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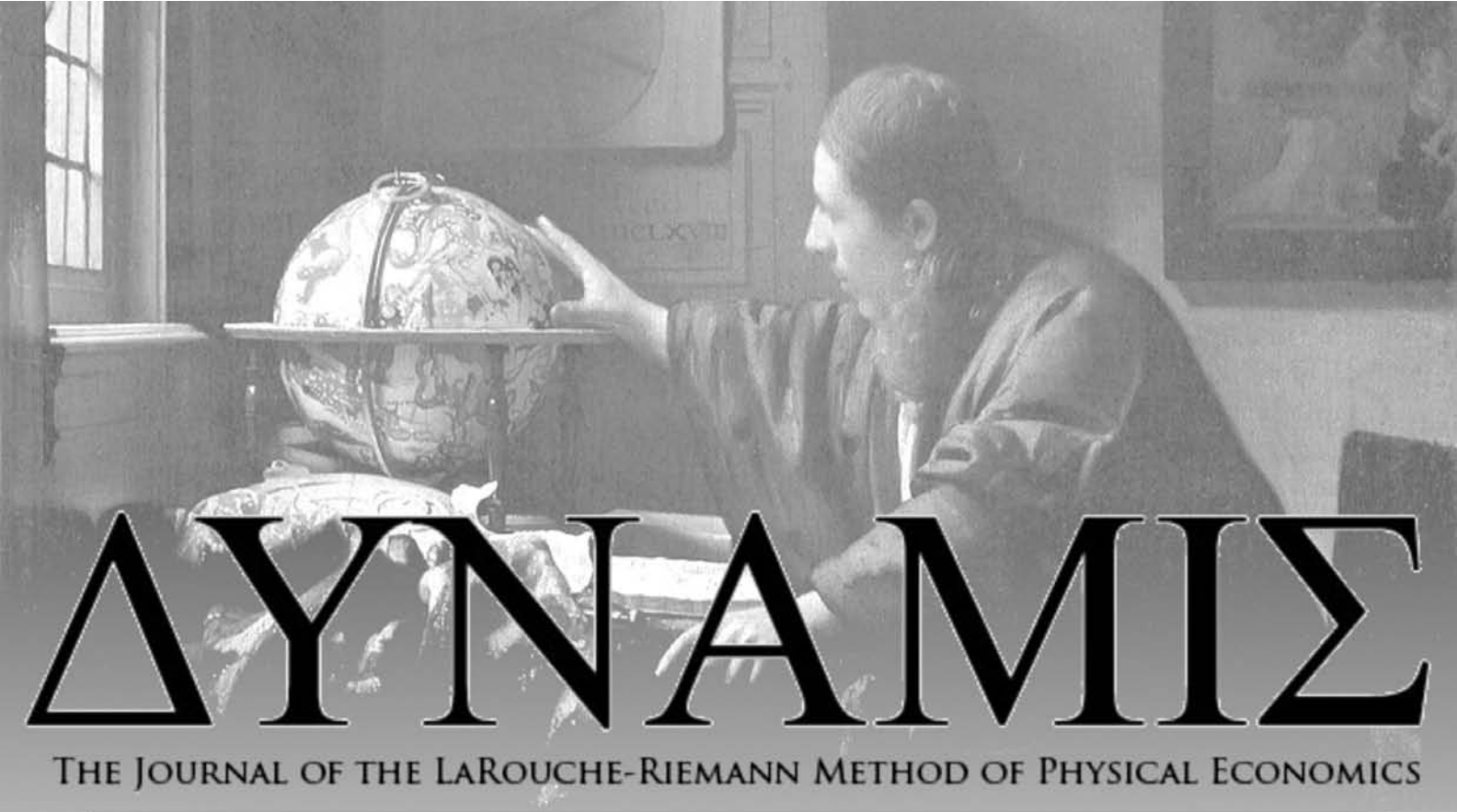
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LaRouche on 'London's Brutish Fairy-Tale'
Bloomberg 'Mussolini Option' Is Kicked Off in Oklahoma
Clinton Shifts Strategy, Fights for 'Invisible Americans'

The 68ers Reviewed: Under Their Skins





ΔΥΝΑΜΙΣ

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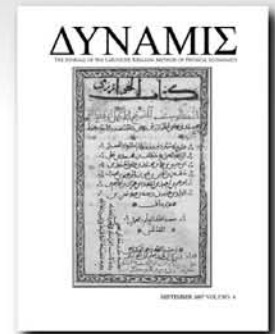
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EIR

From the Managing Editor

It is often said that truth is stranger than fiction. In today's world, it might better be said that truth is stranger than "spin." Take the following cases, which are developed in this issue:

- In Britain, the media is full of stories about the disintegration of Gordon Brown's government, as the economy hits rough waters. In fact, as Lyndon LaRouche analyzes in "London's British Fairy-Tale," you can't believe anything you hear about "the British political situation." It's all fake! Look instead at "the historically situated, clinical reality of what is actually behind the British—or, better said, British—mask."

- And don't believe anything you hear about what "Europe is going to do." As Helga Zepp-LaRouche explains, there is nothing European nations *can* do about the crisis, as long as they remain locked in the straightjacket of the Maastricht Treaty.

- Regarding the U.S. elections: Since the New Hampshire primary, every talking head and pundit has been eating crow, at their predictions that Hillary Clinton's Presidential campaign was in the garbage can. Why did she win? See our reports in *National* on Clinton's shift away from "spin," and on the complementary organizing of the LaRouche PAC for the Homeowners and Bank Protection Act. The emerging political geometry is now much different than it was a week ago. There is now a chance to save the country from economic and social disaster.

Then there are the Republicans. A couple of months ago, Rudy Giuliani was the hottest thing on the block. But LaRouche, in a Nov. 10, 2007 press release, said, "No." It's a trap. Giuliani will be knocked out by scandal, leaving the as-yet-unannounced candidacy of New York Mayor Michael Bloomberg to emerge, as a "man on a white horse"—and an American Mussolini. Now, it's happening, as our *Feature* documents. We show what is behind the Bloomberg "phenomenon," why he was chosen by the London-steered financier oligarchy to play the role of a fascist enforcer, and his credentials for the job. Bloomberg will soon be "toast."

- In *Economics*, John Hoefle shows that you can't believe anything the top bankers say about what they're doing. Their system is finished; the fight now is not financial but political, over what to replace it with—fascism, or the American System.



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*Rioting (and
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By Lyndon H. LaRouche, Jr. The intention of the super-wealthy financial parasites largely controlling the U.S. Presidential campaigns, is to have the candidates destroy each other, clearing the road for a campaign by New York City Mayor Michael Bloomberg, as the American Mussolini. To understand how this threat could emerge, look at the reality underlying the role of the “68ers,” and their deadly, Nazi-echoing, global strategic significance.

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By Lyndon H. LaRouche, Jr. If you want to understand what’s going on in Britain, don’t rely on what is being said publicly, or what the press reports. The politics of the British political system itself “have arrived at a point far beyond the reach of any self-determined sort of possible remedial actions by that political system itself. The residual function thus remaining within the power of the British political system, has been to provide distracting pieces of entertainment, fairy-tales or mere gossip, whiling away the hours until the economic version of the proverbial ‘grim reaper’ arrives....”

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EIR ON LONDON

London's Brutish Fairy-Tale

by Lyndon H. LaRouche, Jr.

January 11, 2008

Our Mary Burdman turned in a report on the current view from London. The content of that report itself, especially when compared with former Prime Minister Blair's brutish, March 2004 attacks on the Peace of Westphalia,¹ is a fair reflection of the quality of the reports being popularly circulated from there during most recent weeks. The problem which any report depending on British publications must suffer, is that almost everything being said publicly from there during these present days, including the output of the usually leading London sources, is fake in one way or another. See the fragment from a piece by Mary Burdman, attached to my account here, as an illustration of that point. Chunks taken from her sampling of the spectacle of London sources, are appended here solely as illustrations of the need for a respectably large, therapeutic reliance on a contrary evidence, evidence which pushes British accounts aside, while pointing to the historically situated, clinical reality of what is actually behind the British—or, better said, Brutish—mask.

The truth of the presently onrushing, general breakdown-crisis of the present world monetary-financial system, can not be competently understood, nor remedies for that crisis found, unless we shift our attention from the apparent world-center of the present world financial crisis, away from that London sideshow curiously identified as the British government, to the real, global financial system which has controlled the world, including London, increasingly, since the U.S. Nixon Administration's August 15-16, 1971 collapsing of the Bretton Woods monetary system.

1. See article on page 13.

Those persons, unfortunately including most of those individuals in the relatively highest political ranks of both our U.S.A. and many among today's other leading nations, who do not accept what I have just said, are thus continuing to show themselves as lacking any competence for judging the presently spiraling world financial breakdown-crisis. Such a defect as theirs is to be properly recognized as in the nature of all true Classical tragedy, on stage, or in today's U.S. Senate, or from the mouth of the Speaker of the House. Such poor folk have no real comprehension of what the presently onrushing world crisis is really all about. Such behavior has lately given the very term "high places" a very bad reputation.

So, for example, there are those, in London and elsewhere, as sampled from the evidence presented in Mary Burdman's report, who delude themselves that the publicly reported phenomena of the political-economic crisis of the United Kingdom have something to do with the reality of British politics. In fact, the crisis does have much to do with shaping the track of the avalanche of crisis hitting within the British political system; but, the politics of the British political system itself have arrived at a point far beyond the reach of any self-determined sort of possible remedial actions by that political system itself. The residual function thus remaining within the power of the British political system, has been to provide distracting pieces of entertainment, fairy-tales or merely gossip, whiling away the hours until the economic version of the proverbial "grim reaper" arrives, like a specter, as in the part played prophetically by actor Raymond Massey, in *Things to Come* of avowed British fascist H.G. Wells: the early end of the continued existence of the present British political system itself.

The true nature of the crisis of Britain itself, is that the

British political system, while it has managed to corrupt and almost ruin the very existence of the U.S.A. since the assassination of President John F. Kennedy, and, more clearly, since 1968, has done nothing otherwise to prevent the British political system itself from going out of existence on about the same early day that the U.S. government might disintegrate, the day on which most of the rest of the world plunges into the Hell of the chain-reaction set off by the mutual collapse of the world's two leading English-speaking powers. There is no part of the world which could escape the global chain-reaction effects of what could be a present crash of the U.S.A. itself. *Any avowed British Samson would simply pull down as many among the pillars of the present world system, as might be needed to crush himself.*

So, the British system or, better said, "British system," like Shakespeare's *Macbeth*, *Lear*, *Hamlet*, *Richard III*, and *Julius Caesar* before it, is a true tragedy, in which a disease expressed as the very culture and beliefs of a subject people and its institutions, brings destruction upon the faithful believers themselves.

That British Empire!

So, with the victory of the United Kingdom over continental Europe, at the close of the so-called "Seven Years War," London emerged from the February 1763 Peace of Paris, as the nominal capital of a de facto world maritime empire, not of the British monarchy of that time, but of a private financial organization known as the British East India Company. Such was the post-1763 imperial entity managed by the Lord Shelburne who was, in fact, in his time, a kind of general manager of the Company's interests, a manager with aides or successors such as the British Foreign Office's Jeremy Bentham, Bentham's creature, Lord Palmerston, and Prince of Wales Edward Albert, each of whom played his part in setting into motion all of the historically most crucial features of the British empire over the sweep



The British political system has arrived at a point far beyond the reach of any possible remedial action by that system itself. Fairy-tales, like that of avowed fascist H.G. Wells' "Things to Come," merely while away the hours till the proverbial "grim reaper" arrives. Shown: Raymond Massey, in a scene from the film.

from 1763 to the present day.

Since the U.S. victory, led by U.S. President Abraham Lincoln, over Lord Palmerston's Confederacy and London's Habsburg Mexican puppets, and with the ensuing integration of the U.S.A. as an integrated territory of a continental sovereign within its own borders, the principal concern of all British imperial policy, has been to halt the spread of the global strategic effects (such as great transcontinental railway systems) of Lincoln's victory on the continent of Eurasia.

Accordingly, the series of London-orchestrated great wars, or related conflicts, which were launched under the impetus given by Edward VII as both Prince of Wales and King, created Britain's launching of Japan into an 1895-1945 war against China, the conquest of Korea, the Russo-Japan war; thus Britain, not Germany, if anyone, has the

"sole responsibility" for having caused World War I. It created Mussolini's and Hitler's dictatorships, and their wars, and regained control of the leading financial-political forces of the U.S.A. itself, over the passage of time from the death of President Franklin Roosevelt through to the present instant.

So, former Prime Minister Tony Blair acted to plunge the U.S. into a foolish war concocted by fraud, that with the aid of a "sexed-up" report, and by aid of the death of the Dr. David Kelly who had exposed the Blair hoax. So, de facto British imperial assets, the implicitly treasonous Mrs. and Mr. Lynne Cheney, acted in concert with the Blair government, to dupe the U.S. Senate into launching a new long war, wrecking the U.S.A. itself in pursuit of lunatic quests in southwest Asia.

British imperialism has called its own, post-Abraham Lincoln and post-Franklin Roosevelt types of anti-U.S. strategy of warfare, "geopolitics." The British empire prefers not to fight those wars itself, but then, sometimes, finds putting its own troops in the target-range of harm as a nec-

essary price to be paid for the duping of often politically dumb U.S. leaders. Otherwise, in general, the British system prefers to lure its intended victims into wars against one another, just as Prime Minister Tony Blair threw British troops, and Dr. David Kelly into the fire, as a measure added to lure the U.S.A. under Bush-Cheney into the long wasting war by which the U.S.A. has virtually destroyed itself financially and otherwise in a ruinous adventure in folly, in southwest Asia.

This empire employs a monarchy (at least, up to the present date); yet, the essence of the empire is not in the monarchy, but in a slime-mold-like social formation assembled in the specific kind of Venetian financial-oligarchical model which came into being, under the initiative of Venice's Paolo Sarpi, as Europe's Anglo-Dutch Liberal financier oligarchy.

Nonetheless, the mere Blairs of London aside, it is not the British monarchy, nor elected government in the United Kingdom, which controls that empire. It is the global, virtual slime-mold formation known as the Anglo-Dutch Liberal financier oligarchy, which is presently a globally embedded financier oligarchy, a financier oligarchy akin in essentials to that of the Fourteenth Century's Venice-created, Lombard banking system, the hedge funds of medieval yore, which sank all of Europe into that century's prolonged "New Dark Age."

The difference between the Fourteenth-Century New Dark Age and now, is that today's heteronomic oligarchy was *Liberally* conceived in the tradition of Venice's New Party, the Liberal party founded by the Paolo Sarpi who was the author of all the modern Liberalism as traced from the medieval irrationalism of William of Ockham.

It is an oligarchy which is currently committed to destroy every semblance of sovereign nation-state on this planet, as through aid of such means as globally mass-murderous, neo-Malthusian "Global Warming" hoaxes, hoaxes which widely dupe the fools of even our own government institutions. The purpose of such schemes, is a destruction aimed at targets which include, ironically, such intended victims as the integrity and institutions of the tattered spectacle of today's United Kingdom. This "slime-mold"-like financier oligarchy has sought to accomplish its evil, long-intended aim, since 1776, and, more emphatically, since the victory of President Lincoln's U.S.A., and most emphatically in hateful reaction against the U.S. victory won through the leadership of President Franklin Roosevelt.

Back during World War II, the U.S. produced a program of training films, for our military and others, under the general theme of "Why We Fight." Obviously, those educational films did not go quite far enough, although Roosevelt, had he lived, would have done as I would have done then, as a soldier returning from South Asia; had Roosevelt lived, we would not have been dropped into the mess which grips our republic today.

1. A Lesson From *Timaeus*

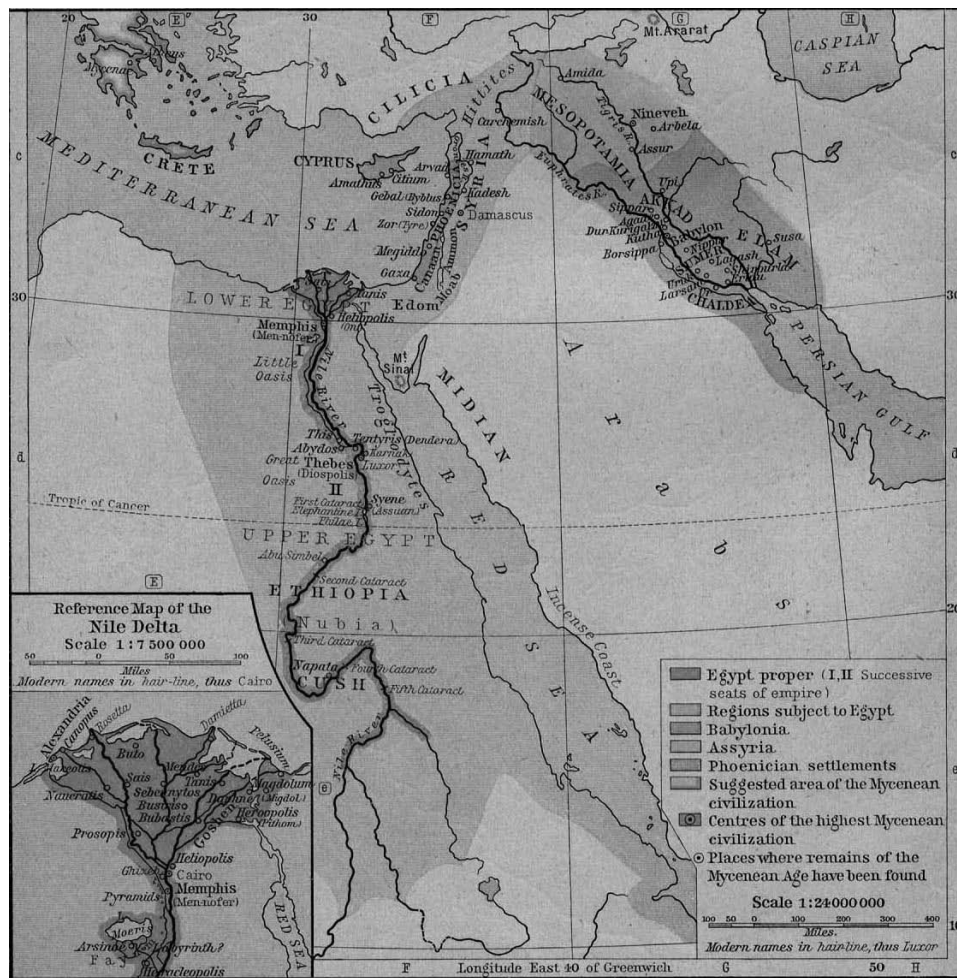
In his masterful *Timaeus*, Plato recounts the gist of an historic visit to the leading body of Egypt's intelligentsia. Those Egyptians praised the Greeks of Solon's stripe as good people, but with a certain, crucial strategic flaw: "You have no old men among you." Most among those of us of contemporary, globally extended European civilization today, including most of the political leaderships of nominally powerful nations, represent shallow-minded types of the sort who might appear to have been just recently born from what had been an hermetically sealed egg, hatched at a time close to just yesterday, with concentration-spans which would embarrass a brain-damaged cricket.

Indeed, for today's high-ranking, shallow-minded types, recalling the same yesterday's newspaper headlines which they had endorsed so passionately then, is often a difficult stretch for them today. Contrary to such typically shallow fellows of today's high places, it is the development of a cultural process spanning many generations, even as European culture's development spans millennia, which pre-shapes the dispositions for action of a society today. As Plato's account suggests, it is to the degree that the individual leader in society views the present situation always with a long, multi-generational span of cultural development and retrogression foremost in view, that nations and their peoples are competently self-governed.

If we wished to understand the Egyptians' message, we must learn another, closely related, integral lesson from Plato's writings, what is fairly defined as the anti-digital, analog principle of *dynamics*. This is a principle, revived under that name, by Gottfried Leibniz, which is the key to competent modern science. It names, thus, the same principle which was known as *dynamis* of that science of *Sphaerics* (e.g., astro-gation) which Thales, Heraclitus, the Pythagoreans, and Plato's Academy represented in their time. It represents the same scientific tradition upon which the launching of modern European statecraft and science was effected through, chiefly, the Fifteenth-Century Cardinal Nicholas of Cusa and his followers such as Leonardo da Vinci, Johannes Kepler, Fermat, Leibniz, et al., through Riemann, Vernadsky, and Einstein. This notion of the type of *anti-digital, analog* principle called *dynamics*, is the great principle to which the late Albert Einstein referred in tracing the competent modern scientific method of Bernhard Riemann to its foundations in Kepler's uniquely original discovery of universal gravitation.

European culture, which was born, *as European* in its distinct, well-known features, at a time now approaching 3,000 years ago, has been a distinct, if, often, internally convulsive cultural formation. This formation has had two leading, mutually contradictory features, features of crucial importance in our search for needed insight into the grave crisis which grips the planet as a whole today.

FIGURE 1
The Nile Delta in 1450 B.C.



Modern European civilization emerged as the Mediterranean region came out of a centuries-long dark age, about 700 B.C., when an alliance against Tyre was formed among the maritime forces of Egypt (e.g., Cyrenaica), Ionia, and the Etruscans.

This ironical character of that span of development within that civilization, from those ancient times to the present date, is key to any effective comprehension of the nature of and remedies for the presently avalanche-like threat of a global general breakdown-crisis of world civilization. Instead of viewing history as a Cartesian pool-room sort of game of kinematics, we must see this history of nearly 3,000 years as a single, dynamically coherent process of successive, qualitative changes, a process whose political-strategic expression has lately become what is named, crudely, “geopolitics.” To understand the nature of and remedy for today’s threat of a global breakdown-crisis, is a business to be left to “old men,” or, to those younger men who have assimilated the experience of the changes spanning many preceding generations. To understand the challenge to be met by the U.S. today, we must

trace the actual history of the essentials of a geopolitical crisis back about 3,000 years, from the aftermaths of the Trojan and Peloponnesian wars.

To find the remedy for the present threat to the entirety of today’s civilization—with no exceptions permitted, we must begin with attention to the pre-historic origins of the principles of maritime culture which have been the dominant feature of the evolution of today’s globally extended European civilization, since earlier than 3,000 years ago, to the present moments of a presently onrushing, global breakdown-crisis.

The Origin of Europe

European civilization as we have known it, emerged in a presently known form of internal cultural experience, about the time the Mediterranean region emerged from a centuries-long dark age, about 700 B.C., when a certain alliance against Tyre was formed among the maritime forces of Egypt (e.g., Cyrenaica), Ionia, and the Etruscans. To understand European civilization, and what that civilization’s history means for the entire world today, we must pick up the story, so to speak, from no later than about that time.

Earlier than that, about 20,000 years ago, world civilization had emerged from a period approximating 200,000 years of an Ice Age which was a very large feature of the northern hemisphere of the Americas and Eurasia in such past times. During this frozen interval, the most advanced cultures had been transoceanic migrants. This also became true of the Indian Ocean region, and what emerged as within the vicinity of the Mediterranean coast-lines during the recent five or more thousands years. The most significant feature of these transoceanic cultures was their migrations, as in season, in what were clearly flotillas of oared sailing craft, each not remarkably different in principle from our images of medieval Viking craft, or of Christopher Columbus in 1492, flotillas deployed as would be flotillas of nuclear-powered, manned space-craft, traveling from a Moon-

supported interplanetary base, to Mars.

The most significant cultural feature of these societies, is the legacy of astrogation reflected in ancient calendars of sundry cultures, and in the Egyptian-Pythagorean science of *Sphaerics*, the root of that scientific method of Thales, Heraclitus, and Plato, on which the specific, greatest scientific achievements of European civilization have depended.

In those times, for example, the time of transit of such a flotilla from the coast of Europe to the Caribbean, would have been on the order, and along a pathway of lapsed time of Christopher Columbus' first great voyage of discovery, a lapse of time which Columbus calculated on the basis of the tradition of the Earth's measurement by the ancient Eratosthenes, as this knowledge had been revived and also enriched by the circles of the Cardinal Nicholas of Cusa whose testament had inspired Columbus to adopt such a trans-Atlantic mission.

As the great melting of the glaciation proceeded, from about B.C. 17,000 into about the second millennium B.C., these migratory maritime cultures established settlements in locations such as relevant instances of today's archeologists' Mediterranean coastal sites. The rise of European civilization in Europe and North Africa, and parts of west Asia, was characterized for more than a thousand years, during the period leading into the events reported by Homer's epics, before the Mediterranean emergence from a long dark age, in the form of maritime colonies, based on a central feature of urban coastal sites fortified against hostile forces rooted in the relatively more backward cultures of the interior of the land-area.

Contrary to the essentially silly dogma of a riparian origin for civilization, the actual net progress of human culture as a whole has been centered, over hundreds of thousands of years or more, in the development of those trans-oceanic maritime cultures, based on the development of the practice of astrogation, moved into permanent coastal maritime settlements, as in Sumer, and then carrying civilization up-river into the interior. This has been a process, which defined the advantage of maritime cultures over relatively land-locked ones, until President Lincoln's victory over Lord Palmerston's Confederacy plot established the United States as a continental sovereign within its borders, and from ocean to ocean, through the impact of the development of the territory through means dependent upon the functions of transcontinental railway systems.

This emergence of strategic maritime cooperation among Egypt (Cyrenaica), the Etruscans, and the Ionians, marks the Homeric-like birth of European culture as what can be seen as European culture in retrospect today. To understand anything of strategic importance, through about 3,000 years of history until today, this feature of the origin, evolution, and sequelae of the birth of a specifically European culture, represents the basis for the knowledge which distinguishes the true statesmen from the prevalent class of self-important, political, and strategic illiterates of today.



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Christopher Columbus's first great voyage of discovery in 1492 was calculated on the basis of the tradition of the Earth's measurement by the ancient Eratosthenes, as this knowledge had been reviewed and also enriched by the circles of Nicholas of Cusa.

Europe: The Conflict Within

Although Sumer was created as a colony of an Indian Ocean maritime culture, one neither European, nor originally indigenous to the people of that locality, the process of moral degeneration within Mesopotamia's development points attention to a comparable corruption which invaded the development of a Greek and Hellenistic root for European civilization in its globally extended entirety.

In the case of Sumer and later, the degradation of the status of the farmers operating among, most notably, irrigated regions, went from free "bow tenure" status, to hired cheap labor with few, or no rights to the plots they maintained, to the replacement of "bow tenure" farmers and hired servants under the knout of Seljuk slavery. The productive powers of labor collapsed repeatedly, as by effects of increasing "globalization" of the world production today, through the physical-economic effects of these social changes in practice. A similar degradation occurred when the great Baghdad Caliphate, which had become a center of wealth and wisdom during the dark days of moral decline of Rome and Byzantium, also declined during the time following the death of

Charlemagne. This decline was, again, produced by suppression of the farmers under repressive, oligarchical regimes.

This experience in Mesopotamia was typical of a more widespread problem. The problem was typified as the theme of Aeschylus' *Prometheus* Trilogy,² as this specific issue was addressed as the principle of all European history from ancient, into modern times, by Friedrich Schiller in his Jena lectures on history. Schiller restated the issue of the *Prometheus* Trilogy as the issue of opposition of Solon of Athens to Lycurgus of Sparta.³ The same topical area was treated by the Sicilian chronicler Diodorus Siculus,⁴ and touched upon by Herodotus.⁵ The issue is as follows.

The good side of the migration of the sea-people into such locations as the coastal maritime settlements of the Mediterranean region, was that these maritime cultures embodied the true foundations of the development of true scientific knowledge, and of the physical benefits to societies, per capita, of the development and application of this knowledge. Yet, as Diodorus describes the Olympia legend, the power of governing which science afforded to the inheritors of the great maritime cultural legacies, became a mode in which the science which was misused in this way, often also degenerated, and became, thus, essentially an instrument of an oligarchical class which degraded the conditions of life of subjected people to the condition of human cattle, as under the tyranny of parasitical, tyrannical hedge-funds and the swindles by such evil locusts of our present times.

The tendency toward pure, virtually Satanic evil, which the oligarchical systems, such as that of the Delphi cult's Lycurgan Sparta promoted, is that summed up by Aeschylus in the surviving fragment of his *Prometheus* trilogy. The essence of the evil which was oligarchism, is, still today, thus, expressed in the forms of the past practice of serfdom and slavery, as also in the Sun-worshipping anti-nuclear-power cult which arose among the "68ers" during the 1970s, and, most emphatically, in those fraudulent doctrines associated with Malthus and former U.S. Vice-President Al Gore's "Global Warming" hoax.

If men and women are permitted to discover the principle of the use of "fire," those men and women will not be content to be slaves.

So, all history of globally extended European culture's civilization today, is pivoted essentially on a great conflict between two, principal leading forces within European cul-

ture as a whole. On the one side, is the notion of all men and women as made in the likeness of the Creator of the universe, and thus devoted to fostering the benefit, for all nations and people, of those powers which arise from the discovery of mankind's use of those great fundamental principles of a body of science which finds its historical roots in the principles of astrogation. On the other side, is the oligarchical current, which misuses instruments of science as a power of oligarchs to hold the mass of humanity in the bondage of ignorance, and thus to be confined to that beast-like ignorance of virtual slaves which the Satan-like Zeus of Aeschylus' *Prometheus Bound* prescribes.

The British (e.g., "Brutish") Empire, in all its approximations, its actualities, and its imitators, is such a pro-satanic form of oligarchical practice. The use of the technological advantages of a relative monopoly on maritime power, to reduce entire nations and peoples virtually to the condition of slaves of Anglo-Dutch Liberal modes of attempted maritime supremacy.

This passion yearned toward its peak within the British empire-in-fact, from February 1763 on, as expressed in the determination, from that very moment, to crush what had been the earlier economic and related development, and the freedom, of the English colonies in North America. With the defeat of the treasonous British puppet, the Confederacy, by the government of President Abraham Lincoln, and the continued success of that U.S. republic through the course of the 1870s, the lust for the destruction of the radiated influence of the American success, became the increasingly inflamed passion of the London-centered Anglo-Dutch Liberal financier oligarchy and its predatory financier and slave-holding classes.

As the British system's promotion of that proposed "Tower of Babel" called "globalization" attests today, that empire is prepared to murder more than half the world through neo-malthusian measures of "globalization" and "Global Warming" campaigns, even to reduce the planet's population from over six billions, to less than one, in order to exterminate the legacy of the founding of the U.S. republic and of such U.S. Presidents as George Washington, Abraham Lincoln, and Franklin Roosevelt.

2. An Immortal Conflict

Neither higher ape, nor any other species of beast, is capable of either the kind of progress in potential relative population-density, per capita and per square kilometer, which the human species has made. Nor is any species of animal capable of the kind of purely satanic evil—the mass murder of tens of millions—which imperial malthusianism and its like produced, as under the Adolf Hitler regime which had been launched chiefly by London's financier oligarchy, that oligar-

2. Herbert Weir Smyth, Ph.D., *Aeschylus with an English translation*, (Cambridge, Mass.: Harvard University Press, 1922)

3. *Friedrich Schiller: Poet of Freedom*, Vol. 2, (Schiller Institute: Washington, D.C., 1988).

4. *Diodorus Siculus*, Volumes 1 and 2, Loeb Classical Library (Cambridge, Mass.: Harvard University Press, 1933).

5. *Herodotus: The Histories* (London: Penguin Books Ltd., 1996).



Raphael's "School of Athens" (1509-10) depicts the "immortal conflict" between the republican concept of Man (Plato, center-left) and the oligarchal principle (Aristotle, center-right), as that conflict has been fought over millennia.

chy centered in Montagu Norman's Bank of England. In the strictest sense, no animal species is capable of generating a culture.

Culture, so identified, has two principal aspects. On the one side, culture, as expressed as language-culture, especially as truly Classical modes of music, drama, and poetry, and in science, is a more powerful expression in nature, intrinsically so, than any political government. At the same time, the innate creative powers of men and women, afford mankind the capacity to make willful changes of the characteristics of its cultures, and its governments.

In honest theology and science, we think of man as dwelling immortally within a realm of simultaneity of eternity. The body dies, but the quality of mind which sets the human individual apart from, and above the mortal beasts, lives on through its permanent place in the efficient continuity of human culture. In other words, the effects which the development of cultures incorporates in the living human mind live on, with qualities cohering with the notion of personality, after the body has died.

