

What Carter Should Have Said

The following analysis was released on April 13, 1978 by U.S. Labor Party Chairman Lyndon H. LaRouche, Jr.

Informed circles in the U.S. and in European capitals are frustrated, but not despairing, by the uselessness of the mistaken analysis and unworkable proposals featured in President Jimmy Carter's much-publicized "anti-inflation" address of April 11. The consoling feature of Carter's address, in the opinion of those better-informed circles, is that President Carter did not capitulate to the kinds of policy statements strongly demanded by the British and their sympathizers in and around the Carter Administration and Congress.

In brief, President Carter is continuing to perform a kind of balancing act between the pro-American and pro-British pressures acting upon the White House. This is

the essential feature of Carter's statements on the "neutron bomb," on U.S. policy in Africa and in the Middle East, his policies on defense of the U.S. dollar, and his policies on "energy issues." The weakness of Carter's performance is that in continuing to attempt to be all things to all people simultaneously, he benefits and pleases no one, and continually undermines his own credibility and influence.

Despite the recurring representation of President Carter as a man of deep, religious moral convictions, the unfortunate truth is that Carter is a man lacking in the ability to assume a strong, independent position in favor of policies determined to be consistent with fundamental U.S. interests. Carter shows predominantly the same moral defect as Republican Presidential-nomination aspirants Brock, Baker, Dole, Ford, et al. He is not a

Playing It Both Ways

A sampling from President Carter's April 11 speech on economic policy shows the President attempting to make concessions to both of the factions in his Administration that are struggling for control of U.S. policy.

To the low-growth and austerity advocates centered around "technocrats" Treasury Secretary Blumenthal and Energy Secretary Schlesinger, Carter said:

On Energy:

"The primary reason for our problems with the balance of trade and the decreasing value of the dollar is no mystery. Ten years ago we were paying over \$2 billion a year for imported oil. This year oil imports will cost us more than \$45 billion.

"Of all the major countries in the world, the United States is the only one without a national energy policy, and because the Congress has not acted other nations will have begun to doubt our will. Holders of dollars throughout the world have interpreted our failure to act as a sign of economic weakness...."

On Wages and Labor:

"I'm determined to take the lead in breaking the wage-and-price spiral by holding Federal pay increases down. Last year Federal white-collar salaries rose by more than 7 percent. I intend to propose a limit of about 5.5 percent this year, thereby setting the example for labor and industry to moderate price and wage increases.

"States and local governments employ every seventh worker in our nation. And I've sent letters this week to every governor and to the mayors of our major cities asking that they follow the Federal example and hold down their pay increases....

"Let me be blunt about this point. I am asking American workers to follow the example of federal workers and accept a lower rate of wage increase. In

return they have a right to expect a comfortable restraint in price increases for the goods and services they buy.

On Regulatory Agencies and Industry:

"...I'm asking the independent regulatory agencies to try to reduce inflation when they review rate changes and to explore regulatory changes that can make the regulated agencies more efficient."

(Carter specifically recommended regulatory attacks against the trucking, timber, hospital, and postal industries.)

"The combined actions of my Administration and the Civil Aeronautics Board have already led to substantial cuts in some airline passenger fares...Despite the opposition of private interests, the airlines regulatory reform legislation must be enacted this year."

To the "political" faction favoring high-technology exports and an expanded Eximbank role, and led by Special Trade Representative Robert Strauss, the President said:

"...To prevent further serious trade imbalances, we need to export more agricultural products and goods and services to pay for our purchases abroad.

"A Cabinet-level task force headed by the Secretary of Commerce will develop these additional measures for me to promote exports and report back within 60 days.

"To accomplish our decelerating goals in the private sector, I'm asking my Special Trade Representative, Robert Strauss, to take on additional duties as a special counselor on inflation.

"He will work directly with me...He will have a specific authority to speak for me in the public interest and will be a member of the Steering Committee of the Economic Policy Group, under the chairmanship of Secretary Blumenthal."

person of strong, independent convictions of rigorous judgment, but often a leaf blown in the winds of what appears at each moment to be the prevailing consensus of opinions. The compensating advantage of a President Carter over a President Walter F. Mondale is that Carter is not committed to the evil, neo-Schachtian, British-shaped policies of a Mondale. Carter is only a weak President, not, as Mondale would be, an evil President. Carter is a man of short concentration span who is so far demonstrably unable to think an issue through rigorously.

