, yet the smaller banks will be fed to them, in a desperate attempt to save the zombie giants.

This intent was demonstrated Oct. 24, with the announcement that PNC Financial would buy National City Corp. for \$5.6 billion. While National City was told it would not get any of the Federal equity injections

and should seek a buyer, Treasury will give PNC \$7.7 billion to finance the takeover.

Corporatism

“You’re talking about corporatism,” LaRouche observed, “and we should call it that. This is Mussolini; this is Fascism. It’s what is called corporatism; this is fascism.”

At the same time, the controllers of the Anglo-Dutch Liberal system are pushing for a system of global banking regulation, to replace national control. There is discussion of using the IMF for this purpose, but in this case the devil is not in the details, but in the intent, which is to create a global bankers’ dictatorship run by the forces which control the British Empire, with the intent of destroying the nation-state system, including the United States.

“But what happens if China, India, and Russia, and some others don’t join?” LaRouche asked. “I can almost guarantee that would be the case,” he added.

“We’re seeing a breakdown of the system which is now a psychological breakdown,” LaRouche summed it up. “A lack of confidence, lashing out with wild meaningless desperation, with no substance addressing the actual situation.

“These idiots are in a panicked flight forward, with no idea what they’re doing, no coherence, and are turning toward corporatism,” LaRouche warned. “This is corporatism, Mussolini-style fascism, and the government is funding it. People should study the history of Mussolini, how his corporatist system was created, and how it functioned.”

Dark Age

To fund all these bailout schemes, the Federal government will have to make severe cuts across a wide spectrum of programs, ranging from infrastructure projects to social programs, many of which serve as a lifeline to the most vulnerable portions of society. People are being sacrificed on the altar of the bailout—a bailout which is supposedly being done for the benefit of the people. Right now we are still in the “promise” period, as President George Bush seeks to preserve what remains of his tattered reputation and both major Presidential candidates tout their alleged solutions to the crisis; but the tone should begin to change after the election, as the empty promises give way to the harsh realities.

The bailout process, with its unlimited demand for money to pump into the dead system, will only acceler-

ate the devastation of the productive sector of the economy, further destroying our ability to pull out of this depression. We were already bankrupt, but the bailout will kill us.

LaRouche has repeatedly warned that this bailout scheme, the attempt to save the cancer at the expense of the patient, will lead to a new Dark Age, and that Dark Age has already begun. The British Empire has explicitly stated that it wants to reduce the world’s population from the current 6.5 billion people to 1 billion or less, preferably within a generation. That process is well under way, as the population-carrying capacity of the planet has already been significantly reduced through genocidal policies. As the carrying capacity—expressed as relative potential population density—declines below the level of the population, the population will shrink, through decreased life spans, starvation, wars, and disease. Entire nations and peoples will effectively disappear, LaRouche warned.

This will not be accidental, but will occur as the result of deliberate policy decisions. The new Dark Age will be even worse than the Dark Age of the 14th Century, LaRouche added.

The Only Solution

There is only one way to stop this new Dark Age, and that is through the American System policies developed by LaRouche and his predecessors. The solution begins with the admission that the financial system is bankrupt, and that the solution depends upon a global effort to rebuild the world’s productive capacity.

Step one is the passage in the U.S., of LaRouche’s Homeowners and Bank Protection Act, to stop home foreclosures, put the financial system through bankruptcy, and reorganize the banking system into one dominated by highly regulated local banks. No more derivatives, no more speculative nonsense like CDOs; just real, honest banking, tightly regulated.

Step two is a two-tier credit system designed to funnel low-interest-rate credit into basic infrastructure and science-driver projects, to increase the productive power of our economy, upon which our lives depend.

Step three is to orchestrate similar policies among other major nations, beginning with Russia, China, and India. Together, we can fund a series of Great Projects around the world to lift mankind into a bright new future, and relegate the Anglo-Dutch Liberal slimeballs to the dustbin of history, where they belong.

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For Mexico, It's the Northwest Hydraulic Plan—or Chaos

by Alberto Vizcarra Osuna

This article was translated from Spanish.

The history of nations is not the sum of events that move from the past to the present. The history of nations, as of humanity as a whole, insofar as it is subject to the will of man, is like a drama in which the fate of the future, by concentrating on very specific moments of tension, poses also very concrete existential dilemmas. It is in this context that we must situate Mexico in the face of the ongoing international financial collapse, including the collapse of the U.S. economy, which is already impacting the entire world and whose disastrous consequences will take very unique forms in those economies, such as Mexico's, which pin all their hopes for growth on the U.S. consumer market, which today is collapsing at a dizzying rate.

U.S. economist Lyndon LaRouche warned in January 2001 that soaring speculative activity was creating a gigantic financial bubble which would end up blowing out the U.S. banking system and putting an end to the role of the United States as the "importer of last resort."

As a nation, Mexico is at a moment of tension, at a boundary condition or singularity which could be summed up by the following historic choice: either a vigorous policy of public investment be undertaken, together with the establishment of a national system of credit directed to the construction of important economic water and energy infrastructure works, like the Northwest Hydraulic Plan (PLHINO), or the country will see an acceleration of the process of social decomposition that will lead to institutional disintegration.

When the boundary conditions of a system are shattered, as is now occurring in the world financial arena, a phase change takes place, in which a middle ground of equilibrium only exists in the imagination of a cowardly bureaucracy which, seeing the collapse, also experiences death agonies in seeing their belief structures disintegrate along with the system to which they have lent their services as unconditional lackeys. Such is the case

with Mexico's oversized Finance Secretary, Agustín Carstens, who over the past few weeks, has entered into a psychological state of denial, together with President Felipe Calderón, systematically underestimating the impact of the U.S. financial collapse on Mexico.

Mexico is facing a perfect storm, with an economy which, since the signing of the North American Free Trade Agreement (NAFTA), has been tied to the U.S. consumer market, and whose illusions of growth have been fed by the belief that serving as the provider of cheap labor and export products would somehow prove a springboard to modernization.

Today, this assumption lies in ruins, and the nation is now facing, due to the effects of the U.S. financial explosion, the threat of an exponential growth in unemployment, primarily in the *maquiladora* sector, at the same time that the United States is deporting hundreds of thousands of Mexican workers. The consequent collapse in remittances sent home to the families of Mexicans working abroad—a decline of more than 12% from August 2007 to August 2008—will severely drive down consumption levels of the population, which uses most of those resources to feed itself. The trade balance will begin to show historic deficits; the debt will significantly increase as a product of the peso's devaluation already under way; and food dependency will dramatically prove to be our main vulnerability.

It can be expected that internal migration will lead to a human pile-up in the border states of northern Mexico, creating a wave of Mexicans desperate to enter the United States, and another of Mexicans returning across the border, expelled by the economic crisis there. This will lead to unpredictable conditions of insecurity along the border, which will in turn prove ripe for the terrorist operations of organized crime.

No Place To Hide

There is no middle ground. The process of social decomposition that the country is seeing is the product

of economic disintegration, and threatens territorial fragmentation in which the gangs of narcoterrorism will seek to establish their fiefdoms of terror and death. It is this scenario that permits us to describe the nation's current existential crossroads with the brief but truthful expression: PLHINO or chaos.

Under these conditions, the Congress of Mexico has a specific and extraordinary historic responsibility. The budget debate for fiscal 2009 should be seized upon as an opportunity to establish the principles which will allow this nation to substantially alter its economic policy course, to establish basic measures of protection of the national economy and of physical reconstruction, to create the hundreds of thousands of new jobs that will be required in the face of the U.S. economy's collapse.

It is never appropriate to talk about budget cutbacks of vital services, but to argue for such in the midst of the current crisis is unquestionably a crime. In the report that follows, we seek to provide the parameters of dis-

cussion for a budget policy and for credit based on economic principles of physical science, as opposed to the monetarist dogmas that have been destroying the productive capacities of the national economy over the past 25 years. Toward such ends, we present the idea and form of implementation of a capital budget, which will be required if the PLHINO is to be carried out. We also present a Bill of Materials, documenting the physical requirements of the water project, and demonstrating that the civilian component of that work—which will make up 85% of the project—could be met through the installed capacity of the national economy itself.

We take the PLHINO as an exemplary case in the strict sense of the term, not only because it is a project whose construction would activate the productive capacities of the country's Northwest, but fundamentally because it will allow us to typify the actions and orientation that the country must take at this moment of global systemic crisis.

A Bill of Materials

How Much Do We Need from the PLHINO; How Much Does the PLHINO Need from Us?

by Manuel Romero Lozano, LaRouche Youth Movement

This article was translated from Spanish.

If you look up and observe the Moon, imagine how impressive was the effort to get there: aerospace development, new materials, new telecommunications, but most important of all, the determination to achieve the impossible. What might appear to the simple or mediocre mind as an impossibility, to the creative and far-sighted mind is a possibility that must be attempted. If we properly communicate this, we can give the population a sense of power, a real sense of greatness. By the same token, at a moment in which we are facing a world economic crisis whose magnitude is driving us into a new Dark Age, it is necessary for us to think "big," to think in terms of great infrastructure projects that will develop our physical-productive capacities, while at the same time challenging our imagination and our creative powers.

Whether or not Mexico will survive as a nation-state over the coming years, in the midst of ongoing world financial disintegration, is a direct function of whether or not we carry out one of the most important hydro-agricultural infrastructure projects, with the greatest short- and medium-term economic impact for Mexico: The Northwest Hydraulic Plan (PLHINO).

It is a vast plan, not as dramatic perhaps as going to the Moon, but given the productive mobilization its construction implies, it is equivalent to a Mexican TVA, or Tennessee Valley Authority. The TVA was a vast water, energy, and agricultural project in the southeastern United States, through which the government of Franklin Delano Roosevelt succeeded in pulling the United States out of the hell of the Great Depression of the 1930s. By its very size, the PLHINO challenges our technical and engineering capabilities, our imagination, and our vision.



Each dam in the PLHINO project will require concrete, steel, gravel, sand, water, and a lot of both skilled and unskilled labor. Shown: a panoramic, photo of the El Cajón dam, in the state of Nayarit, Mexico.

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The PLHINO is a project designed to transfer water from the middle of Nayarit, to northern Sinaloa and the south of Sonora. It was first conceived at the end of the 1960s, and embodies the “think big” attitude that our nation maintained, until it was infected by the pseudo-ecological doctrine that we should only have self-sustainable projects with “appropriate technology.”

During the José López Portillo government, which centered its National Development Plan on the concept of achieving food and energy self-sufficiency, projects of that scope were once again put on the table, but an engineering design was never drawn up for the realization of the PLHINO’s transference of vast volumes of water and the connection of the 16 different river basins, which extend from the Santiago River in Nayarit to the Yaqui River in Sonora.

As a result of a mobilization by the productive sectors of the northwestern region, headed by the 21st Century Pro-PLHINO Committee, the outstanding Mexican civil engineer Manuel Frías Alcaraz prepared a physical design for this project. And thanks in great measure to the information provided by his consulting firm, Mexico Tercer Milenio, it has been possible for us

to move on to the task of preparing a Bill of Materials, the requirements that such a water project demands. We have in effect been able to take an “X-ray” and observe the skeleton that supports that plan. However, the following analysis and conclusions are the sole responsibility of this author.

The PLHINO is the greatest engineering and infrastructure feat that Mexico has ever conceived—a work whose objectives encompass water supply, electricity generation, irrigation, flood control, tourism, navigation, fish-farming, aquaculture, and the recharging of aquifers. The project would be 900 kilometers (559 miles) long (see map) and includes 173.5 kilometers (107 miles) of tunnels, 460 kilometers (286 miles) of canals, seven challenging dams (very similar to those of the Aguamilpa project on the Santiago River), three pumping systems, and the entire support infrastructure for carrying out the project; that is, cement and steel production, building of roads, bridges, levee confinement, and hydroelectric projects, to mention just a few.