This is apparent to us when we examine science from the particularly advantageous standpoint represented by the succession, in physical science, of Thales, Heracleitus, the Pythagoreans, and Plato. When we also consider the revolutions in technology of practice, which are accumulated effects expressed in current practice, we recognize that the society responds to these heritages of knowledge and circumstances and methods of practice, and does so in ways which mean, in

effect, that we the living are acting with minds shaped by the circumstances created by our predecessors.

The creative aspect of the individual human mind, which occurs in no other living creature, is expressed through the functions of the biologically defined base for knowledge and creative practice; but, the history of civilization shows that the human mind also expresses the appropriateness of the biological substrate of human mental behavior for some higher principle in the universe which no other living creature possesses. This defines the inherent sacredness and a certain kind of immortality of the human personality. It is this sense of human nature and its mission which defines true civilization.

Thus, this notion of simultaneity of eternity makes clear the distinction between the heredity of the beast, and the culturally determined heredity of the person in the historical development of society. That is the proper meaning, for practice, of "European civilization." Essentially, this means, as Schiller treats the contrast of Solon and Lycurgus, that European culture, with its characteristic internal conflict, is a distinct form of civilization, one whose presently efficient characteristics are approximately 3,000 years old, and are, essentially, products of the European interaction of ancient maritime cultures with the development of permanent landed settlement of maritime culture's effect on the development of fixed land areas. This means, that to produce any necessary effect of change in that culture today, we must act directly on the essential features of that heritage as it is presented to us today.

Look at this as a U.S. citizen molded in the Franklin Roosevelt legacy sees the world at large today. For this purpose, turn our attention now to the relevant implications expressed in two recent pieces published in *EIR*: Sky Shields' "Analog, Digital and Transcendental," *EIR* Vol 39, No. 1 (Jan. 4, 2008), and my own "What Is The Human Mind?" Jan. 11, 2008.

Cognition & Economy

The *Sphaerics* expressed as a product of the great ancient maritime cultures of the Mediterranean region, as by such followers of Thales as the Pythagoreans and Plato, is a product of ancient transoceanic maritime cultures, as known to us, through relevant methods of construction, today. It is the only competent foundation of known European scientific practice, both ancient and in the modern form launched by, chiefly, the great predecessor of Leonardo da Vinci, Johannes Kepler, et al., Nicholas of Cusa. This is the source of the distinction of European science from its chief adversary, the forms of Sophistry associated, most significantly, with the degenerate representations of geometry by Euclid and the latter's followers.

That set of distinctions is expressed in the most concentrated way by the current popularity of the false doctrine of digital mathematics, and the necessary use, for serious scientific work, of analog methods of the type associated with the Leibniz-Bernouilli catenary-cued notion of a universal physical principle of least action.

The key to understanding this, is the recognition that the reliance on digital, rather than analog functions in the work of scientific discovery and its application, is a devilishly evil business.

The characteristic functional distinction which separates mankind from all lower forms of life, is the function of those creative powers of the human mind whose characteristic expressions can be presented only through the media of analog functions, but never digital expressions. Thus, the true doctrine of evil preached by Satan, is of the form of that damnable hoax known as "the second law of thermodynamics."

The universe itself is already creative. Our Sun generated a Solar system with components which did not exist within the Sun itself. Stars breed galaxies, and novae and super-novae. Life springs, by the action of an agency which does not exist in the domain of non-life. The creative powers of the human mind, which do not exist in any form of merely animal life, is a comparable distinction. The universe and mankind are of the same nature, creative.

Note then, that no principle of nature was ever discovered by digital methods, but only through forms of mental action which are uniquely expressed in the form of analog functions: i.e., in the form of universal physical principles, as Johannes Kepler was uniquely the discoverer of universal gravitation.

The distinction between the roles of digital and analog functions of mathematical physics, was underscored by the neo-Cartesian hoaxes spread by such Eighteenth Century hoaxsters as de Moivre, D'Alembert, Euler, Lagrange, and

by their Nineteenth-Century followers Laplace, Cauchy, Clausius, Grassmann, Kelvin and the lunatic Ernst Mach, as by the worst of this rabble, Bertrand Russell and such among his devotees as the hoaxsters Professor Norbert Weiner and John von Neumann, as also virtually every living, certified statistical-economic forecaster of the past fifty-eight or more years.

A principle of nature appears only, as Nicholas of Cusa, Kepler, Fermat, Leibniz, and Riemann, et al., have presented the case: in the form termed by Gottfried Leibniz as an infinitesimal, as Kepler defined the universal principle of gravitation.

Lower orders of existence are defined by higher ones. This was a fact brought back into the knowledge of modern European civilization through Nicholas of Cusa's recognition of the systemic fallacy of Archimedes' hope to define the curvature of the circle by the implicitly digital method of quadrature. So, universal gravitation is not contained within the orbit, but is acting to generate the curvature universally. This prevails in such a fashion, as Kepler, Fermat, Leibniz, Jean Bernouilli, Bernard Riemann, V.I. Vernadsky, and Albert Einstein emphasized the point, that, contrary to the specific fraud by Leonhard Euler, the principle of universal action is infinitesimal in the specific sense that there is no interval so small that gravitation were not efficiently acting as a principle of change within that domain.

Hence, there is a reciprocal relationship between validly defined analog functions and universal physical principles, an appropriateness which is axiomatically prevented from appearing in digital modalities.

Sky Shields' and my own referenced pieces on this subject are of a specific such kind of relevance here. Hence, the degradation of scientific practice to the level of digital fantasies precludes any comprehension of actual principles of the universe in terms of such modalities. Here lies the brain-odestruction effected by addiction to computer killer-games, and similar games, including many of the games which children are encouraged to play.

This problem, as I have just summarized it, is an expression of the same threat to humanity from the Sophist tradition of the Delphi Apollo-Dionysus cult in general, and the ban on the discovery of such universal physical principles as "fire," by the Satan known by one of his other names, the Olympian Zeus.

It has been the suppression of efficient scientific progress in the investment in scientific principles of development of basic economic infrastructure and physical productivity of society per capita and per square kilometer, which has brought down upon the world as a whole, the present new threat of an immediate plunge of all humanity, throughout the entirety of this planet, into a dark age more monstrously evil than any known to the records of human existence thus far.

That is today's British problem, as better named the "British problem."

U.K. Factional Brawl As System Blows Out

by Mary Burdman

The government of British Prime Minister Gordon Brown has been disintegrating as rapidly as the world financial system in the past months. Brown has been under heavy attack from the first days after he finally took over from the discredited regime of Tony Blair on June 27. Brown has not only been targeted by the disgruntled “Blairite” crew, but also from a core group of Tories who are making their views known from the pages of the *Daily Telegraph*.

This being Britain, the complicated factional brawl is being waged amidst stark, open acknowledgment that some, at least, of the “powers that be” have no illusions about just how deep the crisis is. The “Torygraph” circle is aware that there is no monetary solution to the collapse, and that no bailout operation can do anything to close the black hole in the financial system. Over the past year at least, the well-connected *Telegraph* international economics editor Ambrose Evans Pritchard, has written a series of articles which echo the clear forecasts of Lyndon LaRouche, warning of a systemic collapse. In the pages of the more Labour Party-

oriented *Guardian*, economics editor Larry Elliott has made it clear for many months that, while a “perfect economic storm” is sweeping the world, in “Britain, there are certainly enough ingredients for a mini perfect storm all our own,” as he wrote Jan. 3.

These explicit warnings began with the remarkable BBC television program, “The Man Who Broke Britain,” broadcast in December 2004, which showed, in graphic “docudrama” form, how the out-of-control world derivatives market is the real “weapons of mass destruction” threatening the world, and how an unscrupulous investment bank could bring down the financial system—and that the central bank could do nothing to stop the crash. The program ended showing protesting people who had lost their pensions and homes—scenes which could soon be happening in the United States, as well as Europe.

These warnings have nothing to do with any real solutions to the collapse; rather, the Anglo-Dutch financial establishment knows that the time for pretending that the current system can keep operating, is over. This establishment, which dominates the City of London, is playing assets which go back to the British Empire, to set off political crises in Africa, South Asia, the Caucasus, and other world “chokepoints.”

Brown’s New Year ‘Comeback’

Brown himself, who served as Blair’s chancellor of the exchequer from the time New Labour won the elections in 1997, is known for remarking that “there are two kinds of chancellors, those who fail and those who get out in time”—before the economic wreckage they have caused comes crashing down. Brown did get out, but hardly “in time,” before the full-blown systemic financial collapse hit this past Summer. In the past days, Brown has also acknowledged that things are bad. As he attempted a New Year “comeback,” Brown made clear that he knows that “this is a difficult and dangerous situation for the world economy,” as he said in an interview published in the *Observer* on Jan. 6. While he keeps giving lip service to Britain’s “strong economy,” Brown told the British population on Dec. 30 that “we will steer a course of stability through global financial turbulence. The global credit problem that started in America is now the most immediate challenge for every economy and addressing it the most immediate priority.” This is in contrast to other European capitals, where government leaders are persisting in foolish claims about economic “recovery,” “full employment,” and other dangerous nonsense.

There are good reasons for Brown to talk about the “dangerous” situation. The British economy is two-thirds “services,” and Britain is



IMF photo

Britain’s former prime minister Tony Blair (left) is a “totally spent force,” while his replacement Gordon Brown, under attack from both the Blairites and the “Torygraph” crowd, has inherited the effects of the “perfect economic storm,” now blowing across the globe.

dependent upon the City of London itself for at least 20% of its economy. As Larry Elliott warned last August, as the credit crisis hit, the City of London has “marketed itself as a giant offshore hedge fund” and funds are drying up. It is hardly an exaggeration “to say Britain is dependent on speculation.”

While Germany produces something, “Britain uses its brains to take the global financial system to the edge of the precipice.” On Jan. 9, the World Economic Forum warned in its annual *Global Risks* report that Britain is more exposed than other “advanced” economies to the crisis, due to the very “prominence of the UK’s financial sector.” So stretched is Britain, that methods which had some use in the past, can achieve nothing now. As Evans Pritchard wrote Jan. 7, there is no Keynesian “government stimulus” option for Britain; the “Keynesian door” was shut by Brown letting the country build up a huge £40 billion budget deficit, 3% of GDP.

Who Is Next?

It could be called a misfortune for those who want to put a demagogic politician in power, who could run a hard-core austerity regime, that Tony Blair is a totally spent force. After ten years in office, Blair, the champion of “New Labour,” had to leave in disgrace: his scandalous machinations to get the United States and Britain into the deeply unpopular Iraq war; the buildup of the biggest housing and debt bubble of all time in Britain, along with the re-creation of a new “super rich” class, and the most extreme wealth gap since the 1930s—all under a “Labour” government—left almost all of Britain counting the days till Blair finally left office. Brown, at least, came in with support, for his known dislike for U.S. Vice President Dick Cheney and determination to distance himself, in contrast to Blair, from George Bush. Brown is known as being closer to the Democratic Party, including such figures as 2004 Presidential candidate John Kerry and former Clinton Treasury Secretary Larry Summers. Also, Brown is committed to building a new generation of nuclear power plants in Britain, to guarantee at least 20% of the country’s energy needs for the next 30 years, a policy hardly popular with hard-core environmentalists.

Efforts are being made to build up the “posh,” but otherwise useless younger generation Conservative Party leader David Cameron as a credible alternative, with polls claiming that Conservatives now have as much as a 13 point lead over Labour, with the third party Liberal Democrats trailing with just 14%. But it will be a lot easier to bring Brown down, than make a convincing prime minister of Cameron. As one commentator noted, “cross-dressing” is dominating British politics: Cameron claims to be the “true heir of Tony Blair,” but has neither the “glazed donut” manic energy which possessed Blair, nor the shameless *chutzpah* of Margaret Thatcher in her prime.

British politics have fallen on hard times indeed.

London’s Blair Pushes Post-Westphalia Chaos

by Jeffrey Steinberg and Mary Burdman

As President George Bush completes his eight-day “peace mission” to Southwest Asia, a powerful faction of the Anglo-Dutch, London-centered financial oligarchy, is working overtime, to destroy any prospect for peace and stability in Eurasia, by pursuing a doctrine that American analysts call “managed chaos.” Ironically, a more precise identification of the policy was provided by former British Prime Minister Tony Blair, the man whom George Bush unilaterally imposed as the Middle East special envoy for the Quartet (the United States, Russia, the European Union, and the United Nations Secretary General), immediately upon Blair’s departure from 10 Downing Street in the Summer of 2007. As British prime minister in 2004, Blair proclaimed that Britain’s policy for the 21st Century was to use preventive war to establish a “post-Westphalian” world order, one in which the nation-state system ceases to exist, removing all obstacles to an unbridled oligarchical one-world empire.

At this moment, the British are plotting the breakup of key nation-states, as the trigger for their global permanent war/permanent chaos scheme.

As reported last week in *EIR*, all evidence points to a British hand behind the Dec. 27 assassination of former Pakistani Prime Minister Benazir Bhutto. The goal of the Bhutto assassination? The breakup of Pakistan, along ethnic and tribal fault-lines, into separate Sindh, Baluchi, and Pushtun entities, in permanent conflict, spreading into an already destabilized Afghanistan, and raw material-rich Central Asia. The Pakistani/Afghan cockpit directly targets both China and Russia, which have a strong interest in the stability and development of Central Asia, as part of the larger Eurasian Land-Bridge process.

The British troop pullout from the Basra region has helped accelerate the breakup of Iraq into three ethnically cleansed entities—a Kurdish North, a Sunni West, and a Shi’ite South. Britain has long promoted a Greater Kurdistan scheme, aimed at breaking up Iraq, Iran, Syria, and Turkey.

Recent events in Kenya—like Iraq, a “former” British colony, and continued captive of the Commonwealth—underscore the global nature of London’s post-Westphalia “managed chaos” agenda.

The very idea that President Bush professes to support a two-state solution to the Palestine-Israel conflict, yet at the same time, looks to post-Westphalian freak Tony Blair to implement the policy, once again betrays the President’s discon-

nection from reality. If anyone finds the above characterization of Tony Blair far-fetched, read his own words below.

In His Own Words

Blair lectured Europe and the UN about the need for preemptive (or, "preventive") war and imperial reach, in a speech in Sedgefield, England on March 5, 2004. The address harkened back to Blair's 1999 speech in Chicago, when he advised the Clinton Administration that military interventions by the NATO powers could be justified anywhere, "even though we are not directly threatened." These excerpts are from the transcript provided by 10 Downing Street, the Prime Minister's office. Subheads have been added.

"The characterization of the threat is where the difference lies. Here is where I feel so passionately that we are in mortal danger of mistaking the nature of the new world in which we live.

"Everything about our world is changing: its economy, its technology, its culture, its way of living. If the 20th Century scripted our conventional way of thinking, the 21st Century is unconventional in almost every respect.

"So, for me, *before Sept. 11*, I was already reaching for a different philosophy in international relations from a traditional one that has held sway since the Treaty of Westphalia in 1648; namely, that a country's internal affairs are for it, and you don't interfere unless it threatens you, or breaches a treaty, or triggers an obligation of alliance. I did not consider Iraq fitted into this philosophy... [emphasis added]

"Which brings me to the final point. It may well be that under international law as presently constituted, a regime can systematically brutalize and oppress its people and there is nothing anyone can do, when dialogue, diplomacy, and even sanctions fail, unless it comes within the definition of a humanitarian catastrophe (though the 300,000 remains in mass graves already found in Iraq might be thought by some to be something of a catastrophe). This may be the law, but should it be?

"We know now, if we didn't before, that our own self-interest is ultimately bound up with the fate of other nations. The doctrine of international community is no longer a vision of idealism. It is a practical recognition that just as within a country, citizens who are free, well educated, and prosperous tend to be responsible, to feel solidarity with a society in which they have a stake; so do nations that are free, democratic, and benefiting from economic progress, tend to be stable and solid partners in the advance of humankind. The best defense of our security lies in the spread of our values.

"But we cannot advance these values except within a framework that recognizes their universality. If it is a global threat, it needs a global response, based on global rules.

"The essence of a community is common rights and responsibilities. We have obligations in relation to each other. If we are threatened, we have a right to act.

"And we do not accept, in a community, that others have a right to oppress and brutalize their people. We value the freedom and dignity of the human race and each individual in it.

"Containment will not work in the face of the global threat that confronts us. The terrorists have no intention of being contained. The states that proliferate or acquire WMD illegally, are doing so precisely to avoid containment.

"Emphatically, I am not saying that every situation leads to military action. But we surely have a duty and a right to prevent the threat materializing; and we surely have a responsibility to act when a nation's people are subjected to a regime such as Saddam's. Otherwise, we are powerless to fight the aggression and injustice which over time puts at risk our security and way of life.

"Which brings us to how you make the rules and how you decide what is right or wrong in enforcing them. The UN Universal Declaration on Human Rights is a fine document. But it is strange [that] the United Nations is so reluctant to enforce them.

"I understand the worry the international community has over Iraq. It worries that the U.S. and its allies will, by sheer force of their military might, do whatever they want, unilaterally and without recourse to any rule-based code or doctrine.

"But our worry is that if the UN—because of a political disagreement in its Councils—is paralyzed, then a threat we believe is real will go unchallenged....

'A New Type of War'

"Britain's role is try to find a way through this: to construct a consensus behind a broad agenda of justice and security and means of enforcing it.

"This agenda must be robust in tackling the security threat that this Islamic extremism poses; and fair to all peoples by promoting their human rights, wherever they are. It means tackling poverty in Africa and injustice in Palestine as well as being utterly resolute in opposition to terrorism as a way of achieving political goals. It means an entirely different, more just and more modern view of self-interest.

"It means reforming the United Nations so its Security Council represents 21st Century reality; and giving the UN the capability to act effectively as well as debate.

"It means getting the UN to understand that faced with the threats we have, we should do all we can to spread the values of freedom, democracy, the rule of law, religious tolerance, and justice for the oppressed, however painful for some nations that may be; but that at the same time, we wage war relentlessly on those who would exploit racial and religious division to bring catastrophe to the world.

"That is the struggle which engages us. It is a new type of war. It will rest on intelligence to a greater degree than ever before. It demands a different attitude to our own interests. It forces us to act even when so many comforts seem unaffected, and the threat so far off, if not illusory."

We Need Laws To Save The Common Good in Germany!

by Helga Zepp-LaRouche

Helga Zepp-LaRouche is the chairwoman of the Civil Rights Movement Solidarity (BüSo), a German political party. Her article has been translated from German.

Even if the Berlin government issues one denial of reality after another, there can no longer be any doubt that the whole world financial system is hopelessly bankrupt. What Lyndon LaRouche and the BüSo have warned about for a long time is now proven: The globalization system and the so-called “free” market economy is now, as of the beginning of 2008, just as wrecked as the Communist system was in 1989.

It is now urgently necessary to activate the Basic Law and other existing laws and regulations, to uphold the vital functions of the economy—production and trade, budgets of the state and Federal governments—and to protect the population from the impact of the financial collapse. That is possible, but only if we immediately return to the time-tested principles of National Economics and the real economy.

It is quite astonishing, that the man who goes down in history as “Mr. Casino Economy,” would declare, on New Year’s Eve 2007, in an interview over the American National Public Radio (NPR), that the system is at an end. Alan Greenspan, who for 20 years was the chairman of the American Federal Reserve System, and who launched the “creative financial instruments,” explained: “What I have to forecast, is that something will happen, something which is unexpected, which will knock us down. . . . What I point out is that we’re in a turning phase, and that the extraordinary improvements that have occurred in the world economy in the last 15 years are transitory, and they’re about to change. . . . So, I think this whole process will begin to reverse. . . . We and all other central banks lost control of the forces directing higher prices in homes.”

These ominous “forces,” the “locust funds” of every sort, for which Greenspan himself was one of the midwives, have made sure, over the past two decades, that a small layer of speculators became millionaires and billionaires, while the greater portion of mankind became poorer and poorer. These “forces,” namely the hedge funds, private eq-

uity funds, the special purpose financial entities, etc., which operate on the basis of unconditional maximization of profit, are therefore guilty of such monstrosities as Agenda 2010, Hartz 4, or the health-care reform.¹ The speculation by these “forces” and the situation that has come about in the so-called subprime mortgage markets in the U.S.A., which were clearly fraudulent from the beginning, were made possible by Greenspan himself, in the first place, through his zero-interest-rate policies in 2000. The millions who are and will be losing their homes, also have him to thank for it. And the same “forces” are responsible for the fact that prices for food, gas, and energy are exploding, and inflation is devouring wages and savings.

But as little as Mr. “Bubble” Greenspan admits responsibility for the disaster which he is now lamenting, the same can be said of Jacques Attali,² who is to blame for another chunk of the systemic collapse. Attali, the “gray éminence” behind François Mitterrand, wrote on Jan. 3, in his column in the French newspaper *L’Express*: “It is the whole world which seems to be going over the precipice. As if a collision of trains going at full speed was in the making. As if, in a vortex emptying the bottom of a bathtub. . . . There is no hope of a return to stability for the global economy.”

What Attali doesn’t say, is that we can thank his former boss, François Mitterrand, and Margaret Thatcher, for this. Because the two of them forced Germany to accept the euro as the price for reunification, and they are to blame for the fact that we in Germany no longer have any instrumentarium for defense of the common good. In switching to the euro, we

1. Agenda 2010, announced in 2003 by then-Chancellor Gerhard Schröder, imposed “free-market” measures, including draconian cuts in health-care coverage, pensions, and unemployment benefits. Hartz 4, which became law in 2005, sharply cut unemployment benefits, while forcing the long-term unemployed to accept jobs paying 1 euro (\$1.45) per hour, in order to continue to receive benefits—ed.

2. Attali, an economist, was an advisor to the late French President François Mitterrand. His books include *Cannibalism and Society*, *Noise: The Political Economy of Music*, and *Amours: Histoires des relations entre les hommes et les femmes (Loves: Histories of Relations Between Men and Women, 2007)*—ed.

gave up sovereignty over our own currency to the European Central Bank [ECB], and since the treaties of Maastricht and Amsterdam, and the Stability Pact, the government's hands have been tied.

The Common Good Must Be Defended!

It is an irony of fate, that Jacques Attali is right, when he says the world financial system is truly, as he says, “bankrupt,” and that the EU, with “an Italy going financially adrift,” is in such a bad situation, that the very existence of the euro could be put into question. This poses the question of who really is responsible for the common good of Germany.

According to the Basic Law, it is quite clear. Article 20 states:

1. The Federal Republic of Germany is a democratic and social Federal state.
2. All state authority emanates from the people. It is exercised by the people by means of elections and voting and by separate legislative, executive and judicial organs.
3. Legislation is subject to the constitutional order; the executive and the judiciary are bound by the law.
4. All Germans shall have the right to resist any person seeking to abolish this constitutional order, should no other remedy be possible.

This commitment to the common good is further strengthened in the oath of office sworn by the President, Chancellor, and Federal ministers, according to Article 56:

I swear that I will dedicate my efforts to the well-being of the German people, enhance its benefits, ward off harm from it, uphold and defend the Basic Law and the laws of the Federation, fulfill my duties conscientiously, and do justice to all. So help me God.

But where is the commitment to defend and ward off harm from the German people, when the taxpayers are forced to shoulder the losses, in a banking crisis such as that which began with the IKB [Industriekreditbank] crisis of



EIRNS/Chris Lewis

Striking auto parts workers in Germany in 2004, as layoffs were hitting industry hard, amid the growing financial crisis. Today, the future facing workers and the unemployed is bleak, unless political leaders follow the advice of Helga Zepp-LaRouche: Junk the euro, return to national sovereignty, and implement an FDR-style economic policy.

July 10, and was followed by the crisis of West LB, Sachsen LB, and LBBW [Landesbank Baden-Wuerttemberg], although those losses were due to the greediness of private speculators?

In the financial crisis that began with the collapse of the American mortgage markets in the second half of July, a whole array of antagonisms, conflicts of interest, and legal loopholes have been discovered, which must be rectified if a solution is to be found.

It has become obvious that the BaFin [German Financial Supervisory Authority] has not been carrying out its banking oversight role. Otherwise it would never have been permitted the indirectly state-controlled IKB to become so embroiled in high-risk speculative deals. The BaFin and the principal stockholders of the IKB, the Kreditanstalt für Wiederaufbau [Reconstruction Finance Agency, or KfW], as a public bank, should have prevented the IKB from getting into such a mess. Clearly, people in both institutions have no understanding of the “creative credit instruments,” such as CDOs, MBSs, ABCPs, or SIVs. The same goes for West LB, and certainly for Sachsen LB, which are costing taxpayers in Saxony and Baden-Wuerttemberg around 43 billion euros! The BaFin itself also must not be spared charges of incompetence. And when then the overwhelmed savings banks are forced to participate in bailing out the state banks [Landesbanken, or LB], this violates the conclu-

sions of the 1968 legislative probe of banking practices, which defined the task of public banks as that of conducting business “according to economic guidelines, but without profit-seeking,” in order to supply the needs of the regions, the *Mittelstand* [small and medium-sized enterprises], and to protect the depositor—but instead have to cover the losses of the state banks, which have degenerated into “speculative betting agencies.”

Who Is Responsible for Saving the System?

The maxim that profit is private, but losses are general, is borne out, but it is not the only blow against the common good for which the government is itself to blame. An even more complex and nebulous question, is just who is responsible for saving the collapsing banks. For we have not only a national banking crisis in Germany, but also a crisis throughout the Western banking system, however with highly varied circumstances.

Up to 1999, the Bundesbank was Germany’s “lender of last resort,” the source of credit, should the national economy go out of kilter. But with the introduction of the euro, currency sovereignty was transferred to the European Central Bank, and so we have the paradoxical situation in which national central banks are responsible for providing extraordinary liquidity—so-called “Emergency Liquidity Assistance” (ELA)—whereas they have no sovereignty over the creation of currency. And this legal loophole, which the fathers of the euro believed could simply be ignored, is now proving to be the potential deal-breaker of the European Monetary Union.

Since the onset of the global financial crisis, activated in August 2007 by the “sub-prime” mortgage crisis in the U.S.A., a credit crunch has developed, which has particular forms and manifestations in the Eurozone. The large investment banks have been sitting, since that time, on large mountains of paper titles, in so-called SIVs [structured investment vehicles], which are unsalable, or can be sold only at a fraction of their book value. Were the banks to actually sell these securities, the loss in their value would be obvious to all, and they would have to make enormous write-offs, exceeding even the amount of their capital for many of them, which would mean bankruptcy. Thus these banks are still sitting on their worthless paper, and while none of them know exactly what the risk of the others is, interbank lending has almost come to a halt.

In this situation, it becomes clear that the designs behind the Maastricht and Amsterdam treaties, the Stability Pact, the still-unratified European Treaty, the euro, and the ECB are highly problematic from the standpoint of responsibility and national interest. According to the motto “What can’t be, shouldn’t be,” there is no mechanism, on the level of the EU, whereby the risk to the system could even be evaluated. And if trust between the banks even within national boundaries no longer exists, so much the greater is the difficulty across national borders.

Indeed there are various memorandums about cooperation among the national central banks, according to which their countries, together with the regulatory authorities, are supposed to play the function of “lenders of last resort.” But the crisis of confidence and the complexity of the SIVs are such, that the necessary exchange of information among bank regulators, central banks, and market players makes coordination among those responsible very difficult. And within the present system, the choice is only between the Scylla of a crash and the Charybdis of hyperinflation, so that we’ve gone now for almost half a year since the outbreak of the crisis, with no solution.

Differing National Interests

Then we come to the differing interests of the individual member countries of the Eurozone. France is pushing for the ECB to lower interest rates, since, compared to Germany, it has relatively high unit labor costs and a relatively low technological level, France’s exports are endangered by the present appreciation of the euro against the dollar. Germany, on the other hand, fears—not least because of the experience of hyperinflation in 1923—the inflation that is already visible, and the further rise of the euro currency, and would rather like to raise interest rates. However, this would place an additional burden on the domestic market, which has been weakened considerably since the introduction of the euro. And Italy, which has the highest level of debt in the world, in comparison to its Gross Domestic Product—a total debt of 1,575,346 million euros, which now means 104% of GDP, instead of the 60% “allowed” by the Maastricht Treaty—fears it would no longer be able to pay the interest on its debt, should rates rise. That is why Attali declares that “Italy going financially adrift” could place the euro itself in jeopardy. The differing appraisals of the risk thus exist not only between the Fed and the ECB, but also between the national central banks within the Eurozone.

The main problem of the current ECB-euro financial architecture is that the national governments no longer have the instrumentarium to defend their own economies and their own banking systems, and to initiate State investment programs that could bring the economy out of the depression that is hitting us. Already, credit to banks that are in trouble can only be provided with adequate security and at market prices. Cheaper credit could be provided by an injection of public funds, which is not the job of the Bundesbank, but of the State, and according to the EU Treaty, is only allowed under certain conditions and with the approval of the EU Commission. In general, the Treaty forbids the central banks from financing costs that are incurred by the State.

We Need a Legislated Firewall!

Even more fatal for economic and currency policy, however, are Articles 103 and 104 of the Maastricht Treaty: that “any type of credit facility with the ECB or with the central

banks of the Member States in favor of Community institutions or bodies, central governments, regional, local or other public authorities, other bodies governed by public law, or public undertakings of member states shall be prohibited, as shall the purchase directly from them by the ECB or national central banks of debt instruments.” And in Article 104a, it also says that private banks are not allowed to give credit at reduced rates to governments and other public institutions.

This all means that the present EU financial architecture is unsuitable for Germany’s character as a social state and for the common good, whose defense is mandated by the Basic Law, to save the global financial system, under the conditions of the currently exploding crisis of the system. Therefore, the erection of a firewall for areas of public welfare is urgently needed. The unsolved national banking crises, as well as the rudderless global financial and monetary crisis, clearly constitute a “breakdown of the common economic balance,” and so the government can and must act, on the basis of Article 20 of the Basic Law and the subsequently adopted “Law on the Requirement of Stability and Growth of the Economy,” in combination with Article 104a, Section 4, Sentence 1, and Article 115 of the Basic Law.

The transfer of sovereignty over one’s own currency to supranational institutions must be suspended. The Maastricht Treaty and the Stability Pact must be frozen. The State must place the public banks, the savings banks, the cooperative banks, the state banks, and the KfW under its protection, and in the future bring them under effective control, so that the mistakes that have been made are not repeated. (The fact that in the very homeland of Adam Smith, the nationalization of the Northern Rock Bank, now referred to as the “Northern Wreck,” is being discussed, shows that Alexander Hamilton wins over Adam Smith.)

Thereafter, secure credit lines must be made available for all essential functions of production, trade, and supply of household necessities. The competence and capacity of the public banks will have to be expanded to correspond to demand. The treatment of all nonessential problems must be set aside, until the breakdown of the economic balance is overcome.

Furthermore, provision must be made for the poor and low-income population, with affordable food and energy. For all essential categories, price controls must be decreed. The government must make sure that people can remain in their homes, and are protected against foreclosures.

Credits for Construction

In order to achieve real productive full employment, which is ultimately the only long-term basis for health of the economy, the Bundesbank or an expanded KfW should offer credit lines for investment in the maintenance and modernization of industry and the construction of means of

transportation. This includes the repair of roads and bridges, the modernization of canal systems and supply of drinking water, construction and maintenance of schools, hospitals, and other public buildings. Aufbau Ost [rebuilding of the East] must be directed so as to achieve social justice and structural improvement. Street transport must be reduced, and public mass transportation systems such as the Transrapid and the CargoCap system will be required.

For energy security, it is urgently necessary to start building the inherently 100% safe high-temperature nuclear reactors, the so-called pebble-bed modular reactors. At the same time, the introduction of hydrogen technologies will solve many of today’s problems in an environmentally friendly and safe way.

In other words: We must return to the principles of the real physical economy, placing the common good above private profit.

Parallel with the reorganization of the German banking system and the real economy, we must work out and conclude long-term agreements with other nations on necessary measures for reorganization of the world financial system—a New Bretton Woods system—and the reconstruction of the world economy. Building the Eurasian Land-Bridge could provide the concrete framework for a New Deal for the reconstruction of the world economy, with special emphasis on the economic construction of Africa.

Avoiding the Mistakes of the Past

In view of the demonstrated incompetence of the authorities who have participated in bringing about the current crisis of the system, either by active policies or by neglect, competent people must take office, who have studied the principles of the real physical economy and the national economy. Such persons exist in the BüSo, as well as among scientists, engineers, and *Mittelstand* entrepreneurs.