The need in the United States is for a strong, clear voice from a coalition of policy-formulation forces. A strong climate of leading, pro-economic growth opinion must be developed, to tilt the balance of forces around the Administration in such a way that President Carter will end his present Humpty-Dumpty wobbling act, and adopt a strong, consistent position in favor of workable policies actually in the United States' vital interests.

Once the White House problem is viewed from that vantage point, the nature of the problem is clearer. Although a high-technology export program, featuring nuclear energy projects, is the only solution to the vital interests of American labor, the pro-British, Fabian influences in the UAW and AFL-CIO bureaucracy, notably including Jacob Clayman of the Industrial Union Department of the AFL-CIO, continue to be a major obstacle to trade-unionists' expressing their vital interests, and create a circumstance in which the most visible, nominal representatives of labor demand policies which are predominantly contrary to the most vital interests of working people and minority groups. This situation in the labor movement places the greatest importance on the role of traditionalist forces within the Republican and Democratic Parties, especially those linked to variously industry, progressive farming, and the traditionalist rank-and-file of the labor movement. It is British subversive influences within so-called conservative Republican, Democratic, and industrial circles which causes confusion within those ranks, and which prevents the White House from seeing a clear broad base for alternative policies.

But for continuing corruption within the Federal Election Commission and other agencies, it would have been worthwhile for the U.S. Labor Party to attempt to secure air-time for this writer to respond to President Carter's statements of April 11. For various reasons, this writer is the best qualified political economist in the world today, and best qualified to state the facts of the current dollar crisis, as well as best qualified to inform the American people of those workable alternatives which could immediately send the value of the U.S. dollar moving past the level of 2.35 deutschmarks toward the range of 3.00 deutschmarks.

The Solution

A growing number of leading forces inside the United States and other nations are currently prepared to implement precisely the sort of measures the U.S. Labor Party proposes. These measures center around proposals to augment the role of the existing U.S. Export-Import Bank. It is agreed among the best-informed governmental and private circles that a \$40 billion level of

funding for the Export-Import Bank could, with aid of private initiatives such as those launched by Nelson A. Rockefeller, lift U.S. high-technology exports by amounts ranging from \$200 to \$300 billions a year. Through such measures, the present annual export-import deficit, estimated in the order of \$60 billion for calendar year 1977 would be converted into a surplus of from \$100 to \$200 billion annually.

There are other conceivable ways of accomplishing the same result, but the use of an existing institution, the Import-Export Bank, together with existing private programs, such as that launched by Nelson A. Rockefeller, is the best choice, the most practicable choice, since it is an arrangement which existing institutions, both public and private, can proceed to put into effect for immediate results.

The essential principles beyond this solution are as follows.

The Export-Import Bank-centered approach is the cheapest, most effective way to quickly start a general economic recovery within the United States, because it makes use of the vast number of idle work-places in industry representing existing plant, machinery and equipment already invested. It is the most direct and cheapest way to reverse the pattern of rising official and hidden unemployment which has blighted the U.S. economy since the 1957 leveling-off of industrial expansion rates, and which has been accelerated repeatedly since the inflection-points of higher rates of down-turn of 1966, 1968, 1971, and 1973-1974. It is not necessary to create new work-places for quickly reversing unemployment trends. It is sufficient, for a beginning, to use the existing work-places left idled in private industry.

A \$200 to \$300 billion increase in U.S. high-technology exports means more than putting idle work-places back into production. It means the kind of increase in U.S. industrial exports which raise industries above the breakeven points, foster reinvestment in existing plant, machinery and equipment, and job-expansion in industry of the sort bringing the nation back to a full employment level.

It is the program of exports which fits the pattern of demand abroad. The petroleum-exporting nations, including OPEC nations and now joined by Mexico — potentially a major exporter of petroleum, natural gas and uranium — are committed to the proposition of converting their revenues from petroleum sales into long-term, high-technology investments in industrial development and food production. In addition, with an upturn in production in the industrialized nations, the primary-commodity exports of countries such as Zambia, Peru, Chile, and many other developing nations will increase, enabling those countries to join with OPEC nations in fostering large-scale high-technology development projects.