What we present in the following pages is what is known in physical economy as a bill of preliminary

FIGURE 1

Mexico's Major Rivers



Source: INEGI (Mexico).

materials for the PLHINO project, a list of the physical products required to carry it out. These are measured in tons, cubic meters, kilowatt-hours, numbers of workers, and other physical-economic units.

You, dear reader, are going to have two conceptual difficulties in approaching this subject matter, difficulties that you will try to disguise as objections or protests. To wit: (1) “It is too large. We would be taking away resources from other areas.” And, (2) “But how much will it cost? Where are we going to get so much money?”

The first objection we have already begun to deal with. Regarding the second, for the moment, you must just forget about money altogether. As noted physical economist Lyndon LaRouche has explained, economy is not money. Economy is the capability of a society or a population to physically produce what it needs for the development of that population, measured in per capita and per square kilometer terms (see *So You Wish To Learn All About Economics?* by Lyndon LaRouche, 1984). The PLHINO is feasible not because it costs a

lot or a little, but because we can produce the physical-economic elements that the product requires. Mexico is capable of producing nationally between 75-85% of the physical components needed to build the PLHINO. The rest—in particular, certain capital goods—will have to be imported from other countries. These proportions define the monetary part of our proposal, a capital budget with one component in pesos and another in international currency.

We can summarize the physical-economic requirements of the PLHINO in the Bill of Materials shown in **Table 1**.

First, the Dams

Because the dams are to be located in the upper regions of the Western Sierra Madre, which have steep watersheds, the best choice would be to use concrete or rigid dams,¹ instead of flexible dams, using graded

1. The main characteristic of this kind of dam is that its spillways can be integrated in less time and in a more optimal way.

TABLE 1
Bill of Materials for the PLHINO

Item	Required	Current Production	Required as % of Production
Concrete (million m ³)	30		
Cement (million tons)	15	39	39%
Sand (million m ³)	10		
Gravel (million m ³)	19		
Water (million m ³)	6		
Steel (million tons)	9	20	46%
Electricity (MwH)	9	228	4%
Pumps (14,000 m ³ /h)	110		
Giant diggers	10		
Nuclear plant (1.3 GW)	1		
Skilled workers	70,000		
Unskilled workers	280,000		

materials with a concrete wall.² Although Mexico has a lot of experience constructing flexible dams, these dams take a long time to build; and it is necessary that this project be built within a decade, to be able to significantly expand our land under cultivation and deal with the food emergency that we already are facing.

Each of these dams will require concrete, steel, gravel, sand, water, and a lot of both skilled and unskilled labor. We estimate the approximate requirements for this kind of project (don't stop thinking big!) to be as follows:

The construction of each dam in the PLHINO and its spillway will require an average of 2 million cubic meters of concrete. Each dam needs an average of 25,000 workers—4,250 skilled workers, that is engineers, topographers, geologists, etc., and 20,750 day laborers and workers with some construction experience.

Imagine working on a project of this size, providing productive employment to hundreds of thousands of Mexicans who are being deported due to the collapse of the U.S. economy, while at the same time giving thousands of youth graduating from the universities who otherwise end up in unproductive jobs or, worse, joining bands of organized crime at the service of narcoterrorist assassins, the opportunity to develop their professional vocations.

It is always better to build the future rather than to

2. They are called flexible, because their construction requires crushed rock, gravel, and sediment. The disadvantage is that this kind of dam requires ten times more material, although it significantly reduces the amount of concrete.

feed fantasies that will collapse with the system that feeds them.

Construction of the PLHINO's seven dams and their spillways is going to require approximately 14 million cubic meters of concrete and 175,000 workers. Remember: This only takes into account the dams!

Then, the Tunnels

To optimize the use of water, and to transfer it efficiently, engineer Frías designed a series of tunnels for crossing watersheds between basins, to thereby assure, by the location of the dams, that a good portion of the water transfer occurs through gravity, thus saving the construction of nearly 300 kilometers of canal.

The best examples of Mexican engineering experience in tunnel construction are the Collective Transit System Metro (STC-Metro) of Mexico City, and the deep drainage system of that city, which involves 165 kilometers (102 miles) of tunnels whose capacities in the area of greatest rainfall diversion are similar to the tunnels required by the PLHINO. The engineering corps that built the STC-Metro and Mexico City's deep drainage system is among the best in the world. Today, we are on the verge of losing that engineering capability, unless we undertake great infrastructure projects that will continue to strengthen our skilled labor force.

The Mexican Association of Tunnel and Underground Works Engineering (AMITOS) has the knowledge and ability to take up this challenge of drilling and lining the 173.5 kilometers (107 miles) of tunnels the PLHINO needs, barely eight kilometers (five miles) more than the deep drainage system already underlying Mexico City.

The PLHINO's tunnels have to be eight meters in diameter. Their safe operation requires the prevention of rockslides throughout the length of the tunnels. Thus, as geological conditions require, some of the tunnel lengths will have to be lined with one-meter thick concrete layers.

Drilling 173.5 kilometers of tunnels through the steep Western Sierra Madre will require ten tunneling machines. Approximately 8 million cubic meters of material will be extracted during the tunnel drilling, while the amount of concrete needed to line the tunnels is an estimated 2 million cubic meters.

Next, the Canals

From the Santiago River to the Culiacán River, the transfer of water will be accomplished by linking the

river basins through tunnels. But starting with the Sanalona Dam on the Culiacán, the concept of the project changes. From there, the water will be conveyed by a 460-kilometer (286-mile) canal to the Yaqui River in southern Sonora. The span of this river-canal project, which will transport nearly 300 cubic meters of water per second, will require the construction of levees and bridges to protect it from the torrential floods that would either threaten its structures or clog it up.

The canal needs to be of a trapezoidal shape, and lined in concrete to prevent leakages and losses through filtration, while at the same time serving as a versatile and economic waterway. Construction of the support structures for the 460 kilometers of canal require approximately 14 million cubic meters of concrete, a quantity similar to that which will be required for building the dams and their spillways. Added to the 2 million cubic meters of concrete required for lining the tunnels, we expect total demand for the PLHINO to be on the order of 30 million cubic meters of concrete.

Producing these 30 million cubic meters of concrete will, in turn, require 6 million cubic meters of water, 10 million cubic meters of sand, 18 million cubic meters of gravel, 15 million tons of cement, and 9 million tons of steel.

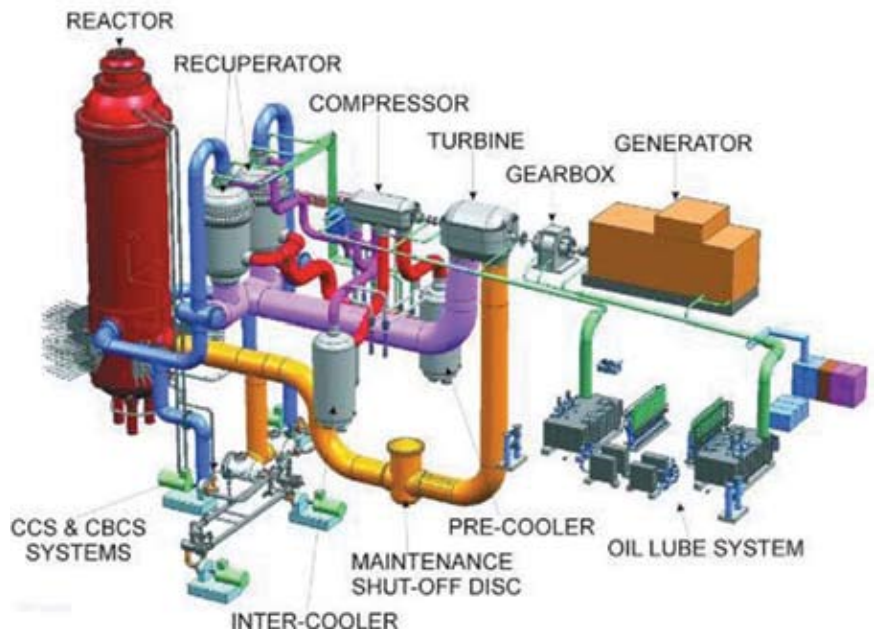
Where are we going to get these materials? Does Mexico have the installed capacity to produce them?

We Still Have the Capacity

Despite having been severely pounded by the destructive programs of the “invisible hand” of the free market, Mexico’s national industrial sector still has the capacity to meet a challenge like this. In the course of 2007, the country’s cement producers, with their 32 plants distributed across the nation, managed to produce 39 million tons of cement. Three of those plants which supply cement and concrete, are located in the PLHINO area, in the states of Baja California Norte, Sonora, and Jalisco.

The 15 million tons of cement needed for the PLHINO represents 38% of the country’s annual national produc-

FIGURE 2
The Pebble-Bed Modular Reactor



The pebble bed nuclear reactor (shown: a diagram of the modular nuclear energy systems 350 MW PBMR) is among the most advanced types of reactors. Nuclear energy will be required for the PLHINO, and will substantially cheapen energy costs.

tion. If we consider that the estimated time for building the project is ten years, we would be consuming an average of 1.5 million tons a year, which barely represents 3.8% of national annual production. On average, for every million tons of cement produced, 567 direct jobs and 3,092 indirect jobs would be generated.

The other key element in the construction of the PLHINO is reinforced steel. The country’s steel industry produced 19.5 million tons of liquid steel in 2007. The 9 million tons needed for the PLHINO represents 46% of annual national steel production in 2007. Since the PLHINO will be built over a decade, the 900,000 tons of steel that will be required each year, on average, represents barely 4.6% of national annual production.

Incorporating the abundant Santiago River into the PLHINO project, to transfer its contribution of 220 cubic meters per second into the San Pedro river basin, involves construction of a 17-kilometer (10-mile) tunnel that would connect with the reservoir created by construction of the Ixcatán Dam. From there it would be necessary to install a powerful pumping system to move the water to the Rodrigo Dam’s reservoir, which also needs to be built on the same San Pedro River. This



Mexico City government

The engineering corps that built Mexico City's Metro and its deep drainage system is among the best in the world. Today, that engineering capability will be lost, unless great infrastructure projects are undertaken. Shown: Mexico City's water tunnel.

would represent management of a total flow of some 420 cubic meters of water per second, that would make it possible for us to expand land under cultivation by 1.3 million new hectares (3.2 million acres) in the states of Nayarit, Sinaloa, and Sonora.

Along the PLHINO route, in its first phase, which starts with the San Pedro River, only two pumping stations would be needed, each with a capacity of handling 35 meters per second, installed at the juncture of the Sinaloa and Fuerte Rivers.

The nuclear energy plant on the Pacific that will be required for the PLHINO pumping system will substantially cheapen energy costs.

Finally, keep in mind that at an annualized rate of investment which expends \$14 billion over ten years, we would be in a position to generate at least 300,000 direct and indirect jobs a year. That doesn't include the number of jobs that will be added once the project begins to expand land suitable for cultivation.

According to international estimates by companies involved in the construction of basic economic infrastructure, for every billion dollars that a nation invests as capital, the country has the potential to recover five times that amount in taxes, as a result of broadening its tax base. Together with all the other economic benefits already mentioned, the most important benefit is that we would be generating optimism within the population, which would find pride and hope in seeing that its nation has given itself to the task of building one of the largest water transfer projects in the world.

Capital Budgeting

Economic Potential Vs. Cost-Benefit

by Alberto Vizcarra Osuna

This article was translated from Spanish.