If we in Germany have learned anything at all from history, then we dare not repeat the mistakes of the 1930s, in which austerity policies, as a reaction to the banking and economic crisis, ultimately led to Hjalmar Schacht and Hitler. It is obvious, that today there are again financial interests, which Greenspan so ominously called “forces,” who would be happy to take this route. This is the context in which to see the attempt by a mega-locust of Wall Street, with a personal fortune of \$11 billion (!!!), to buy the Presidency of the U.S.A.: Michael Bloomberg, a real representative of those “Robbing Hoods,” who would like to solve the banking crisis by massively driving down the living standards of the population.

Now as then, we have a choice: either the policies of Mussolini and Hitler, or a policy in the tradition of Franklin D. Roosevelt, a New Deal and a New Bretton Woods. Particularly in Germany, we must not make the same mistakes twice!

International Intelligence

Italy's Prodi Calls for End To Oil Speculation

Italian Prime Minister Romano Prodi called on Jan. 5 for a curb on the world "paper oil" industry. Under pressure of public opinion because of rising gasoline prices, Prodi was quoted by the daily *La Repubblica* as saying: "We are passively bearing events coming from outside, without reacting. Doubtless, part of this price hike is due to demand from China and India, but speculation has a very strong responsibility. Every day, oil contracts are being traded which are infinitely greater in monetary terms, up to 500 times greater, than the physical quantities of oil. And this has contributed a good deal to pushing oil and gas prices beyond any limit. We must act on this also, but, I repeat, no national policy can be effective. We need a European policy, and to start to discuss a common world policy. For years we have known that we face scarcity, and there is no substantial investment. There is no economic framework for investments in the oil sector. I think that can no longer be acceptable."

Land-Bridge Train Takes Off From Beijing

With great fanfare, a large container train left Beijing on Jan. 9 on its way to Hamburg, Germany, traveling through Mongolia, Russia, Belarus, and Poland. This was the "pilot train" of the Eurasian Continental Land-Bridge. The train was highly decorated in Chinese style, and the send-off included railway officials from the six countries.

Chinese television coverage showed them at the station in front of a large railroad map of the Eurasian line, very similar to that published in the 1997 *EIR* report on the subject, with the caption "Sketch Map of Eurasian Land-Bridge Corridor." "The train will travel 9,800 kilometers through six countries," the CCTV commentator told viewers. "The train will take 18 days. The same trip would take almost 40 days by container ship."

India, Malaysia Counter British Destabilization

India and Malaysia have agreed to increase defense ties, after the meeting between visiting Indian Defense Minister A.K. Anthony and Malaysian Deputy Prime Minister and Defense Minister Mohd Najib Tun Razak. This trip counters the attempted destabilization of Malaysia, and India/Malay relations, by a British-backed dissident group in Malaysia, claiming that there is "ethnic cleansing" against the minority Indians.

The two nations discussed joint production ventures and military-related industry collaboration. Also, Najib announced that Malaysia has awarded a \$1.08 billion project to Indian Railways for a 100-km, two-track network between Seremban and Gemas in Malaysia.

India has also been invited to participate in security projects for the Strait of Malacca, one of the most strategic waterways in the world. Najib said India had accepted the offer to cooperate based on the principle that "the primary responsibility for the security and safety aspects of Malacca lie with the littoral states."

British Tactics Instigate Indigenous War in Chile

The British Empire faction is instigating indigenous warfare in Chile. These financier interests are using the Jan. 7 attack on a foreign businessman in the capital of Santiago by a gunman purportedly associated with radical Mapuche Indian activists, to set the stage for chaos, and to destabilize the government of President Michelle Bachelet.

On Jan. 7, an unidentified gunman shot at the car of Mario Marchese Mecklenbur, general manager of the Trayenko hydroelectric project in southern Chile, owned by the Norwegian firm SN Power. The company's main operations are in the Araucania region of Chile's Patagonia, which the Mapuche claim as their ancestral lands. The previous week's killing of a 22-year-old Mapuche

college student, who was shot by police in Araucania during a demonstration, sparked another round of violence.

As it is now evolving, the situation carries all the earmarks of a classic British operation which plays both sides against each other. In the Santiago shooting, media such as *El Mercurio*, associated with the late dictator Augusto Pinochet, are screaming about "violent Mapuche cells" invading Santiago, pointing out that before escaping, the gunman threw out leaflets with the name of a radical Mapuche group, the Malleco Araucan Coordinator (CAM).

The Bachelet government stated that there is no evidence that the Mapuches were involved, or that new terrorist groups were emerging, while a spokesman for the CAM denied that the group had anything to do with this incident. But the situation is ripe for manipulation. The Mapuche live in extreme poverty on reservations in the South that are virtually militarized by police, and Bachelet's promises to redress their grievances have yet to produce improvements.

Argentine Nuclear Plants To Yield Water for Libya

Hector Otheguy, the president of Argentina's premier nuclear technology company INVAP, owned by the Rio Negro provincial government, reports that the company's plans for 2008 include a contract with the Libyan government to modernize that country's Russian-built nuclear reactor.

In an interview published Jan. 7 in *Noticias & Protagonistas*, Otheguy underscored that the contract, which was bid through the International Atomic Energy Agency, could open the door for use of Argentina's small prototype CAREM reactor—soon to become commercially available—to desalinate sea water and provide potable water for Libya.

"These countries of Northern Africa have a very serious problem, which is the shortage of water," Otheguy said. The potential exists for Libya to become a "very interesting partner" for Argentina in this area, and such projects could lead to other more complex projects, possibly with other countries.

THE 68ERS REVIEWED:

Under Their Skins

by Lyndon H. LaRouche, Jr.

January 6, 2008

Any well-informed observer has now been adequately forewarned, that the intention for the 2008 Presidential campaign, by certain very powerful international financial interests, is the election of a man-on-a-white-horse, New York City's Mayor Bloomberg, to become what historians would describe with a shudder as the American Mussolini dictatorship (or, perhaps, even worse) of January 2009.

The intention of the super-wealthy financial parasites largely controlling the campaigns, is to play each candidate, such as Chicago's patsy Obama, against the others in ways intended to ensure that by early March 2008, the electoral potential of the presently leading candidates would have been sufficiently scrambled by the financial manipulators, that the road would have been cleared for the coming of a tyrant on a billionaire's personal, financial "white horse."

To understand how such a nightmarish threat as that could have come upon us, we must explore the evolution of a movement which came to be known as "the 68ers," from a white-collar generation spawned in the U.S.A., Europe, and relevant other locations during the interval 1945-1958.

The *Dossier* section of Germany's Sunday *Welt am Sonntag*, features a politically shallow-minded treatment of the subject of the events from Berlin and related events from four decades earlier. The importance of the leading element of this account, by author Richard Herzinger, is that it illustrates the commonplace way in which it completely misses the reality underlying the role of the "68ers," their deadly, Nazi-echoing, global strategic significance for the coming elections in the U.S.A. and elsewhere today.

I know the true story very well. I was there, on the ground, in the events of 1968. I had also been on the ground when the seeds of the "68er" phenomenon were planted, at the close of

the war, in 1944-1946, and the years immediately following. It is a subject to which my adult life has been devoted from that time to the present moment.

In an evening meeting on New York City's Columbia University campus during June 1968, I presented my review of the lessons of the two successive massed student strikes which had occurred on that campus during the preceding months and weeks. Shortly after that, a summary of the report I had delivered at that meeting was published under the title of *The New Left, Local Control, and Fascism*. In that report, I compared the second of the two strikes on that campus with the way in which members of the Communist and Nazi parties had swapped chunks of their memberships back-and-forth during the weeks of the famous Berlin trolley-car strike of the period leading into the Nazi takeover of dictatorial powers through Hermann Göring's organization of the fire at the Reichstag building.

From Spring 1968 onward, what was emerging as the clearly defined majority of the so-called "New Left," in both the U.S.A. and elsewhere, was essentially the rise of a fascist movement, as the close examination of the second 1968 Columbia University student strike should have warned any close observer who was thinking seriously.

I knew very well what I was talking about back then, and I know it much, much more clearly, and in much greater detail, forty years later, today.

On August 15-16, 1971, President Richard M. Nixon acted as I had repeatedly warned as a likely development for about that time. He repudiated the Bretton Woods fixed-exchange-rate monetary system, which had been launched under the initiative of President Franklin Roosevelt, an action by President Roosevelt which had saved the world, for the time being, in 1944-1945.

As I warned orally, and in a widely circulated, featured pamphlet, published on August 31, 1971, this action by Presi-



US Navy/Petty Officer 3rd Class Kyle McCloud



New York City Mayor Michael Bloomberg is being promoted as an “above the parties” Presidential candidate, by powerful international financial interests as the “man on a white horse.” Knowledgeable historians would describe him “with a shudder” as the American Mussolini (Il Duce, above).

economy. In January 1972, Shultz was deployed to destroy the remains of the Bretton Woods system. The monetary policies under Nixon, as followed by the pro-fascist domestic economic changes introduced by Zbigniew Brzezinski’s Trilateral Commission, during the Carter Administration, destroyed the foundations of the economic recovery which had been led by President Franklin Roosevelt, thus preparing the way for what has become the new world economic depression which broke out on, approximately, July 30, 2007.

I then, in September 1971, uttered a challenge to the leading economists who, then and now, had failed to foresee this development. Weeks later, a leading Keynesian economist, Professor Abba Lerner, a close associate of N.Y.U. Professor Sidney Hook, accepted this challenge. The great debate occurred at Queens College. Lerner responded to my charge

that the policies he was defending were leading toward fascism in the same general way Adolf Hitler was brought to power in Germany. Lerner weakly burped his fatal reply, that if the German Social-Democrats had accepted the policies of Hjalmar Schacht, “Hitler would not have been necessary”! The assembled audience knew, with that admission by Lerner, the debate had closed.

dent Nixon opened the door for steps toward bringing a fascist world order down the road, unless the change in policy were reversed.

This was no sudden discovery on my part. During 1959-61, onward, I had repeatedly forecast, that if the monetarist U.S. economic policies of Arthur Burns et al., which had led into the deep, 1957 recession, were allowed to be continued into the later 1960s, this would lead to a threatened breakdown of the Bretton Woods monetary system. President John F. Kennedy became a pro-Franklin Roosevelt threat to those policies against which I warned during the late 1950s; but, his assassination, and the Gulf of Tonkin lies, led the U.S. economy, repeatedly, over the course of the 1960s, into the direction against which I had warned.

My continually repeated warning had been, that unless the policies responsible for the 1957 recession were corrected, we must expect a growing crisis during the second half of the 1960s, crises leading toward a threatened breakdown of the Bretton Woods system, to occur by approximately the end of the 1960s, or beginning of the 1970s.

It happened, exactly as I had forecast.

When the breakdown of the Bretton Woods system occurred, on August 15-16, 1971, I was the only publicly known economist, in the U.S.A. or Europe, who had forecast the likelihood of such a development.

The key figure for that 1971 action from among Nixon’s advisors was George P. Shultz. Within two weeks of Nixon’s actions, I warned that the result of the intention behind Nixon’s action, was to prepare the way for a fascist takeover of the U.S.

Professor Sidney Hook threatened, that my defeat of Lerner in that debate meant that he and his associates would see to it that I would not be allowed on the stage of public policy-shaping again. Perhaps, you might suggest to my critics, still today, that I was just a lot smarter than the economists and political figures who have disagreed with me on these economic and political issues then, and those which still do so today.

1. The Hatching of the Egg

Now, California Governor Arnold Schwarzenegger has stepped, almost goose-stepped, into his father’s Nazi Party tradition of service under the Adolf Hitler regime; this time, it has been under the guidance of the same London-steered George Shultz, who, together with accomplices such as Felix Rohatyn, had installed the neo-Nazi murder machine of Chile’s dictator Augusto Pinochet, and who had also been crucial in putting Schwarzenegger into the Governor’s chair, with shameless overt London backing.

Now, that egg has hatched.

Despite that accumulated mass of that and much related



National Archives/Oliver Atkins

President Richard Nixon (center), under the thumb of Pinochetista George Shultz (far right), on Aug. 15-16, 1971, ended FDR's Bretton Woods monetary system, in favor of today's globalized bankers' dictatorship.

evidence, the pages of the Sunday, January 6 edition of Germany's *Welt am Sonntag* remind us, how few are those who have learned to face the truth of the New Left upsurge, even after forty years of time for reflection. Now, many of that generation, and others, will learn, perhaps to their great sorrow, what have actually been their real motives against my earlier candidacies.

Since 1971, I have been hated, and also feared, by those influentials, both in the U.S.A., and in Europe, who, whether witting or not, are like Bank of England head Montagu Norman of the 1920s and early 1930s, that head of the Bank of England who had used Hjalmar Schacht as the tool to bring Hitler into power in Germany. The difference today, is that the name for the chosen instrument for bringing about fascist rule, is, as I have often warned, not Hjalmar Schacht, but George Shultz; and, the proposed fascist dictator is not named Adolf Hitler, but, for the present moment, at least, New York City Mayor Bloomberg.

The persistent refusal to see this threat coming since prior to August 1971, was never for want of abundant evidence. For many, such as rabid neo-malthusian and former U.S. Vice-President Al Gore, it should have been sufficient to see themselves in a political mirror. *Welt am Sonntag*'s failure to consider the actual origins and character of the majority of the so-called "68er" phenomenon is typical of the quality of unreality which most governments and their political parties bring to the shaping of policies and forecasts today.

How It began in June 1944

To understand what really happened at the Columbia campus, and other places during late Spring 1968, go back to the aftermath of June 1944.

To understand what is happening right now, it must be remembered that both Mussolini and Hitler were brought to power, by the British empire, as intended dictators. Mussolini had been the darling of Winston Churchill up to approximately the day Mussolini joined Hitler's forces in the 1940 conquest of France. England's King Edward VIII was dumped over (actually) the issue of his ties to Hitler's cause. The story of Neville Chamberlain's umbrella was a bit overplayed at the time of the 1938 Munich Pact with Hitler; but, without President Franklin Roosevelt's intervention, Britain would have capitulated to a deal with Hitler, as the pro-fascist government of

France did, during the events of Spring-Summer 1940. Without President Roosevelt's role, the fascist tyranny would have ruled in the decades immediately following 1940.

Where, then, is the Franklin Roosevelt for today? Who are the fascists of today who, like former Pinochet associate Felix Rohatyn, are desperately determined that no semblance of a Franklin Roosevelt might intervene now?

Therefore, the key to the 68er phenomenon goes back, proximately, to the 1920s and the first half of the 1930s, when the leading internationally-connected financier interests of London, New York, and kindred spots elsewhere, had been dedicated to both the Mussolini regime in Italy from the 1920s, and had been committed to putting the Adolf Hitler movement into a position of dictatorial power in Germany in the wake of Hermann Göring's organizing of the setting fire to the Reichstag, in February 1933. The British oligarchy's own attachment to the Hitler cause had continued late into the 1930s; and, even when Churchill's Britain had become an ally of Franklin Roosevelt's U.S.A., there was reluctance, even among Winston Churchill's circles, against winning the war against Hitler "too soon."¹

So, the U.S. breakthrough on the Normandy front, produced a sense of both relief and worry among the British oligarchy. Their earlier attachment to President Franklin Roosevelt's war-time leadership role lessened, as they considered their fears of what a post-war Franklin Roosevelt Administration would mean as a threat to the continued existence of the British empire, then, or as today. On this account, London's oligarchs could rely upon the sympathies of those same Man-

1. The British betrayal of the German Generals' Revolt, expressed this British policy for the post-war world.

hattan-centered financier interests which had joined London in support for both Mussolini and Hitler earlier. The 1944 U.S. elections witnessed a sudden, and brutish right-wing turn here at home, not only among Republicans, but also Democrats typified by Senator Harry S Truman.

The key to understanding the outcome of this post-June 1944 turn in U.S. political trends, is to be traced chiefly to certain abrupt and radical changes in U.S. policy which erupted almost immediately following the death of President Franklin Roosevelt. The preparations for this abrupt shift in policy and perspective had already been in place from about 1938 on, trends set in motion about a dozen years earlier by, chiefly, what had been the circles of Aleister Crowley of Lucifer-cult notoriety, and were still the circles of H.G. Wells, and Bertrand Russell, all in concert with the psychological warfare section of British intelligence under the direction of Brigadier Dr. John Rawlings Rees.

In a certain sense, the British monarchy has been the real monarchy which its pageantry pretends to show it to be; but, in a deeper sense, its power, since George I, and, more so, since February 1763, has been that of a tool of a higher power. That higher power has been the actual British empire in mufti, the “Anglo-Dutch Liberal” tradition of the New Venice, financier faction of Paolo Sarpi.

London has been running an empire of this neo-Venetian type since, implicitly, the accession of William of Orange’s crew took control under William’s former protégé King George I. However, kings, queens, or forget-me-nots, the real imperial power resides in the reins of an intrinsically heteronomic rabble known as the Anglo-Dutch Liberal oligarchy, of which de facto British imperial agent George Shultz is a notable element, and for which Governor Arnold Schwarzenegger is a tragi-comic stooge. When the actual British empire of today is seen in that guise, there is a certain morsel of prophetic truth in that piece of fiction called *The Decline and Fall of the Roman Empire*, which was delivered to the British East India Company’s chief thug, Lord Shelburne.

It is that financiers’ empire in the tradition of Paolo Sarpi, and that empire’s control over the British Foreign Office, since 1782 under Shelburne’s thug Jeremy Bentham, not the British government otherwise, which has been continuously the chief long-term enemy of our United States since the February 1763 Peace of Paris. It is British agents within the U.S.A., in the tradition of Bentham agent Aaron Burr, or Burr’s asset Andrew Jackson, or Martin van Buren, et al. who,



EIRNS/Alan Yue

One month after Nixon “pulled the plug” on the Bretton Woods system, Lyndon LaRouche (left) debated N.Y.U. Prof. Abba Lerner; who “spilled the beans,” admitting that Shultz’s program was identical to that of Hitler’s Economics Minister Hjalmar Schacht.

like the Confederate uncle of President Theodore Roosevelt, and Ku Klux Klan fanatic Woodrow Wilson himself, or financier war-lords George Shultz and Felix Rohatyn now, have been the principal source of treasonous activity within our leading political ranks, since then, to the present day.

Now, back to the Baby-Boomers.

2. Where the Baby-Boomers Come In

From the beginning of the continuing war-time dialog between President Franklin Roosevelt and Winston Churchill, as the conflict over Pacific War policy between Churchill’s U.S. sympathizers and General Douglas MacArthur, there was never any secret about the conflict on issues of strategy for the period of the continuing war, or, the post-war period. (Only H.G. Wellsian *Wikipediaphile* types could be so silly as to attempt to deny the evidence.)

The Baby Boomers are not a generation; they are a fraction of a biological generation, chiefly from among those born during the immediate post-war interval 1945-1958, who, like their representative, and former Vice-President Al Gore, express their breeding in neo-Malthusian forms of hostility to physical scientific progress in industry, agriculture, basic economic infrastructure, and Classical artistic culture generally. In the extreme, they were the “drop out, drop in” generation. They did not become this “naturally,”



EIRNS

The 1968 Columbia University student strike gave birth to the LaRouche political movement, in opposition to the proto-fascist New Left counterculture, the “68ers.” Since then, the 68ers have played an increasing role in shaping political change in Washington, supporting “anti-blue-collar” policies like “environmentalism.” Shown: LaRouche’s friends lead a rally during the strike.

“spontaneously.” They were the products of a design, often recognized as “existentialism,” based on such included elements as “information theory” and fads akin in spirit to those of the “Lost Generation” of post-World War I, 1920s and 1930s Europe.

The parameters of that new, Baby Boomer version of a “lost generation” are not fixed. For example, those of the same age-group who abandoned their earlier resistance to a “lost generation” paradigm, drifted into the quicksands of a kindred ideological orientation. The most significant feature of these decadent trends is a tendency to embrace “neo-Malthusian” fads. In a manner of speaking, “They went over to the other side, as some of my own former associates have done.”

There is very little about this “Baby Boomer” trend which happened as mere coincidence.

The significance of the “1968” briefly described by *Welt am Sonntag* of January 6th lies not in the effects of the war in Vietnam itself, but, chiefly, in the rising number of members of the social class of the “Baby Boomer” generation reaching young adulthood in 1964-1968. The prompting of this social phenomenon is to be recognized in the cultural paradigm-shifts experienced by the households and in-group communities associated with the “middle class, white collar” culture described, from the 1950s, by sociological studies such as “White Collar” and “The Organization Man.”

To understand how the middle to late 1960s happened, it is essential to place much less emphasis on the effects of the 1960s U.S. war in Indo-China, than on the terrifying experience of 1961-1963: the 1962 missiles-crisis most of all, the orchestrated ouster of Macmillan in Britain, the repeated, fascist assassination-attempts against President Charles de Gaulle, the “bum’s rush” treatment administered, at London’s direction, to Chancellor Adenauer, and the assassination of President John F. Kennedy.

It is typical of the significance of those 1961-1964 developments, that shortly after the second mass-strike at Columbia University, Mark Rudd et al. planned to stage a hostile event against the memory of the murdered Robert Kennedy, an event which Tony Papert and I intervened to prevent. That section of the “68ers” was the real, “blue collar”-hating, fascist quality of social-ideological movement of that time.

Over the course of the 1970s, this proto-fascist current of the so-called “New Left,” played an increasing role in shaping political change in Washington, D.C. They were the “anti-blue-collar” support

for the breakup of the Bretton Woods (e.g., pro-industrial) system, and for the campaigns conducted by the Trilateral Commission, and for the “cultural-paradigm down-shift” in general.

Today, their most notable figure is the Prince of Wales’ accomplice, former Vice-President Al Gore of “Global Warming” hoax notoriety. Without the specific kind of intellectual “degeneration” fostered in the ranks of the special social-class of the 1945-1958 “Baby Boomers” such as Al Gore, the presently onrushing threat of a fascist regime in the U.S.A. today would not have been possible.

Without the destruction of what the U.S.A. under Franklin Roosevelt had continued to represent, what is happening to the world at large today, would not have been possible. However the relevant British imperialists and their U.S. accomplices of the post-FDR decades might have foreseen the pathway of self-destruction through which the U.S.A. has put itself during the post-FDR decades, especially since the assassination of President John F. Kennedy, the evil which menaces the world today would not have been possible but for the roles President Truman and his British and American accomplices played in seeking to defend the continuation of the British empire, as each and all among them has done, against the kind of American Century which a surviving President Roosevelt would have carried into effect.

Bloomberg ‘Mussolini Option’ Is Kicked Off in Oklahoma

by Harley Schlanger

The campaign of fascist New York City Mayor Michael Bloomberg for President was given a big boost, at a so-called Bipartisan Forum in Norman, Oklahoma on Jan. 7. Co-hosted by former Democratic Senators David Boren and Sam Nunn, the ostensible purpose of the conference was, according to Boren, to demonstrate the willingness of the participants—who were primarily former elected officials from both parties—“to work together across party lines to help our country.”

Boren’s statement, which sounds rather timeless and generic, was typical of most of what was said in the public portion of the event. There were reminiscences about the “good old days,” when Democrats and Republicans could jointly take up challenges; homilies about civic duty; and blather about holding candidates “accountable.” The biggest cheers from the audience were evoked by denunciations of “rampant partisanship,” and calls for “putting our nation first,” with a government of “national unity.”

The 17 establishment figures attending did not come to an out-of-the-way college town just to deliver a freshman civics lecture. Nor did a large cross-section of the national press show up to receive such a lecture. The real purpose of the meeting was to shine a spotlight on the up-to-now underground campaign for President of the billionaire Mayor of New York City, Michael Bloomberg.

Bloomberg’s Nuremberg Rally

While Bloomberg stated both before and during the forum, that he is not a candidate, it was his presence at the event which drew the crowd of reporters. All of the media hype focussed on Bloomberg, and his relationship with Boren, who was among the first to launch a trial balloon for a



NYC.gov/Edward Reed

Mayor Bloomberg speaks at the University of Oklahoma Bipartisan Forum on Jan. 7. The message of the participants was: Let’s have unity to impose fascist economics!

Bloomberg candidacy, after the Mayor delivered the May 2007 commencement address at the University of Oklahoma. (Boren is the president of the University of Oklahoma in Norman.)

In the press room prior to the forum, all the chatter—especially from reporters from New York and the national media—was about whether Bloomberg would announce his candidacy in Oklahoma. The possibility that he might spend hundreds of millions of dollars on a campaign is an explicit threat to candidates already in the race, and was voiced by Boren in a discussion with reporters after the forum, when he said that it may be necessary to deliver “shock therapy” from an independent candidate, to assure that their concerns are met. He added, during an interview with National Public Radio journalist Diane Rehm the following day, that a possible Bloomberg candidacy is a “healthy” threat, that a third party

campaign is a “visible option.”

There was one departure from vague generalities about “their concerns,” which provided a glimpse into the real agenda of the forum: the need for a candidate (Bloomberg) from outside the parties (“bipartisan” or “nonpartisan”), to hammer out a consensus for fascist austerity. This was first voiced by Susan Eisenhower, who said that there are “a number of issues that are all big-ticket items ... very costly to address ... and we are in a diminished financial situation. So the reason we need bipartisanship is, it’s going to require political courage to make choices.”

This was bolstered by former Republican Senator William Cohen, who interjected, “So let’s get back to talking about sacrifice, what each of us has an obligation to do, what we’re willing to give up, what we have to pay for.”

Boren then indicated precisely what sacrifices are intended, by saying that spending on entitlement programs—Medicare, Social Security, interest on the debt—will consume “all of our tax revenues ... within the next decade or so.” This implies that there must be tough cuts, the kind of draconian austerity which California Gov. Arnold Schwarzenegger (R) announced two days later: cuts which kill. Therefore, a person “above the parties” must be brought in, who will not hold back for fear of alienating or angering those constituencies—the unemployed, poor, elderly, disabled—that will be brutalized by the cuts.

This brief exchange most likely reflected the more serious policy thrust of the private meetings that preceded this forum. When this reporter asked several participants about those discussions, he was told that the participants had agreed they would remain “confidential.”

For his part, the would-be Mussolini, Bloomberg, presented himself as the man who could make the trains run on time! In clipped sound-bites, he said, “Government is dysfunctional. I think there’s no accountability today. ... What we want is people to be selected for government based on competency” (i.e., the competence to build consensus for fascist austerity, beginning with slashing “entitlements”).

As to Bloomberg’s repeated denials that he is running, one of his leading political operatives, Doug Schoen, told Associated Press that Bloomberg is already spending millions on polling and voter analysis in all 50 states, in preparation for an independent campaign!

LaRouche: ‘Tell the Truth About Fascism’

On Nov. 10, 2007, Lyndon LaRouche issued a statement in which he predicted that Bloomberg would run for President, after the candidacy of another would-be Mussolini, Rudy Giuliani, goes down in flames (for details of this prediction, see *Chronology*). Bloomberg would be brought in, LaRouche said, as “a ‘man on a white horse’ ... a politically saleable product under the presently shattered reputations of both the Republican Party, and a Pelosi-discredited Democratic pack.”

When briefed on the events in Oklahoma, LaRouche insisted that the truth must be told about Bloomberg being sold as a candidate “above parties,” who will act to impose a consensus for sacrifice.

“Bloomberg equals fascism,” he said, on Jan. 8. “It’s time to say it, stop the bullshit: This is fascism. That’s what is being promoted as the Bloomberg ‘national unity’ operation. This is what Hillary Clinton is facing in New Hampshire. Obama is a tool for this fascist operation. Bloomberg himself is a tool of it.

“Those who can remember fascism will recognize it today. Another name for it in the 1900s was corporatism. Most people who fought it are dead now. The Baby Boomers don’t remember it. But what is being proposed on behalf of the Bloomberg operation is fascism. Let them deny it.”

LaRouche continued, making the point that what Schwarzenegger is doing with his budget cuts and declaration of a “fiscal emergency” is part of the same fascist operation (see article in this section). “Today, we are seeing pure, outright fascism in what is being proposed. It is no different from before. The Schwarzenegger and Bloomberg operations are what we once knew as fascism in the 1920s and 1930s. It was also called Schachtianism in Germany, but it came first in Italy as corporatism and fascism. And it was Made-in-London.

“Hitler was a London creation. Once he came to threaten the British Empire, London worked with FDR against him, but London created him. London created Mussolini. And it’s the same today. This is what Boren, Schwarzenegger, and Bloomberg are pushing—‘nonpartisan’ corporatism, fascism.”

On Jan. 10, LaRouche emphasized that the fraud conducted by the *Washington Post* and other media, to derail Hillary Clinton’s campaign prior to the vote in New Hampshire, is part of the same operation to put Bloomberg in the White House. The purpose of the lies that her campaign was collapsing, and polls showing Obama far ahead, was to panic people. The intent is not to elect Obama, but to knock out Hillary Clinton, and then “throw Obama away like used toilet paper, at the point that the British imperial financial interests move to usher in ‘Benito’ Bloomberg.”

The victory by Hillary Clinton in New Hampshire, based on her decision to address the economic issues facing the nation—especially those facing the lower 80% of family-income brackets, beginning with her call for a 90-day moratorium on foreclosures—was a significant defeat for the forces behind Bloomberg.

However, nothing short of a national mobilization, which identifies Bloomberg as the fascist he is, and which he presents as an alternative the Franklin Roosevelt-type financial bankruptcy reorganization proposed by LaRouche, and embodied in his Homeowners and Bank Protection Act, will stop the forces of the British Empire from destroying our republic.

Governator Demands Sacrifice, Death

by Harley Schlanger

California Gov. Arnold Schwarzenegger's State of the State address Jan. 8 served notice that he is prepared to deliver the Schachtian austerity policies which prompted fascist George Shultz to back him for Governor in 2003.

With a budget deficit of over \$14 billion for fiscal 2008-09, the Governor sent out advanced notice that he has no choice but to present "painful choices." In his speech, he said that Californians must "face our budget demons," adding that, in two days, he would "submit a budget that is difficult. . . . For several years, we kept the budget wolf from the door . . . but the wolf is back." He told the legislature that he sees "that the consequences of cuts are not just dollars, but people. . . . I mean, talking about fiscal responsibility sounds so cold when you have a representative for AIDS patients or poor children or the elderly sitting across from you. Yet, fiscal responsibility, like compassion, is a *virtue* because it allows the necessary programs in the first place."

In addition to across-the-board cuts of at least 10%, the would-be Mussolini of the once-Golden state will draft a proposed Constitutional amendment to present to the voters, which would impose a spending cap on future budgets. Schwarzenegger already tried that, in 2005, with Proposition 76, which would have given him the power to unilaterally cut spending. This was defeated by a broad coalition of voters, spearheaded by activists from the LaRouche Youth Movement, who called it the "Make Arnie the Dictator Act."

Schwarzenegger's rationale was presented by former Gov. Pete Wilson, in a radio address Jan. 5. Wilson, who collaborated with Shultz to put Arnie in the Governor's office, said that California is suffering from a cyclical downturn; therefore, the state must cut spending. The cuts can be restored when the boom-and-bust cycle turns around—the so-called "pay-as-you-go" system, under which programs are never fully restored.

This whole approach is based on two big lies. First, the budget crisis is not a "California" problem, but part of the global breakdown of the post-Bretton Woods system, for which Arnie's controller, Shultz, was the chief architect, in August 1971. The problem is not that California is "spending too much," as Schwarzenegger argues, but that the post-industrial, deregulated consumer economy—which Shultz helped create—does not produce enough to generate an adequate revenue stream to pay for the minimal services required by the citizens of the state. Massive budget cuts will only worsen the situation.



CREDIT??

Gov. Arnold Schwarzenegger after his State of the State Address on Jan. 8. He and Michael Bloomberg are the "Corporativist Twins," with an austerity policy in the tradition of Hjalmar Schacht.

Second, the intention behind changing the state's Constitution is not to protect the people, but to channel an ever-larger income stream to the corporate cartels that put him in office. These include the banking, financial, and insurance cartels, as well as the pharmaceutical and for-profit health-care interests, which back Shultz's goal of eliminating the government's responsibility to act for the General Welfare, while enhancing the looting capabilities of private interests.