The market for U.S. high-technology exports is enormous. These markets are of two kinds. In part, the market is represented by direct exports of U.S. high-technology to developing nations. The second market is the purchase of U.S. capital goods for retooling and expanding export industries in France, Italy, and other industrialized nations.

The effect of such programs on the value of the U.S.

dollar is immediate and massive. Today, there are hundreds of billions of U.S. dollar debits racing about on the books of foreign financial and corporate entities, as well as piling up in the national banking systems of such nations as West Germany, Switzerland, and Japan. These dollars are largely worthless because the failure of the United States to export sufficiently means that those dollar-debits held overseas cannot be traded for U.S. goods. Once the U.S. joins with France and other allies in high-technology development projects, those same dollars which are presently becoming worthless suddenly become as good as gold. To the extent that U.S. industries represent an indispensable source of some of the best capital-goods technology in the world, purchase of U.S. capital goods by foreigners becomes the soundest investment available — an investment which cannot be made without using U.S. dollars with which to purchase such U.S. exports. Suddenly, the U.S. dollar debits which seem to be today's liability against the value of the dollar become the most valued financial assets in the hands of foreign investors in U.S. high-technology exports.

Under those circumstances, the anticipated future value of the dollar will force an immediate upvaluation of

the dollar in world financial markets, prediscouinting the rising trading value of the dollar which will occur as export programs actually get under way.

That solution to the problem of the dollar is the ABC of any sound economic approach. Nothing else will work. Anything else is useless spinning of the wheels of national policy.

There is one outstanding problem which remains to be examined, the problem of the outstanding mass of non-performing foreign indebtedness of many nations, especially among the developing nations. We shall review this problem and its solution after first reviewing the incompetent proposals stated or implied by President Carter's address of last Tuesday.

The Idiocy of "Fiscal Conservatism"

The discussion of the problems of the dollar and the related problem of inflation as reported in most of the U.S. daily press is pure nonsense.

One school, the so-called "fiscal conservative" school, proposes that since the expansion of the money supply increases the ratio of dollars to available goods for sale, that the solution to inflation is to reduce the money

Two Views From The Press

There were two politically significant reactions from the press to Jimmy Carter's April 11 speech.

The first was the predictable response from the likes of the Washington Post: "instant replay" of the latest attacks on Carter from the British press, berating him for his lack of leadership and setting the stage for the effective or actual seizure of executive power by Walter Mondale and his "technocrat faction" cronies.

The second took a happier form — rumors that Treasury Secretary Blumenthal had suffered a significant factional setback and may be considering resigning, opening the way for his rival, Strauss, to take a major economic post in the Administration.

Here are excerpts from the press illustrating both.

New York Post (owned by British-Australian "press lord" Rupert Murdoch), editorial, "Battle Cry or Prayer?," April 12:

President Carter yesterday spelled out the elementary truth about inflation — the "preoccupation with self" that leads Americans "to favor sacrifice so long as someone else goes first." Will his message change anything? Or will it be one more document in his volume of collected words?

His policy on curbing inflation offered no such cures or original formulas. In fact, he argued that the remedy lies primarily in the private sector and cannot be imposed by government....In return for these admittedly symbolic acts, the President implored business and labor to follow his example by holding down prices and wages. The stick of wage and price controls was flatly ruled out, leaving Carter only the tools of the carrot and the jawbone. Will they prevail?

The Washington Post, "Financial Community Disappointed," April 12:

The financial community reacted with disappointment to President Carter's inflation speech yesterday, but business leaders were receptive to the President's

call for voluntary restraint among all sectors of the economy.

The President's program — the broad outlines of which were rumored for weeks — failed to convince either stock market investors or foreign currency traders.

Washington Star, "Blumenthal Angry Over Strauss Role in War On Inflation," April 13:

President Carter is embarking on his new strategy to combat inflation with one cabinet official who should be a major victor in that strategy, Treasury Secretary Michael Blumenthal, angered by both the designation of Robert S. Strauss as "special counselor" on inflation and the way that decision was reached.