When the board of directors of the National Water Commission (CONAGUA) and its representative José Luis Luege Tamargo, state that projects like the PLHINO (Northwest Hydraulic Plan) should be reviewed and reevaluated on the basis of strict adherence to cost-benefit criteria, and that it also has to be shown that its construction is fiscally viable, we are witnessing precisely the kind of thinking that, in the context of today's crisis, will guarantee that Mexico sinks. The greater problem is that this kind of criterion is not limited to just one institution, but dominates the thinking of the Federal government and of President Felipe Calderón, who is trying to survive the ongoing international financial collapse by means of accounting and administrative measures.

Unfortunately, this kind of thinking has been institutionalized as an axiom that defines the parameters of the budget discussion, in which the monetarist dogma of having a balanced government budget, and austerity in spending, has practically become an inviolable formula. Thus, in effect, the state has abdicated the fundamental reason for which it has been constituted: to guarantee the general welfare. And thus, the budget debate remains disconnected from the goal of achieving the growth rates required for the creation of jobs and the increase of the productive powers of the national economy.

Submission to those axioms, some of which were converted into laws, accepted as reality, and forcibly imposed by the globalization and free trade, also leads us to accept the loss of sovereignty in monetary and credit policy. The Bank of Mexico, since it was granted its autonomy, has exercised a monetary policy reduced to so-called control of inflation, without caring that the consequence of this policy suffocates productive activity and economic growth.

The Bank of Mexico today operates as the guardian of dollar reserves, making sure that these reserves are maintained as liquid guarantees of the financial interests that speculate at the expense of the sacrifice of millions of Mexicans and of strategic institutions such as the national oil company, Pemex. This submission to the speculators was made clear when, during just three days in the second week of October, the Bank of Mexico auctioned off US\$10 billion, to hand over to the sharks, the corporate owners who are over-leveraged in the financial derivatives markets, and who have undertaken a speculative run against the peso.

In those three days, they stripped the nation of what largely would have been the funds needed to construct the PLHINO. We could say that in those three days, they stole the potential for opening up 1.3 million hectares of land to cultivation—what the PLHINO would accomplish—and with that, the possibility of doubling production of wheat, and increasing the production of corn by more than 60%, as well as the generation, over the course of a decade, of 5 million new jobs. And then they tell us that this was done to protect the peso!

Within the Crisis, an Opportunity

If there is anything positive to draw from this terrible crisis, it is to recognize that it offers an opportunity to break with the axioms and belief-structures that have led us to the threshold of the economic hell that we are now suffering. There is no reasonable way to continue coexisting with current economic policies. The future of the nation depends on being willing to throw the whole doctrinaire body of neoliberal monetarism into the garbage can, and to take up the best traditions of our republic, to systematize the principle that will allow us to generate a national credit policy backed by a national fund for expansion and economic growth, a fund that will rely in part on oil revenues. This would allow us to develop capital budgets specifically oriented toward great infrastructure projects, that would allow the nation to enjoy a vigorous policy of water and energy management, generation of productive jobs, and an extraordinary strengthening of our primary sector, to be able to face the world food crisis threatening us today.

With this in mind, the Congress and its various committees face an historic opportunity to elevate the discussion of the 2009 fiscal budget far beyond simple wheeling-and-dealing around the current irrational

policy of Federal cutbacks. The moment has come to break with the doctrinaire axioms that have been destroying the national economy for the past 25 years, and move toward the adoption of a capital budget for carrying out the PLHINO.

Economic Potential

Toward this end, the first thing to do is to overturn the criminally absurd idea that the economy is measured by money. It is that magical belief in money as the source of wealth which has led us to make the worst economic policy decisions. It was on the basis of this belief that, with the signing of the North American Free Trade Agreement (NAFTA), the sophistry was fostered that it would cost us less money to import basic grains than to produce them ourselves. Luege Tamargo continues to support that same fallacy, when he argues that he has specifically fought to get the country to drastically reduce production of corn and other grains which require excessive amounts of water. It were better, says Luege, to save water and import corn, and substitute that crop with other high-value-added crops like fruits and vegetables, which could then be exported for good money.

One can see that, in this worship of money, there is no reference to increasing the productive powers of labor, nor goals having to do with increasing the total volume of physical goods production to meet the present and future consumption needs of the population. Instead, everything is oriented to monetary profits as the motor of the economy, in which money is accorded an intrinsic value. The ideology around money has become a mass swindle to hide the parasitical policies that undermine productive activities and expand poverty.

The greatest evil of this monetarist ideology is that it suppresses the idea of the existence of economic potential. It causes the state's sovereign capacity to generate credit to disappear; investment in infrastructure remains subject to potential for monetary and financial profit; and the fate of the economy in general is left subject to the whims of market forces.

The economic potential of a region or a country is not something which can be demonstrated with empiricist methods; the human mind, however, can grasp it as a mental object of that which physically can be created. It is here that economic planning resides, in the estimation of the physical potentials of an economy, and not in monetary profit. A survey of installed capacity is made, and then the goals are set based on the present and future

consumption requirements of the population, and of the economy as a whole. In that sense, economic potential is a physical principle, and as such, is measurable in dynamic terms. Herein resides the legitimate authority of the state, as is implicit in the Mexican Constitution, to exercise a national credit policy. That is what we must appeal to in the formulation of a capital budget for a strategic project like the PLHINO.

A Capital Budget

As is documented above in the preceding article on the PLHINO's Bill of Materials, about 85% of the physical requirements of the PLHINO project can be met with the installed capacities of Mexico's domestic economy. That is, Mexico has the physical capacity to produce the millions of tons of concrete and steel the project requires, and also has the technicians and civil engineers needed, along with an army of unemployed ready to participate in the construction of the nation's future. What this tells us is that, to build this great project, we are not primarily going to need foreign credit, since we have the domestic capability to meet the majority of the required inputs.

What the task will require is a budget of US\$14 billion, to be deployed over the course of approximately ten years. As 85% of what the project needs can be produced nationally, approximately this same percentage of the total budget can be covered in pesos. This physical potential of the national economy underlies the government's ability to issue sovereign credit for realizing the PLHINO, without any problem.

The purpose of a capital budget is to increase physical-economic productivity and to improve the potential for development. Contrary to the simplistic allegations that credit issuance causes a budget imbalance, an economic orientation which emphasizes capital budgeting instead guarantees that the operating budget will also be strengthened down the line, as a result of the economic expansion generated by the capital investments.

With this understanding, the Congress should legislate to formalize the operation of a capital budget, for the specific purpose already defined, apart from an operating budget.

There will be no lack of monetarist foolishness, arguing that the issuance of peso credit will trigger a run against the national currency, and flight capital. Generally, these kinds of fallacies originate with the same authorities who thus far have controlled the Bank of

Mexico and the Treasury, the same authorities who did not hesitate to hand over to the speculative vultures more than \$10 billion in less than 72 hours.

If we are to protect the national currency from the world financial tsunami, it will be necessary to establish exchange and capital controls, as several nations are already considering doing, as a means of safeguarding their currencies. But, in addition to protecting the peso with these actions, it will be necessary to strengthen the currency and the domestic market more broadly, precisely through an economic policy oriented toward great infrastructure projects. The value of a currency, and its strength, lies in its productive potential and not in simple criteria of commodity trading.

The other 15% of the PLHINO's total budget will require contracts and agreements with other nations that have the capital goods and specialized technologies that Mexico may lack, for example for the construction of the dams and tunnels the project involves. This percentage will require dollars, which Mexico can cover based on its oil revenues. This part would also function with the same criteria of a capital budget discussed above.

With all this in mind, the Congress should pose the creation of an Economic Expansion and Growth Fund, rather than the current oil-based Stabilization Fund, which in practice has meant a fund for speculators. With aid of such a growth fund, the construction of the PLHINO could be financed. The Fund should issue peso-denominated credits, as well as a dollar component to cover the import requirements that will be necessary, in part back-stopped with oil revenues.

The relevant Congressional committees would ensure that the operation of this Fund is protected from the ups and downs of operational budgetary policy, and that a \$14 billion spending proposal be developed, which is the estimated total cost of the water project, over approximately a ten-year period.

With this commitment by the State, national industry would be called upon to establish the contracts and credit supports, at an interest rate of no more than 2% a year, given that capital formation is measured in terms of cycles of useful physical life of the infrastructure projects, which generally correlate to a generation. At the same time, the measurement of capital cycles encompasses periods of between 25 and 30 years. With this, the productive equipotential of the existing popu-

lation is maintained, and the future needs of the next generation are guaranteed.

This physical-economic reference point is what should define and make up monetary policy, and credit generation. This will allow the ongoing emission of credit oriented toward production, under the strict condition that the rate of growth of the economy must always exceed the net growth of the debt. In this process, the potential real growth rate is what guarantees the feasibility of credit emission.

The Idea of the Good

If we proceed on the basis of these central concepts, and we put them into practice to realize a specific infrastructure project such as the PLHINO, not only are we assuring material benefits—which will be extraordinary, given the nature of the project—but we will also be establishing an exemplary programmatic precedent on how to proceed at this moment of world financial disintegration. With this, we will give the population back its sense of confidence, creating hundreds of thousands of jobs.

The marginalization created by unemployment is a blow that goes beyond simply depriving the citizen of his material needs. The most important thing for the citizen is to fulfill a significant function in life, a life that is distinguished by contributing skills and talents to future generations. It is around this idea that we must unite the nation and its people, to assure its posterity and its progress. Around this we should reestablish as well the responsibilities of the nation-state to be the sole guarantor of the general welfare, and to thereby produce in each citizen the passion for fulfilling a mission governed by the idea of the good.

The mobilization for the PLHINO brings together all of this cultural and social potential, to awaken an optimism based on the confidence that the great evils facing us today can be solved. The Constitution of the Republic had the wisdom to deposit our sovereignty in the Congress, and the question this crisis thus poses is whether or not the Congressmen of the current legislative session have the moral stature to respond to that constitutional mandate.

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India Begins Its Journey to the Moon

by Ramtanu Maitra

Oct. 23—On the morning of Oct. 22, India's Polar Satellite Launch Vehicle (PSLV-C11) put the Chandrayaan-1 spacecraft into its initial orbit, the first phase of its journey to the Moon. An orbit-raising maneuver was later performed, with commands issued from the Spacecraft Control Centre (SCC) at the Indian Space Research Organisation (ISRO)'s Telemetry, Tracking and Command Network (ISTRAC) at Peenya, Bangalore.

The craft will continue to orbit the Earth for 15 days, and after two more orbit-raising transfers, it will enter into the lunar orbit. The 32-meter antenna in Bangalore will allow the ISRO scientists to collect the signals from Chandrayaan-1, both in terms of satellite control capability, and the scientific data coming from the various experiments onboard.

This is the first time India has sent a spacecraft to the Moon. It is the sixth country or group of countries to do so, after Russia, the United States, the European Space Agency, Japan, and China.

For Indian space scientists, and the people in general, it was a joyous and long-awaited event. Suspense hung over the mission, as thunderstorms lashed the Sriharikota spaceport for five days and threatened to disrupt the lift-off. However, Team ISRO worked against the odds and succeeded in carrying out what seems to have been a flawless launch.

'Journey to the Moon Has Begun'

G. Madhavan Nair, chairman of ISRO, called the launch success "a historical moment" and "the beginning of a new era" in India's space exploration program. "Our journey to the Moon has just begun. Everything went on perfectly well. It is a remarkable performance by the PSLV." Former Indian President A.P.J. Abdul Kalam, one of the leading scientists who laid the foundation for the Moon mission, said in a statement, "Launching of the mission is the first step

and I hope every step of the mission falls at the right place."

One of the mission objectives is to understand the mineralogy of the Moon in much finer detail, and to quantify the precious helium-3 stocks buried beneath its craters.

Astrophysicist N. Sri Raghunandan Kumar pointed out that once Chandrayaan-1 relays its data on helium-3 stocks to ISRO's master control room, India will have a larger claim on natural lunar resources, when man begins to colonize it in the future. Helium-3 is an isotope of earthly helium. But unlike its poor cousin, which is used to inflate balloons, helium-3 is 100 times more valuable than gold by weight. The gas is touted by scientists as the future fuel for nuclear fusion power plants, and could generate electricity for hydrogen-fueled automobiles.