The plans for California include the introduction of Public-Private Partnerships, which would hand state infrastructure over to private firms. Arnie pushed privatization as part of the solution in his address. Shultz's longtime fascist collaborator, Felix Rohatyn, is working the Democratic side, to insure that no serious Democratic alternative emerges to combat Schwarzenegger's brutal cuts, and destruction of government services.

As Lyndon LaRouche has pointed out, the financial/corporate interests working with Shultz in California are the same which are behind the candidacy of New York City Mayor Michael Bloomberg for President, to impose a fascist "solution" on the United States. Bloomberg's mutual admiration society with Schwarzenegger is more than two ego-driven opportunists banding together. They are the Corporativist Twins, front-men masquerading in "post-partisan" guise, to enforce Schachtian fascist policy. In a videotaped introduction of Bloomberg at an Earth Day Conference on May 14, 2007, Schwarzenegger referred to his fellow fascist as "my soul-mate," saying "I salute your vision, I salute your leadership."

Long Before Bloomberg, There Was Mussolini

Compare the “emergency powers” rhetoric of California Gov. Arnold Schwarzenegger and “national unity” talk of waiting-in-the-wings Presidential candidate Michael Bloomberg, with those of Benito Mussolini, the fascist dictator of Italy (1922 to 1945), and you find the same corporativist double-talk. No wonder: The backers of Schwarzenegger and Bloomberg, are financial circles intent on imposing fascist regimes as the outcome of today’s economic breakdown crisis.

Mussolini, 1922: ‘Economy, Work and Discipline’

The newly appointed premier, in an address to parliament on Nov. 16, 1922: “In Italy, there is no lack of programs, but there is a lack of will power to translate programs into action,” adding, “I can dissolve Parliament the day after tomorrow, just as easily as next year...”

“Above the minorities that go in for militant politics, there are 40 millions of Italians who work, who sweat, who reproduce themselves, who ask and have the right not to be thrown into chronic disorder and faction...”

What was Mussolini’s economic program? “My internal policy can be expressed in the following words: economy, work, discipline. The financial problem is a fundamental problem. We must arrive at a balancing of the State budget...”

“Let us take an oath to restore our finances and we will restore them; to follow a peaceful foreign policy and we will follow it; to discipline the nation, and we will discipline it...”

(Account from the fawning coverage in the Nov. 17, 1922 *New York Times*, “Mussolini Demands Chamber Obey Him or Be Dissolved.”)

Mussolini, 1932: Fascism Denies Pursuit of Happiness

In a 1932 tome, entitled, “The Doctrine of Fascism,” in clear opposition to the American commitment to the “pursuit of happiness,” and the “general welfare,” Mussolini wrote:

“Fascism ... does not believe in the possibility of ‘happi-

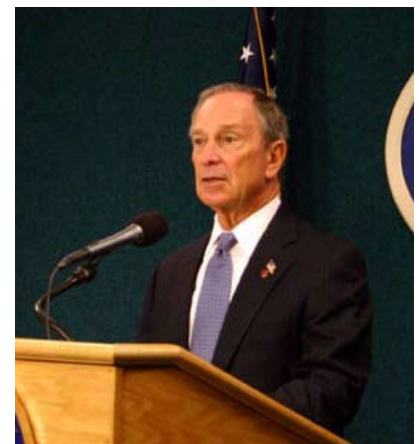


Library of Congress

Mussolini’s Fascist policies, enforced by his “squadristi,” are the model for Schwarzenegger’s “emergency powers” regime, and Bloomberg’s “national unity” rhetoric.



Library of Congress



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ness’ on earth as conceived by the economic literature of the 18th Century...

“Fascism denies the materialistic conception of happiness as a possibility, and abandons it to the economists of the mid-eighteenth century. This means that Fascism denies the equation: well-being = happiness, which sees in men mere animals, content when they can feed and fatten, thus reducing them to a vegetative existence pure and simple...”

“... The Fascist State is ... a unique and original creation. It is not reactionary but revolutionary, for it anticipates the solution of certain universal problems which have been raised elsewhere, in the political field by the splitting up of parties, the usurpation of power by parliaments, the irresponsibility of assemblies; in the economic field by the increasingly numerous and important functions discharged by trade unions and trade associations with their disputes and ententes, affecting both capital and labor; in the ethical field by the need felt for order, discipline, obedience to the moral dictates of patriotism.

“...The Fascist State lays claim to rule in the economic field no less than in others; it makes its action felt throughout the length and breadth of the country by means of its corporative, social, and educational institutions, and all the political, economic, and spiritual forces of the nation, organized in their respective associations, circulate within the State. A State based on millions of individuals who recognize its authority, feel its action, and are ready to serve its ends is not the tyrannical state of a medieval lordling....”

Schwarzenegger, 2008: ‘Permanent Victory’

In his speech Jan. 10, Schwarzenegger, issuing a declaration of fiscal emergency in California, decreed that the state faces a “very tough solution.” He said he will eliminate more than 7,000 jobs from the state payroll and make other cuts. His formulation is, “With tough times come historic opportunities, and I’m convinced that the Legislature will help in order to take this temporary problem that we have and turn it into a permanent solution, a permanent victory for the people of California, by joining me to enact true budget reform.

“We simply cannot have a budget system where revenues and spending are not tied together. We must rise to the challenge and fix California’s budget system once and for all.”

Bloomberg, 2008: ‘National Unity’ Corporatism

At the Jan. 6-7, 2008, “national unity” confab, in Norman, Oklahoma (see separate article), a mission statement was released, using soft-sell rhetoric to cover the corporatist policies behind the initiative. Excerpts (from coverage in the *Norman Transcript*, Jan. 7):

“Our budget and trade deficits are out of control. We are squandering our children’s future. The ominous transfer of our national wealth has made our economy vulnerable, and our economic strength and competitiveness are both declining. Middle-income Americans are struggling to keep their homes and jobs and educate their children....”

“We are failing to address [the nation’s problems] because rampant partisanship has paralyzed the ability of our government to act. If we allow polarizing politics to continue, we will remain a nation divided and no matter who is elected this fall, he or she will not have a mandate for governing.

“...In order to break this partisan impasse, we urge the presidential candidates to provide: clear descriptions of how they would establish a government of national unity; specific strategies for reducing polarization and reaching bipartisan consensus; plans to go beyond tokenism to appoint a truly bipartisan cabinet with critical posts held by the most qualified people available regardless of political affiliation; and proposals for bipartisan executive and legislative policy groups in critical areas such as national security. National elections present an opportunity for candidates and citizens to have a serious and civil discussion of the imperative issues facing our country at home and abroad....”

Chronology

The Campaign for Michael ‘Mussolini’ Bloomberg

Aug. 2, 2006: Public promotion of New York Mayor Michael Bloomberg as a Presidential candidate begins with a meeting in the home of hedge fund plutocrat Michael Steinhardt. At the dinner meeting, Steinhardt-Rohatyn pet, Democratic Leadership Council (DLC) chief executive Al From, explains to Bloomberg and his staff the logistical considerations for a Presidential race begun as a “dark horse,” after the main contenders have been deflated.

This establishes Bloomberg as a replacement for Steinhardt’s and banker Felix Rohatyn’s 2002-03 DLC project for wrecking the Democrats, a proposed “Bull Moose” third party Presidential ticket of Sen. John McCain (R-Ariz.) and Sen. Joe Lieberman (D-Conn.; he is now an independent). Following the meeting, Steinhardt pushes the Bloomberg ploy around Wall Street. The *New York Times* reports on Aug. 4 that “Mr. Bloomberg’s plans” are “making converts among monied New Yorkers.”

Aug. 8, 2006: Senator Lieberman loses the Connecticut Democratic primary to anti-war candidate Ned Lamont. Lieberman begins running as an independent against the Democrats, on a straight Dick Cheney permanent-war and dictatorship platform.

Aug. 9, 2006: Bloomberg announces his support for Lieberman. Between that time and the November election, Bloomberg runs fundraising efforts for Lieberman, and dispatches top staff members and political aides from New York City, who direct Lieberman’s get-out-the-vote, polling, and media-consulting operations. Lieberman says, “No one in public life has done more for me in this campaign than Mike.”

(Note: Michael Steinhardt in 2004 had “come out of retirement” as a hedge fund operator to become partner of “greenmailer” Saul Steinberg’s son Jonathan, and chief owner of the younger Steinberg’s “index fund,” WisdomTree. Investing about \$7 million, Steinhardt made about \$130 million off the enterprise by mid-2006.)

May 11, 2007: Bloomberg is the commencement speaker for the University of Oklahoma, whose president is former Senator David Boren. Columnist Robert Novak writes, “When New York City Mayor Michael Bloomberg delivered the ... commencement address, ... he engaged in a long, private discussion about 2008 politics with university president and maverick Democrat David Boren. According to New York political sources, they discussed a role Boren might play in an independent Bloomberg campaign for president, generating

speculation about a Bloomberg-Boren ticket.”

(David Boren’s resumé includes: 1963 Yale Skull and Bones, Yale Conservative Party, Rhodes Scholar, master’s degree in Philosophy, Politics, and Economics from Oxford University, 1965, later served on the Rhodes Scholarship selection committee.)

May 13, 2007: CBS News reports, “After dining with New York’s mayor, who is also said to be considering a run for president as an independent, [Sen. Chuck] Hagel said people might want to consider the two on a ticket.

“‘We didn’t make any deals, but I think Mayor Bloomberg is the kind of individual who should seriously think about this,’ Hagel said. ‘He is the mayor of one of the greatest cities on Earth. He makes that city work. That’s what America wants. It’s a great country to think about—a New York boy and a Nebraska boy to be teamed up leading this nation.’”

June 5, 2007: Rupert Murdoch hosts the ninth annual Eric Breindel awards, with Bloomberg as the guest of honor. *Newsweek* senior editor Lally Weymouth introduces Bloomberg, saying, “Everybody in New York that I know thinks he’s a brilliant mayor. . . . And everyone thinks he would be a brilliant president.”

Bloomberg reports, “Nine years ago, who would have thought this would be one of the most prestigious awards in journalism? . . . Or the most popular site on the Internet would be an interactive photo album called MySpace? What will Mr. Murdoch think of next? I guess you’ll just have to ask the Bancroft family.”

Murdoch has been promoting Bloomberg’s Presidential candidacy in the *New York Post* and the *London Times*.

June 18, 2007: Bloomberg speaks at a conference in California called “Cease Fire! Bridging the Partisan Divide,” alongside Gov. Arnold Schwarzenegger, who says, “I myself think he would make an excellent [Presidential] candidate. It’s all about fixing problems, and creating a great vision for the future.”

June 19, 2007: Bloomberg changes party registration from Republican to “unaffiliated.”

Summer 2007: Ed Rollins, former campaign director for Ronald Reagan, praises Bloomberg’s brilliance in an article



U.S. Army

Mayor Bloomberg. On Nov. 10, 2007, Lyndon LaRouche forecast that the build-up of Rudy Giuliani as a “hot prospect” to beat Hillary Clinton, was a set-up, designed to bring Bloomberg in as a “man on a white horse,” after scandal discredited Giuliani.

for the *Washington Post*, and urges him to enter the Presidential race. Rollins subsequently becomes campaign chairman for Republican contender Mike Huckabee.

Nov. 1, 2007: The Manhattan Institute hosts Bloomberg and Rohatyn at a conference entitled “Thinking Big for New York City.” In Bloomberg’s keynote address, he thanks “the Manhattan Institute . . . for more than 25 years of scholarship, and leadership, in reshaping public policy in our city. On subjects ranging from welfare reform to tax policy, the Manhattan Institute’s hard-nosed, well-researched ideas have had a tremendous impact. . . . [Today] the welfare rolls are at a more-than 40-year low.”

Rohatyn speaks on the experience of running New York City’s 1973 Municipal Assistance Corporation (Big MAC). He explains how Democratic boss Robert Strauss recruited him to the job. (As *EIR* has documented, Big MAC’s purpose was to drive down living standards to bail out the banking sector, while smashing the labor unions. See *EIR*, Aug. 25, 2006.) Rohatyn says: “Mike Bloomberg is another great political leader, partly because he’s

hugely smart and courageous, but also because he has brought into his administration talented people, such as Amanda Burden and Dan Doctoroff. One of the real hallmarks of his administration has been the quality of the people in his government. . . . Mike Bloomberg came along [after 9/11] and brought the city back with his spirit, his brains, and his vision. Today, the city is clearly number one in terms of the financial capital that’s being created here, even though we have competition from places such as London, Shanghai, and, soon, Beijing.

“We are the luxury capital of the world. There isn’t a single luxury store or brand or anything that is not on Fifth Avenue. Not that it’s very economical, but it is a big business and it identifies the city.”

Nov. 5, 2007: In its Nov. 12 edition, *Newsweek*, owned by the *Washington Post*, features a 7,000-word puff piece extolling Bloomberg as the “man on horseback” (Bloomberg has a lifelong fascination with Paul Revere). “Bloomberg is a billionaire wildcard,” says *Newsweek*, “a centrist who has the means to make one of the most significant third-party bids for the White House in American history.”

This coverage is the first of a wave of media coverage of a

potential Bloomberg candidacy, including by columnist Richard Cohen, the online Huffington Post, and *Roll Call*.

Nov. 10, 2007: Lyndon LaRouche releases a statement, forecasting that Bloomberg will be run as a “surprise” Presidential candidate, saying: “The build-up of former New York Mayor Giuliani as a ‘hot prospect’ for the man to beat Hillary Clinton in the coming U.S. Presidential election, was a crafted set-up, designed ... for the present New York Mayor to emerge, as if ‘miraculously,’ as Senator Hillary Clinton’s really intended Republican challenger.

“All of the relevant Republican king-makers had known fully in advance of the scandal which would bring Mafia creation Giuliani down, using the case-in-preparation against Bernard Kerik to spring the trap being set against Giuliani. To make Mayor Michael Bloomberg a serious contender, Giuliani had to be brought down, but only after ... Giuliani’s brief trip to euphoria had cleared the deck.... [Bloomberg would be] a ‘man on a white horse’ ... ‘People’s Choice’ ... a politically saleable product under the presently shattered reputations of both the Republican Party, and a Pelosi-discredited Democratic pack.

“Giuliani must be built up to the degree that his sudden, disastrous fall into a political ‘Black Sox’ scandal, would wreck [and] ... discredit both Giuliani and all his leading current rivals for the Republican nomination. That is exactly what has been done, as (obviously) pre-scripted.

“The standard, expert method for bringing a dictator, such as Mussolini or Hitler, to power by popular acceptance of a duped electorate, is to stun that electorate with a shocking scandal against the leading, existing party systems.”

Nov. 13-17, 2007: Bloomberg addresses the National League of Cities conference in Houston, with a blast against the official Presidential pre-candidates for “pandering” and passing the Farm Bill.

Nov. 23, 2007: *EIR* publishes “The Rudy Bomb, Defused,” exposing the financiers’ intention to dump Giluiani’s candidacy in favor of Bloomberg’s, and noting, “We intend to help make such an outcome impossible, by reporting, ‘prematurely,’ what would have inevitably come before the general public.”

Nov. 30, 2007: Democratic Presidential contender Barak Obama and Bloomberg have breakfast together, and talk strategy.

Dec. 11, 2007: An article by Bloomberg, “America Must Resist Protectionism,” appears in the *Financial Times* of London.

Dec. 18, 2007: Joe Lieberman endorses John McCain in the Republican Presidential primaries, particularly hoping to help McCain in nearby New Hampshire. However, when MSNBC asks Lieberman whether he might run for Vice President on a ticket with McCain, Lieberman says, “I don’t think so.”

Then Lieberman offers the following, unprompted: “I was thinking actually, out of speculation, about Michael Bloomberg.”

How Bloomberg Got His Billions

by John Hoefle

Mike Bloomberg didn’t get to be a billionaire by being mayor of New York, although the \$150 million or more of his own money he spent on his two campaigns (2001 and 2005) certainly helped his political career. Money may not buy everything, but it clearly buys a lot.

Bloomberg became a millionaire while working for Salomon Brothers from 1966 to 1981. Salomon was one of the top Wall Street investment banks, and during his 15 years there, Bloomberg became a partner and rose to become head of equity trading and sales. Then Bloomberg, a bit of a hothead, known for his temper and smashing phones, managed to get himself banished to the relative Siberia of running the bank’s computer systems, where he drew upon his educational background in electrical engineering.

In 1981, Salomon Brothers was bought by Philipp Brothers, or Phibro, the world’s largest metals trading company, closely tied to Lazard Frères. Bloomberg opposed the takeover, and wound up being fired, although he did walk away with a \$10 million payout for his partnership.

Bloomberg took part of that money and his knowledge of financial computing systems, and, with three former Salomon colleagues, founded Innovative Market Systems, to sell financial data and analytical tools to Wall Street. Joining him were Tom Secunda, a mathematician, to handle the data, Duncan MacMillan to handle the customers, and Chuck Zegar to write the software to tie it all together. All owned a piece of the company, with Bloomberg owning the lion’s share.

The company landed its first customer in 1982, when Merrill Lynch ordered 20 data terminals and invested \$30 million for a 30% stake in the company. As part of the deal, Bloomberg agreed not to sell to any of Merrill’s 14 major competitors for five years. In the mid-1990s, Bloomberg bought back a third of Merrill’s stake for \$200 million, 20 times what Merrill had originally paid.

From that modest beginning, the company known as Bloomberg L.P. since 1986, has become a money machine. A profile by Carol Loomis, in the April 2007 issue of *Fortune*, estimated that the company, a private partnership, made some \$1.5 billion in profits before taxes on \$4.7 billion in revenues in 2006. While Bloomberg, the company, has expanded into radio, television, and web-based financial



Bloomberg LP

After walking away from Salomon Brothers with a \$10 million payout, Bloomberg founded Bloomberg LP, which developed the “Bloomberg Terminal” (shown here), which has become the company’s cash cow. The proceeds have contributed to the mayor’s fortune, estimated at \$11 billion, which are expected to finance a potential run for the Presidency.

news, its profitability remains centered around its proprietary data terminals.

The Bloomberg Terminal

The Bloomberg Terminal, as the device is called, provides access to both real-time and historical information on about 5 million bonds, equities, commodities, currencies, and funds, according to the firm. It also provides access to data on almost every publicly traded company, and biographies of more than 1 million people. The subscribers to the service, the company says, include central banks, investment institutions, commercial banks, government offices and agencies, law firms, corporations, and news organizations, in 125 countries. Virtually every leading bank, brokerage firm, insurance company, financial regulator, and corporation is a subscriber, according to the company’s website. With some 250,000 installations at \$1,500 a month each, the Bloomberg Terminal is a cash cow. (*EIR*, we should note, does not have a Bloomberg.)

The rise of Bloomberg’s financial-information business both benefitted greatly from, and was part of the infrastructure which permitted, the great shift on Wall Street, from old-style investment banking into trading. Prior to this shift, investment banking was a gentlemanly game where upper-class bankers dealt primarily with upper-class clients, with deals being cut in the clubs, salons, and boardrooms of the elite. One manipulated, cheated and stole, of course—how else could you make money?—but it was largely organized around relationships within the upper class. That began to change with the restructuring of Wall Street, started by Felix Rohatyn in the 1970s, and continuing with the junk bond operation of Drexel Burnham’s Michael Milken in the 1980s, in which the trading of securities began to supplant old-style banking as the primary money-maker on Wall Street. Trading required data, which Bloomberg and others provided in a symbiotic relationship,

the traders and the data providers feeding each others’ growth.

Riding this wave made Bloomberg L.P. a wealthy company, and Michael Bloomberg a rich man. Though he resigned as chairman of the firm in 2001 to run for mayor of New York City, Michael Bloomberg still owns 68%, with Merrill Lynch owning 20%, and the other founding partners the remaining 12%. He is a billionaire many times over, with *Forbes* estimating his net worth at \$11.5 billion, putting him 25th on its list of richest Americans in 2007.

Since this shift into securitization and trading provided the mechanism for the growth—and now death—of the largest speculative bubble in history, and Bloomberg played an important role in this shift, it is fair to characterize Michael Bloomberg as a creature of the bubble, a part of the parasitic apparatus which has destroyed the U.S. economy. He is part of the problem, not the solution, and should not be allowed anywhere near the Presidency. The only consensus Bloomberg represents, is the consensus of the money-lenders.

Mayor Bloomberg Readies Budget Axe

by Mary Jane Freeman

In the footsteps of fascist Felix Rohatyn’s 1970s New York City budget gouging, would-be 2008 Presidential contender and New York City Mayor Michael Bloomberg is readying a deadly budget axe as the City’s 2009-11 fiscal budget deficits explode. Sounds of the sharpening of Bloomberg’s axe surfaced again on Jan. 7 when the City’s Independent Budget Office (IBO) estimated the fiscal year budget deficit at \$3.1 billion, “roughly \$360 million more than the Bloomberg Administration estimated in October,” the IBO report stated. Almost immediately, various media outlets began the drumbeat to rescind tax cuts and rein in labor costs and other expenses.

But the City’s poor are already suffering: The number of homeless families in New York City shelters is now at a record 9,500. Yet on Oct. 12, the Bloomberg Administration announced that those who are awaiting “certification” that they are officially homeless would no longer be admitted to stay in a shelter for one night on an emergency basis.

In November, a spokesman for Councilman William De Blasio told *EIR* that New York has lost 12 million pounds of food for the poor since 2004 as a result of reduced Federal aid. Yet, Bloomberg is adamant that he will continue to require fingerprinting for recipients of Federal food stamps. This Kafkaesque practice ends up blocking food aid to many needy people, but the Council was told that it is needed to combat “food fraud.”

De Blasio's spokesman said that 1.1 million people get food stamps in New York City, and there have been 31 documented cases of "food fraud."

In October, Bloomberg's budget director Mark Page put the City's 2009 fiscal year (beginning July 1, 2008) deficit at \$2.7 billion, as the housing market collapse hit the financial services sector from which the City derives more than 25% of its revenues. Another \$11.3 billion in revenue shortfalls were added to Page's estimates for fiscal years 2010 and 2011. As revenues continue to plummet, with a credit freeze by the world's biggest banks spurred on by the demise of the housing bubble, Bloomberg has responded with "belt tightening" measures, a hiring freeze, and 2.5% cuts in spending by City agencies for the rest of this fiscal year and a 5% cut of the FY 2009 budget. Later in December, with revenues still shrinking, Bloomberg warned "tough times" are ahead.

The reality is that the IBO estimate is too low; it assumes no "recession," that Wall Street firms will "break even" for 2007, and that "commercial real estate" will "remain strong." Reality is otherwise: Wall Street write-offs, already in the multi-billions, mount by the day—on Jan. 8 Citigroup reported fourth-quarter 2007 losses of at least \$16 billion, on top of the \$3.8 billion losses, collectively, for the New York Stock Exchange firms from their November third-quarter loss reports. Were Wall Street firms to "break even," the resulting \$5 billion profits in 2007 would be a 75% decline from record profits in 2006! This decline has led to the City's personal income tax collections being down \$207 million this current budget year.

But such losses will be even greater. Credit default swaps/credit derivative markets are expected to lose from \$250 billion to \$1 trillion, according to mid-January reports by PIMCO and Moody's. Add to this, collections of the City's two key real estate taxes—mortgage recording tax and the real property transfer tax—being short by \$174 million and \$82 million, respectively. The other big revenue hole to date is the City's general corporation tax, which is \$145 million short of the budgeted level.

Bloomberg's 'Big MAC'-Style Fix

Bloomberg is notorious for slashing budgets and imposing austerity measures. Following the bursting of the 2000-01 IT bubble and the 9/11 attacks, FY 2003 revenues plummeted and the cutthroat investment banker-turned-mayor "fixed" a



EIRNS/Bonnie James

Even before the new round of deep cuts in New York City's budget, threatened by Mayor "Benito" Bloomberg, the effects of his economic policies over the past six years in office can be seen in the proliferation of the "underground" economy. Shown, one of the ubiquitous street vendors, largely homeless people, on Fifth Avenue.

\$7.5 billion deficit by gouging the budget, streamlining services, and raising property taxes by 18.5%.

In January 2003, Bloomberg raised the specter of the 'Big MAC' "planned shrinkage" policy of fascist austerity imposed on the city by a bankers' cabal headed by Lazard Frères' Felix Rohatyn. (In 1975, a bankers' dictatorship, known as "Big MAC"—the Municipal Assistance Corp./Emergency Financial Control Board—took over the city, shrinking its productive workforce and cutting city services.) Bloomberg, in announcing the FY 2004 budget, warned, "We must not ... surrender our destiny to the Financial Control Board." So, instead, he imposed the austerity to plug a \$3.8 billion budget, cutting immunizations, hundreds of sanitation and civil fire department jobs, over a 1,000 school jobs, closed health clinics, and cut a seniors' food program, on top of 14,000 other layoffs and additional program cuts.

Bloomberg's next target is city services. He will release his FY 2009 Preliminary Budget and Four Year Financial Plan on Jan. 16, and deliver his State of the City speech on Jan. 17. By law, his preliminary budget must patch the \$2-3 billion budget gap. It is a sure bet Bloomberg's speech will call for "sacrifice," the very theme of the just-concluded Oklahoma "national unity" rally which promoted kinder gentler fascism as well as a Bloomberg Presidential bid. "Fiscal pain is ahead," a Jan. 7 *New York Times* piece noted, referring to Bloomberg's plans.

Clinton's Fight for 'Invisible Americans' Can Save the U.S.

by Debra Hanania Freeman

In the final 72 hours leading up to the Jan. 8 New Hampshire primary, a noticeable change in both the character and approach of Sen. Hillary Clinton's campaign for the Democratic Presidential nomination took place. In Clinton's own words, "Over the last week, I listened to you," that "you" being what, echoing the words and sentiment of Franklin Delano Roosevelt, she later referred to as the "invisible Americans." "In the process," she said, "I found my own voice." Political pundits, both inside and outside the capital beltway, are crediting the shift with pulling her campaign back from the brink of disaster. While that may be true, what those pundits fail to understand is that Hillary Clinton's victory in New Hampshire, more importantly, pulled our nation back from the brink as well.

What Actually Occurred?

Clinton's loss in Iowa did not come as a particular surprise. The truth is, her campaign never expected to win the Iowa caucuses. But, they also were not prepared for what seemed to them to be a rather peculiar response from the media. When all the votes were tallied, Barack Obama won *one* delegate more than Clinton. Although it was hardly a stunning defeat, the media portrayed it as a crushing, existential blow to the Clinton campaign.

Even before the weary candidates boarded their planes for New Hampshire, an extraordinarily vicious, British-orchestrated disinformation campaign was unleashed. On Sunday, Jan. 6, three days before the New Hampshire primary, polls conducted by CNN-WMUR and *USA Today*-Gallup reported Obama ahead of Clinton by 5-13%. On Monday, the day before the voting, CNN showed Obama ahead by a startling 29-30%, a Zogby poll gave Obama a 10 point lead, and a CBS poll had Obama ahead by 7%. The same day the press was attempting to organize the Clinton defeat, New York

Mayor Michael Bloomberg supporters, including a coterie of non-partisan fascists, were readying the "alternative" at a meeting in Oklahoma (see *Feature*).

Not to be outdone, the *Washington Post* jumped in with both feet, reporting in their Monday edition that Clinton's supporters were "worried that her campaign strategy could cost her the Democratic nomination," and suggesting that they might jump ship. In a blatant attempt to create a stampede of support for him, the *Post* wrote, "Obama is riding high while Clinton is slipping further and further behind her chief rival." International press, such as Germany's *Bild Zeitung*, joined the campaign, even reporting that Obama had won the New Hampshire primary before the votes had been cast!

The polling "results" were themselves a fraud, at least in the beginning. Like every Presidential campaign, Hillary Clinton's campaign conducts its own polls. Clinton's polling group is well known for its in-depth polls that yield unflinchingly accurate results. And those polls told a very different story. They showed that although Obama enjoyed a small, expected surge of a couple of percentage points in the aftermath of his Iowa win, Clinton had absolutely nothing to worry about.

But, the media onslaught was relentless. Rumors were circulated that Clinton was about to withdraw. Clinton allies were subjected to unprecedented attacks. By Sunday, Clinton's own pollsters were reporting a shift in dynamic. The disinformation campaign was beginning to take hold. The faked results began to cause panic. Her numbers began to fall and an increasing number of voters were indicating that since the outcome of the election already seemed to be determined, they probably wouldn't make the trip to the polls after all.

This wasn't the first time that the Clintons had been the object of a British-orchestrated media campaign designed to



hillaryclinton.com

Two days before the New Hampshire primary, the Clintons, including Chelsea, met with close friends and advisors. The Hillary Clinton that emerged from that meeting, was a different person. She would now reach out to the lower 80% of Americans.

destroy them. It was just such an operation that almost resulted in the destruction of Bill Clinton's Presidency. Lyndon LaRouche had warned weeks before New Hampshire that this apparatus wasn't particularly interested in Barack Obama, that just as they were anointing him as the Democratic nominee, they would turn against him. "They aren't interested in some kind of soft fascism," LaRouche warned. "They want the Schwarzenegger-Shultz-Bloomberg kind of fascism, straight out Mussolini in the 1920s, right out of the Liberty League, the pro-fascist, pro-Nazi apparatus in the United States, run right out of Wall Street."

Reaching Out to the Lower 80%

Bill and Hillary Clinton have weathered enough battles to know that at such points of crisis, the answer usually doesn't lie with professional campaign consultants. Sometime Sunday, the Clintons, including daughter Chelsea, and a couple of very close, longtime friends and advisors met. The Hillary Clinton that emerged from that meeting was a different person. She abandoned the campaign persona that had been scripted for her, and instead reached out to the population in the lower 80% of income brackets. It is not just that LaRouche had insisted that this was what any serious Presidential candidate must do, it was precisely what LaRouche's movement had been doing since September, in the drive to build support for the Homeowners and Bank Protection Act (HBPA).

The Clinton campaign also began addressing the undecided "Millennials" or Gen-Y voters, with a series of round-

tables, including one on the campaign bus with Chelsea Clinton who, at 27, turned out to be a very effective spokesman with her peers. The Clinton people also launched an "Ask Hillary" feature on their website, encouraging young voters to pose questions directly to the candidate. In so doing, Clinton herself was apparently surprised at the intensity of the economic angst among these voters, who number approximately 43 million, or 20% of registered voters nationally.

A close advisor, mindful of the fact that the youth vote had provided a critical margin of victory in the 2006 campaign, had been urging Clinton to reach out to the Millennials. "Young people may not know that the inflation-adjusted earning of new college grads has fallen almost 10% since 2000, but they can feel it. They don't need a degree in economics to understand that their parents are struggling to stretch a buck. They lived through the mass layoffs earlier this year—they saw their parents get burned. They watched 401(k)s that never got paid, parents losing health insurance."

The fact that Hillary Clinton was the only candidate to call for a moratorium on home foreclosures and a freeze on monthly mortgage payments was moved to the forefront of the campaign. At an event on the eve of the vote, Bill Clinton, speaking on Hillary's behalf, responded to a question about the subprime mortgage issue with a relatively elaborate presentation of the history of the crisis, including an assault on the hedge funds.

The decision to take charge of her own campaign and to address some of the vital economic issues facing the nation, and the lower 80% of the population in particular, including the crucial issue of the wave of foreclosures, broke through. It was responsible for her victory.

Exit polls conducted for the National Election pool, a consortium of news agencies, show that Hillary Clinton won significantly more votes from those with incomes under \$50,000 a year (47%) than did Obama (32%). Among those with incomes of \$50,000 a year, Obama got 41% compared to Clinton's 35%. Obama clearly had greater appeal to wealthier voters. He also got the votes of 40% of voters who have college degrees, as opposed to Clinton's 35%. But, Clinton outpolled Obama among those who couldn't afford college and among trade unionists by more than 10%. She also won a clear majority among voters aged 25-29.

LaRouche: 'They Lied With Malice'

The day after the election, LaRouche commented that serious consideration should be given to formally charging the *Washington Post* and other media with intentional election fraud. "They lied, they lied intentionally, and they lied with malice, pronouncing the results of the primary before the votes were even cast. No one should be confused that this was somehow an honest mistake," LaRouche said.

But, he pointed out, this time the fraud was caught and it failed. "They tried to box Hillary in," he said, "but it blew up under their noses, and now they don't have the clear 'cake-

walk' to dictatorship they were looking for. Bloomberg is not a shoe-in. So the U.S. elections have suddenly changed." Clinton's New Hampshire victory forces the issue, and all of the other candidates now have no choice but to respond to the issues she has defined.