Strauss was named... "over Blumenthal's strong objections"....Even more galling to Blumenthal, the decision to give Strauss the role as Big Casino was never passed on to the Treasury chief until the morning of Carter's speech...

Blumenthal and Council of Economic Advisors chairman Charles Schultze were "put in the embarrassing position of briefing economic reporters the night before the speech without knowing about the decision to put Strauss in charge...that is known in the capital of the free world, as elsewhere, as having egg on your face."

One source close to the Treasury Secretary described him as "not overly happy by the way it was done"....

There were hints from some quarters that Blumenthal has threatened resignation in heatedly protesting to the White House the cavalier treatment he had been given. White House officials were determinedly closed-mouthed about the incident, but none sought to dispel the notion that Blumenthal had indeed lost the policy decision and been left out in the cold!....

supply. There are various packages proposed for this purpose, all of which have the inevitable morally insane consequence of plunging the U.S. economy into the deepest of depressions.

Another school, the Keynesian "funny-money" school, proposes that the problem of unemployment must be solved by expanding the money supply and federal deficits for various military spending or other make-work projects paid for out of the government till. Since the results of such employment have no sale value in the private market for goods and services, the Humphrey-Hawkins and similar proposed make-work programs are not only as purely inflationary as the conservative critics allege, but have the more hideous feature of shifting employment from skilled productive forms to Nazi-like make-work programs of "full employment" in labor-intensive, relatively slave-labor modes.

Both kinds of proposals are economically imbecilic. Both obsessively ignore the ABCs of the problem. The problem is that the United States' industry and agriculture are not exporting sufficiently and are therefore not producing sufficiently to stop unemployment and inflation trends. The "fiscal conservative" monetarist approach would cut the flow of credit to industry while causing a relative increase in the ratio of inflationary financial speculation — resulting in a hyperinflationary depression of the kind Nazi Finance Minister Hjalmar Schacht set off in Germany. The "funny money" full employment schemes would simply worsen the inflation and would depress production to the point of shrinking the national tax-base while increasing the payrolls for make-work governmental non-productive employment.

Raising interest rates, as proposed by pro-British asset-stripper G. William Miller of the Federal Reserve, is outright insanity. A rising interest-rate prevents industry from borrowing, causing a collapse in employment levels as a result, while forcing financial flows into non-productive hyperinflationary speculations.

The common insanity of all these much-reported kinds of proposals is that they obsessively avoid facing the ABCs of the problem. They have the common feature of refusing to face the fact that the growth of industrial output and employment is the only basic solution to problems of economic decline and inflation.

The monetary problem of the U.S. economy is not that the United States is printing too many dollars. The problem is that those dollars instead of flowing into retooling of existing investments in industry and agriculture, into increased useful industrial and agricultural production, are pouring into a pyramiding of non-performing debt and speculations in debt of non-productive sorts. We must have the reduced interest-rates which favor industrial and agricultural investments and prosperity, and must take measures to penalize the income of inflation causing speculation.

This must lead to a revision of our tax laws and related governmental fiscal policies, to reduce the rates of taxation on those profits and savings which are directly reinvested in job-creating high-technology industry and agriculture, while increasing the rates of taxation on those categories of income which lie outside the real income requirements of households and outside the process of reinvestment in development of productive industry and agriculture.

In other words, either government must socialize profit-income and take over controlling the flows of capital directly, or government must maintain the capitalist private mechanisms for effecting the same results. Government must act to make it relatively more profitable to private initiative to do those things which benefit the national interest, and relatively less profitable to engage in investments which weaken the dollar and the national economy.

The history of the United States demonstrates that the most effective role of government in the economy has been not as a direct producer, but through the use of the credit for those forms of private initiative which are in the national interest. This principle is illustrated by the proposed expansion of the activity of the Eximbank. Forty billion dollars of credit-leverage of that bank can interact with private capital flows on the world market to generate levels of increase of exports in the order of \$200 to \$300 billion. In other words, \$40 billion of government-backed credit, intelligently used, can have as much benefit for the national economy as a direct \$200 to \$300 billion subsidy of the Humphrey-Hawkins model. Only an imbecile could prefer the Humphrey-Hawkins model.