Helium-3 is clean and less radioactive than uranium, and the Moon is said to have 1 million tons of it. Chandrayaan-1 will explore whether the Moon has even larger stocks of this clean fuel. According to ISRO scientists, helium-3 is present in the Moon's regolith (loose rocks or mantle), just below the surface of its *maria*—the areas once falsely believed to be seas.

Earth, too, has helium-3 reserves, but they are estimated to be less than 200 kilograms.

Senior astronomer Prof. G. Yellaiy told Indian news media that the energy needs of the Earth will double in the next four decades, and helium-3 could be used to produce clean electricity. "Helium-3 can be used in fusion reactors to meet the energy needs of the world in the future. India will definitely have a claim over helium-3 by virtue of Chandrayaan-1 mission."

Meanwhile, ISRO chief G. Madhavan Nair said that Team ISRO is working on the second mission, Chandrayaan-2, and that the ISRO and Russian Federal Space Agency have signed an agreement. Chandrayaan-2 would feature a "lander" and a rover for a soft landing on the Moon, likely by the end of next year or early 2010. The instruments for Chandrayaan-2 would be decided after studying the data received from the first mission, Nair pointed out.

The work on this project would be taken up after Chandrayaan-1 starts its task of researching the Moon, Nair told reporters after the spacecraft was launched. "One of the two GSLV [Geosynchronous Launch Vehicle] missions next year could carry Chandrayaan-2," he said.

In addition, the ISRO has revealed that India will launch its proposed manned mission to lunar orbit by 2015. Nair said, "Now we have a little bit of breathing time [after the successful launch of Chandrayaan-1]; we are looking at how we can design a capsule which can carry two astronauts onboard a GSLV rocket."

"This is a very complex and challenging task, first of all to conceive a module, which can predict the condition of human life in space. It is a big challenge in terms of technology and realization," he added.

Selecting and training the astronauts and improving the reliability of the launching system are also complex issues. "Considering all these, we have prepared a project report, and this has been cleared by the Space Commission and is awaiting the government approval. Based on this, we will have the first manned mission from Indian soil before 2015," Nair reported.

"ISRO would try to handle the proposed mission without any help from countries that had prior experience in manned missions. It will be completely driven by us. However, if there is any scope for meaningful collaboration, we will consider it," he said.

Stolen from Tipu Sultan's Armory

India's space odyssey has a very long history. Between 1750 and 1799, two generations of rulers in what was then the state of Mysore (now Karnataka, where the city of Bangalore is located), Haider Ali and Tipu Sultan in the southern part of India had made use of rockets for military purposes, and used them effectively to defend their territory in their war against the British. Tipu Sultan had 27 brigades, each with a company of rocket men called Jourks. In the Second Anglo-Mysore War, at the Battle of Pollilur (Sept. 10, 1780), Haider Ali and Tipu Sultan achieved a grand victory; a contributing factor was that some British ammunition was set on fire by the Mysorean rockets.

At the Battle of Seringapatam in 1792, Indian soldiers launched a barrage of rockets against the British troops, followed by an assault of 36,000 infantrymen. Although the Indian rockets were primitive by modern standards, their sheer numbers, their noise and brilliance turned out to be highly effective in disorienting British troops. During the night, the rockets were seen as blue lights bursting in the air. Since Indian forces were able to launch these rockets from both the front

and rear of the British line, they threw the British off guard. The bursting rockets were usually followed by a deadly shower of rockets aimed directly at the soldiers.

Almost seven years later, at a battle of the fourth Anglo-Mysore war at Srirangapatana, the capital of Tipu Sultan, in April 1799, British forces led by Arthur Wellesley (later, Duke of Wellington) ran from the battlefield when attacked by rockets and musket fire of Tipu Sultan's army. Unlike other contemporary rockets, whose combustion chambers were made of bamboo, Tipu Sultan's rockets used iron cylinder casings that allowed greater pressure and thrust, and had a range of almost 1.5 miles.

Vastly outnumbered, alas, Tipu Sultan lost that war, and the British troops raided the fort to kill the "Tiger of Mysore," as he was called. At the end of the war, more than 700 rockets and sub-systems of 900 rockets were captured and sent to England. British rocket artillery pioneer William Congreve examined the Indian specimens and did some reverse engineering to make copies that were later used successfully in a naval attack on Boulogne (1806), the siege of Copenhagen (1807), and also against Fort Washington (New York) during the War of 1812.

Some Indian historians claim that "the rockets' red glare" in the U.S. national anthem refers to the burst of rocket fire designed by Tipu Sultan, copied and used by the British colonials.

Nehru and Sarabhai

Following the end of the British Raj in 1947, India focused all its energy on nation-building, economic and industrial development, with a prime focus on science and technology. Indian rocketry was reborn under the supervision of Prime Minister Jawaharlal Nehru, and the leadership of Prof. Vikram Sarabhai. At the time, looted by the British, India was a poor country on the precipice of collapse, and so, investments in space and nuclear technology were considered "elitist" by many Indians. Addressing this concern, Sarabhai, a visionary and a physicist par excellence, told a gathering where India's involvement in the frontline technologies was questioned: "There are some who question the relevance of space activities in a developing nation. To us, there is no ambiguity of purpose. We do not have the fantasy of competing with the economically advanced nations

in the exploration of the Moon or the planets or manned space-flight. But we are convinced that if we are to play a meaningful role nationally, and in the community of nations, we must be second to none in the application of advanced technologies to the real problems of man and society.”

The formal beginning of India’s space program was in 1962, when the Indian Committee for Space Research (INCOSPAR), led by Professor Sarabhai, decided to set up the Thumba Equatorial Rocket Launching Station (TERLS), in the state of Kerala on the southern tip of India, very close to the Earth’s magnetic equator. Upon launching the first sounding (research) rocket (Nike-Apache) on Nov. 21, 1963, Sarabhai shared with his team his dream of an Indian Satellite Launch Vehicle.

Almost nine years after his mysterious death at the age of 52, Sarabhai’s dream was realized, in July 1980, when India launched the Satellite Launch Vehicle (SLV), by a team handpicked by Sarabhai himself. Later, India developed a series of launch vehicles. The most important of which is the Polar Satellite Launch Vehicle, which lifted the Chandrayaan-1 into orbit. It is an expendable launch system operated by the ISRO. It was developed to allow India to launch its Indian Remote Sensing (IRS) satellites into Sun synchronous orbits, a service that was, until the advent of the PSLV, commercially available only from Russia. The PSLV can also launch small satellites into geostationary transfer orbit (GTO).

India carried out the first launch of the more powerful Geosynchronous Satellite Launch Vehicle (GSLV) on April 18, 2001. GSLV development was significantly aided by Russian technology; the project ran into problems when the United States imposed sanctions against India. Upon the dismantling of the Soviet Union, Russia joined the Missile Technology Control Regime (MTCR) in 1993, disrupting the supply of missile technology to India, which is not a signatory of the MTCR.

Indo-Russian cooperation on space technology was revived, and the GSLV-D1 successfully launched on April 18, 2001, using an imported Russian cryogenic engine. But India began developing its own cryogenic engine, needed for the GSLV. Since then, India has come up with its own version of a cryogenic engine, which is capable of placing 2,500 kilogram payload into geostationary transfer orbit.

Health Care

Mental Health Issues Plague Combat Vets

by Carl Osgood

Oct. 22—The announcement by the commander of Fort Carson, Colo. Oct. 17, that an Army task force would be looking into the circumstances surrounding a recent spate of killings attributed to soldiers based there, has put the spotlight back onto just one of the many scandals arising out of the Bush/Cheney Iraq War policy: what happens to the soldiers who have to fight this war after they come home. In the Fort Carson case, soldiers from the same brigade, which returned from Iraq 14 months ago, are suspects in at least five killings, and an attempted murder. In two of the cases, the victims were also soldiers, the remainder being civilians from outside the base. Sen. Ken Salazar (D-Colo.), in a letter to Army Secretary Pete Geren, wrote that “Those who committed these violent crimes should be brought to justice, but these tragedies also raise a number of questions from the backgrounds and service records, to whether they received waivers to enter the service, to the adequacy of mental health screening and treatment within the Army.”

Indeed, the adequacy of mental health screening has been a topic of continuing controversy since the screening was initiated in 2003, after the effects of the Iraq deployment began to emerge in the form of an increased rate of suicides and other mental health issues among soldiers. The number of soldiers committing suicide has only increased since the screening began. On Sept. 4, the Army reported that 2008 could end with between 140 and 160 suicides, compared to 115 in 2007, 102 in 2006, and 87 in 2005.

The Army has responded to this problem with increased training that is supposed to make soldiers “more resilient” to the effects of combat stress. One veterans advocate consulted by *EIR*, however, argued that the Army training does not address the culture of the war environment, especially what happens to the brain and



Thee Erin

Veterans, especially those from the National Guard and Reserves, face crushing mental health problems when they return from the battlefield. "People are coming home and having nowhere to turn," a veterans advocate told EIR. Shown, a homeless, disabled vet in Chicago.

body on the battlefield; nor does it pay sufficient attention to helping soldiers readjust when they come home. As a result, "people are coming home and having nowhere to turn," he said. "They're killing themselves, committing crimes, losing their homes, falling into drug abuse and alcohol abuse. . . . This is a cultural epidemic among veterans." He noted that while the level of violence, and consequently, the level of trauma that U.S. troops are exposed to, is coming down in Iraq, the Pentagon is preparing plans to increase troop levels in Afghanistan, so the rotational stress that soldiers and marines are under won't be decreasing any time soon.

A Sept. 16 seminar, co-sponsored by the U.S. Naval Institute and the Military Officers Association of America in Washington, D.C., highlighted many of these issues. Terri Tanielian, who co-directed a recent RAND study entitled "The Invisible Wounds of War," reported that too few veterans with post-traumatic stress disorder (PTSD) or traumatic brain injury "are getting the care they need and even fewer are getting the high quality care to facilitate recovery and save money." Dr.

Steven Scott, the medical director of the Polytrauma Rehabilitation Center at the James Haley Veterans Hospital in Tampa, Fla., reported that the so-called "long war" has changed the injury patterns that military and veterans hospitals are seeing. He noted that many of the patients he sees received their injuries in their third deployment. By the time a soldier is on his third deployment, he has had "many exposures to blast, many exposures to traumatic stress" and these exposures "start to cause problems," not only physical problems but emotional problems as well. The visible wounds often are also accompanied by invisible wounds, Dr. Scott reported, including constant pain, loss of memory, PTSD, and other conditions.

Guard, Reservists More Vulnerable

While the Fort Carson situation involves active duty soldiers, soldiers from the National Guard and the Reserves have actually suffered disproportionately when it comes to mental health problems. A study of 88,235 soldiers published in the *Journal of the American Medical Association* in November 2007 found that these servicemen and women reported consistently higher rates of mental health issues three to six months after returning home from deployment than did their active-duty counterparts, despite having substantially the same combat exposures. They were referred for mental health concerns at about two and a half times the rate of active-duty soldiers, and for general health concerns at twice the rate.

The higher vulnerability of Guard and Reserve soldiers is attributed to the lack of access to mental health services after they come home. This was the topic of a roundtable discussion hosted by the National Guard Association of the United States in Washington, D.C. on Oct. 9. Unlike active-duty soldiers, who return to their home bases with their units, Guardsmen and Reservists go back to their civilian communities with little follow-up after their deployments are over. This deficiency has been noted in many studies and reports but, according to advocates, the Defense Department is still failing to meet their needs. Lt. Col. Michael Gaffney, of the Maryland National Guard, argued that the reserve components are completely different from the active components. The Reserves, he said, "don't have the resources, they don't have the closeness to services that the active components have." He added that Guard members, once they have been released from active

duty, will have to use their own time, including time off from their civilian jobs, if they need help.