In thanking those who came out for her in her New Hampshire victory speech, Clinton said, "I've met families in this state and all over our country who've lost their homes to foreclosures, men and women who work day and night but can't pay the bills and hope they don't get sick because they can't afford health insurance, young people who can't afford to go to college to pursue their dreams. Too many have been invisible for too long. Well, you are not invisible to me."

So far, she seems to be keeping that promise. On Jan. 11, she called on the President and Congressional leaders from both parties to enact what she called an emergency, fast-acting legislative package to address the current crisis. Her package includes a \$30 billion Emergency Housing Crisis Fund to assist states and cities to mitigate the effect of mounting foreclosures; \$25 billion in emergency energy assistance for families facing skyrocketing heating bills; \$5 billion to aid those seeking to make their homes more "energy efficient"; and \$10 billion to extend and broaden unemployment insurance. She added that the depth of the crisis is such that this \$70 billion may not be sufficient, and that Congress must stand ready to issue an additional \$40 billion rebate to working families.

Although Clinton's plan falls far short of LaRouche's clearly enunciated economic recovery plan that begins with the HBPA, the fact is that it does make clear that Hillary Clinton has finally figured out who her friends and who her enemies are. This proposal is a loud, aggressive, and unmistakable shot fired across the bow of her enemies, and it represents a dramatic shift in dynamics of approach.

Is it enough to save the nation? No, it isn't. But, what it does mean is that now we *can* save the United States. "Hillary is right to call for a moratorium on foreclosures," LaRouche said, "but it won't work without legislation which establishes a firewall to salvage the banking system and the productive economy from the collapsing global financial system. The entire financial system is coming down; and only a change in the entire system will work."

This is where LaRouche and the LaRouche Youth Movement, are indispensable. "Our job," LaRouche said, "is to continue to organize relentlessly for the HBPA and educate people as to the reality of the ongoing global economic meltdown. We did this to excellent effect on the ground in New Hampshire, where the LYM intervened in over 20 events and distributed thousands of pieces of LaRouche PAC literature, producing a clear mass political impact." The crisis that LaRouche has repeatedly warned about has now happened. Either his policies are adopted, or you cannot save the United States. And, if you cannot save the U.S., you can't save the world. Those are among the lessons of the New Hampshire primary.

Grassroots Support For LaRouche's HBPA

by Megan Beets,
LaRouche Youth Movement

A high density of developments across the United States in support of making Lyndon LaRouche's "Homeowners and Bank Protection Act" (HBPA) Federal law, has set off rumblings that portend an eruption of support across the nation—the biggest fear of those in the British financial oligarchy who still shudder at the name Franklin Roosevelt.

Simultaneously, as LaRouche warned in December 2007, the global financial blowout has entered a new phase of unstoppable meltdown, and 36 state legislatures are coming back into session in the new year to greet utter chaos: multi-million- or -billion-dollar deficits, thousands of foreclosures, staggering job losses, and inflation in prices of staple commodities, among other crises.

The only solution is a very rapid paradigm-shift in U.S. policy to dump the policies of folly which have reigned since the death of President John F. Kennedy, and revive the U.S. republic's commitment to put private interest in service of promoting the general welfare—including of yet-unborn generations. It is on this level—the universal principle of the general welfare—that LaRouche PAC organizers have been recruiting citizens and elected officials from the ranks of the lower 80% of family-income brackets, to help steamroll the resistance to action in Congress. Demands from states and localities for the enactment of the HBPA have continued to emerge, at an accelerating rate, such that a mass movement for the general welfare is beginning to materialize—something which the financiers in London thought they had successfully crushed with the past 40 years' return to economic colonialism.

A 'Lynch Mob' for the Good

The following developments, which occurred between Jan. 2 and Jan. 9, are indicative of a sea-change in American politics: The local elected leadership of the lower 80% is becoming organized to confront their Congressmen with the specter of a political "lynch mob": Enact the HBPA, or else!

Rhode Island State Rep. Joseph Almeida (D), in collaboration with the Boston LaRouche Youth Movement (LYM), launched the New Year the right way; on Jan. 1, the first day of the legislative session, he filed a resolution memorializing the HBPA in the Rhode Island State House. The resolution received a bill number on Jan. 9, and was introduced to the

full House for immediate consideration the same day, bypassing the relevant committee, because of the urgency of matter. The resolution is currently awaiting a vote, and Rhode Island could become the first state in the Union to pass such a resolution.

The Boston LYM took copies of a similar resolution which had been passed by the Lawrence, Mass. City Council in mid-December, to the Massachusetts statehouse on Jan. 3. They not only created a real stir on tough-to-crack Beacon Hill, but also organized the endorsement of a state representative from formerly industrial Tewkesbury: the second Massachusetts representative to give his support.

In New Hampshire, where a critical shift just occurred in the Presidential race (see preceding article in this issue), an HBPA resolution filed in 2007 received a bill number (HCR-14) on Jan. 2, and is awaiting a public hearing on Jan. 22, and a committee hearing on Jan. 29. Similarly, a Maryland HBPA resolution, which had been filed by Delegate Melvin Stukes on Dec. 6, became active on Jan. 9, as House Joint Resolution 1.

On Jan. 8, the Missouri statehouse in Jefferson City was descended upon by two LYM organizers, who flew in to work with State Rep. Juanita Walton (D), gathering co-sponsors and support for her HBPA resolution, which she will introduce in the coming days. In just two days' time, 19 co-sponsors have been gathered, and one Republican state representative assigned one of his interns to help recruit more support.

In Texas, a small team of youth organizers is zig-zagging across this very large state, accomplishing Texas-sized breakthroughs. After weeks of LYM organizing in Austin, Dallas, Houston, and several cities in the Rio Grande Valley, to name a few, the City Commission of Brownsville unanimously

passed a resolution introduced by the mayor, in support of the HBPA, on Jan. 7. (In December, the San Benito City and Cameron County Commissions passed similar resolutions.) In Texas, the legislature doesn't meet until January 2009—by which time the nation will either have perished or been saved. However, elected officials are reporting that their cities face major crises now, one saying that an entire neighborhood of over 100 houses had been foreclosed upon over the past year, and many more Texas cities stand ready to pass HBPA resolutions.

Tradition of Ben Franklin

Finally, in Pennsylvania, true to the tradition of Benjamin Franklin, support of the general welfare has taken on a life of its own—brigades of city councils (including many not directly contacted by LaRouche organizers) are passing resolutions, one after the other, in support of the HBPA resolution currently active in the Pennsylvania statehouse (HR-418). Five cities (Tyrone, Arnold, Clairton, Hamburg, and Ambridge) passed resolutions on Jan. 7-8 alone, bringing the total of Pennsylvania cities in support of the HBPA to 26. The type of self-generating process seen now in Pennsylvania is just reaching the boiling point, ready to break out nationwide.

Over the coming days and weeks, the consequences of the ongoing implosion of the world's economic and financial system can only get more devastating, if Congress doesn't enact the HBPA. As has been shown by the paradigm-shift under way among the ranks of the lower 80%, the key to outflanking an enemy—especially one as slow and stupid as the British Empire—is to attack him from a place completely off his radar, which he doesn't even believe exists: the realm of universal principle. This is what the American population is responding to.

What Is the HBPA?

Here are the essential features of the Homeowners and Bank Protection Act:

1. Congress must establish a Federal agency to place the Federal and state chartered banks under protection, freezing all existing home mortgages for a period of however many months or years are required to adjust the values to fair prices, restructure existing mortgages at appropriate interest rates, and write off all of the cancerous speculative debt obligations of mortgage-backed securities, derivatives and other forms of Ponzi schemes that have pushed the banking system into bankruptcy.

2. During this transitional period, all foreclosures shall be frozen, allowing American families to retain their homes. Monthly payments, the effective equivalent of rental pay-

ments, shall be made to designated banks, which can then use the funds as collateral for normal lending practices, thus recapitalizing the banking system. Ultimately, these affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble, the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. It is to be expected that this shakeout of the housing market will take several years to achieve. In this interim period, no homeowner shall be evicted from his or her property, and the Federal and state chartered banks shall be protected, so they can resume the traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.

3. State governors shall assume the administrative responsibilities for implementing the program, including the "rental" assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition.

Veterans' Suicide: From Eugenics to Video Games

by Carl Osgood

The Nov. 14, 2007 report by CBS News that 6,256 veterans had committed suicide 2005, has set alarm bells ringing all across the veterans advocacy community. Prior to the CBS report, there was little more than anecdotal evidence and rough estimates that suicide was a serious problem among veterans of all wars, including the current wars in Iraq and Afghanistan. Since the Summer of 2003, when suicide and other mental health issues began to come to the fore in Iraq, so much evidence has surfaced as to the effects of combat trauma on the mental health of soldiers and Marines who fight these wars, that there is very little question, any more, that there is a direct link, though there is still some resistance from the military. What remains to be investigated in much depth, however, is the possibility that this problem is the product of something much more dangerous than mere ignorance, bureaucratic inertia, and a cynical desire to cut costs.

Preliminary research has turned up strong links between military psychiatry, the pseudo-science of eugenics, and the post-World War II Cybernetics Group's efforts to separate human beings from their humanity. The early-20th-Century proponents of eugenics essentially argued that human beings could be bred like dogs or racehorses, and that undesirable traits, including psychological problems and low intelligence, could be bred out of the human race by preventing "defectives" from having children. It was only a small jump from there to the cybernetics crowd's contentions that human beings could be programmed like computers, or that, some day, computers might become "superior" to human beings, as a result of advances in artificial intelligence. The LaRouche PAC pamphlet "Is the Devil in Your Laptop?" documents how this process of dehumanization began as an exploration of "shell shock" in World War I veterans, and then evolved into explorations of how to induce the state of shell shock in entire populations, using methods of mass psychology.

Eugenics Comes to the U.S. Army

Penny Coleman, a veterans' advocate and the widow of a Vietnam vet who committed suicide, provides leads to the actual nature of that beast in her 2006 book, *Flashback: Post-traumatic Stress Disorder, Suicide and the Lessons of War*, though she may not realize just what the beast is she's pointing to. Coleman testified to the House Veterans Affairs Committee on Dec. 12, 2007, that the Pentagon's refusal to accept

the connection between soldier suicides and war has resulted in a "public health issue of monstrous proportion," one that is not new. "Our soldiers and our veterans are not disposable, and yet, that's how they're being treated."

The lead that Coleman provides, that begins to explain why veterans have been treated as "disposable," is the role of Thomas W. Salmon. Salmon was put in charge of Army psychiatry during World War I, even though he was trained as a bacteriologist and had only learned what he knew about psychiatry from screening immigrants at Ellis Island. She notes that he was a leading proponent of the eugenics movement. "His influence is unmistakable in the disastrous plan the U.S. Army instituted [for World War II] to engineer a fighting force that would be both fierce and invulnerable, if not to physical, at least to psychiatric injury."

During the early 20th Century, Salmon was the medical director of the National Committee on Mental Hygiene (NCMH), and as such was deeply involved in the eugenics movement. Barbara Sicherman, in *The Quest for Mental Health in America, 1880-1917* (1980), reports that "Psychiatrists by 1910 expressed grave concern about the growing number of 'defective' citizens, including criminals, the mentally ill and especially the feeble minded." Salmon, she reports, argued that "There can be no question that the right of the individual to bear children must be disregarded in the interest of ordinary humanity as well as in the interests of the race." Other eugenicists among the membership of the NCMH included Charles B. Davenport, H.H. Goddard, Irving Fisher, and David Starr Jordan. Davenport and Jordan were two of the three vice presidents of the First International Eugenics Congress, held in London in 1912. That congress, plus two more held in 1921 and 1932, would, among other things, help lay the basis for Adolf Hitler's race laws.

Salmon was to be honored for his "pioneering" work by Dr. John Rawlings Rees, the longtime director of the Tavistock Institute, London's premier psychological warfare agency. In 1945, when Rees was still the director of the Psychiatric Division of the British Army, he delivered a series of lectures, to be published as *The Shaping of Psychiatry by War*, in the United States, to commemorate Salmon, who had died in 1927. In it, Rees echoed Salmon's outlook (which really was an echo of the British view, since it was the British imperialists that had invented eugenics in the first place). He argued that psychiatric methods were needed to separate out "dull men" from the pool of recruits, so that the costs—such as petty crimes and the expense of training men for technical tasks that they are genetically incapable of mastering—run up by men "wrongly placed in the service" could be minimized. Rees's argument about the problem of "dull men" exactly paralleled those of people like Salmon, who argued that "mental defectives" should not be allowed to have children.

Naturally, Rees praised the methods that the U.S. Army had adopted for the selection of recruits during World War II,

which were based on Salmon's eugenics outlook, despite the fact that Hitler had given eugenics a bad name. These methods "worked so well" that, according to Coleman, by 1943, the number of psychiatric discharges exceeded the number of new recruits, showing that the system was, in fact, a disaster. Coleman reports that Salmon is revered in military psychiatric circles to this day.

From Eugenics to Cybernetics

As documented by Jeffrey Steinberg in "From Cybernetics to Littleton: Techniques of Mind Control" (*EIR*, May 5, 2000), Rees's and Salmon's National Committee for Mental Hygiene came together, along with the cybernetics crowd which regularly met under the auspices of the Josiah Macy Foundation between 1948 and 1953, to inaugurate the World Federation of Mental Health, of which Rees would be the president. The manifesto for the WFMH, written by anthropologist Margaret Mead and Lawrence K. Frank, who was then with the NCMH, declared that "the goal of mental health has been enlarged from the concern for the development of healthy personalities to the larger tasks of creating a healthy society. . . . The concept of mental health is co-extensive with world order and world community."

Gregory Bateson, then the husband of Mead, and a participant in the Macy Foundation conferences, was himself deployed to the Palo Alto Veterans Administration Hospital in California, during the 1950s, to carry out experiments with LSD-25 as part of the MK-Ultra project to create and spread the rock-drug-sex counterculture. As reported in *EIR*'s book *Dope, Inc.* (1992), by experimenting on patients already hospitalized for psychological problems, Bateson created a core of "initiates" into the psychedelic cult that would become so much a part of the counterculture in the 1960s. Presumably, Bateson's experimental subjects would have included veterans of World War II and Korea. A scan of the literature on the subject suggests, also, that Palo Alto was not the only veterans hospital where such LSD experiments were carried out.

From Cybernetics to Violent Video Games

Today's violent video-game culture, which very much has its roots in the cybernetics-counterculture project launched by the Macy conferences (see "Is the Devil in Your Laptop?") has largely taken over the U.S. military in recent years. Video games, such as the Army's "America's Army," are used as recruitment tools, and more muscular versions of the same games are used to train soldiers to be more effective killers in combat. In fact, young people are in a sense, already half trained when they come into the military, by having played video games as children; hence, the growing use of video-game controllers for new weapons systems, such as robotic vehicles designed to carry out many different military tasks.

Recognition, however, has begun to dawn, at least in a

few places, that the mixture of combat trauma and violent video games may not be a good one for mental health. Steve Robinson, a well-known veterans' advocate who has become involved in developing programs to mitigate the harmful effects of combat stress, reported to *EIR* on Jan. 10, that he is now warning senior military leaders to keep soldiers in the combat zone away from video games. In a recent predeployment training session, he told senior leaders, "The worst thing you can do is let your 19- to 25-year-old soldier, who comes off the battlefield, go back to his forward operating base, get off a combat mission, and keep his brain in combat mode by playing Halo 3 for the next four hours." He said that the soldier who does this is continuing to engage and replay in his head the day's events via the video game.

"What you really should be doing," Robinson said, "is giving the brain the opportunity to reset . . . to clear from your mind as much as possible the negative effects of what you witnessed that day, because if you let it continue to play in your mind, what you end up doing is creating a trough." The effect is like pouring water down a hillside from a bucket: The water will find a natural path down the hill, and the more water is poured, the deeper the path and the quicker the water reaches the bottom of the hill. "It's the same thing in creating these neuronal networks," Robinson said. "If you get off the mission and go to the video game, all you're doing is reinforcing the speed with which that path travels and the response time that your brain and your body has to what it sees, and it also becomes deeper and more ingrained."

What Is the VA Covering Up?

With the foregoing history in mind, it becomes less of a mystery why the Department of Veterans Affairs (VA) is unable to effectively address, or perhaps even is covering up as some charge, the problem of suicide among veterans. During the same Dec. 12 hearing at which Coleman testified, committee chairman Bob Filner (D-Calif.) expressed anger and frustration at the VA officials sitting at the witness table, for failing to address the issue. Filner castigated Dr. Ira Katz, the VA's top mental health official, for presenting a statement that showed lots of activity but no results. "It takes away the sense of credibility that you're trying to raise here, that you're doing all this, because we have both anecdotal evidence, and now we have more statistical data, that we're failing as a nation. . . . And you're acting as if everything is goodness and light," he said.

It came out in the course of the hearing that the VA actually has the resources to collect sufficient data on mental health issues, including suicides, among veterans, so that the magnitude of the problems could be understood, but is not doing so. One veterans advocate commented to *EIR* that the actual VA policy on suicides is, "Don't look, don't find." With eugenics and cybernetics lurking in the background, it would make sense that the VA would not be interested in looking too deeply into the suicide issue.

The Monkey Trap

by John Hoefle

For anyone who follows the financial media these days, it is clear that the situation with the global financial system continues to deteriorate. Giant financial institutions are writing off unprecedented amounts, and desperately seeking new sources of capital to plug the growing holes in their balance sheets. Central banks are injecting funds into the banking system in record amounts, consumer debt and personal bankruptcies are soaring, the whole system seems to be falling apart. Appearances, in this case, are not deceiving.

What we are witnessing are not events which could lead to a financial collapse, but events which represent the disintegration of a system which has already died. This point is crucial to understanding all the maneuvering taking place as various financial groupings fight for their survival as their world crashes down around them. Ultimately this is a political fight rather than a financial one, since the real battle is over the nature of the system which will be established to replace the one which has failed. It is not a money matter to be decided by financial technocrats, but a philosophical and political battle over whether the republic created by our Founding Fathers will survive, or be absorbed back into the imperial system from which it broke free more than two centuries ago.

Two Opposing Views of Man

Under the American System of Economics developed by Benjamin Franklin, Alexander Hamilton, Mathew and Henry Carey, and other wise men, the starting point of economic science is the power of reason of the human mind, with its ability to comprehend and develop the universe in which it lives. Each individual is thus a precious asset to be nurtured and educated, so that he or she may contribute to the welfare of humanity.

The oligarchic system, on the other hand, views wealth as coming from *things*—from nature, from money, from labor,

from control over raw materials and trade, and control over people. To the oligarch, humanity is like cattle, a herd to be managed and, when deemed convenient, culled. To the oligarch it is power, not the power of reason, which is important.

This difference between two views of man was the issue when our nation was created; it was the issue faced by Abraham Lincoln; it was the issue faced by Franklin Roosevelt; and it is the issue facing us today.

With the financial system in ruins, the natural impulse of the bankers, the speculators, and the wealthy is to try to save as much of their wealth as possible. Rather than admit their losses, they will insist that the problems are temporary, and that their wealth should be protected for the “benefit” of the public. Self-serving rationalizations are their stock in trade, and some of them even believe their own lies.

Behind these fools who believed that the speculative bubble was real and that the present crisis is transitory, lie a much more evil bunch who intend to use the collapse of the bubble as a way to destroy the final remnants of the American System, and pave the way for a return to the days when empires ruled the world and the peasants knew their place. These old imperial ideas would be matched with modern technology and modern market-based controls, providing for levels of brainwashing, surveillance, and billing in ways that would make Big Brother proud.

The ‘Trap’ Is in the Mind

The irony is that the oligarchs are using the fools to help them finish the destruction of the nation. An analogy to this is the Malaysian monkey trap, a narrow-necked container into which the hunter puts a nut prized by monkeys. When the monkey reaches into the container and grabs the nut, his hand with the nut in his grasp is too big to be withdrawn from the

narrow neck. All the monkey has to do to escape is release his grip and withdraw his empty hand, but he does not, preferring to hang on to his prize even when the hunter returns to collect him. The real trap is not the container, but the inability of the monkey to recognize the nature of his situation. The same can be said of the money fools who refuse to let go of their fictitious assets.

There is but one acceptable solution to this mess: We must use the power of government to put the financial system through bankruptcy, to separate the fictitious claims from the real, protecting the real assets of society—the people—while writing down the speculative paper in an orderly way. Since we are in the midst of a financial firestorm, emergency action is required to erect firewalls to protect the public and the necessary public and private functions. Home foreclosures must be stopped, to prevent people from being thrown out of their houses while we clean up the mess. Education, health care, sanitation, and all the other necessary services must be kept functioning, as well as the food and energy supplies and even the banking system, to handle the ordinary flow of money and to provide credit for the rebuilding process. All of this is possible, it is all workable; the obstacles are not procedural but mental. Like the monkey, we have but to let go of our delusion and we will be free.

Madness

Examine the actions of U.S. Treasury Secretary Henry Paulson, Federal Reserve Chairman Ben Bernanke, and their peers in this regard. Despite the claims of Paulson and President Bush that they are working to help homeowners avoid foreclosure, what they are really trying to do is prevent the vaporization of trillions of dollars' worth—so to speak—of financial paper, by maintaining the illusion that it still has value. The efforts supposedly aimed at helping homeowners are actually aimed at slowing the collapse of the real estate market in order to protect the values of the mountain of mortgage-related securities and the solvency of the institutions that own it. Far from helping people, they are perpetuating a system which has driven home prices (and rents) to unconscionable levels and ravaged the living standards of the lower 80% of the population, by family income.

The bankers are perpetrating a giant criminal fraud upon the nations and their populations. The securitization scheme of which the mortgage securities were but a part, was designed as a giant debt-recycling machine, converting loan exposures into securities which could be moved off the books of financial institutions and into hedge funds, money-market funds, pension funds, and others. Some of these buyers, like the hedge funds, used them as the basis for speculation of their own, while others, like the pension funds, were merely suckers, lured in by the promise of high yields. Others were little more than toxic waste dumps, where the worst of the securities were hidden from sight—with inflated book values, of course.

Now that this securitization machine has broken, the bankers have turned their attention to the governments of the world.

One of the most interesting aspects of the way in which the central banks have injected money into the banking system, is that they have loosened the restrictions on the types of collateral they will take. From all indications, they have accepted significant quantities of mortgage-related and other securities as collateral for loans, which raises a question as to the extent the loans might be cover for selected draining of some of the worthless paper out of the system. Since the problem of the banking system is *insolvency*, programs that exchanged worthless assets for cash would ease their problems slightly. This wouldn't be nearly enough to rescue them, but it could buy them a little of the time they so desperately need.

The financial system is dominated by mountains of debt which can never be paid, and must be continually rolled over. This debt-recycling process is based upon the idea of taking out new loans to pay off old ones; it allows the illusion that debts are current and avoids such unpleasanties as defaults and bankruptcies, even though the system becomes more bankrupt with each rollover. As long as the money could be found to handle the rollovers, the system could continue; but now, with the collapse of the system itself causing enormous losses, the players are more concerned with saving themselves than in saving others. The banks, knowing how bad their own conditions are, don't trust anyone else, forcing the central banks to pick up the slack in the inter-bank overnight markets. The asset-backed commercial paper markets have shrunk considerably, as have the markets for CDOs and other exotic (read: worthless) instruments. Everyone wants to sell, no one wants to buy, and that's big trouble for paper whose value is based upon what you can get when you sell it.

If the markets can't buy it, all that is left are the governments, which are being pressured by the bankers to intervene. The British press, ever willing to sell nations down the river, have been full of calls for the governments to step in and bail out the banks. Treasury Secretary Paulson stated in December, while on his three-city tour to push his "housing plan," that "the proper role of government is to work with the private sector to avoid a market failure."

We are rapidly approaching the point of open calls for a government bailout of the banking system, far beyond what the Fed, the Federal Home Loan Bank, and other U.S. agencies have already done. This will be presented as a move to help the "little people" as part of the sales pitch, but the way to help the people and the nation is to call a stop to this nonsense, and pass LaRouche's Homeowners and Bank Protection Act (see www.larouchepac.com), creating a firewall to defend the general welfare under conditions of collapse, while a New Bretton Woods-type system is put together.

Ruination of Auto: The Consequences Of Following Fascist Felix Rohatyn

by Paul Gallagher

Both jobs and inflation reports at the end of 2007, massaged and unreliable as they are, showed the “real economy” and the American workforce being hit hard by the ongoing financial crash and banking crisis. From December 2006 to December 2007, the U.S. economy lost 445,000 in goods-producing jobs, according to the Labor Department, accelerating a seven-year loss that now has reached 2.6 million productive jobs. The 2007 fall included, officially, 220,000 jobs lost in construction, and 212,000 jobs lost in manufacturing—meaning that during the Cheney-Bush term, 3.33 million American manufacturing jobs have been lost, 20% of the United States’ total when they took office. The actual losses were likely to have been significantly larger, perhaps close to half a million in construction alone, because of the large number of undocumented immigrants there and the Labor Department’s practice of continuing to “assume” that unknown small business startups are creating lots of jobs, even when known businesses say they’re losing them.

And within the manufacturing sector, 2007 saw 75,000 jobs lost in the auto industry, the primary remaining machine-tool capability that makes the United States still an advanced economy with a capacity for modern industry. Some 350,000 auto/machine-tool jobs have been lost in seven years of Cheney-Bush, nearly 30% of the industry, and 2007 was the worst year. This is the fatal machine-tool capacity collapse, that Lyndon LaRouche told Congress how to stop three years ago, when he proposed what became the Economic Recovery Act. But the Congress, including Democrats from states being whacked by the auto-industry crisis, has not lifted a finger to reverse it.

During 2007, according to the Bureau of Labor Statistics (BLS), the number of unemployed Americans increased by 900,000 to 7.7 million, and the number forced to work only part-time, increased by an additional 456,000 to 4.7 million. Add discouraged workers who dropped out of the labor force during the year, and real unemployment is 13 million, nearly 10% of the non-farm workforce. The fraction of the total American population which is employed, fell 0.7% over the year, to 62.7%, about 3% below the levels of early 1980s.

Confronted with the unmistakable signs of collapse in the U.S. real economy, the Democratic Party in Congress is now engaged in an internal debate supposedly, and tragically, pitting “economic stimulus” against “investment in

rebuilding infrastructure.” The absurd “reason” for this conflict was simultaneously being preached in a Jan. 5-6 “above parties” meeting in Oklahoma City promoting a Michael Bloomberg corporatist-fascist campaign for President. The claim there was that the nation can’t invest in infrastructure without “prioritizing” it over such entitlements as Social Security, Medicare, Medicaid, etc., which must be cut in order, allegedly, to eliminate Federal budget deficits.

The Democratic leadership’s addiction to the “Rohatyn infrastructure principles”—as one Congressman expressed it—of fascist New York banker Felix Rohatyn, is crippling them in this profound economic crisis. Rohatyn’s dogma is that long-term public infrastructure investment is 1) very sparing, 2) only bought through budget cutting and hard austerity against the workforce and the general population, and 3) merely “incentivizes” much larger investment by *private* capital pools which are formed to buy up and operate the infrastructure.

The ‘Rohatyn Rules’

Over the past three years, Rohatyn, and the slavish adherence to his “principles” by leading Democrats, have wrecked the auto/machine-tool industry virtually beyond repair.

Coming in as a lead consultant to Delphi Automotive Corp. in May 2005, Rohatyn personally re-injected into the auto industry, the “principle” of using corporate bankruptcy as a strategy to outsource jobs and ruin union contracts; he had first brought these tactics into the 1979 Chrysler bankruptcy. Half a dozen other major auto-parts suppliers picked up the strategy, by imitation and through Rohatyn-allied investment banks and consulting firms. But more broadly, as the U.S.-based automakers sank into the devastating debt crisis which economist Lyndon LaRouche started warning of in February 2005, Rohatyn and his fascist “principles” directly stopped Congressional Democrats from preserving the auto capacity and workforce by adopting LaRouche’s proposal, which became the Economic Recovery Act of 2005.

LaRouche’s researchers, along with auto union local leaders, documented that 30-40% of the auto industrial sector’s machine capacity was unused or underutilized already by late 2005, and that 80-100 million square feet of it were slated to be closed down and sold off for scrap by 2008 (in

fact, more than 30 significant plants have closed down over 2006-07).

At that time, the U.S. banking system still functioned and was lending freely, unlike the present crisis. It could have conducted Federal infrastructure-project credit into contracting and using the super-versatile auto/machine-tool plants, to build components for a new national economic infrastructure, from high-speed intercity rail systems to new generations of nuclear power plants and water management infrastructure. This was LaRouche's Economic Recovery Act proposal. Rohatyn's influence over leading Democrats killed it, despite widespread demands from local auto union leaders and elected officials.

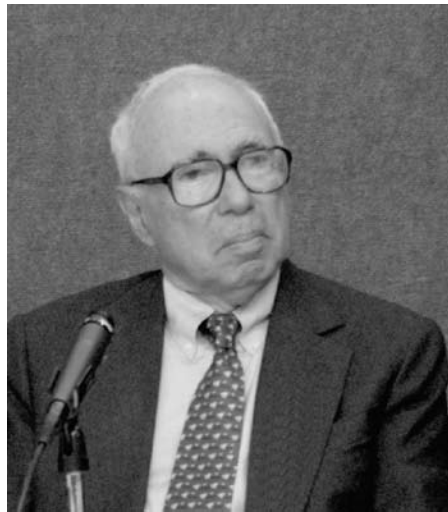
Instead, U.S. banks, during two and one-half of those three years, plunged their—and others'—assets into the riskiest of mortgages, mortgage securities, and financial derivatives on the scale of a vast "bubble," now collapsed. They pushed themselves, and banks in other parts of the world, toward insolvency. That huge "ocean of liquidity" and private capital that Rohatyn and his coterie of Democrats, Schwarzeneggers, and Bloombergs claimed was ready and waiting to invest in economic infrastructure, is now vaporizing before the eyes of the horrified financial markets of the world.

Global Fall of Auto Sales, Production

The auto/machine-tool sector has been ruined as a result; the last moments are at hand for turning around what will otherwise be an irreversible collapse. More than 200,000 of the 350,000 auto industry jobs lost since 2000, have disappeared just over 2005-07, meaning that the industry's workforce has shrunk by nearly 20% in three years, and most of that not by "layoffs," but by permanent early retirements.

Cerberus-run Chrysler, which eliminated 13,000 jobs over 2006-07, has announced that during 2008 it will cut 13,000 more, of its roughly 70,000 remaining employees, including 5,500 jobs lost around Detroit and 2,000 in Ontario. With both managers and employees saying that Cerberus's New York financial office calls Detroit every few hours each day for a new cash-flow report, the automaker's financial situation is desperate, loaded with old and new debts and owned by a private equity fund which has been losing money on most of its "deals" in the financial crash. Gone is the grand Cerberus plan to merge Chrysler Financial with GMAC and dominate the auto- and consumer-lending sector. Now it's merge Chrysler with Ford, or sell it to Nissan.

Ford, which shed 18,000 employees in 2006-07, is likely



EIRNS/Dan Sturman

Felix Rohatyn: The Democratic leadership is on his leash, and their adherence to his "principles" has wrecked the auto industry.

to eliminate up to 20,000 more during 2008. It took on \$25 billion in new debt in the past year, and every asset of the company is hocked. General Motors, which is down to 72,000 production workers from nearly 110,000 two years ago, has so far announced only that it will buy 5,200 more into retirement. But all three companies are cutting their production schedules, by roughly 10% with each new quarter.

And all three have forced the effective hiring wages in the auto assembly industry to be cut *nearly in half*, and have reduced their overall labor costs by 25-30% in a couple of years, a shocking and unprecedented development for the whole Midwestern industrial section of the nation's economy. But it has, and will do the automakers no good.

U.S. auto sales in 2007 fell to 16 million in the crash, from 17.1 million three years ago, and according to grim estimates by several auto-parts supply companies, they are going to collapse to 14.5 million in 2008. This is far below the "red line" at which some of the six biggest auto producers working in the United States have to collapse into each other, shutting down some of their product lines and still more of their capacity.