Yet, there is no separate program for the National Guard and the Reserves that would address their different situation. Col. Pete Duffy (ret.), the deputy legislative director for the National Guard Association, calls the Defense Department response “disappointing.” He reports that he has been informed that the DoD still refuses to spend \$600 million provided by Congress for post-deployment mental health needs of Guard members and their families, because they are no longer in Federal status. “These funds need to be loosened and turned over to the states as soon as possible,” he said, “where they can be used with existing private mental health provider networks with that use coordinated by the Director of Psychological Health at the National Guard Bureau.” Duffy reported that National Guard members are still cut loose once they return from deployment without proper mental health followup. “This could be corrected with proper application of the \$600 million being withheld,” he said.

Paul Sullivan, the executive director of Veterans for Common Sense, is even more critical in his assessment. In an Oct. 16 e-mail to *EIR*, Sullivan asserted that “the Department of Defense failed to learn the lessons from the Gulf War and Vietnam War by implementing the Force Health Protection law enacted in 1998. The law requires pre- and post-deployment medical exams for service members sent to war zones. The military still refuses to do this. Further exacerbating the military’s intentional failure is the inability of DoD to share complete military and medical records with the Veterans Administration (VA). Thus, VA performs duplicative tests and wastes time. The DoD and the VA still fail to provide uniform Benefits Delivery at Discharge for National Guard and Reserve, and [this], coupled with the lack of records, may be the root causes of the significantly lower [disability] claim filed rate and the significantly higher claim denial rate among National Guard and Reserve.”

Helping Those Who Need It Now

It would not be entirely fair to say that the Departments of Defense and Veterans Affairs have not reacted to the mental health crisis. The establishment of the Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury, the Army’s psychological health program, and the VA’s expanding of its mental health treatment programs, and other efforts, attest to

this fact. However, these programs are oriented towards those personnel currently on active duty. David McGinnis, decision support manager for the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services, and a retired military officer, said that the “DoD is on top of the problem” (although there are those who would argue with that) but, “I’m worried about those 80 percent that are no longer connected,” both Guard and Reserve, and those discharged from active duty. He had earlier reported that Virginia is facing a “behavioral health epidemic” stemming from the Iraq and Afghanistan wars. Virginia is expecting about 50,000 combat veterans from the wars, about 80% of whom are already back in the state and, when combined with their families, will double the need for mental health services in the state. The existing programs, for the most part, are structured so that a veteran has to be a danger to himself before he can get treatment.

Virginia has mapped out a program to reach these vets before they get to that point. It includes outreach to vets and their families, establishing a system that validates a vet’s status and begins treatment immediately, as well as training for state police, emergency medical personnel, and juvenile and domestic relations judges (family violence, McGinnis reported, has increased dramatically since the invasion of Iraq), so that they can recognize the signs of PTSD, TBI, and other “invisible wounds.” All of this, the state estimates, will cost \$40 to \$80 million per year beginning in fiscal 2010. “Based on the fact that we [that is, the state of Virginia] represent slightly less than ten percent of the total veterans deployed post 9/11,” McGinnis said, “I’m saying the national cost for this program should be less the \$1 billion, or about one-fifth appropriated in the VA segment by this Congress for veterans’ special behavioral health needs, and homelessness.”

Policies have consequences—real consequences on real people. Veterans are now being hit by a double whammy. Not only are they suffering the effects of the Bush/Cheney Iraq War policy, which has resulted in multiple, extended combat tours for service members, they are, like all Americans, also victims of the economic crisis, and those suffering from the “invisible wounds” of war should be counted among the most vulnerable Americans. Paul Sullivan reports that the VA is already seeing an increase in patients, including mental health patients, “as the Bush-Era economic failure worsens.” Only a policy reversal from the top can begin to turn this situation around.

Business Briefs

Bank of England

Deputy Says Crisis May Be 'Worst in History'

Deputy Governor of the Bank of England Charles Bean declared the current financial crisis as the "worst in human history," the London *Guardian* reported on Oct. 25. That the comment comes from the bowels of the Bank of England, makes it all the more extraordinary. Bean made his remarks after the British economy was officially declared in recession, and the pound sterling collapsed 10 pence, to below 1.53 to the dollar, the sharpest one-day decline in 41 years.

"This is a once in a lifetime crisis, and possibly the largest financial crisis of its kind in human history," Bean told the *Scarborough News* during a recent tour of the region. Bean added: "We have had banks crises in the past but what is unique about this event is its sheer scale. It is global. It originated in the United States but its tentacles have spread across the world . . . particularly in the last six weeks when financial markets really ground to a halt, and trust in the financial positions of a whole range of institutions has come into question."

Reflecting widespread fear, Bean said. "In terms of impact on the real economy we are still in early days. . . . No one can escape from the fact that we are facing a recession as it now seems to be everywhere we look."

Federal Reserve

Bernanke Lies That He's Not Mimicking Hoover

Federal Reserve Chairman "Helicopter Ben" Bernanke, lender of nearly \$2 trillion this year to a disintegrating banking system, justifies his hyperinflationary policy by claiming to be a scholar of the Great Depression, determined to avoid President Herbert Hoover's "great mistake" of "tightening credit and balancing budgets"

after the 1929 stock market crash. He's either a bad scholar, or he's lying.

From the Crash of 1929 to late 1930, Hoover and Fed Chairman Roy A. Young did exactly what Bernanke and Treasury Secretary Hank Paulson are doing now! Young reduced the Fed discount rate 21 times in a year (in small increments), down from 4% to a then-record low of 1.25%. Hoover pushed through tax cuts of \$400 million, and then \$160 million more, and forced the consolidation of five major (bank-owned) railroad companies with Federal financial support. Federal Reserve lending to banks massively increased in 1930; the government congratulated itself on a major recovery of bond issuance and bank lending, and a record rise of stock prices. But real estate prices, and the real economy, kept falling.

Then the bottom dropped out in late Fall of 1930, the dollar crashed, half of all foreign bank deposits fled the United States, U.S. trade collapsed along with tax revenues. And *then* came the tight money, budget-balancing policy of "scholar" Bernanke's stimulating falsehoods.

Cuba

Castro Endorses London's Global Finance Bailout

In an Oct. 16 article entitled "The Uncommon," Cuban leader Fidel Castro wrote that "On the 14th, [the Spanish daily] *El País* runs an article under the heading, "Gordon [Brown] has done it right, with some ideas that deserve to be literally reproduced.'"

Castro then praises the plan the international financial oligarchy has given Britain to impose on the globe: "The British government has gone directly to the root of the problem, and acted with astonishing speed to solve it. . . . We still don't know if those measures will work. . . . That clear view has had to come from London and not from Washington. . . . Luckily for the world economy, what Gordon Brown and his ministers are doing is sensible. And perhaps they have

shown us the way out to overcome this crisis."

This is a cute way for Cuba's Old Man to endorse the British Prime Minister's final solution—not for the global meltdown, but for the destruction of the U.S. republic.

In Congress

Sir Alan Greenspan: 'I'm Still an Idiot'

Sir Alan Greenspan, the fool made a British knight for his role in destroying the economy of the United States, revealed before Congress Oct. 23 that he is still unable to learn from his multitude of mistakes. In his testimony before the House Committee on Oversight and Reform, Sir Alan placed the blame everywhere but on himself and the financial system he helped create, claiming that he is in "a state of shocked disbelief" at the magnitude of the crisis, which he asserted "has turned out to be much broader than anything I could have imagined."

Many who witnessed that statement are in a state of shocked disbelief that Greenspan could be so shameless or clueless.

Sir Greenspan expressed surprise that the "global economic policies that had worked so effectively for nearly four decades" could have come to such an unexpected result, conveniently overlooking the unpleasant reality that these policies have led to four decades of unmitigated disaster. Rather than blame the derivatives/securities-market scams he helped create and nurture, Sir Alan instead blamed the "excess demand from securitizers"—another verse of his "my system was good but some people used it wrong" song he has been singing since his "It's Not My Fault" world tour began.

He also blamed, not the risk-pricing models upon which the derivatives market is based, but the "data inputted into" those models, and said the crisis would end when home prices in the United States stabilized.

ROOSEVELT'S RESPONSE TO THE 'BANKING CRISIS'

How FDR Asserted the Power of Government Over Wall Street

by L. Wolfe

When, in 1933, Franklin D. Roosevelt was confronted with the then-worst financial and banking crisis in the history of the United States, he chose to ignore the advice of Wall Street bankers, the press that they controlled, and various “free market economists.”

Instead of bowing to pressure for a bailout of financial paper or “injections of liquidity” into a frozen banking system, he chose instead to go right at the power of the financier oligarchy whose past domination of economic policy and orgies of financial speculation had brought on the crisis. To accomplish this, FDR asserted the power of the Constitution over banking and finance, while taking steps to recreate a locally based system for the distribution of government-issued credit to get the economy moving again.

To gain the support of the American people, Roosevelt had to go against popular opinion, manipulated by Wall Street, that had cast the corrupt financial oligarchs as admired plutocrats, whose alleged mastery of the “laws of finance” had garnered for them lots of money. As the “clever” financial speculations of these oligarchs were exposed, Roosevelt reminded Americans that their own worship of the power of money had set them up to be preyed upon.

In doing all these things, FDR restored the trust between the people and their government; this accomplishment was the single most important success of his “New Deal.”

In this report, we discuss how FDR waged this battle to restore sanity to banking practice and to shackle the power of Wall Street’s “economic royalists.” While, the

crisis we face today is even greater than that which FDR faced, his method, as the economist and Democrat Lyndon LaRouche has repeatedly explained, provides us with lessons in how we must approach the tasks ahead of us.

The Dead Banking System

As President-elect Franklin Roosevelt prepared to assume office in late 1932 and early 1933, the banking system of the nation was totally dysfunctional. The flow of credit to small and large business concerns and to the average American had virtually stopped; meanwhile, the “guts” of the American system of national banking, the local banks on “Main Street,” were closing their doors.

Meanwhile, the New York and other money-center commercial banks, and the Wall Street merchant banks which effectively controlled them, were loaded with cash which they refused to lend, except where enormous profits and fees were assured, or to financial predators ready to loot what remained of our economy. As the Senate Banking Committee hearings, steered by chief counsel Ferdinand Pecora, would later show, the money-center banks were colluding to make themselves and their directors great profits, at the cost of the suffering of the majority of the American people.¹

The Wall Street bankers and their stooges in the

1. The Senate Banking Committee hearings on the causes of the 1929 Crash and the onset of the Depression received their mandate in March 1932, but took on a new character with the appointment of Pecora as chief counsel in 1932. See L. Wolfe, “The Morgan Fascist Coup Plot and How FDR Defeated It,” *EIR*, Aug. 11, 2006. More recently, see “It’s Time for New Pecora Hearings,” *EIR*, Oct. 10, 2008.



Library of Congress

President Franklin Roosevelt rejected any “bailout” of Wall Street, and instead, went after the power of the financier oligarchy whose speculative orgies had brought on the crisis. Shown: FDR signs the Banking Act of 1933; at his right, Sen. Carter Glass (D-Va.); at his left, Rep. Henry Steagall (D-Ala.).

Hoover Treasury Department and the Federal Reserve forced the “Main Street” bankers to write off otherwise viable assets whose values had been deflated; this cut off credit to homeowners and local businesses at the very moment when such credits, on liberal terms, were needed the most. The credit shutoffs accelerated the collapse of bank assets, as more homeowners and businesses slipped into default. By early 1933, more than half of all domestic residential mortgages were in some stage of foreclosure, while half of all outstanding consumer and small business loans were in default.

As economic activity slowed, as small shops and large factories alike released their workers and closed, people desperate for cash withdrew funds from their local banks. Soon, panicky depositors worried that if they waited, their banks would run out of cash, and so were withdrawing all their funds and closing accounts. Word would spread in a matter of hours about “trouble” in a bank branch in a nearby town, to the depositors at the local bank branch, causing a run that would close the bank.

At first, regional Fed banks tried to rush cash to the beleaguered banks; but, as the crisis grew, the Fed’s actions became more erratic and were totally insufficient to

stem the chaos. Finally, they appeared to just give up.²

FDR Formulates a Plan of Action

In meetings starting in late December and proceeding, with some breaks, right up to the March 3 inauguration, FDR and his advisors hammered out a response to the crisis. As reports from within the so-called “Brain Trust” of advisors he had assembled make clear, it was FDR who functioned as the “commander in chief” of what he recognized as a political war to wrest control of the banking system from the cabal of private bankers centered on Wall Street, who had hijacked the nation’s finances and banking system for their own ends. Roosevelt generally did not proffer specific policies, but instead established “guiding principles” for those policies.

In addition, FDR provided political guidance for advisors whose academic credentials generally left them politically “tone deaf.” For example, he pointed out that none of the proposed regulations or reforms would have any real effect without restoring the trust of the American people in their government. As Rex Tugwell, one of the Brain Trusters involved in the discussions, reports,³ FDR had to repeatedly rein in advisors who would propose to go further than he believed the American people were willing to accept, or to attempt to do something that would defeat the larger purpose of keeping a recovery on track.⁴

During this same period, FDR also rejected the urgings of the Hoover White House and some among his own advisors that he join with Hoover in supporting an

2. Rexford Tugwell, *The Roosevelt Revolution* (New York: MacMillan, 1977). FDR’s allies believed that the money-center banks wanted to jump state lines and form huge banking syndicates to replace locally-owned branch banking, much as has taken place in recent years under deregulation.

3. *Ibid.*

4. *Ibid.* Tugwell says that FDR specifically rejected proposals supported by himself for the nationalization of the Federal Reserve, saying that such an action would have provoked a legal firestorm that could have jeopardized early New Deal policy.

intervention to help troubled banks and to provide aid to the unemployed. Roosevelt believed the proposal to be a half measure that would accomplish little in reality, except to link him to the banker-controlled and thoroughly discredited outgoing Administration.⁵

What emerged instead was a plan of action that focussed on the following actions and principles:

1. Restore confidence in our banking system and stop the runs on banks by placing them under Federal protection while their finances were reorganized;

2. Assert the Federal government's Constitutional authority over, and responsibility for, the banking system while allowing for its continued ownership by the private sector;

3. Reduce and limit the power of the cabal of Wall Street private bankers;

4. Strengthen local and regional banking, protecting its operations as the cornerstone of our credit distribution system.

3. Restoring Confidence and Asserting Power

The draft of the order for a national economic emergency and the "Bank Holiday" was ready by early February. The legislation that FDR would submit to Congress was finished shortly thereafter. Both were kept under wraps for nearly a month, as the situation on the ground grew worse, and FDR continued to politely rebuff calls from the Hoover White House for joint action.⁶

The plan was simple and direct: the Federally-chartered and state-chartered banking system would be placed into an effective Federal receivership, similar to what takes place in a bankruptcy procedure. All the

5. Ernest K. Lindley, *The Roosevelt Revolution* (New York: Viking Press, 1933). The Hoover bailout plan, authored by Wall Street, included government purchases of bad bank debt, and investment by the government in bank equity, as well as making government backing available for corporate debts. It specifically did not include any help for homeowners threatened with foreclosure.

6. Wolfe, "Morgan Coup Plot," op. cit. Shortly after FDR rejected the White House overtures, and as his staff was drafting his own plan of action, Roosevelt was the target of an assassin in Miami on Feb. 15, 1933, when returning from a brief vacation. The assassin's arm was diverted at the last minute by the action of a woman in the crowd, and the history of the last 75 years could have been dramatically different.



Library of Congress

Even before FDR took office, he laid out a plan of action to reverse the Depression, including placing the banking system under Federal protection; here, a run on the American Union Bank in New York City in the midst of the bank panic.

banks would be shut down and would not be allowed to reopen until they had received a Federal "seal of approval." While they were shut, Federal examiners would move in to look at their books. Where necessary, the banks' bad debts would be reorganized, written down, or even written off; Federal funds, distributed through the Treasury and the Fed, were to be made available to cover reserve requirements, with additional funds available to cover potential deposit withdrawals. When they reopened, people would be reassured both that their bank was sound, and that the government would stand behind that assurance.

As FDR understood, most banks were, in fact, sound; they would need minor reorganization, and could be quickly reopened. Others would take longer. The examiners were tasked with operating with dispatch in their work, but not with undue haste.⁷

Roosevelt used his March 4 inaugural address to rally support for what was about to happen. Targeting the financial oligarchy as responsible for the nation's

7. Linley, op. cit. FDR insisted on closing all Federal Reserve banks, over the objections of some of his advisors who argued that they were "sound," and that their closing might reduce confidence in the Fed. On the contrary, said FDR, their closing was essential to the success of the entire program, showing that even the Fed required a "government seal of approval" to pronounce them sound.

dire plight and the collapse of their own system, he proclaimed: “[T]he rulers of the exchange of mankind’s goods have failed, through their own stubbornness and incompetence, have admitted their failure and abdicated. . . .

“They know only the rules of a generation of self seekers. They have no vision, and when there is no vision the people perish.

“The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit. . . .”⁸

A day later, FDR called Congress back into emergency session to endorse his order to shut the banking system for a four-day “Bank Holiday.” Congress, recognizing the public support behind the President, quickly passed the measure. By the next morning, Federal examiners were in banks throughout the country.

There were tense moments during that previous night, as the Wall Street cabal, in the form of the board of the New York Reserve Bank, huddled to decide whether they would abide by Roosevelt’s order. Messages were sent back and forth between New York and the White House, with FDR’s answer, through aides, always the same: You must close. Finally, the New York Fed relented and ordered its member banks to shut, as did the other Reserve banks. If they did not back down, FDR was prepared to order Federal troops to shut their doors.⁹

With his emergency order approved, FDR next submitted the prepared legislation to extend the Bank Holiday to give the Federal government the time and power to reorganize troubled banks, closing ones that were hopelessly insolvent, and merging their operations with stronger banks, while writing down or eliminating bad debts. The Emergency Banking Relief Act, as the measure was called, also ordered Treasury to make available funds to meet the reserve requirements and provide additional liquidity to cover any deposit withdrawals.

While most banks reopened the following week, more than 4,000 were eventually reorganized and/or merged, or closed. Over time, depositors, even in the closed banks, were able to reclaim most of their assets. Hundreds of millions of dollars of worthless financial

paper and debts were written off.

On March 12, FDR addressed the largest national audience ever spoken to by a U.S. President in his initial “Fireside Chat,” explaining the banking crisis and what his Administration had done in response. As the letters to the President following that address made clear, FDR had achieved what he wanted: stemming the panic, and making Americans see their government as taking control of the crisis.¹⁰ More than \$1.2 billion in deposits was restored by the end of March. To provide further assurance to depositors that their money was safe, the Glass-Steagall Act of June 1933 provided insurance for all deposits of up to \$2,500,¹¹ and created the Federal Deposit Insurance Corporation (FDIC) to administer the program.

Reducing Wall Street’s Power

By establishing the primacy of the Federal government over financial and banking practices in the very first days of his Administration, FDR was now ready to begin moves to bust up the concentration of power of the Wall Street cabal.

To soften them up, Roosevelt employed some of his famous “pitiless publicity” in the form of then ongoing Pecora hearings. We have reported on the content of these hearings elsewhere.¹² For our purposes here, it is sufficient to point out that, more than anything else, chief counsel Pecora presented such a compelling case of the venal corruption at the highest levels of Wall Street’s staid banking establishment, that even Wall Street’s own media, such as the *New York Times*, were forced to cover the “big show.”

Up until that time, and like today, many Americans regarded these crooks as royalty, following their extravagances as they would Hollywood movie stars; even during the middle of the Depression in 1931,

8. *The Essential Franklin D. Roosevelt*; John H. Hunt, ed. (New York: Gramercy, 1995).

9. Recounted in James McGreggor Burns, *The Lion and the Fox* (New York: Harcourt, Brace & World, 1956).

10. FDR received hundreds of thousands of letters supporting what he had done and praising his speech. Typical was one from a New York State Supreme Court Justice who said, “When your radio talk began, everyone seemed hypnotized because there wasn’t a word spoken until you had finished, and then, as if one voice were speaking, all spoke in unison, ‘We are saved!’ The same individuals who, a few moments before (who were pulling money from banks) declared that they would leave their money in their banks and that they were not afraid of the future. . . .” From Lawrence W. Levine and Cornelia R. Levine, *The People and Their President—America’s Conversation with FDR* (Boston: Beacon Press, 2002).

11. FDIC coverage was expanded to include amounts up to \$5,000 by the Bank Act of 1935.

12. Wolfe, op. cit.



Library of Congress

One of FDR's most powerful weapons against the "economic royalists" was Ferdinand Pecora, the chief counsel to the Senate Banking and Currency Committee, whose hearings exposed the venal corruption of the banking cabal. Shown: At the hearings, Jan. 11, 1934 (left to right): Sen. James Couzens (R-Mich.); Sen. Duncan Fletcher (D-Fla.); Pecora.

people like J.P. Morgan, Otto Kahn, and the other "big names" of the financial crowd routinely found themselves on lists of the "most admired Americans." Under the relentless questioning of Pecora, however, these same names were exposed as nothing but haughty criminals—a high-finance version of the Capone mob.

This tarnished image made possible the passage of regulatory legislation which had been opposed by the "royalists," and which would otherwise have been blocked by Wall Street's lackeys in the Congress. Now, the Congress had to fear the rage of a public, shocked and angered by the Pecora revelations, a public solidly behind their President,

Roosevelt, whose ancestor Isaac Roosevelt¹³ had been an ally of the founder of the American System of national banking and economics, the first Treasury Secretary Alexander Hamilton, was, like Hamilton, a strong believer in privately owned and operated banks. However, also, like Hamilton, he believed that government had both a right and obligation to direct credit within this privately owned system, to steer it away from speculative practice, and towards the national interest. Regu-

13. Roosevelt's great-grandfather Isaac had been involved with the Bank of New York and was an ally of Hamilton.

latory authority was the key to reversing the destructive lending practices of Wall Street, whose corruption and pursuit of huge monetary gain, had seeped down to "Main Street."

To put it simply, Wall Street, and the "economic royalists" who controlled it, had too much power. It was bad enough that they totally controlled the New York Fed, and with it the policy of the Federal Reserve System, through their interlocking directorates, but, as Pecora had shown, they also controlled the commercial banking sector. While it could be argued that merchant banks, the center of oligarchical power, were parasites, performing no useful function to the economy while doing great harm through their speculations, commercial banks performed useful and necessary functions in the conduct of trade and commerce. The only way to protect the viable functions of the banking system, was

to bust up this concentration of power.

FDR and his advisors chose the simplest and most direct route: to totally separate commercial banks from merchant banks and all securities operations, and then regulate the hell out of the former, to try to get them to carry out useful lending and credit distribution.

FDR took personal charge of getting this proposed reform through a Congress loaded with "free market" lunatics and kept lackeys of Wall Street. He asked his ally and head of the House Banking Committee Rep. Henry Steagall (D-Ala.) to attach the key provisions FDR desired to modest bank reform legislation sponsored by Wall Street's favorite Senator, Carter Glass (D-Va.), the man who had pushed the Federal Reserve Act through Congress in 1913. To make the measure "bulletproof," the Congressionally popular program for deposit insurance was tacked on.