The parts-and-systems production companies, often with more advanced machine-tool capacities than the big automakers, are making such relatively realistic estimates of the collapse in sales, because they will lose even more. If 35,000 more automaker jobs are eliminated now, the parts companies are likely to lose over 100,000 more.

For the first time in the globalization/outsourcing era of the auto industry, car and truck production in the last half of 2007 was declining simultaneously throughout North America, in the United States, Canada, and Mexico—as well as in Japan and Europe. The fall in auto sales is worldwide, and accelerating: The drop in 2007 was 3% in the United States, 9.5% in Japan, 4% in Korea, 9% in Germany, 3.3% in France, 3.5% in Mexico. Much worse is ahead.

Even a move to aggressive protection of the remaining U.S. auto industry from imports would not stop the collapse now. Only a national infrastructure and industrial investment policy may be able to rebuild auto/machine-tool capacity in the process of rebuilding economic activity and productivity. And first, we have to save from insolvency the nation's system of chartered banks, which LaRouche warned "has only a minimal chance of surviving through March." These banks cannot be turned back from insolvency without the "firewall" of LaRouche's proposed Homeowners and Bank Protection Act.

Brazil and Argentina Launch Space Mission

by Marsha Freeman

The two space powers of Ibero-America, Brazil and Argentina, successfully carried out their first joint space mission, of scientific experiments, on Dec. 16, 2007. A product of a 1998 bilateral agreement for space cooperation, the Angicos Operation consisted of the launch from Brazil of a sub-orbital sounding rocket, which carried microgravity experiments from both Brazil and Argentina. The program involves more than 100 scientists from both countries, and is estimated to have involved a contribution of about \$500,000 from Argentina, and more than \$800,000 from Brazil.

This success lays the basis not only for future cooperation in more ambitious space exploration projects, but also other collaborative initiatives in science and technology. Now, both Brazil and Argentina are moving to restart their civilian nuclear energy programs. The successful joint space experiment should be just the start of collaboration in this critical field of science and technology. There are political forces in both nations that realize that the future well-being of their people depends upon harnessing the most advanced work in science and its application through new technology.

Brazil and Argentina possess the most advanced scientific capabilities, including nuclear, in South America. Therefore, their cooperation has great implications for the development of the rest of the continent, and will not make the international Malthusian establishment, which has fought to enforce technological apartheid against the nations of the Southern Hemisphere, very happy.

Col. Luiz Fernando de Azeveda from the Brazilian Air Force, the Brazilian coordinator of the space project, said Brazil will launch another scientific rocket. "This is essential to keep our technology, and maintain the teams [that are] trained."

The rocket used in the experiment was the VS-30, the most advanced in a line of suborbital sounding rockets developed, built, and launched by Brazil. According to the Brazilian Space Agency, the flight, which had been delayed four times due to weather, lasted for 9 minutes and 25 seconds, and was above the atmosphere for about four minutes, in the near-absence of gravity needed for the experiments. It reached an altitude of 121 kilometers, then landed in the sea, about 122 km from the launch site. The payload was recovered by helicopters and divers from the Brazilian

Navy. The VS-30 was launched from the Barreira do Inferno center in the northern state of Rio Grande do Norte.

On board the rocket were two microgravity experiments from Argentina. Roberto Oscar Yasielski, the head of the Argentine team, explained that the module with his country's experiments will be taken to Buenos Aires to be examined. Also on board was a Global Positioning System (GPS) test by Brazil. The U.S.-deployed GPS satellite navigation system provides a precise location for objects on land, sea, and in the air. Brazil wants to integrate its GPS sensor software for use on its rockets and satellites. The sensors are under development at the Federal University of Rio Grande do Norte, which will examine the results of the recent microgravity experiment. This was the second attempt at the experiment, as a Brazilian GPS sensor test launched on a VS-30 sounding rocket in July, along with experiments prepared by German scientists, was lost at sea.

A Proud History

Neither Argentina nor Brazil is a newcomer to space technology. Brazil's launch site at Alcantara, near the equator, is being developed as a major Southern Hemisphere rocket-launch facility. While technological setbacks have delayed the completion of the facility and the successful development of a Brazilian orbital rocket, made with help from Russian space experts, progress is being made for Brazil to become one of only about a dozen nations that can launch its own satellites.

The launch facility at Barreira do Inferno was built in 1965, to take advantage of its location, just 5 degrees from the Earth's magnetic equator. Suborbital scientific sounding rockets to study the Earth's ionosphere have been launched there since that time. In 1999, three Brazilian University experiments flew onboard a VS-30 rocket, in a mission named Operation São Marcos, which included a study of the effect of microgravity on worms, and on the formation of biomedically useful crystals for use in future antibiotics.

Brazil is also a world leader in the application of Earth remote-sensing data, and provides training in that field to people from many nations in Ibero-America. These programs study and monitor changes in agriculture, land use, water resources, and forestry, and even track the likely paths of tropical, insect-borne disease.

During the same time period, Argentina, with its advantageous location at the Earth's other extreme, began launching sounding rockets, near the South Pole, studying the atmosphere. Starting in the mid-1990s, Argentina embarked on a program to design and build its own satellites, through the state-run INVAP company, which also produces Argentina's small nuclear reactors. Scientific satellites have been developed and launched by Argentina with the U.S. space agency, NASA, focussing on Earth remote sensing.

Business Briefs

Trade

India Reorients to China, Eurasia

"India-China relations have today transcended their bilateral dimension and have acquired global and strategic significance," Indian Prime Minister Manmohan Singh said in a written interview with *Xinhua* published Jan. 11. Indications that India is re-emphasizing the importance of its relations to China, and downgrading the non-productive "U.S.-Australia-Japan-India" orientation, emerged in the days before Singh's three-day visit to China, starting Jan. 13.

The two nations will sign five agreements during the visit, including a pact between the two state-run railways, Press Trust of India reported. The accords are also to cover housing, geo-sciences, land resource management, and traditional medicine. "The memorandum of understanding covering the rail sector will promote cooperation between the Chinese and the Indian railways," Information and Broadcasting Minister Priya Ranjan Dasmunshi said.

Fusion Energy

China To Contribute \$1.4 Billion to ITER

China will contribute \$1.4 billion to the International Thermonuclear Experimental Reactor (ITER) fusion energy development project, almost 10% of the project's overall cost, *China Daily* reported Jan 10. The "goal of the project is to find a shortcut to solve our energy shortage," stated Luo Delong, deputy director of the ITER China Office, speaking at the Jan. 6 Oriental Science and Technology Forum in Shanghai.

The ITER tokamak is under construction in Cadarache, France. Fusion would provide an almost unlimited source of electrical power and high-energy density process heat, using deuterium from ordinary seawater as fuel.

China was the first nation to build a superconducting experimental tokamak fusion device, which went on line in September 2007. However, China does not have enough

trained scientists and technicians to carry the work forward on the scale necessary for success, and has just reached an agreement with Japan for enhanced cooperation in research and training of scientists. About half of China's contribution to ITER will be spent during the ten-year construction phase. Chinese researchers will be in charge of building components such as heating, diagnostic and remote maintenance equipment, as well as transporting it to France.

Nuclear Power

Ghana To Build First Nuclear Plant

Ghana will commission its first nuclear plant by 2018, *Modern Ghana* reported Jan. 8. A Nuclear Power Committee was set up last year by President John Agyekum Kufuor, to prepare a feasibility study for expanding Ghana's power generation, including nuclear. After five months of study, the committee, chaired by Prof. Daniel Adjei Bekoe, presented the government with a roadmap for adopting nuclear power, *Modern Ghana* reported.

Bekoe said that the decision to acquire nuclear power technology would be a natural progression in the country's technological advancement.

When Ghana starts exploiting its new-found oil reserves, Bekoe is quoted as saying, "it will be even more economical to generate electricity by the least cost and environmentally friendly nuclear power option," so that the country can use "its oil for transportation and export."

The report now goes to the cabinet and the parliament for approval.

Monetary System

French Officials Back New Bretton Woods

A significant number of mayors of French cities and towns, including members of Parliament, is publicly backing the recent call, issued by Helga Zepp-LaRouche, for governments to agree on a new international monetary system, returning to the principles

of Bretton Woods, to replace the collapsed global casino called the "floating-exchange-rate system."

A Jan. 9 press release by Solidarité et Progrès in Paris, headed by LaRouche ally Jacques Cheminade, states:

"André Gérin, mayor of Venissieux, and Gerard Charasse, both parliamentary deputies, and also vice president of the Poitou-Charente region, Paul Fromenteil, and some 40 mayors [of cities and towns in France] have signed the appeal for a 'New Bretton Woods' launched by Mrs. Helga Zepp-LaRouche in September 2007.

"The list of signatories is being made public just when the former U.S. Federal Reserve chairman Alan Greenspan has declared, in an interview with National Public Radio, that "something unexpected" threatens "to bring the system down" within the coming weeks.

"Along with former French Presidential candidate Jacques Cheminade—the only candidate who, in his 1995 campaign, warned of the coming disintegration of the international financial system—also supporting the call is Etienne Chouard, whose Internet site catalyzed the opposition in France to the globalist European Constitutional Treaty in May 2005, and the founder of Réseau Voltaire, author Thierry Meyssan."

The complete list of signatories is at www.solidariteetprogres.org.

Transportation

Chinese Academy Report Okays Maglev Projects

An expert review by the Chinese Academy of Environmental Sciences found no evidence whatsoever of the alleged "negative" effects of the Shanghai maglev train, either on the environment or on the regional population. That finding, made public Jan. 7, implies that similar arguments have no relevance for envisaged new projects, such as the planned extension of the existing 32-kilometer Transrapid line in Shanghai, or a regional maglev transport grid.

The report scuttles the phony arguments (pollution of air and water, vegetation, and the like), brought up in Germany by adversaries of the Munich maglev project.

Who Was Benjamin Franklin?

by H. Graham Lowry

The life of Boston-born Benjamin Franklin is generally the leading example historians offer, in arguing that America's Founding Fathers owed nothing to the nation-building conspiracy begun before 1630 by John Winthrop's Massachusetts Bay Colony. According to this typical historical fraud, Franklin rejected his own Puritan past, and modeled himself after eighteenth-century British liberalism and French Enlightenment radicalism. Centuries of lying must again be swept aside.

Benjamin Franklin was Cotton Mather's most gifted protégé. When he moved to Pennsylvania, Franklin also raised the political banner of Jonathan Swift. In 1737, Alexander Spotswood appointed him postmaster of Philadelphia. Franklin became the crucial link between the in-depth republican citizenry of New England, and the strategically placed, republican elite fostered by Spotswood in Virginia. That combination won the American Revolution; but until now, the real story has never been told.

Alexander Spotswood's 1722 treaty with the Iroquois secured the opening to the West. Yet his immediate removal by George I, from the governorship of Virginia, eliminated the unique advantage of executive authority to seize that opportunity. In any case, the battle for a continental republic would depend on a vast army of citizens, to colonize—and fight for—the land beyond the mountains. The stronghold for the future republic was still Massachusetts, where George Washington would raise the Continental Army in 1775. The battle was raging there even in 1722, the year that the young Benjamin Franklin first appeared on the front lines, at the age of sixteen.

In 1722, Cotton Mather was the leading target of the same "Venetian" powers behind the ouster of Spotswood. Mather never held political office, but he was the acknowledged leader of America's republican forces. He had proven that repeatedly, especially since organizing the overthrow in 1689 of Sir Edmund Andros' attempted dictatorship over New England. Mather had also given the signal in America for the republican offensive begun in 1710, which brought Jonathan Swift's friend Robert Hunter to the governorship of New York, and Spotswood to Virginia.

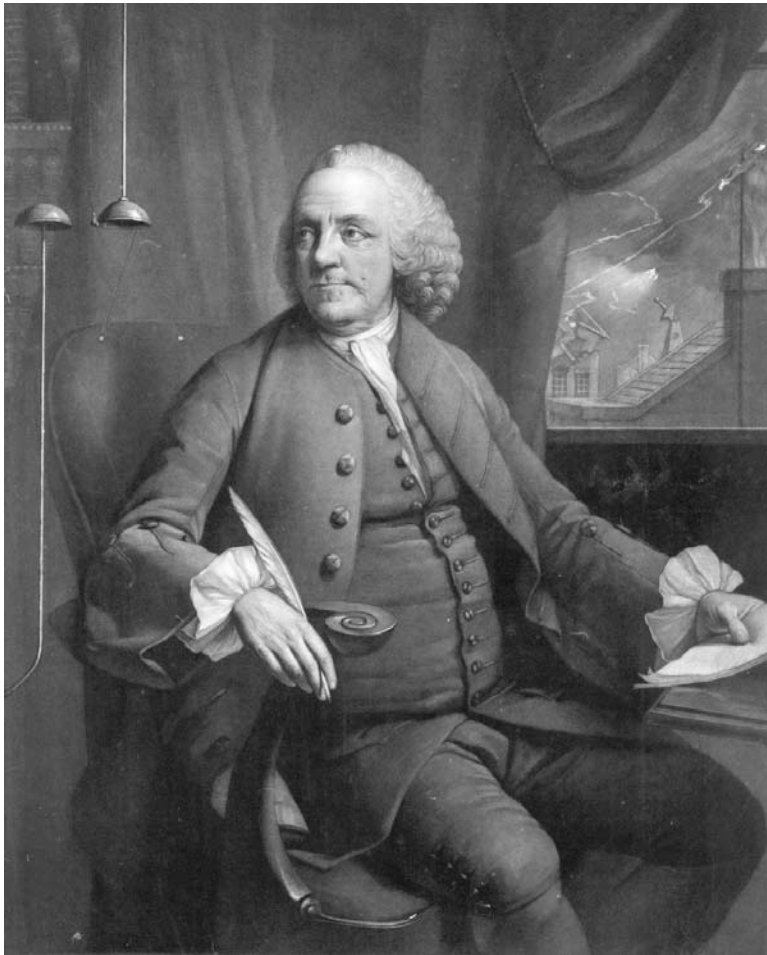
Contrary to popular mythology, Benjamin Franklin did not begin life on his own as a teenage runaway, seeking new thrills in Philadelphia. Nor was he merely a composite of the fortunate dilettante, the inventive tinkerer, the shrewd opportunist, and the insincere moralist who parlayed his talents to become the consummate pragmatic politician. His debt to Cotton Mather, for

What Is an American Patriot?

Over the past few months, *EIR* has published a series of articles on the American patriotic tradition, with the purpose of creating the political and intellectual climate in which a genuine American patriotic candidate can emerge for the 2008 elections—a candidacy which does not yet exist.

We have concentrated especially on the period of the early 19th Century, when patriots had to fight in the context of a series of poor, or even treasonous Presidents (viz. Jackson, Van Buren, Pierce, Polk, Buchanan).

This week, however, we have decided to go back to the "original" American Patriot, America's most beloved Founding Father, Benjamin Franklin. This installment honors Franklin's birthday, Jan. 17, 1706, by republishing a slightly edited chapter (Chapter 10) on the First Founder from Graham Lowry's groundbreaking work *How the Nation Was Won: America's Untold Story, Volume 1, 1630-1754*, first published in 1987. Lowry rips apart all the myths to show how Franklin was the product of a nation-building conspiracy dating back to the earliest days of our republic.



Library of Congress

Benjamin Franklin, contrary to popular myth, was no dilettante or tinkerer; he was the crucial link between the republican citizenry of New England, and the strategically placed republican elite—the combination that won the American Revolution.

example, is acknowledged in his own writings. The importance of that connection, however, is partly obscured by an element of caution imposed by Franklin himself, virtually throughout his life. The reasons for that will become clear in later sections of this history. It should suffice to note here that Franklin was the leading agent of the American conspiracy to found a continental republic from the 1730s onward. During an active career spanning more than sixty years, Franklin was often forced, by circumstances of political warfare, to keep significant details of his activities and associations out of public view.

The Puritan Prodigy

Benjamin Franklin was born January 17, 1706, to Josiah and Abiah Folger Franklin, his father's second wife. Benjamin was one of seventeen children, and the youngest of ten sons. Like so many citizens of Massachusetts, his father Josiah was a political refugee, faced with persecution by the crown when he joined the nonconformist opposition to

Charles II near the end of his reign. Benjamin was named for Josiah's brother, who also sided with the nonconformists, while "the rest of the family remained with the Episcopal church," Franklin reports in his *Autobiography*.¹

In 1685, Josiah Franklin became a parishioner at the Old South Church, built next to founding Governor John Winthrop's house, a venerated landmark which still stood at the time of the Revolution, when British troops tore it down and burned it for firewood during their occupation of Boston. Josiah's early years in New England were marked by intense political turmoil, during the attempt by the newly imposed royal governor, Sir Edmund Andros, to eliminate the colonists' republican freedoms.

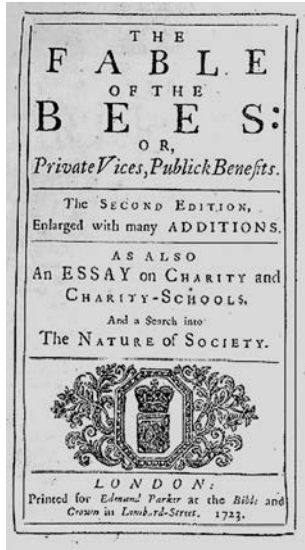
The elder Franklin soon became a close associate of the colonial opposition led by Increase and Cotton Mather, who in 1689 spearheaded the overthrow of the dictator in the Andros Rebellion. That same year, Josiah Franklin, then a widower, married fellow parishioner Abiah Folger. Franklin proudly notes in his *Autobiography* that she was "the daughter of Peter Folger, one of the first settlers in New England, of whom honourable mention is made by Cotton Mather in his ecclesiastical history of that country, entitled *Magnalia Christi Americana*, as a "godly and learned Englishman," if I remember the words rightly."²

With support from Judge Samuel Sewall—the most prominent member of the Old South Church, a close ally of the Mathers, and a political leader in his own right—Josiah Franklin became a congregational leader. For a newcomer of little means financially, he also attained unusual influence in civic affairs. Besides serving the town as a constable, tithing-man, and clerk of the market, Josiah presided over the "Associated Families" organization for his district, within the political network established by Cotton Mather.

Samuel Sewall's *Diary* notes that the weekly meetings for the Old South neighborhood took place at "Mr. Josiah Franklin's." Sewall adds that Josiah, a violinist who enjoyed playing regularly, was often called upon to "set the tune" for the hymns and offer the closing prayer for the meetings. The Franklin household became a gathering place for Boston's republican leaders, providing Benjamin from his childhood onward with an extraordinary view of their concerns and aspirations. As Franklin recalled of his father in his *Autobiography*, "I remember well his being frequently visited by the leading men who consulted him for his opinion in affairs of the town

1. Jesse Lemisch, ed., *Benjamin Franklin, The Autobiography and Other Writings* (New York, 1961), 21.

2. *Ibid.*



Mandeville's book, *The Fable of the Bees: or, Private Vices, Publick Benefits*, argued that the interests of the state were nothing more than the aggregate fulfillment of its individuals' hedonistic pleasures. He became a celebrated "social theorist," through his public campaign against any state interference in "private vices."

of the church he belonged to, and who showed a good deal of respect for his judgment and advice."³

An artisan of modest income with a large family to support, Josiah apprenticed all of Benjamin's older brothers to various trades, but Benjamin was something of a child prodigy. He was a precocious reader ("I do not remember when I could not read," he noted later), and the evidence points to his attracting the attention of the Mathers and Samuel Sewall even as a boy. Josiah was encouraged by "the opinions of all of his friends that I should certainly make a good scholar," and accordingly Franklin was enrolled at the age of eight in Boston's prestigious Latin School, to prepare for entrance into Harvard and education for the ministry.

At the Latin School, Franklin quickly distinguished himself among the sons of leading Puritans. Entering the same year with Mather Byles, Increase Mather's grandson and Cotton's favorite nephew, Franklin rose in less than a year from the middle to the head of his class, and was "remov'd into the next class above it." But by all published accounts, including Franklin's own, his father felt financially unable to sustain his son through college, withdrew him from the Latin School, and placed him for one more year in a school teaching only writing and arithmetic. At the age of ten, Franklin returned home to assist his father in his candle-making trade, marking the end of his formal education.⁴

But this was far from the end of Franklin's education by the Mathers. Deliveries of his father's candles took him fre-

3. *Ibid.*, 24.

4. *Ibid.*, 22-23.

quently to their homes, and his "bookish inclination" must have made him marvel at Cotton Mather's library, by far the largest in North America. "I remember well," he wrote to Cotton's son Samuel in 1784, "both your father and grandfather, having heard them both in the pulpit, and seen them in their houses." Franklin's voracious reading continued during this period, and in his father's "little library" he read Cotton Mather's *Essays to Do Good*, the book he credited as the single most important in shaping his life's work.

Franklin reports briefly in his *Autobiography* that *Essays to Do Good* "perhaps gave me a turn of thinking that had an influence on some of the principal future events of my life." Looking back later on his career as statesman, scientist, and founding father of his country, Franklin wrote to Samuel Mather that the book had "an influence on my conduct through life; for I have always set a greater value on the character of a doer of good, than on any other kind of reputation; and if I have been, as you seem to think, a useful citizen, the public owes the advantage of it to that book."⁵

Franklin also used *Essays to Do Good* as the republican organizing manual Mather intended it to be. The book set forth specific "Points of Consideration" for the members of Mather's "reforming societies," just as Franklin posed "Standing Queries" for the Junto he founded in Philadelphia in 1727.

A comparison of the two documents clearly establishes how directly Franklin followed Mather's plan. For example, Mather's "Points" include the following political agenda:

VII. Does there appear any instance of OPPRESSION or FRAUDULENCE, in the dealings of any sort of people, that may call for our essays, to get it rectified?

VIII. Is there any matter to be humbly moved unto the LEGISLATIVE POWER to be enacted into a LAW for public benefit?

Franklin's "Queries" raise the same issues:

14. Have you lately observed any defect in the laws of your country, which it would be proper to move the legislature for an amendment? Or do you know of any beneficial law that is wanting?

15. Have you lately observed any encroachment on the just liberties of the people?

Point number nine in both the Mather and Franklin docu-

5. Franklin to Samuel Mather, May 12, 1784, in A.H. Smyth, ed., *The Writings of Benjamin Franklin* (New York, 1907), IX, 209.

ments raises an identical question: whether the members know of any case of illness or affliction and the remedies to be used. Appropriately, it was on the issue of how to deal with a smallpox epidemic that Franklin waged his first political fight on Cotton Mather's behalf.⁶

The Hell-Fire Contagion

During Franklin's adolescence in Boston, a new wave of corruption arose, with the further influx of speculators and profiteers attached to the rum-molasses-slaves triangle trade, built up by oligarchical shipping interests in New England. By 1714, the British Whigs, whom Jonathan Swift fought against, had toppled the ministry he had guided under Queen Anne. The peace negotiations pressed forward by Swift had brought the long war in Europe to an end, but with Queen Anne's death and the accession of George I of Hanover to the British throne, peace signaled a new round of speculative looting of the major powers' already war-weakened economies.

Related, worsening economic conditions in New England—then shaping Josiah Franklin's decision to withdraw Benjamin from the Latin School—also prompted Cotton Mather to again champion in 1714 the creation of a bank to promote economic recovery, as he had following the Andros Rebellion a quarter of a century earlier. Appealing to an influential contact in England, Mather pled the cause of New Englanders, groaning under worthless bills of credit and a wave of land seizures for unpaid mortgages.

But his plan for establishing a sound credit system in New England fell largely upon deaf ears among the vermin now loose in London. Less than five months after George I's coronation, Mather noted for his English correspondent, "the Government" had sided with a faction who "have appeared violently against this projection" for a new banking policy in New England.⁷

New England's woes were compounded the same year by a devastating smallpox epidemic in Boston, a scorching summer, and another wheat shortage exacerbated by the Belcher grain monopoly. In London, the oligarchy felt secure enough to advocate bestiality as the ideal of state policy.

Bernard Mandeville, a supposed professor of medicine from Holland, brought into England in the wake of William of Orange's "Glorious Revolution," published in 1714 his *Fable of the Bees, or Private Vices, Public Benefits*. Already a cult figure among England's proliferating, Satan-worshipping, secret societies, Mandeville now openly argued that the interests of the state were nothing more than the aggregate fulfillment of its individuals' hedonistic pleasures. The precursor of such radical libertarians as Adam Smith and Jeremy Bentham, Mandeville became a celebrated "social theorist," through his

public campaign against any state interference in "private vices." He was also the key figure behind London's not-so-secret Hell-Fire Club, whose members acted out their bestial rites under the names of the Holy Spirit, the Apostles, and several millennia's worth of the oligarchy's demons and devils.

In 1721, at the age of fifteen, Benjamin Franklin joined the battle against these forces, in the middle of one of the most intensive campaigns to destroy the Mathers that their opponents had ever mounted. On the enemy side, he found his eldest half-brother James, to whose printing business he had been unwillingly apprenticed in 1718, for the onerous term of nine years. James Franklin had returned the previous year from London, where he acquired his press and type for printing—and familiarity with the degenerate admirers of Bernard Mandeville. By 1722, the Mathers were to accuse James Franklin of promoting "an Hell-Fire club."

James Franklin set up his printing business in Boston, and soon fell in with a circle of radical Anglicans attached to Boston's only Episcopal church, and allied with the radical Whigs of Elisha Cooke, Jr.'s political machine in common cause against the Mathers' republican leadership. At the center of the Anglican operation was one John Checkley, born in Boston in 1680, but subsequently trained in England at the Anglican stronghold of Oxford. After an oddly-accounted-for decade in Europe "collecting art," Checkley surfaced in Boston again in 1710, the year Cotton Mather launched his broadened republican organizing effort with his *Essays to Do Good*. Setting himself up as a bookseller, Checkley went on to become a major propagandist against the Mathers' congregational doctrines, and the leading lay advocate for the Church of England in Boston. (He eventually became the ordained rector of King's Church in Providence, Rhode Island, the nesting place for so many enemies of New England republicanism.)

Checkley's initial tactic against the Mathers was to portray them as Presbyterians opposed to congregational order, as he did in a 1721 pamphlet entitled *Choice Dialogues, between a godly Minister and an honest Countryman, concerning Election and Predestination*. Cotton Mather took note of it in his diary as one of the "cursed Pamphlets and Libels, wherewith some wicked Men, are endeavoring to Poison the Country."⁸ Mather countered by having his brilliant nephew, the Roxbury minister Thomas Walter, publish a reply under the title *A Choice Dialogue between John Faustus, a Conjuror, and Jack Tory his Friend*.⁹

A key figure within Checkley's circle of intriguers, all habitués of the notorious Hall's Tavern in Boston, was the Scottish doctor William Douglass, who had studied at Paris, Leyden, and Edinburgh, and was an avowed hater of the Puritan clergy. Douglass was to assume the role of scientific expert in Checkley's campaign to destroy the Mathers, and made

6. Franklin, "Standing Queries for the Junto," in *Writings*, Lemisch, ed., 199–200; Mather, *Bonifacius*, 136–137.

7. Mather to Sir Peter King, December 22, 1714.

8. Cotton Mather, *Diary*, March 2, 1721.

9. *Ibid.*, March 3, March 11, May 13, 1721.

Cotton Mather, Franklin's teacher, pioneered the use of vaccinations to combat a devastating smallpox epidemic, for which he came under blistering attack from the pro-British crowd. He enlisted the help of Dr. Zabdiel Boylston, who is lampooned, in this satirical illustration from the time.



enough noise to become a public figure soon after his arrival in Boston in 1716.

The Mathers' republican forces were simultaneously being battered by the radical Whig agitation directed by Elisha Cooke, Jr.'s political machine. Still determined to give the British monarchy an excuse to eliminate the liberties retained in the royal charter negotiated by Increase Mather, Cooke's faction played on the real suffering which his friends had brought upon New England. They sought to force a hopeless confrontation that would end in the sort of thoroughgoing feudal control which John Locke had advocated for all of the American colonies. In 1719, campaigning for ruinous, inflationary currency schemes to hoodwink Bostonians seeking economic relief, Cooke's allies took the lion's share of seats in the House of Representatives. On November 5, Cotton Mather preached a sermon warning of the "Satanic Party's" intentions to abolish the liberties remaining under the charter.¹⁰ Four years later, Cooke's henchmen partially succeeded, forcing the resignation of Mather's ally, Governor Samuel Shute, through repeated violations of the legislature's obligations to the executive as set forth in the charter.

As Mather wrote then, to an English ally and later financial patron of scientific education at Harvard, Cooke's faction had acquired "the knack of perverting and misleading a Ma-

jority of poor, and weak (tho' sometimes honest) Countrymen in our House of Representatives; and so they produced *Votes* which any Governor must count Intolerable." Mather recalled his sermon from 1719, and noted that "I have since been an object for the utmost Rage of the Satanic Party, and not only had their printed Libels continually darted at me, but had Attempts made upon my very Life."¹¹

The Battle for Science

It was nothing less than an issue of life or death which became the battleground between Cotton Mather and the oligarchical forces opposing him. The same struggle brought Benjamin Franklin into active political life for the first time, though in a manner which historians typically have blatantly distorted or obscured.

Late in the spring of 1721, an epidemic of the dreaded smallpox, which had blasted New England's hopes at so many critical times in the past, erupted again in Boston. As a member of Britain's Royal Society, Cotton Mather had read some of its reports in 1719 on experimental attempts at vaccination undertaken in the Levant in the Middle East, and had independently investigated similar reports from the Caribbean. He was convinced that small doses, drawn from the infected tissue of a smallpox victim, could be administered to inoculate others against the disease. Mather launched a campaign through his civic organizations to persuade citizens to come forward and be

vaccinated. As administering physician, Mather enlisted Dr. Zabdiel Boylston (whose brother would become the great-grandfather of President John Adams). While certainly there were doubts about the new remedy proposed, Mather's opponents responded in frenzied rage against the prospect of his becoming the scientist-savior of the city.

John Checkley and William Douglass had drawn James Franklin, the restless printer still in search of steady business, deeper into their circle. They now chose him as a leading instrument for their propaganda barrage against the Mathers. With their backing, James Franklin agreed to start a new paper in Boston, the weekly *New England Courant*, to compete with the *Boston Gazette* and *Boston News-Letter*.

The smallpox epidemic spread rapidly during the summer of 1721, lasting through to the following spring, and ultimately striking half the population of Boston. Cotton Mather announced the inoculation campaign in a letter to the *Boston Gazette* of July 27, 1721, also signed by Increase Mather and four leading ministers. Simultaneously, the *Courant* made its first appearance. For its third issue, John Checkley wrote that it was "the chief design of which Paper to oppose the *doubtful* and *dangerous* practice of inoculating the *Small-Pox*."¹²

11. Cotton Mather to Thomas Hollis, Nov. 5, 1723, in *Diary*, same date.

12. *New England Courant*, No. 3, Aug. 14-21, 1721.

10. "Mirabilia Dei," printed the same year.

Cotton Mather was accused of spreading the disease by inoculation. On August 15, he inoculated his own son Samuel, who lived in good health until 1785, at the ripe old age of seventy-nine. On November 1, he brought his nephew, Thomas Walter, from nearby Roxbury for inoculation, and was then accused of bringing “outsiders” into town to infect them. On November 4, the Boston town meeting, dominated by Elisha Cooke, Jr.’s “Satanic Party,” voted to prohibit anyone from entering Boston to be vaccinated, and extended the ban to anyone already inoculated. On November 13, while Thomas Walter lay asleep in Cotton Mather’s bedroom, overcoming the mild effects of his vaccination, a bomb was thrown through the window at 3 a.m. The iron grenade struck the window casement, which fortunately knocked off the fuse, preventing the explosion. Tied to the bomb by a string, “that it might outlive the breaking of the Shell,” Mather noted, was a message: “COTTON MATHER. You Dog, Dam you: I’l inoculated you with this, with a Pox to you. [sic]”¹³ Within the Franklin household, the repercussions of this attempt to assassinate Cotton Mather must have been severe.

Franklin’s *Autobiography* is no help. The portion of it covering his life up to 1730 was written in 1771 as a letter to his son William, when Franklin was still in England as the official diplomatic representative of Massachusetts. William Franklin, educated as a lawyer at the Inns of Court in London while living with his father, became royal governor of New Jersey, and sided with the crown during the American Revolution. William fled to England, and Franklin’s account of his own early years in Boston passed through many enemy hands. On issues of obvious political significance, it must be read with an eye to what is missing, and with extensive cross-checking of other sources for further clues.