With Glass leading the charge in the Senate, the bill sailed through Congress. When the dust settled, the functions of commercial banking and so-called investment banking had been separated. In addition, the legislation provided for the first-ever Federal oversight of commercial banking, and incorporated a measure aimed at stopping the incursion of money-center banks into the local depository domains of the savings and loans—



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The Pecora hearings showed that Wall Street's "big names," like J.P. Morgan (left) and Otto Kahn, were nothing but a high-finance version of the Capone mob.

the famous Regulation Q, which barred banks from paying interest on checking accounts. Glass-Steagall, as the measure became known, also gave the newly created FDIC regulatory and supervisory power over all banks that sought coverage with deposit insurance, including formerly non-Federally regulated state banks. With the passage two years later of the Securities and Exchange Act, which regulated all securities transactions and brokerages, a diverse Federal regulatory authority blanketed the banking system.

The Morgans, in particular, along with the rest of the merchant banker cabal, never forgave FDR for Glass-Steagall.¹⁴

Taking Over the Fed

As long as the "royalists" controlled the Fed, they could effectively sabotage and control the nation's finances. That control had been put in place by the Fed-

14. Wolfe, op. cit. The House of Morgan was forced to divest itself of its commercial bank, which has since morphed into J.P. Morgan-Chase. But it was the fact that FDR had used Presidential power against the bankers that caused the British-controlled Morgan interests to initiate a Mussolini-style fascist coup plot against FDR, the which was exposed and defeated by Roosevelt with the help of the patriot Maj. Gen. Smedley Darlington Butler (ret.).

eral Reserve Act of 1913, which gave the Fed the exclusive power to control the sale of all government securities and debt. In a direct perversion of Hamilton's intent and method of using debt as directed credit placed into a national banking system, the Fed, in its "open market" operations, handed the marketing of the debt over to merchant bankers, who sold it, and then "monetized it" through their own purchases of unsold securities, placing these proceeds on deposit with the New York Fed and member banks; the banks, without any Congressional authorization, then created reserves out of thin air from these deposits, which funds they used for whatever speculations they deemed fit. Meanwhile, the banks were paid hefty fees for their services, as well as "market" interest rates on the debt instruments.

Implicit in this arrangement is that the merchant bankers could refuse to market or charge usurious rates for U.S. government debt ("bust the market") to discipline any government that refused to toe their line. This threat became explicit in early 1934, when the newly appointed Secretary of the Treasury, FDR's personal friend Henry Morgenthau, was summoned to New York City for what was called an "urgent" meeting with the powerful heads of the New York Federal Reserve bank. Morgenthau was ordered to sit in a chair and then was given a finger-pointing lecture. As he recounted the story, he was told: "You are going to do what we say, when we order it, or, we are going to bust the Treasury market and shut off credit to the government."¹⁵

FDR now had to move to assert control over the Fed, before it acted against him and the New Deal. He believed that even the Fed could be forced to bend to the will of the Presidency, and made to perform, along with Treasury, as "the lender of last resort," distributing Federally issued, Congressionally authorized credit through a revived system. The key to this plan was to

15. Marriner Eccles, *Beckoning Frontiers* (New York: Alfred A. Knopf, 1951). This story was recounted to Fed chairman Marriner Eccles by Morgenthau.

find a new Fed chairman (the chairman of the Board of Governors is a Presidential appointee, approved by the Congress) who could work with him and would stand up to the “royalists” and their New York Fed.¹⁶

In Marriner Eccles, a regional banker and industrialist from Utah, Roosevelt found just the person that he and the nation needed. Eccles, a lifelong Republican, was not like any Fed chairman before, and none since.

Eccles once said that he had no economic philosophy, and that he had never studied what was taught in universities as economics.¹⁷ His economic ideas were based on what he had learned throughout his life, and in his work, about economic development, the improvement of the human condition, and the role that banking must play. His family had been involved in resource development and had set up various construction and other industries, and Eccles became involved in banking out of need to organize credit for these companies. For him, lending wasn’t about making paper profit, but about realizing something in physical economy.

For Eccles, the breaking point came in a series of crises in 1931-32, that threatened to shut down all the banks of the Mountain region, including his own. As the panic among depositors grew worse, the Fed did little, and only then, after great pleading. While he was able to save his local banking syndicate, Eccles realized that the nation could not survive the continued indifference and even sabotage from Washington; he began to speak out on these matters, first regionally, then before Congress.

Eccles criticized the views expressed by the so-called “wise men of finance” that the Depression was a result of some “God-given laws” of the business cycle, and that no mortal man should try to interfere. To coun-



FDR Library

Roosevelt’s personal friend, and Treasury Secretary, Henry Morgenthau, was “summoned” to New York, and threatened by the powerful heads of the New York Fed. He shown here with the President in 1934.

ter this, he offered a Hamiltonian definition of economics, demonstrating the errors in thinking of the “wise men”: “Economics is merely the production and distribution of wealth brought about by the application of labor to raw materials. It is all man-made and has developed by the application of the human intellect to problems that presented themselves from the days of the cavemen to our own. . . .

“What passed for the ‘God-given’ aspect of operation of economics was nothing more than the determination of this or that special interest, especially favored by the status-quo, to resist any new rules that might be to their disadvantage. It became apparent to me, as a capitalist, that if I lent myself to this sort of action and resisted change designed to benefit all the people, I could be consumed by the poisons I had helped create. I saw at this time, moreover, that men with great economic power had undue influence in making the rules of the economic game, in shaping the actions of the government that enforced those rules, and in conditioning the attitude taken by people as a whole toward those rules. After I had lost all faith in my business heroes, I concluded that I and everyone else had an equal right to share in the process by which economic rules are made and changed. . . .”

The key to ending the Depression—which he was to

16. The Fed’s Board of Governors is also appointed by the President, and approved by Congress. In general, such approval, as well as Congressional oversight, have been perfunctory.

17. Eccles, op. cit. Eccles repeatedly rebuked those who claimed that he was a “Keynesian monetarist,” saying that he had never read Keynes and never would, since all he talks about is “money.”

advocate even before FDR aggressively did so—was to deploy *public capital and credit* to place people in gainful employment, by investing in needed public infrastructure. Only the Federal government could initiate and undertake such an effort, since it had the power to change, where necessary, “the rules of the economic game.”¹⁸

His remarks did not go unnoticed by FDR, who had Eccles invited to Washington first to serve in Treasury, and then, in 1934, as chairman of the Fed’s Board of Governors.

It was widely known at the time, but now conveniently forgotten in most histories of the period, that Eccles and FDR were an economic team. They argued and discussed all manner of policy; the plainspoken Eccles was never afraid to tell FDR when he thought a policy was half-cocked or wrong. Both shared the view that the deployment of Federal government credit should be the main mechanism of recovery.

The problem, as Eccles saw it, was that the Federal Reserve Act had restricted the discounting of the long-term credit required for sensible public works and other capital projects. As long as the Reserve Banks could reject long-term financial paper offered for discount, no such loans would be made by the private sector, severely restricting the effects of any Federal efforts to distribute credit for those directed purposes. Prior to the point at which Eccles restored sanity to the process, there was less than \$2 billion in loans eligible under Fed restrictions for rediscounting, and these amounts shrunk further under so-called eligibility provisos.

According to Eccles, this was not merely a technical problem, but reflected a subjective change in the purpose of banking and in the bankers’ sense of their role in the economy. The latter, he indicated, had shrunk down to the most narrow sense of making monetary profit for their shareholders. As long as short-term monetary profit was the sole basis for bank lending decisions, then both the banking system and the economy were doomed.¹⁹

18. Ibid.

19. Ibid. The problem is reflected in the monetary accounting of assets and liabilities. The banker, under this insanity, regards as a prime asset the short-term loan made to a speculator or financial predator whose financed activities were destroying the local community on whose economy the bank’s ultimate soundness and prosperity depended; from a money-based view, the predator paid his bills on time, and the profit (interest and fees) on the loans was realized quickly. On the other hand, the banker, operating on this basis, saw as a liability, a long-term loan made to a company that gainfully employed dozens of people but was currently down in the dumps due to the depressed economy. The ability

Eccles acted to move the banking system out of its money-based doldrums and wrong-headed thinking “by shifting attention from the word ‘liquidity’ and centering on the words ‘sound assets.’” This was done by making all such sound assets *liquid*, making them eligible for rediscounting by the Reserve Banks. This shift, Eccles said, made the bankers focus on the physical assets and their relationship to their communities and economy; that is the only way to consider whether an asset is “sound.”

Prior to his appointment as Fed chairman, Eccles presented his plans for Fed reform to a bemused FDR, asking also that the control of open market operations be taken away from the local Reserve Banks (and especially the New York Fed) and be centered in the Board of Governors; he also moved to eliminate all the characteristics that made the local Reserve Banks little fiefdoms unto themselves, including eliminating the position of chairman of the local Fed bank; and finally, the Fed would establish paper as eligible for rediscounting, as determined by the “soundness of the assets,” which the Fed would offer guidelines in defining from time to time.

Most of the changes that Eccles proposed were incorporated in the Banking Act of 1935.

Support for Local Banking

When FDR took office, the vast majority of branch banks were locally owned or part of regional syndicates, with local people in charge of the branches. This was where most Americans and their businesses did their banking, and where they received credit. This type of banking was based on deposits—i.e., people kept their money in the banks, and these funds provided the capital for lending, based on banking decisions about the borrower, while keeping adequate reserves. These lending decisions were usually made on a person-to-person basis, with the banker knowing or getting to know his customers, and knowing, as well, what the loans were for. More often than not, decisions were made according to criteria apart from what fees and interest could be garnered by the bank, and instead, on the basis of considerations of what was good for the individual or family or local business, and for the community.

The Federal government could place credit into the

of that company to survive was in the interest of the community and, ultimately, the bank itself; but bankers, using these accounting criteria, would not loan the company the long-term credit it needed; the short-term profitability of such loans was in doubt, limiting the funds that might be available to lend to speculators!

hands of these bankers by issuing contracts for work, under various agencies and projects, or through the purchase of equipment and services from local customers. The banks would then discount these contracts, lending on the basis of anticipated Federal payment for new plant and equipment, or for hiring of personnel.²⁰

The “Hoover” bank panic of early 1933 had threatened to destroy this essential credit distribution system. FDR’s swift intervention averted this disaster and kept the locally based national banking structure in place.

FDR was a strong believer in local banks and local bankers. He was, by nature, suspicious of the big national banks and their efforts to jump across state lines. To prevent this, he insisted that Treasury enforce the 1927 McFadden Act, which barred interstate banking, except under certain delimited conditions, the enforcement of which had been rather flaccid under Hoover. In efforts to protect Savings and Loans operating in larger communities and cities such as New York, the newly created FDIC was instructed to enforce “Reg Q,” which barred banks from offering interest on checking accounts.²¹

Even with this, local banks and savings institutions came under increased pressure, as Wall Street made it more difficult for them to borrow money at reasonable rates in the interbank market.

Roosevelt, with Eccles’ help and approval, moved to get funds into the local banks, using Federal credit to bypass Wall Street’s sabotage:

- When Congress authorized money for FDR’s



FDR appointed the regional banker Marriner Eccles (left) as chairman of the Fed. Wielding Hamiltonian principles, Eccles challenged the views of the “wise men of finance” that the Depression had resulted from “God-given laws” of the business cycle.

public works jobs programs, those funds for local projects were deposited by Treasury in the local banks, which could then use those deposits as the basis for lending capital for local projects, mortgages, etc.;

- Large sums of money, created through Federal borrowings, approved by Congress, such as by the Tennessee Valley Authority, or for the construction of the large dams of the Western states, were deposited in regional and local banks to increase the capital base for lending;
- With Eccles’ approval, all Federal contracts, including for various construction and other projects, were eligible for discounting by the Fed.

Perhaps the most significant action taken to enhance local banking involved Roosevelt’s creation of a dedicated lending system to finance housing, anchored by the local savings and loans, whose deposits were Federally insured. FDR “handled” his mortgage crisis, one which threatened half of all homeowners with foreclosure in 1933, not by focussing on the mortgages and property values per se, but by reorganizing the local banks that issued the mortgages, protecting them, and making it possible to renegotiate mortgages on appro-

20. Hamilton envisioned such a local means to distribute public credit. His three reports to the Congress—“The Report Relative to the Provision of Support of Public Credit” (1789); “The Report on a National Bank” (1790); and “The Report on Manufactures” (1791)—are the founding documents of the American System of economy and are must reading for any student of this subject. They are also crucial to understanding the ongoing fight between proponents of the American System, and the Anglo-Dutch slime mold of financiers of which Wall Street’s bankers and financiers are a controlled component. FDR’s banking practice, as well as that of Eccles, can be fairly stated to come from a Hamiltonian impulse still then embedded within the national economic culture. For these reports, see Nancy B. Spannaus and Christopher White, eds., *The Political Economy of the American Revolution* (Washington, D.C.: EIR News Service, 1995) and Jacob Cooke, ed., *The Reports of Alexander Hamilton* (New York: Harper Torch Books, 1964).

21. The destruction of Reg Q in the 1980s opened the floodgates for the assault on primarily depository institutions, such as S&Ls, by predator banks.

priate terms or issue new ones. As I have explained elsewhere,²² he created a temporary Federally run mortgage and workout facility, the Home Owners Loan Corporation (HOLC), to rework and write down mortgages, then reissue them backed and insured by the government; these mortgages, initially held by the HOLC, were eventually resold to banks.

Roosevelt believed that only local bankers could understand mortgages as they should be understood—as investments in the local community and its well-being. To make this point clear, FDR and his advisors regulated the mortgage-lending market to encourage lending institutions to hold onto the mortgages for their term. The S&Ls, as local depository-based institutions, were most suited for this task. If they ran short of lending capital, FDR asked the commercial banks to create a relending institution that could buy the mortgages from the local banks, and hold them, with the local bankers continuing to collect from mortgagees and paying into the institution. When Wall Street refused to do this, FDR authorized the creation of the Federal National Mortgage Association, or Fannie Mae.²³

The Past as Future?

When confronted with what was up until then the worst financial and banking crisis in the nation's history, FDR did not bail out the banks. He did not buy up bad financial paper and debts. He reorganized the system, writing off and down bad paper, and created a regulatory umbrella to protect against future abuse. When Wall Street threatened and demanded subservience to the “economic royalists,” FDR didn't flinch—he exerted the power of the Presidency to force them to back down. He effectively “nationalized” the Federal Reserve, for at least the duration of his Presidency,

22. L. Wolfe, “Lessons from FDR's Handling of the Housing Crisis,” *EIR*, April 6, 2007; and “Put the Toothpaste Back in the Tube: Rebuilding FDR's Dedicated Lending System for Housing,” *EIR*, July, 27, 2007.

23. Contrary to the insane blatherings today about Fannie Mae and Freddie Mac from Congress and others, they performed the useful and necessary function described above, *as long as they were part of a closed-in, dedicated lending system for housing*. What happened is that Alan Greenspan and, later Ben Bernanke turned the institutions into cash cows and debt farmers for the real estate bubble and speculation. FDR would have been aghast at the use of Fannie Mae to market or purchase financial paper, such as mortgage-backed securities or credit derivatives. This is what destroyed Fannie and Freddie and it was done precisely because Greenspan et al. knew that, since the Federal government implicitly stood behind them, their bad paper would have to be bailed out.

taking control of the Fed out of the hands of the enemies of this nation and making it function as a de facto national bank, acting as a complement to the policies of his New Deal. This, as Rex Tugwell has said, was indeed “revolutionary.”²⁴

The feisty prosecutor Ferdinand Pecora, assessing what FDR had accomplished, wrote, for a 1935 magazine article: “About a year ago, the United States government marched in and took possession of Wall Street. I don't mean that Uncle Sam confiscated property down there and put the brokers in chains. I mean it hoisted the American flag, over Wall Street, declared it to be part of the United States and enacted some laws for its government.”²⁵

FDR was never really able, despite the efforts of his ally Eccles, to force the money-center banks and the merchant banks to lend to business or for the national interest. At every step of the way, this cabal still tried to sabotage his policies. Roosevelt was forced to bypass them, to inject credit directly through his locally based national banking apparatus. It wasn't until the majority of this crowd reluctantly agreed that the British Empire's Hitler project had gone off the rails and had to be defeated, that private credit was provided for the war mobilization, starting around 1939.

While the national banking system FDR created was by no means perfect, still, with Wall Street hemmed in by regulations, it continued to function past Roosevelt's death in 1945, and the removal of Eccles from the Fed a few years later, by President Harry Truman. But now, after years of assault by Wall Street-sponsored deregulators, that system has morphed into something far worse than what confronted FDR in 1933. Now the descendants of those “money changers” that Pecora exposed and FDR battled, are demanding impossible bailouts of mountains of worthless paper and bankrupt banks, demands which, if carried out, will send us all hurtling towards a New Dark Age collapse.

Lyndon LaRouche, invoking the spirit of Roosevelt's Revolution, has called for a rejection of this insanity and a return to FDR-style, Hamiltonian national banking and credit policies that would reorganize and reregulate the U.S. banking and global system for a “Global New Deal” of large-scale economic development and infrastructure projects. In this case, the past can indeed point the way towards a better future.

24. Tugwell, op. cit., and Lindley, op. cit.

25. Ferdinand Pecora, “Wall Street Under the Flag,” *Colliers*, March 20, 1935.

Expect the Unexpected

As the *Feature* report in this issue by Lyndon LaRouche shows, the leading enemy of humanity today is the British Empire (the “Brutish Empire”). At no time in memory, since the death of Franklin Roosevelt, has the British Empire faced the existential challenge it faces today.

Regardless of the outcome of the U.S. Presidential elections, the collapse of the present global financial and monetary system is unstoppable, unless there is a fundamental change in policy, and LaRouche’s New Bretton Woods policy is fully implemented. Governments and leading political circles around the globe are considering the LaRouche alternative, as never before.

On Nov. 15, the heads of state of the Group of 20 leading nations from around the world will gather in Washington, D.C., for the first of what are expected to be a series of conferences, to consider a New Bretton Woods. Already, a number of leading participants in that conference—Italy and France, to name just two—are seriously promoting the need to return to a fixed-exchange-rate system, to wipe out the role of speculators in world currency arrangements.

While the outcome of the Nov. 15 and subsequent conferences is unknown, the mere fact that LaRouche’s proposal is on the table, has the City of London financier oligarchy running scared.

For this reason, expect the unexpected. During the Summer of 2008, working through British Foreign Office mandarin Sir Mark Malloch-Brown and BFO agent George Soros, London came close to triggering a full-scale war between Russia and NATO, over the Caucasus. That situation remains explosive, and U.S.-Russian cooperation, the anchor of any successful New Bretton Woods agreement, has been set back by the British-engineered conflict.

Working closely with factions in Saudi Arabia, the British are attempting to engineer a crisis between Syria and Lebanon, at precisely the moment when efforts are underway to achieve a Syria-Israel-Lebanon peace agreement. Saudi-funded Salafi insurgents are targeting Alawites and Shi’ites in northern Lebanon, and across the border in Syria. The London scheme is to engineer a cross-border crisis between Syria and Lebanon, and once again, blow up the eastern Mediterranean.

In South Asia, the conflict along the Pakistan-Afghanistan border continues to intensify, and London is flagrantly promoting a Taliban return to power in Kabul, a certain trigger for a new “Great Game” confrontation, engulfing Central and South Asia.

U.S. intelligence specialists are also pointing to the danger of a “new 9/11” attack, sometime during the transitional period, extending through the end of 2009, whoever winds up as the next White House occupant. Such a direct assault on the U.S.A. clearly suits London’s chaos agenda. As some senior U.S. intelligence figures know, there was a significant “Al Yamamah” factor in the attacks of eight years ago, and the Anglo-Saudi intelligence apparatus, associated with the BAE oil-for-weapons scheme, that had a hand in that action, remains intact to this day, thanks, in large measure, to a concerted Bush Administration coverup, and worse.

In times of great turmoil, when the very existence of the present Anglo-Dutch Liberal system is in jeopardy, London historically resorts to war, as the ultimate weapon in their grasp for continued oligarchical power.

These are the lessons of history, and they apply today, more than at any time in our lives.

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- LAROUCHEPUB.COM Click *LaRouche's Writings*. (Aval. 24/7)
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- RAVITELEVISION.COM Click *Live Stream*. Mon & Thu 11 am; Wed & Fri 10:30 pm
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ALABAMA

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- CLAYTON/CONCORD CO Ch.26: 2nd Tue 7 pm; AS Ch.31: Tue 7:30 pm
- CONTRA COSTA CC Ch.26: 2nd 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
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- 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: 2nd 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
- NEWTOWN CH Ch.21: Mon 12:30 pm; Fri 7 pm
- SEYMOUR CC Ch.10: Tue 10 pm

DISTRICT OF COLUMBIA

- WASHINGTON CC Ch.95 & RCN Ch.10: Irregular

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

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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
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MASSACHUSETTS

- BRAintree CC Ch.31 & BD Ch.16: Tue 8 pm
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- 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

- ALBANY AMTC Ch.13: Tue & Thu: 7:30 pm
- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch.10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Tue 9 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 CH Ch.12: Mon 6 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun Midnite, 8 am, 4 pm
- ST. PAUL CC Ch.15: Wed 9:30 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

- BOULDER CITY CH Ch.2: 2x/day: am & 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
- MERCER COUNTY CC Trenton Ch.26: 3rd & 4th Fri 6 pm
- Windsors Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.15: 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.16: 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.34 & 35: Mon 10 pm; 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: Tue 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.6: 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

- BRATTLEBORO CC Ch.8: Mon 6 pm, Tue 4:30 pm, Wed 8 pm
- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm
- MONTPELIER CC Ch.15: Tue 10 pm; Wed 3 am & 4 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: 1st & 2nd 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: Mon 11 am
- TRI CITIES CH Ch. 13/99: Mon 7 pm; Thu 9 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

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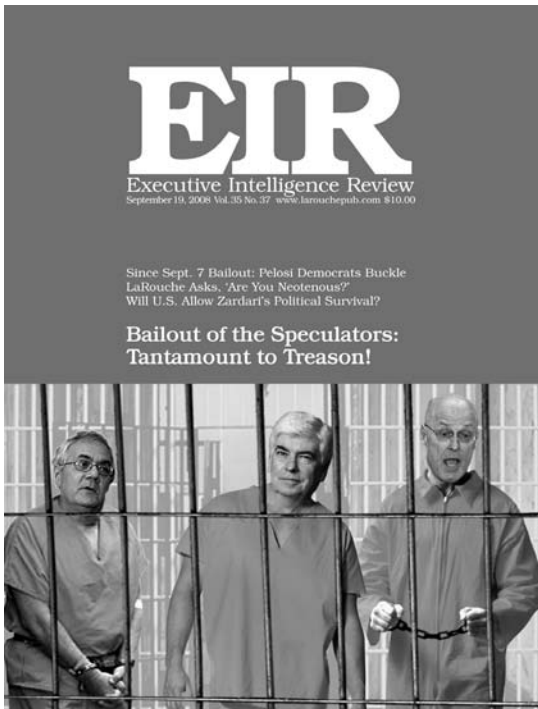
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