The precise moment of Benjamin Franklin’s recruitment by the Mathers is not so far documentable. He was only fifteen when his brother James began publishing the *Courant*, though by several accounts the Mathers took Benjamin aside to discuss his brother’s actions with him. How much sway Josiah Franklin still held over the renegade James is also unclear, but the issue of the *Courant* immediately following the attempted bombing of Cotton Mather’s house carried Mather’s account of the incident verbatim, “to prevent wrong Representations that may be made of a late Occurrence much talked of.”¹⁴ Governor Shute, also a political target of the Cooke machine, offered a hefty £50 reward for identification of the terrorist.

But the genocidal campaign against inoculation continued. The ethical equivalent of Britain’s Hell-Fire Club appeared in Boston, with John Checkley as president, as “The Society of Physicians Anti-Inoculator,” meeting at Hall’s Tavern, where its members took oaths to destroy Mather. To the Cooke-controlled Boston selectmen, William Douglass sub-

mitted a translation, purportedly of a French army doctor’s claims, that persons inoculated in the Near East during the previous century, had died twenty and twenty-five years later of ulcers and tumors! With the aid of Cooke’s henchmen, and a strident campaign of public lying in the pages of the *New England Courant*, Checkley and his friends were rapidly creating an anti-science mob in Massachusetts.

Like the anti-science, environmentalist cults of today, deployed to smash the remaining vestiges of the American System’s commitment to technological progress, the “anti-inoculators” had no interest in the scientific validity of the vaccine Mather and Boylston developed. Although the epidemic was well under way when Dr. Boylston began administering smallpox vaccinations, of the 286 persons he inoculated, only six died—barely more than two percent. The death rate among the rest of Boston’s smallpox victims was approximately 700 percent higher, with 844 fatalities out of 5,759 cases. Smallpox epidemics in Britain during this period were similarly devastating, but no one tried to assassinate Dr. Boylston when he inoculated the royal princesses, on a mission to London to demonstrate the efficacy of the new vaccine.

There is no precise count of how many Bostonians died needlessly because they refused inoculation under the sway of Checkley’s vicious campaign. But there is no doubt that it took a heavy toll on that will to do good necessary to a people’s survival. To Increase and Cotton Mather, the two remaining giants of the Puritan republic, it appeared that the dominion of Satan was at hand. In January 1722, as James Franklin’s *Courant* continued its efforts to prevent inoculations, one of its scribblers went so far as to write, “Most of the Ministers are for it, and that induces me to think it is from the D[evi]; for he often makes Use of good Men as instruments to obtrude his Delusions on the World.”¹⁵ Such blasphemy, such open celebration of evil, did not go unanswered, and Benjamin Franklin was inevitably an intimate witness. Despite years of incapacitating illness, Increase Mather, now over eighty-two years old, rose from his bed to charge James Franklin on a public street with fostering “an Hell-Fire Club.”

Increase Mather was a living link to the republican commonwealth founded by John Winthrop as the Massachusetts Bay Colony in 1630. Born in 1639, Mather was educated at Harvard and then at Trinity College, Dublin, where the Mathers’ family relations remained intellectually influential into the lifetime of Jonathan Swift. After serving in England, as an intelligence agent of the republican cause until the Stuart Restoration of 1660, Mather returned to Massachusetts and an extraordinary career as minister, scientist, philosopher, and statesman. He earned the mantle of leadership in New England, succeeding the great John Winthrop, Jr., after the latter’s death in 1676.

This second Winthrop—who molded the Connecticut colony into a broadened republican flank for Massachusetts, whose library in the wilderness abounded with the works of Machia-

13. Cotton Mather, *Diary*, Nov. 13, 1721.

14. *New England Courant*, Nov. 13–20, 1721.

15. *Ibid.*, Jan. 1–8, 1722.

velli, Erasmus, Thomas More, Johannes Kepler, Jean Bodin, and Blaise Pascal, and who corresponded with the young Leibniz in Germany—was one of those New England heroes “worthy to have their Lives written, as copies for future Ages to write after,” as Cotton Mather put it. In 1675, John Winthrop, Jr., exemplified his political and military leadership by stopping an invasion of Connecticut by royal forces before they could even come ashore. King Charles II’s attempt to subjugate Connecticut was led by Sir Edmund Andros, the man later overthrown and clapped in irons during the Massachusetts rebellion of 1689, engineered by Winthrop’s key collaborator of the 1670s, Increase Mather.

Whatever freedom Massachusetts retained by 1722, much of it was due to wariness on London’s part after the Andros Rebellion, and to the liberties preserved even under royal government by the new charter secured by Increase Mather. Despite the decay which spread through Massachusetts by the time of the smallpox fight, it was no small matter for James Franklin to be publicly threatened with the wrath of God, by the elder statesman of the Puritan republic.

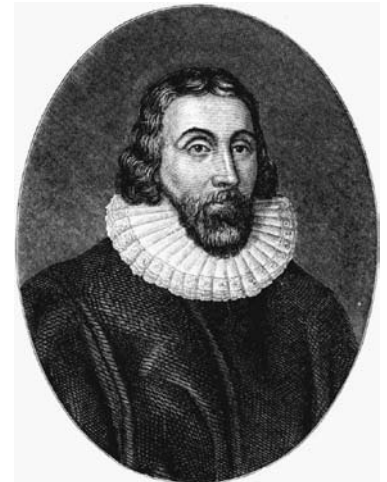
“I that have known what New England was from the Beginning, cannot but be troubled to see the Degeneracy of this Place,” Mather declared in response to the *Courant’s* latest blasphemy. In advertisements run in both the *Boston News-Letter* and *Gazette*, Mather added,

I cannot but pity poor [James] *Franklin*, who tho’ but a *Young Man* it may be Speedily he must appear before the Judgment Seat of God, and what answer will he give for printing things so vile and abominable?

Mather’s rage focused on the *Courant’s* insinuation “that if the Ministers of God approve of a Thing, it is a Sign of the Devil; which is a horrid thing to be related!”¹⁶

In the midst of this situation, imagine sixteen-year-old Benjamin Franklin, whose father witnessed the Andros Rebellion and became a respected citizen-leader in Cotton Mather’s drive against the cultural decline which was threatening to extinguish New England’s republican aspirations. Yet according to standard historical accounts, Benjamin Franklin had no role in the most dramatic political battle Massachusetts had seen during his life—except that of a juvenile prankster eager to have fun at the expense of those crotchety old Mathers. But nations are not created that way, and their founders invariably demonstrate something more than a flair for juvenile delinquency.

16. *Boston News-Letter*, Jan. 22–29, 1722.



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Library of Congress

Increase Mather (left) and his son Cotton, were the two remaining giants of the Puritan republic, and a living link to the commonwealth founded by John Winthrop (right) as the Massachusetts Bay Colony in 1630. Cotton Mather recruited Franklin to political intelligence work.

Worsening Prospects

The deteriorating situation confronting Cotton Mather and his fellow republicans certainly permitted no frontal assaults, and demanded the most skillful flanking maneuvers. Royal license for the bestial ethics of a Bernard Mandeville had provided sufficient footing to deploy an irrationalist mob in Massachusetts, far enough to lend cover to an open attempt on Mather’s life. His supportive circle of republican allies and friends, led by key colonial governors, had also been broken. Robert Hunter, a friend in common to Swift and Mather, had left the governorship of New York in 1719. Governor Shute of Massachusetts was under pressure both from London and from Cooke’s “Satanic Party.” Governor Spotswood of Virginia was removed from office in 1722, while negotiating the treaty with the Iroquois that opened the way for westward expansion.

Internationally, the situation was also deteriorating rapidly. Remaining nation-building factions in both Britain and France had been flattened, along with numbers of America’s republican allies, in the economic crash of 1720, when the Venetian-rigged speculative schemes known as the South Sea Bubble in Britain and John Law’s Mississippi Bubble in France were blown out.

The simultaneous efforts to ruin both the British and French economies drew considerable attention from Cotton Mather, who knew better than most that evil was not localized in one country or under one label. At the time of the attempt on his life in November 1721, Mather was just completing works on both cases: *The Roaring of the South Sea* on the collapse of the British bubble, and a book in French, *Une Grande Voix du Ciel, à la France, sous la Verge de Dieu* [A Great Voice from Heaven, to France, under the Scourge of God.] Mather’s diary notes that

he sought to offer “Seasonable Reflections and profitable instructions” for the “Unhappy Nation” of Britain, and urged the French “to come out of Babylon.” He had consulted with Governor Shute on “how to get my *Grande Voix du Ciel*, into France,” anticipating that if he could secure distribution of the book inside the country, then reeling under the Orléans’ Venetian-Jesuit rampage, “very astonishing may be the Consequences of it.”¹⁷

At the same time, Mather was “Writing Letters for *Europe*,” where a series of smallpox epidemics were “making terrible Destruction,” to circulate “a further and more distinct Account of the *Small-Pox Inoculated*, the Method and Success of it among us, and the Opposition to it; By which Means, I hope, some hundreds of thousands of Lives, may in a little while come to be preserved.”¹⁸

Cotton Mather’s situation in Massachusetts, as underscored by the *New England Courant*’s hate campaign against his effort to stop the smallpox epidemic, was more immediately distressing. For all the well-meaning people he had inclined to do good, he as yet had no one willing to *lead* a fight at the level of command required. After the *Courant* flaunted its claim at the beginning of January 1722 that the Mathers’ support for inoculation meant it must be the work of the devil, Cotton put the problem before “a meeting of the Ministers” on January 15.

Citing his hopes in writing *Essays to Do Good*, Mather told his colleagues,

my Opportunities to do good, which have been to me the Apple of my Eye, have been strangely struck at. Odd Occurrences have happened, which have produced unaccountable Combinations in all Ranks of Men, to disable me for doing what I have most inclined unto. The most false Representations imaginable have been made of me; and of my Conduct. And tho’ I could easily have confuted the Slanders and Clamours, I have rather borne them with Silence. . . .

I am at length reduced unto this Condition, that my Opportunities to do good, (except among a few of my own little remnant of a Flock,) appear to me almost entirely extinguished, as to this Country [New England]. I must employ my Faculties, in projections to do good in more distant Places. And I bless God, I have there a Prospect of some Things, whereof I shall know more



This engraving by William Hogarth (1721) depicts the folly of the South Sea Bubble scheme. Hogarth and his ally Jonathan Swift deployed their brilliant satires against the Hell-Fire Club-dominated British society.

hereafter. But at present, *I have done! I have done!* I have done treating you with any more of my Proposals. If they should be never so good, yet if they be known to be mine, that is enough to bespeak a Blast upon them. Do *you* propose as many good Things as you please, and I will second them, and assist them and fall in with them, to the best of my Capacity.¹⁹

Besides Mather’s forceful challenge to his associates, for whom he had served as intellectual leader and political commander-in-chief for more than thirty years, the interesting feature of this address is his reference to his remaining opportunities to do good “among a few of my own little remnant of a Flock.” Just two weeks earlier, in his diary entry for January 1, Mather reported that he was privately forming a new society for “some of my Flock” who desired to “be more fully acquainted” with the “Mysteries of the *Kingdom of God*, wherein His *Will shall be done on Earth as it is in Heaven*.” The group was to meet once a fortnight at Mather’s house. He hoped “that the Society may afford me Opportunities to do for the Flock, some further considerable Services.”²⁰ . . .

Discovering Franklin’s Secrets

Benjamin Franklin left Boston in late September 1723, ostensibly because his half-brother James had blacklisted him among Boston’s printers, and because he had made himself “a little obnoxious to the governing party.” Cotton Mather’s en-

17. Cotton Mather, *Diary*, Sept. 14, Oct. 12, and Nov. 24, 1721.

18. *Ibid.*, Nov. 30 and Dec. 1, 1721.

19. *Ibid.*, Jan. 15, 1722.

20. *Ibid.*, Jan. 1, 1722.

emies in the Cooke machine controlled the legislature.²¹ The only surviving account of Franklin's decision is the portion of his autobiography written in 1771, as a letter to his son William, who defected to the British during the Revolution. Franklin's own reluctance, to commit sensitive intelligence matters to paper, was by no means diminished by the fact he was writing to his son. William Franklin had been targeted while in London with his father, during the 1760s, for recruitment into the networks of the Hell-Fire Club. Sir Francis Dashwood, His Majesty's postmaster general at the time, was then Benjamin Franklin's official superior. Franklin directed the postal service for the American colonies. Dashwood was the head of the Hell-Fire Club.²²

Yet this first part of the autobiography, covering Franklin's life to approximately 1730, was also written as a kind of "essay to do good" for his son. Thus the pattern of his activities, as related, is to a definite purpose, even though their particular significance is masked by withholding important details. Only by reading that pattern, in the context of precise knowledge of the time, can one learn the secrets of the young Benjamin Franklin's role in the battle for the American republic. When he departed for Philadelphia in 1723, the seventeen-year-old Franklin was no runaway adventurer. He had already worked as an undercover agent for Cotton Mather, against the Boston branch of the Hell-Fire Club.

With Robert Walpole's coming to power, George I's government had by 1723 openly embraced Bernard Mandeville's doctrine that "private vices" and official corruption were the basis for "public benefits." "The strategic urgency of building an American republic was now all the greater. Virginia's Governor Spotswood, with Pennsylvania's Keith and New York's Hunter and Burnet, had opened the door with the 1722 Treaty of Albany with the Iroquois. That agreement had removed the main threat to settling Virginia's Shenandoah Valley, beyond the Blue Ridge, and confirmed its route to the West along the Potomac River, deep into the Allegheny Mountains. The potential also existed to extend Pennsylvania's settlements to the Alleghenies, and to funnel waves of pioneers into the Shenandoah Valley, stretching toward Kentucky and Tennessee. America's republican command, however, was now weakened. Walpole had forced Spotswood's removal from office in 1722, and New York's Governor Burnet was unequal to the leadership of his predecessor Robert Hunter, the republican colleague of Swift and of Mather. In Philadelphia, Governor Keith remained in office, but was under siege by the Quakers' "monied men." Yet Pennsylvania was the keystone for building colonies beyond the mountains. It was no accident that Benjamin Franklin, Cotton Mather's most gifted protégé, was deployed there.

Consider the chain of events which Franklin reports, masked as mere happenstances. His departure from Boston



Sir Robert Walpole was a leading enemy of the emerging American Republic, and a key figure in the Hell-Fire regime in London.

was arranged in secrecy, for passage on a ship bound for New York, under a cover story established by his closest intellectual companion, whom he had known since childhood. The two "had read the same books together," and while Franklin lived in Boston,

most of my hours of leisure for conversation were spent with him; and he continued a sober and industrious lad [and] was much respected for his learning by several of the clergy and other gentlemen. . . . [emphasis added].²³

Upon arrival in New York, Franklin presented himself, as a young printer in search of work, to William Bradford, the publisher of Robert Hunter's satirical play, *Androboros*. Bradford forwarded him to his son Andrew, a printer in Philadelphia, telling Franklin, "If you go thither I believe he may employ you."²⁴

21. Franklin, *Autobiography*, 34–35.

22. Donald McCormick, *The Hell-Fire Club* (London, 1958), 42.

23. Franklin, *Autobiography*, 35, 46.

24. *Ibid.*, 35.

By a series of boat trips and a fifty-mile hike through New Jersey to the Delaware River, Franklin proceeded to Philadelphia in a most inconspicuous fashion, where on arrival he *made certain he would be observed*. In work clothes dirtied by his long journey, he joined a procession of “many clean dressed people” entering “the great meetinghouse of the Quakers near the market.” There he “sat down among them, and after looking round awhile and hearing nothing said, . . . I fell fast asleep and continued so till the meeting broke up, when someone was kind enough to rouse me.” The next morning, dressed “as neat as I could,” he went to the print shop of Andrew Bradford, where Franklin found “the old man his father whom I had seen at New York, and who traveling on horseback, *had got to Philadelphia before me* [emphasis added].”²⁵ Without directly making the point, Franklin here provides the evidence that William Bradford—a member of the circles of Swift, Hunter, and Mather—personally oversaw establishing Franklin’s initial cover in Philadelphia.

Andrew Bradford offered Franklin the hospitality of his home, until a less obvious place of employment could be arranged. William Bradford then conducted Franklin to “another printer in town lately set up, one Keimer,” who intended to challenge the younger Bradford for the business in Philadelphia. To the newcomer Keimer, the “old gentleman” Bradford pretended to be a local dignitary:

“Neighbor,” said Bradford, “I have brought to see you a young man of your business; perhaps you may want such a one.” . . . And taking old Bradford, whom he had never seen before, to be one of the townspeople that had a good will for him, [Keimer] entered into a conversation on his present undertaking and prospects. . . .²⁶

Even though Franklin told Keimer “who the old man was,” he was soon hired. He began spending his evenings “among the young people of the town that were lovers of reading.” He reported his new station to Boston, but only through the friend who had arranged his departure, “who was in my secret and kept it when I wrote to him.”²⁷

Soon after Franklin was established in Philadelphia, word of the arrangement was passed to Governor William Keith, by Franklin’s brother-in-law Robert Homes, “master of a sloop that traded between Boston and Delaware.” It was not long before Keith appeared “finely dressed” at Keimer’s door, to request a meeting with Benjamin Franklin, the “promising” young man he had recently heard of, who “should be encouraged.” The governor ignored Keimer,

and with a condescension and politeness I had been

25. *Ibid.*, 37–40.

26. *Ibid.*, 40.

27. *Ibid.*, 40–41.

quite unused to, made me many compliments, desired to be acquainted with me, blamed me kindly for not having made myself known to him when I first came to the place, and would have me away with him to the tavern where he was going . . . to taste, as he said, some excellent Madeira. I was not a little surprised, and Keimer stared like a pig poisoned.²⁸

At the tavern, Keith told Franklin that he wanted him to become the public printer for Pennsylvania—certainly an unusual offer for a supposed young vagabond from Boston. Keith then suggested that Franklin’s father—a longtime organizer for Cotton Mather—might provide him the money to set up his own print shop.²⁹

On my doubting whether my father would assist me in it, Sir William said he would set forth the advantages, and he did not doubt he should determine to comply. So it was concluded I should return to Boston by the first vessel with the Governor’s letter of recommendation to my father. In the meantime the intention was to be kept secret, and I went on working with Keimer as usual.³⁰

Letter in hand, Franklin sailed for Boston at the end of April 1724.

The *Autobiography* reports that Franklin’s father refused to finance a new printing business for his son, “being in his opinion too young to be trusted with the management of an undertaking so important,” but he was pleased that Benjamin had so impressed “a person of such note” as the governor of Pennsylvania.³¹ But here the account makes a crucial omission, of enormous significance for deciphering the document as a whole. No mention is made of the fact that on this return to Boston, Franklin met privately with Cotton Mather! Sixty years later, after Britain had conceded the sovereignty of the United States at the Treaty of Paris, Franklin wrote from France to Cotton’s son, Samuel Mather, “The last time I saw your father was in the beginning of 1724, when I visited him after my first trip to Pennsylvania.” The letter again paid tribute to Cotton Mather’s determining influence on his life.³²

Franklin returned to Philadelphia, making the first leg of the journey by sloop to New York. There he made contact with Robert Hunter’s hand-picked successor:

The then Governor of New York, Burnet, son of Bishop Burnet, hearing from the captain that a young man, one

28. *Ibid.*, 41–42.

29. *Ibid.*, 42.

30. *Ibid.*, 43.

31. *Ibid.*, 44.

32. Franklin to Samuel Mather, May 12, 1784, in Smyth, ed., *Writings of Franklin*, IX, 209.



Soon after his arrival in Philadelphia, the young Benjamin Franklin received the patronage of the governor of Pennsylvania and other leading citizens, which enabled him to establish his own, successful printing business.

of his passengers, had a great many books, desired him to bring me to see him. . . . The Governor received me with great civility, showed me his library, which was a very considerable one, and we had a good deal of conversation about books and authors. This was the second governor who had done me the honor to take notice of me, and for a poor boy like me was very pleasing.³³

Next, Governor Keith arranged a mission to London for the “poor boy,” ostensibly to purchase new type and printing equipment. Keith told Franklin, “Then when there you may make acquaintances and establish correspondences in the book-selling and stationery way.”³⁴

In considerable detail the *Autobiography* reports Franklin’s arrangements with Keith for the voyage. He was to sail in late October on the *Annis*, the annual ship from Philadelphia to England. Keith was to furnish him with recommendations to “a number of his friends,” as well as a letter of credit for the printing purchases. During the months awaiting his passage, Franklin reports, Governor Keith “had me frequently to his

house.”³⁵ Much is made of Keith’s repeated postponements in delivering the promised letters to Franklin, of his sailing from Philadelphia without them—expecting Keith to intercept the ship at Newcastle, and of arriving in England to discover Keith had supplied no letters at all. There Franklin made a great show of being “a poor ignorant boy,” whose trusting nature had been betrayed by the Pennsylvania governor.³⁶

From the higher level of evidence, it is clear that this episode with Keith was simply part of Franklin’s cover story for a secret intelligence mission. Consider again the *pattern* of his accounts in the *Autobiography*, juxtaposed against the provable course of his activities. Franklin’s career in political combat begins with his anonymous Silence Dogood papers, supposedly written to impress the Hell-Fire Club circle controlling his half-brother James, but in fact undertaken as an undercover operation in support of Cotton Mather. He flees Boston in secret, purportedly fearing reprisals from his brother’s enemies, yet on his return is welcomed into Mather’s home. Robert Hunter’s friend, the New York printer William Bradford, arranges Franklin’s first employment in Philadelphia, but sends him on an arduous overland and riverboat journey to get there, instead of letting Franklin accompany him on horseback. Perhaps no one took notice of Franklin’s meeting with New York’s Governor Burnet, but Keith’s patronage could hardly be overlooked.

Governor Keith, after all, was the known ally of Robert Hunter and Alexander Spotswood. Franklin’s own safety, as well as any prospects for a successful undercover mission in Britain, thus depended upon his having no apparent ties to Keith—nor to Cotton Mather. Franklin’s *Autobiography*, written nearly half a century later, still preserves his cover, yet provides decipherable clues. He deliberately obscures his personal connection to Mather, while praising his *Essays to Do Good*. Keith’s relationship is portrayed as duplicitous, but Franklin concludes that account by declaring that Keith was “otherwise an ingenious, sensible man, a pretty good writer, and a good governor for the people. . . . Several of our best laws were of his planning and passed during his administration.”³⁷ The young Franklin, to the extent his actual connections could be hidden, was an ideal agent for a counterintelligence mission against Robert Walpole’s Hell-Fire regime in London. The appearance of hostility to Keith was especially important, for the scrutiny of Walpole’s agents had already been attracted by another American arrival in 1724. Alexander Spotswood, the man who would later appoint Franklin postmaster of Philadelphia, had returned to London, ostensibly to reconfirm his land titles in Spotsylvania County, Virginia.³⁸

Franklin arrived in London on Christmas Eve, 1724. Two

35. *Ibid.*, 52–53.

36. *Ibid.*, 53–55.

37. *Ibid.*, 55.

38. Dodson, *Spotswood*, 287.

33. Franklin, *Autobiography*, 46.

34. *Ibid.*, 48.

things are certain. Whether Keith had furnished him with any letters or not, someone had paid his passage. Second, Franklin had not come to London simply to work in printing houses for more than a year-and-a-half.

Hell-Fire London

Coordinating a republican movement in the American colonies had always been hampered by the difficulty of obtaining adequate intelligence concerning machinations in London. Now the problem was even greater. Since the blowout of the South Sea Bubble, and the restructuring of power under the parliamentary regime of Robert Walpole and his “stockjobbers,” Britain’s political map had been drastically redrawn. London was fast becoming “Venice-on-Thames,” and was threatening to supersede Sodom and Gomorrah. For a glimpse of how far London soon descended into the inferno, one need only study the engravings of Swift’s ally, the artist William Hogarth.

Culturally, and thus politically, the nature of the beast had changed. Following George I’s taking the throne in 1714, and the publication of Bernard Mandeville’s *The Fable of the Bees* the same year, Satanic cults proliferated among Britain’s elite. The most notorious were the various branches of the Hell-Fire Club, modeled after Mandeville’s doctrine that evil, vice, and corruption were the ideal means of the state’s controlling its servants, or the drones of the hive. Mandeville’s bestial notions were later celebrated by such hedonistic “philosophers” as Voltaire, Helvetius, Montesquieu, James Mill, and Jeremy Bentham. In 1720, the year of the Bubble and an unrestrained Venetian rampage against Britain, the Hell-Fire clubs played a major part in the intended shock treatment. The most prominent one was founded that year by the new Lord Wharton (later elevated to duke). The club’s dining menu included “Hell Fire Punch,” “Holy Ghost Pie,” “Devil’s Loins,” and “Breast of Venus” (garnished with cherries for nipples).³⁹

Even in London, such open Satan-worshipping was a bit ahead of its time, and in 1721 a King’s Order-in-Council was issued banning the Hell-Fire clubs—at least in such public forms.⁴⁰ But the Satanic notion, that there is no distinction between good and evil, continued to rule government policy, and was promulgated quite directly by George I’s chief minister, Robert Walpole.⁴¹ Increase Mather was entirely accurate, when in 1722 he charged James Franklin with promoting a “Hell-Fire Club” in Boston, for publishing the claim that man cannot distinguish between the work of God and the work of the Devil.

When Benjamin Franklin arrived in London, a most vital intelligence task would have been to dissect this new form of the beast: the politically powerful networks of the Hell-Fire

Club. In 1723, Bernard Mandeville had delivered another shock, by publishing an expanded version of *The Fable of the Bees*, and riding roughshod over his remaining opposition.⁴² Yet Franklin’s *Autobiography* generally recounts this visit to London simply as the experiences of a young printer trying to make the best of a bad situation. Again, the exceptions to this portrayal confirm the actual nature of his mission. As an eighteen-year-old just arrived from America, supposedly without references or recommendations, he nonetheless “immediately got into work at Palmer’s, then a famous printing house in Bartholomew Close, and here I continued near a year.”⁴³ Soon, he constructed a variant on his Silence Dogood deception, by forging a literary passport into the very center of the Hell-Fire circles.

The composition was entitled “A Dissertation on Liberty and Necessity, Pleasure and Pain.” Mised scholars and willful slanderers of Franklin have frequently cited this piece, as supposed evidence of his anti-Christian “deism” and philosophical affinity for British, Benthamite liberalism. Such claims, of course, assume the reader’s willingness to walk blindly off the precipice of a major contradiction, by ignoring Franklin’s lifelong career of fostering the divine spark of human creativity. His civic and educational ventures, his scientific discoveries and inventions, and his republican dedication to freeing America from the diseased minds governing Britain, are thus portrayed as mere opportunism, backed by an amateur’s run of luck. What Franklin’s enemies really hate, as exemplified in British historical and fictional writings to this day, is that he repeatedly outwitted and outmaneuvered them, right through to the founding of the United States.

Even in this portion of the *Autobiography*, Franklin repudiated this “Dissertation” as an “erratum” in his life. The account also provides more than enough evidence to indicate why he wrote it. His first mention of it is followed by a paragraph stressing that, during this same period, he made “as much use . . . as I could” of an “immense collection of second-hand books” he was able to borrow from a next-door bookseller. The “poor ignorant boy” had extensive resources at hand to produce his forgery. While working at Palmer’s, he “printed a small number” of the “little metaphysical piece.” In the *Autobiography*, Franklin makes no mention of its contents.⁴⁴

An examination of the “Dissertation” itself provides the next level of the evidence that it was written as a piece of intelligence-deception. It was addressed to his young friend James Ralph, one of Franklin’s “chief acquaintances” in Philadelphia. Ralph had sailed with him to England, roomed with him in London, and presented himself as a “freethinking” poet and job-hunter to the Venetian circles in such professions as the-

39. Bernard Mandeville, *The Fable of the Bees, or Private Vices, Public Benefits* (London, 1934; reprint of 1714 ed.); McCormick, *Hell-Fire Club*, 23; Kramnick, *Bolingbroke*, 201–204.

40. McCormick, *Hell-Fire Club*, 29.

41. Kramnick, *Bolingbroke*, 74.

42. Mandeville, *Fable*, editor’s introduction, 4.

43. Franklin, *Autobiography*, 56.

44. *Ibid.*, 56.

ater, journalism, and law. The *Autobiography* reports, “Ralph and I were inseparable companions.”⁴⁵ The connection further established Franklin’s cover. The “Dissertation,” printed early in 1725, begins with the following address to Ralph:

SIR, I have here, according to your Request, given you my *present* Thoughts of the *general State of Things* in the Universe. Such as they are, you have them, and are welcome to “em; and if they yield you any Pleasure or Satisfaction, I shall think my Trouble sufficiently compensated. I know my Scheme will be liable to many Objections from a less discerning Reader than your self; but it is not design’d for those who can’t understand it [emphasis in original].⁴⁶

Note Franklin’s emphasis that these *present*, objectionable thoughts are designed for people who already think this way. He adds with delicate irony, “You will easily perceive what I design for Demonstration. . . .”⁴⁷

Further evidence that Franklin faked the “Dissertation” to impress a particular circle, is provided by his extensive use of barbaric spellings and contractions, such as “*em*, *can’t*, *tho’*, and *us’d*. Jonathan Swift had launched a major campaign in 1711 against such degradation of the language, which the “modernists” of the Kit-Kat Club and similar Venetian agencies were deliberately trying to impose. None of Franklin’s other writings indulges in such liberal abuse, nor was he ignorant of the issue involved. In his *Pennsylvania Gazette*, Franklin published a piece in 1733, “On Literary Style,” in which he noted the “Observation of Dr. Swift, that modern writers injure the Smoothness of our Tongue, by omitting Vowels wherever it is possible. . . .”⁴⁸

From the arguments of the “Dissertation” itself, the intended victims of the piece become indisputably clear. Presenting a manic orgy of circular logic and sophistry, Franklin “proves” that good and evil, pleasure and pain, and life and death are all the same thing:

If [God] is all-powerful, there can be nothing either existing or acting in the Universe *against* or *without*



When Benjamin Franklin arrived in London in the early 1720s, a most vital intelligence task would have been to dissect the politically powerful networks of the Hell-Fire Club, which claimed, among other blasphemies, that man cannot distinguish between the work of God and the work of the Devil. Shown, a depiction of members of the Club.

his Consent; and what He consents to must be good, because He is good; therefore, *Evil* doth not exist. . . .

If there is no such Thing as Free-Will in Creatures, there can be neither Merit nor Demerit in Creatures. . . .

Evil is hereby excluded, with all Merit and Demerit; and likewise all preference in the Esteem of God, of one Part of the Creation to another. . . .

Pleasure is consequently equal to Pain. . . . Life is not preferable to Insensibility; for Pleasure and Pain destroy one another: That Being which has ten Degrees of Pain subtracted from ten of Pleasure, has nothing remaining, and is upon an equality with that Being which is insensible of both. . . .

Since every Action is the Effect of Self-Uneasiness, the Distinction of Virtue and Vice is excluded. . . .

No State of Life can be happier than the present, because Pleasure and Pain are inseparable. . . .⁴⁹

To a sane mind, such logic is a virtual parody of Satanic ideas. But to promoters of evil, the entire exercise would be undeniably appealing. Franklin concludes the “Dissertation”:

I am sensible that the Doctrine here advanc’d, if it were to be publish’d, would meet with but an indiffer-

45. *Ibid.*, 50, 55–56.

46. Franklin, “A Dissertation on Liberty and Necessity, Pleasure and Pain,” in *Writings*, Lemisch, ed., 321.

47. *Ibid.*

48. *Pennsylvania Gazette*, August 3, 1733.

49. Franklin, “Dissertation,” 322–327.

ent Reception. . . . “What! bring ourselves down to an Equality with the Beasts of the Field! with the *meanest part of the Creation!* “*Tis insufferable!*” But, (*to use a Piece of common Sense*) our *Geese* are but *Geese* tho’ we may think “em *Swans*; and Truth will be Truth tho’ it sometimes prove mortifying and distasteful.⁵⁰

The gaggle of historians who have cited this pamphlet, as proof of Franklin’s embracing British philosophical radicalism, have demonstrated that there are a lot of silly geese out there. Concerning Franklin’s purpose at the time, his *Autobiography* confirms that the quacks of the Hell-Fire Club eagerly consumed the crumbs he had thrown them:

My pamphlet by some means falling into the hands of one Lyons, a surgeon, author of a book entitled *The Infallibility of Human Judgment*, it occasioned an acquaintance between us; he took great notice of me, called on me often to converse on those subjects, carried me to the Horns, a pale ale house in — Lane, Cheapside, and introduced me to Dr. Mandeville, author of *The Fable of the Bees* who had a club there, of which he was the soul, being a most facetious, entertaining companion.⁵¹

In his next sentence, Franklin also provides a clue that he was fully aware of who controlled the pathetic Isaac Newton, the Venetian version of Aristotle. He reports that the same Mr. Lyons who brought him to Bernard Mandeville tried to arrange “an opportunity sometime or other of seeing Sir Isaac Newton, of which I was extremely desirous; but this never happened.”⁵²

Franklin’s description of the remainder of his London stay does not mention how he may have followed up his successful penetration of the Hell-Fire Club—accomplished in early 1725. But a conversation he had, at his home near Paris in 1783, identifies the man who helped him through this dangerous venture. He was none other than Dr. Zabdiel Boylston, Cotton Mather’s right-hand man in the smallpox inoculation fight. A prime target of Boston’s Hell-Fire networks, Boylston was in London during 1724–1725, when he inoculated Princess Caroline, who had been tutored by Leibniz as a young girl. Boylston’s grandnephew recorded his introduction to Franklin years later, in the presence of other company:

[He] arose from his chair and took me by the hand, saying, “I shall ever revere the name of Boylston; Sir, are you of the family of Dr. Zabdiel Boylston of Boston?” to which I replied that he was my great uncle; “then, Sir, I must tell you I owe everything I now am to him.”

He went on giving this account of himself, viz.: “When Dr. Boylston was in England, I was there reduced to the greatest distress, a youth without money, friends or counsel. I applied in my extreme distress to him, who supplied me with twenty guineas; and *relying, on his judgment, I visited him as opportunities offered*, and by his fatherly counsels and encouragements I was saved from the abyss of destruction which awaited me, and my future fortune was based upon his parental advice and timely assistance” [emphasis added].⁵³

Just as the *Autobiography* omits Franklin’s meeting with Mather in 1724, it makes no mention of his relationship with Boylston in London. When Franklin met Boylston’s young kinsman in 1783, he was beginning to prepare his *Autobiography* for publication. Not surprisingly, with other guests present, Franklin maintained the self-portrayal of “a poor boy in distress,” in recounting the London mission of his youth.

Franklin’s Lessons from Swift

There is another, more important name that Franklin does not mention. That is Jonathan Swift, and again the omission is revealing. When Franklin arrived in London at the end of 1724, all Britain and Ireland were consumed in a political war that Swift had initiated that year, by striking in force against a weak flank of Walpole’s Hell-Fire regime. Although the cabinet had been reshuffled in 1721, to Walpole’s immediate advantage, there were still a few wild cards in the deck. One was Lord John Carteret, a friend of Swift, who became secretary of state, and resisted Walpole’s scheme of governing by maximum corruption. To get rid of Carteret, somewhat in the manner of Russia’s exiling political troublemakers to Siberia, Walpole had Carteret appointed lord lieutenant of Ireland, in early 1724.⁵⁴ Before Carteret arrived in Dublin, Swift had sprung the trap—and surfaced the republican movement he had been building in Ireland.

Walpole’s standards of graft were anything but small change. Walpole’s first government service dated back to the period when Godolphin and Marlborough ran Queen Anne’s cabinet, while enlarging their personal wealth to monumental proportions. Walpole had been dismissed as treasurer of the Navy and sent to the Tower in 1711, when it was discovered that £35 million in naval expenditures were unaccounted for.⁵⁵ In 1722, now as lord treasurer and chief minister to George I, Walpole had arranged a modest piece of corruption in issuing a patent to foist £108,000 in cheap copper coinage on the people of Ireland. The King’s mistress pocketed £10,000 in the deal, and an ironmonger, William Wood, who bought the patent, saw an easy £30,000 on the bottom line for himself. The

50. *Ibid.*, 327.

51. Franklin, *Autobiography*, 56–57.

52. *Ibid.*, 57.

53. Quoted in P.M. Zall, ed., *Ben Franklin Laughing* (Berkeley, 1980), 161.

54. Van Doren, ed., *Portable Swift*, intro., 28.

55. Swift, *Journal to Stella*, I, 252, 252n.

sums were trifling in the scale of Walpole's swindles, but *the issue* proved big enough to rock his ministry for the first time.

Following a protest by the Irish parliament, which had not been consulted on the new coinage, Swift went into action. Under the pseudonym M.B. Drapier, and using the persona of a small shopkeeper, Swift published a series of letters to mobilize Ireland against Wood's halfpence. They were addressed to the shopkeepers, tradesmen, farmers, and common people of Ireland, to the nobility and gentry, and finally "to the whole people of Ireland." From the printing of the first Drapier Letter, in April 1724, Swift made it clear that he was calling forth a mass republican movement:

I do most earnestly exhort you as men, as Christians, as parents, and as lovers of your country, to read this paper with the utmost attention, or get it read to you by others; which that you may do at the less expense, I have ordered the printer to sell it at the lowest rate.

. . . It is your folly that you have no common or general interest in your view, not even the wisest among you, neither do you know or inquire, or care who are your friends, or who are your enemies.

About four years ago a little book was written, to advise all people to wear the manufactures of this our own dear country [Swift's *Proposal for the Universal Use of Irish Manufacture*]. It had no other design, said

nothing against the king or parliament, or any person whatsoever; yet the poor printer was prosecuted two years with the utmost violence. . . . This would be good enough to discourage any man from endeavouring to do you good, when you will either neglect him, or fly in his face for his pains; and when he must expect only danger to himself, and to be fined and imprisoned, perhaps to his ruin.

However, I cannot but warn you once more of the manifest destruction before your eyes, if you do not behave yourselves as you ought.⁵⁶

Swift counted on generating a special kind of political shock wave. For centuries, the Irish had succumbed to one oppression after another. Miserable poverty had been accepted as a normal way of life. Restrictions on their trade, industry, and agriculture were designed to keep it that way. Their parliament had no power; all their country's laws were made in England. Titles and estates in Ireland were awarded in London, though seldom to Irishmen, and the recipients' hostility to the natives was frequently increased by the "second-prize" status of their grants. For the people of Ireland, the worst of all this was their sense of being ruled by an unseen hand, with no enemy to strike at. Thanks to the stupidity of Robert Walpole, Swift was able to transform this sense of futility into anger, and focus it with accelerating speed against a known target.

Walpole never anticipated what hit him. A man with a gargantuan appetite for corruption, Walpole would not have had a second thought about endorsing Wood's patent for Irish halfpence. Yet it was precisely the "small change" aspect of this piece of graft, which led to Walpole's defeat. The poorest Irishman might be indifferent to still another case of exploitation on a grand scale. It was another matter, however, to reduce the value of the coins he had, so that he could not even afford "a quart of twopenny ale." Swift's plan of attack exploited Walpole's blunder to the fullest.

In his first Drapier Letter, Swift introduced as the perpetrator, "one Mr. Wood, a mean ordinary man," already cut down to size. He then described the swindle, that "Mr. Wood made his halfpence of such base metal, and so much smaller than the English ones," that they were worth only one-twelfth their face value. How, Swift asked, could "such an ordinary fellow as this Mr. Wood" be granted such looting rights, when "all the nobility and gentry here could not obtain the same favour?" The answer he pointed to was the issue of sovereignty:

Now I will make that matter very plain. We are at a great distance from the king's court, and have nobody there to solicit for us, although a great number of lords and squires, whose estates are here, and are our countrymen, spend all their lives and fortunes there.

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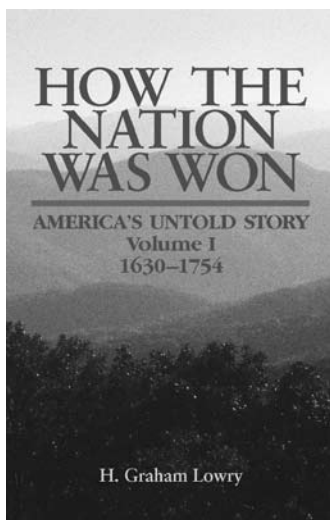
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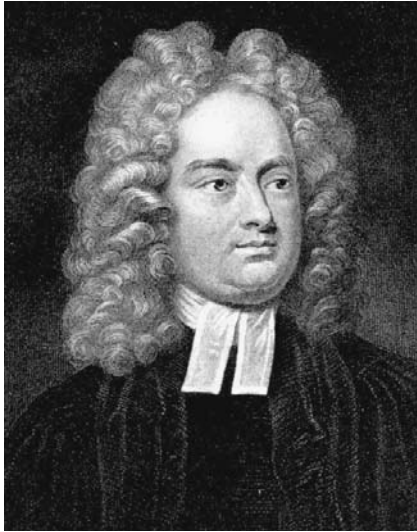
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56. Swift, "The Drapier's First Letter," in *Writings*, Landa, ed., 423-424.



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Jonathan Swift, who promoted the American cause in England, and sparked a political war against Walpole's Hell-Fire regime. His satirical masterpiece, *Gulliver's Travels*, lampooned the British oligarchy. In this scene, *Gulliver* meets the Brobdingnab farmer.



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Wood was “an Englishman” with “great friends,” and knew where to place his bribes to gain the attention of the king. Ireland was in no position to oppose the King’s authority as such, but Swift was not afraid to challenge “the great lord or lords who advised him.” Thus he warned Walpole:

I am sure if his Majesty knew that such a patent, if it should take effect according to the desire of Mr. Wood, would utterly ruin this kingdom, which bath given such great proofs of its loyalty, he would immediately recall it, and perhaps show his displeasure to somebody or other: but a word to the wise is enough.⁵⁷

For his readers, Swift reviewed the currency laws, which required acceptance of only gold and silver coins, despite the customary use of lesser metals for the smallest denomina-

57. *Ibid.*, 424–425.

tions. Nothing in English law required the Irish to take Wood’s “vile halfpence . . . by which you must lose almost eleven pence in every shilling.”⁵⁸

In this first letter, Jonathan Swift, the Dean of Dublin’s St. Patrick’s Cathedral, raised a voice the Irish people had seldom heard. His strategy was later adopted by American patriots preparing the War of Independence: if you are governed by a kingdom which claims it honors liberty, claim that liberty for yourselves. The Drapier’s first assault appeared to have little significance. History proved otherwise.

Therefore, my friends, stand to it one and all: refuse this filthy trash. It is no treason to rebel against Mr. Wood. . . . [The] laws have not left it in the king’s power to force us to take any coin but what is lawful, of right standard, gold and silver. Therefore you have nothing to fear.⁵⁹

In his subsequent letters, Swift’s exhortations became calculatingly more militant:

I will shoot Mr. Wood and his deputies through the head, like highwaymen or housebreakers, if they dare to force one farthing of their coin upon me in the payment of an hundred pounds. It is no loss of honour to submit to the lion, but who, with the figure of a man, can think with patience of being devoured alive by a rat.⁶⁰

Soon he was directly raising the issue of Ireland’s freedom:

Were not the people of Ireland born as free as those of England? How have they forfeited their freedom? Is not their Parliament as fair a representative of the people as that of England? . . . Are they not subjects of the same king? Does not the same sun shine upon them? And have they not the same God for their protector? Am I a freeman in England, and do I become a slave in six hours by crossing the channel?⁶¹

Swift’s *Drapier Letters* rallied all parties, all faiths, all Ireland against Wood and Walpole. “The Irish decorated and thronged the streets when the “Drapier Dean’ rode into Dublin. They proposed tearing down the statues of “military murderers’ to erect statues of Swift, the saviour of their country.”⁶² With an unprecedented breadth of popular support, Swift pro-

58. *Ibid.*, 430.

59. *Ibid.*, 430.

60. Quoted in *Portable Swift*, Van Doren, ed., 28.

61. *Ibid.*, 29.

62. William Alfred Eddy, ed., *Satires and Personal Writings by Jonathan Swift* (London, 1932), 296.

ceeded to close the trap. Walpole's propaganda machine in England had outdone itself, first by lying that the Irish welcomed the flood of Wood's debased coins, and then by charging they were "grown ripe for Rebellion, and ready to shake off the Dependency of Ireland upon the Crown of England."⁶³ Then the "Imposter [Wood] and his Crew" committed a fatal blunder, by underestimating both Swift's political power and his friendship with Carteret, the new lord lieutenant of Ireland. In October 1724, one of the British propaganda sheets for Wood declared "that the Lord Lieutenant is ordered to come over immediately, to settle his Half-pence."⁶⁴

Swift's fourth and final Drapier Letter, "to the whole People of Ireland," appeared on October 13, the day Carteret landed. Hawkers were crying it through the streets when he arrived in Dublin. Concerning Carteret's reported intention to impose Wood's halfpence, the Drapier answered,

I intreat you, my dear Countrymen, not to be under the least Concern, upon these and the like Rumours; which are no more than the last Howls of a Dog dissected alive, as I hope he hath sufficiently been. These Calumnies are the only Reserve that is left him.⁶⁵

Claims concerning Walpole's intentions, however, were treated with ironic care:

In another paper of [Wood's] contriving, it is roundly expressed, that Mr. Walpole will cram his Brass down our Throats. Sometimes it is given out, that we must either take these Half-pence or eat our Brogues. And, in another News-Letter, but of Yesterday, we read, that the same great Man hath sworn to make us swallow his Coin in Fire-Balls. . . .

What vile Words are these to put into the Mouth of a great Counsellor, in high Trust with his Majesty, and looked upon as a Prime Minister? If Mr. Wood hath no better a Manner of representing his Patrons; when I come to be a Great Man, he shall never be suffered to attend my Levee.⁶⁶

Whatever the reports of British intentions, the Drapier emphasized, they were

no Concern of ours. For, in this point, we have nothing to do with English Ministers. . . . The Remedy is wholly in your own Hands; and therefore I have digressed a little, in order to refresh and continue that Spirit so seasonably raised amongst you, and to let you see, that

by the Laws of *GOD*, of *NATURE*, of *NATIONS*, and of your own *COUNTRY*, you *ARE*, and *OUGHT* to be a *FREE PEOPLE*, as your Brethren in England.⁶⁷

Two weeks later, Carteret issued a proclamation offering a reward of £300 to anyone who would reveal the Drapier's identity within six months, "so as he be apprehended and convicted thereby." The edict was purely a matter of form, for consumption at court in London. Swift immediately revealed himself, and continued to be the regular dinner guest of Lord and Lady Carteret at Dublin Castle. Even an Oxford edition of Swift's writings, published in the 1930s, reports, "The Lord Lieutenant discreetly did nothing. To arrest Swift would have been to get himself promptly lynched by the mob."⁶⁸ The entire affair of Wood's halfpence ended in a stinging defeat for Walpole. Carteret remained lord lieutenant until 1730, when he returned to England to work for the opposition to Walpole. In a letter written in 1737, Carteret reported, "When people ask me how I governed Ireland, I say that I pleased Dr. Swift."⁶⁹

'Poor Richard's Almanack'

Benjamin Franklin's later writings, on behalf of America's independence, extensively demonstrate his debt to Swift. As early as the first *Poor Richard's Almanack*, which Franklin printed for the year 1733, he honored Swift in a special way. Employing the pseudonym Richard Saunders, instead of Isaac Bickerstaff, Franklin introduced his almanac by predicting the death of his rival "astrologer." Poor Richard, who did "nothing but gaze at the Stars," had decided to enter the almanac business. He had foreseen that the leading almanacker at the time was

soon to be removed, since inexorable Death, who was never known to respect Merit, has already prepared the mortal Dart, the fatal Sister has already extended her destroying Shears, and that ingenious Man must soon be taken from us. He dies, by my Calculation made at his Request, on *Oct. 17, 1733, 3 ho. 29 m. P.M.* . . .⁷⁰

Like Swift's *Bickerstaff Papers*, Franklin's early editions of *Poor Richard's Almanack* provided follow-up accounts concerning his prediction.

The importance Cotton Mather attached to Swift's *Bickerstaff Papers* has already been noted. The young Franklin, recruited to political intelligence work by Mather, must have studied the Drapier's war against Walpole's Hell-Fire regime with intense interest, to say the least. Franklin's opportunity to profile the networks of the Hell-Fire Club followed Swift's

63. Swift, "A Letter to the Whole People of Ireland," *ibid.*, 311–312, 298.

64. *Ibid.*, 298.

65. *Ibid.*

66. *Ibid.*, 315.

67. *Ibid.*, 310.

68. *Ibid.*, 296. On the Carterets' hospitality, Van Doren, ed., *Portable Swift*, intro., 30.

69. Quoted in Swift, *Poems*, Rogers, ed., 911.

70. *Poor Richard, 1733*, facsimile of original edition (Philadelphia, 1977).



Library of Congress

Franklin's famous *Poor Richard's Almanack* honored Jonathan Swift, although for political reasons, Swift's name is never mentioned. Franklin, a voracious reader from a young age, is shown here at his writing desk.

roust of the halfpence scheme. Wood's patent was revoked by the crown in 1725 in an effort to end the matter, although he was granted a "pension" of £36,000.⁷¹ Franklin, "the poor ignorant boy," had by his own account a position of privileged access to the propaganda battles raging in London while he was there. Some time after deceiving the Hell-Fire Club with his "Dissertation," Franklin left Palmer's "to work at Watts's near Lincoln's Inn Fields, a still greater printing house. Here I continued all the rest of my stay in London."⁷²

Franklin did not sail for America until late July 1726. In March of that year, Jonathan Swift arrived in London, to coordinate an expanded campaign against Walpole. His undertaking such a mission, as the confessed author of the *Drapier Letters*, is further proof of the power of the movement he had built. On April 27, Swift even met privately with Walpole, to press his case for Ireland. Their meeting settled nothing, Swift reported, for Walpole had "conceived opinions . . . which I could not reconcile to the notions I had of liberty. . . ."⁷³ Swift's correspondence from this period in England is full of references to his meetings and exchanges of letters with leading figures of the Walpole opposition.

71. *Portable Swift*, intro., 31.

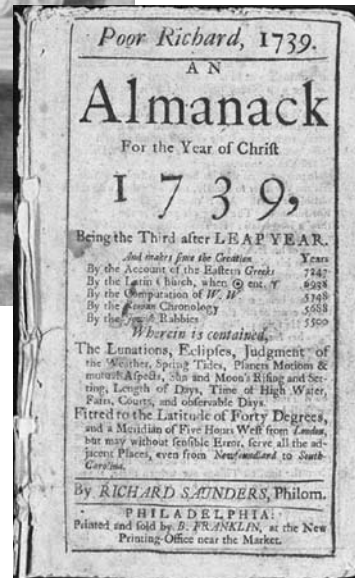
72. Franklin, *Autobiography*, 58.

73. Swift to the Earl of Peterborough, April 28, 1726, *Correspondence*, Williams, ed., III, 132.

Franklin's *Autobiography* offers a possible clue to his own connections to Swift's circles at this time. Among Swift's contacts in 1726 was Sir William Wyndham, an old acquaintance from the Queen Anne period. It was at Wyndham's London house, in June 1711, that some members and close associates of Queen Anne's anti-Marlborough government, formed a sort of private advisory body of "men of wit or men of interest." Swift was a charter member of the group, known as the Society, or the Brothers

Club. Wyndham became secretary at war in 1712 and chancellor of the exchequer the next year. He was arrested briefly in 1715, during the Whig Junto's purge on behalf of George I. At the time Franklin was in London, Wyndham was the co-leader of the Walpole opposition in the House of Commons.⁷⁴

At the very end of Franklin's stay, while he was making final arrangements to depart for America, he reports, "I was, to my surprise, sent for by a great man I



knew only by name, a Sir William Wyndham, and I waited upon him." Wyndham supposedly wanted Franklin to teach his sons how to swim—a little-known talent at the time.⁷⁵ It is more likely that Wyndham had some instruction to offer Franklin, but given the care he exercised in his *Autobiography*, he offers no further account of this extraordinary meeting.

Benjamin Franklin sailed from Gravesend on July 23, 1726. He returned to Philadelphia, where he immediately began building a republican machine of his own. It would soon begin to mesh with Spotswood's ongoing drive from Virginia, to open the continent. There were no governors in place, however, to push the project forward. Even Keith had been ousted during Franklin's absence. There was still, however, another crucial flank to exploit, which the enemy had so far failed to comprehend. This was Virginia's Northern Neck Proprietary, which under Lord Thomas Fairfax played an indispensable role in the success of the American Revolution.

74. Swift, *Journal*, I, 293–294, 293n.; Swift to Alexander Pope and John Gay, October 15, 1726, *Correspondence*, III, 172–173, 173n.

75. Franklin, *Autobiography*, 63.

Running a Policy for President

What you have heard is true: Every four years, from 1976 on, American economist Lyndon LaRouche has run for President of the United States. His accomplishments through these efforts have not been significant in votes, but in the absolutely crucial input of ideas required to save the Constitutional commitment of the American republic. Exhibit A is LaRouche's role in creating the Strategic Defense Initiative—but many other examples could be elaborated as well.

This year, 2008, LaRouche is not running. At the age of 85, he has declared that his role must be that of a policy advisor, as head of the LaRouche Political Action Committee. Through LPAC, and particularly the LaRouche Youth Movement (LYM), LaRouche intends to shape the political environment, and catalyze the political momentum, that can create the shift to the FDR-style policy required to save the United States, and the planet as well. Thus LaRouche's "Presidential campaign" is now explicitly a campaign of *policies* needed to prevent catastrophe.

There is no question but that the United States is ready for these policies. The financial crash which occurred in July 2007 has finally forced its way onto the front burner of politics, with the so-called foreclosure crisis, the massive write-offs by the major commercial banks, the bankruptcies, and the unemployment. A great pretense is being made of addressing the issue, in the form of so-called stimulus packages and straight government bailouts. But, as should be clear to everyone who has watched the way the tens of billions of dollars poured into the banking system over the past six months has done *nothing* to solve the crisis, but to create further hyperinflation, none of these measures will do anything to cure the systemic bankruptcy which has been created by 40 years of disastrous incompetence.

LaRouche, on the other hand, has put the necessary shift in financial and economic policy on the table. While its direction is the bankruptcy reorganization of the U.S. and global financial system, its immediate first step is the erection of a *firewall* of protection for both homeowners, and the chartered banking system which is threatened with collapse due to the massive specula-

tive apparatus which has been built up to suck the loot out of the physical economy. The model legislation, called the Homeowners and Bank Protection Act (HBPA), now has been put before the legislatures in eight states, and has been voted up in dozens of city councils around the country. Congressmen in certain districts are beginning to feel the heat from their constituents.

The HBPA represents a national policy orientation that would return Federal practice to the principles of the American System of political-economy. It demands a Federal agency that would protect the banks, and freeze all existing home mortgages, while writing off the cancerous speculative debt obligations of mortgage-backed securities, and the like, which have brought the banking system to the point of bankruptcy. It insists on the protection of families from eviction—thus putting the welfare of the population before the financial interests who insist, Shylock-style, that "contracts" come before the common good. It simultaneously provides for an income stream to recapitalize local banks, while recognizing the crucial role of state governors in administering the program over a period of years.

What relevance does this have to the Presidential campaign? Everything! The reality is that no candidate who does *not* orient in the direction of the HBPA, and its advocacy for the vast majority of suffering American citizens, is going to become a decent, not to mention Constitution-upholding, President of this nation. All the nice-sounding rhetoric in the world is not going to halt the disaster which is ongoing, and inevitably leading to a New Dark Age.

So far, there is *still* no Presidential candidate who fully faces the crisis, and grasps the concept of what must be done, although the LPAC-LYM campaign has catalyzed some action in the right direction. That simply means more must be done—especially in this crucial period going up toward "Tsunami Tuesday," Feb. 5, when a great number of states have their primaries. The American Presidency *must* be captured by an American System policy—or you can kiss civilization good-bye.

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ALASKA

- ANCHORAGE GCI Ch.9: Thu 10 pm

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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
- LONG BEACH CH Analog Ch.65/69 & Digital Ch.95: 4th Tue 1-1:30 pm
- LOS ANGELES TW Ch.98: Wed 3-3:30 pm
- LOS ANGELES (East) TW Ch.98: Mon 2 pm
- MARINA DEL REY TW Ch.98: Wed 3 pm; Thu/Fri 4 pm
- MIDWILSHIRE TW Ch.24: Tue 4:30-5 pm
- ORANGE COUNTY (N) TW Ch.95/97/98: Fri 4 pm
- SAN FDO. VALLEY (East) TW Ch.25: Sun 5:30 pm
- SAN FDO. VALLEY (NE) CC Ch.20: Wed 4 pm
- SAN FDO. VALLEY (West) TW Ch.34: Wed 5:30 pm
- SANTA MONICA TW Ch.77: Wed 3-3:30 pm
- WALNUT CREEK CO Ch.6: 2nd Tue 7 pm; AS Ch.31: Tue 7:30 pm
- VAN NUYS TW Ch.25: Sun 5:30 pm

CONNECTICUT

- GROTON CC Ch.12: Mon 5 pm
- NEW HAVEN CC Ch. 23: Sat 6 pm

DISTRICT OF COLUMBIA

- WASHINGTON CC Ch.95 & RCN Ch.10: Irregular Days/Times

FLORIDA

- ESCAMBIA COUNTY CX Ch.4: Last Sat 4:30 pm

ILLINOIS

- CHICAGO CC./RCN/WOW Ch.21: Irregular
- PEORIA COUNTY IN Ch.22: Sun 7:30 pm

- QUAD CITIES MC Ch.19: Thu 11 pm

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

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MAINE

- PORTLAND TW Ch.2: Mon 1 & 11 am; 5 pm

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- MONTGOMERY COUNTY CC Ch.21: Fri. 11 pm. (start Jan.4)

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- BRAINTREE CC Ch.31 & BD Ch.16: Tue 8 pm
- CAMBRIDGE CC Ch.10: Tue 2:30 pm; Fri 10:30 am
- FRANKLIN COUNTY (NE) CC Ch.17: Sun 8 pm; Wed 9 pm; Sat 4 pm
- WALPOLE CC Ch.8: Tue 1 pm

MICHIGAN

- BYRON CENTER CC Ch.25: Mon 2 & 7 pm
- DETROIT CC Ch.68: Irregular
- KALAMAZOO CH Ch.20: Tue 11 pm; Sat 10 am
- KENT COUNTY (North) CH Ch.22: Wed 3:30 & 11 pm
- KENT COUNTY (South) CC Ch.25: Wed 9:30 am
- LAKE ORION CC Ch.10: Mon/Tue 2 & 9 pm
- LANSING CC Ch.16: Fri Noon.
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 5:30 pm; Wed 7 am
- PORTAGE CH Ch.20 Tue/Wed 8:30 am; Thu 1:30 pm
- SHELBY TOWNSHIP CC Ch.20 & WOW Ch.18: Mon/Wed 6:30 pm
- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

MINNESOTA

- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Wed 8 pm
- DULUTH CH Ch.20: Mon 9 pm; Wed 12 pm, Fri 1 pm
- MINNEAPOLIS TW Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 3 & 9 pm
- NEW ULM TW Ch. 14: Fri 5 pm
- PROCTOR MC Ch. 12: Tue 5 pm to 1 am
- ST. CLOUD AREA CH Ch.12: Mon 9:30 pm

- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun/M/T Midnite, 8 am, 4 pm
- ST. PAUL CC Ch.15: Mon 10 pm
- ST. PAUL (S&W Burbs) CC Ch.15: Wed 10:30 am; Fri 7:30 pm
- SAULK CENTRE SCTV Ch.19: Sat 5 pm
- WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

MISSOURI

- ST. LOUIS CH Ch.22: Wed 5 pm; Thu 12 Noon

NEVADA

- WASHOE COUNTY CH Ch.16: Thu 2 pm

NEW HAMPSHIRE

- MANCHESTER CC Ch.23: Thu 4:30 pm

NEW JERSEY

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- HADDON TWP CC Ch.9: Sun 10 am
- MERCER COUNTY CC Trenton Ch.26: 3rd & 4th Fri 6 pm Windsors Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.22: Thu 11:30 pm
- UNION CC Ch.26: Irregular

NEW MEXICO

- ALBUQUERQUE CC Ch.27: Thu 4 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE CC Ch.8: Thu 9 pm; Sat 6:30 pm
- SILVER CITY CC Ch.17: Daily 8-10 pm

NEW YORK

- ALBANY TW Ch.18: Wed 5 pm. TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- BETHLEHEM TW Ch.18: Thu 9:30 pm
- BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
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- ERIE COUNTY TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT TW Ch.15: Mon/Thu 7 pm
- JEFFERSON/LEWIS COUNTIES TW Ch.99: Irregular
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Irregular
- QUEENS TW Ch.35: Tue 10:30 am; TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- QUEENSBURY TW Ch.71: Mon 7 pm
- ROCHESTER TW Ch.15: Sun 9 pm; Thu 8 pm
- ROCKLAND CV Ch.76: Mon 5 pm
- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am

- STATEN ISLAND TW Ch.35: Thu Midnite. Ch.34: Sat 8 am. Ch 572: Mon & Thu 11 am; Wed & Fri 10:30 pm
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- TRI-LAKES TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm

NORTH CAROLINA

- HICKORY CH Ch.3: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

OHIO

- AMHERST TW Ch.95: Daily 12 Noon & 10 pm
- CUYAHOGA COUNTY TW Ch.21: Wed 3:30 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

OKLAHOMA

- NORMAN CX Ch.20: Wed 9 pm

OREGON

- LINN/BENTON COUNTIES CC Ch.29: Tue 1 pm; Thu 9 pm
- PORTLAND CC Ch.22: Tue 6 pm. Ch.23: Thu 3 pm

RHODE ISLAND

- E. PROVIDENCE CX Ch.18: Tue 6:30 pm
- STATEWIDE RI I CX Ch.13 Tue 10 pm

TEXAS

- HOUSTON CC Ch.17 & TV Max Ch.95: Wed 5:30 pm; Sat 9 am
- KINGWOOD CB Ch.98: Wed 5:30 pm; Sat 9 am

VERMONT

- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm
- MONTPELIER CC Ch.15: Tue 9 pm; Wed 3 pm

VIRGINIA

- ALBEMARLE COUNTY CC Ch.13: Sun 4 am; Fri 3 pm
- ARLINGTON CC Ch.33 & FIOS Ch.38: Mon 1 pm; Tue 9 am
- CHESTERFIELD COUNTY CC Ch.6: Tue 5 pm
- FAIRFAX CX Ch.10 & FIOS Ch.10: 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: Tue 10 am
- TRI CITIES CH Ch. 13/99: Mon 7 pm; Thu 9 pm
- WENATCHEE CH Ch.98: Thu 1 pm

WISCONSIN

- MARATHON CH Ch.10: Thu 9:30 pm; Fri 12 Noon
- MUSKEGO TW Ch.14: Sat 4 pm; Sun 7 am

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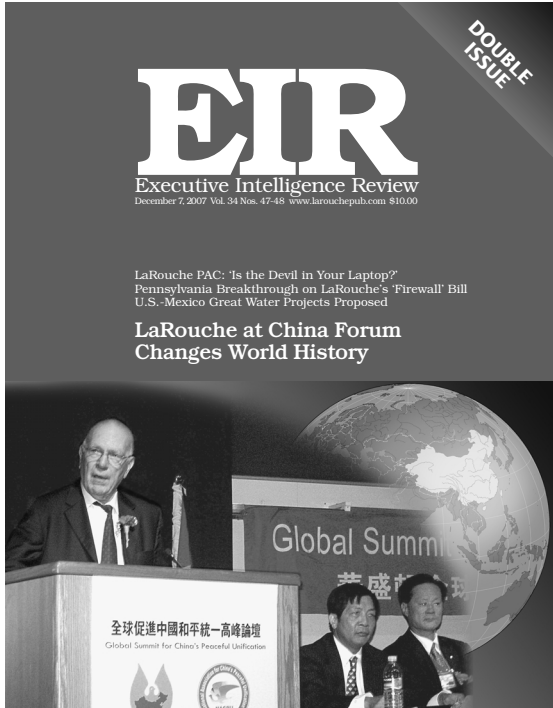
- GILLETTE BR Ch.31: Tue 7

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