Once we focus attention on the real issue — the issue of providing credit for a massive expansion of employment through activation of idled, existing work-places, we push aside as foolish and incompetent the various "fiscal conservative" and "funny money," hare-brained schemes pushed by the *Washington Post* and other British conduits.

The Problems of World Debt

The root of the present problem of the dollar is the way in which debt has pyramided inside and outside the United States, especially since the Administration of President John F. Kennedy. The Eisenhower Administration had projected an essentially viable global solution to the main political and economic problems facing the United States, around the so-called Atoms-for-Peace policy. The Nixon Administration was initially committed to reviving that Eisenhower Atoms-for-Peace program under the name of the "Rogers Plan." Unfortunately, British secret intelligence-trained Henry Kissinger was able to use his position in the National Security Council and State Department to sabotage the "Rogers Plan." So, the nuclear energy-centered economic development of Third World nations, a development which would have enabled them to carry their foreign debts, was sabotaged by British sympathizers operating within the Kennedy, Johnson, Nixon, and Ford Administrations.

In consequence of those British-influenced failures of United States domestic and foreign policy, the debt issue confronts the United States today in a twofold way. The continuation of the British colonial policy, of keeping developing nations in relative backwardness as raw materials exporters, has caused a spiralling of those nations' foreign debt obligations and a shrinking of their potential to produce to meet growing debt obligations. The result of the decline of Third World markets caused a constriction on the combined export markets of the industrialized nations. U.S. exports were thus directly constricted by the effects of shrinking Third World markets upon the capital investment programs of

Western Europe. The constriction of U.S. exports, aggravated by the inflationary effects of the prolonged Vietnam war, caused the debt-equity ratio of U.S. corporations and farms to rise.

In effect, both globally and domestically, the toleration of the British doctrines of Adam Smith and his followers by the powerful United States has caused a pyramiding of debts under circumstances of relative stagnation and current decline in the levels of production of the income from which to meet debt obligations. At present, that problem of debt has become a deadly, potentially terminal form of monetary cancer throughout most of the world. Most of the increased flow of credit, such as that pumped out of Blumenthal's Treasury and a Federal Reserve caught in that bind, is currently flowing into the refinancing of a debt which could never be paid under existing economic trends. It is the refinancing of this nonperforming, pyramided debt-structure which is the principal present cause of deadly monetary hyperinflation.

Consequently, although there exist massive opportunities for viable high-technology investments in the developing nations, those investments do not occur, because the affected nations generally cannot add new indebtedness for these investments to the mass of unpayable pyramided debt already outstanding against them. That is the sole reason for the collapse of U.S. export levels, the sole reason for the import deficit of the dollar, the sole reason for the collapse of employment levels inside the United States.

We can get around this debt problem in certain cases. The holding of large balances by OPEC nations means that these nations represent a portion of the developing sector which can immediately absorb large masses of high-technology imports on behalf of both their own economies and other economies with which they have special agreements. The case of the relationship of Saudi Arabia to the 40 million population of Egypt is an example of such special cases. It is useful to respond to that opportunity now, as an obvious way of getting the general global economic recovery under way.

However, to realize a full and sustained recovery from the present global economic depression, we must face the debt problem directly.

One approach would be to simply negotiate an international bankruptcy reorganization for those portions of outstanding debt which are clearly unpayable. A United States government led by the present writer as President could handle such a problem. The present Administration, the Carter Administration, could not. Therefore, for the present, a general debt moratorium is politically impracticable. A more flexible, resourceful approach to a solution must be adopted.

The model for a solution to such problems of indebted developing nations was developed by the first George Washington Administration under the direction of Secretary of the Treasury Alexander Hamilton. Hamilton not only stabilized the credit of the United States in the short-term, but laid the basis for longer-term results on which the economic greatness of the United States was premised. The principal features of Treasury Secretary Hamilton's method are applicable to the problem of the present situation.

On condition that developing nations are committed to

high technology industrial and agricultural development, to the principle laid by Hamilton in his 1791 *Report on Manufactures*, their future debt-repayment powers will be massive in relation to the levels of presently nonperforming debts outstanding. Therefore, the alternate, Hamiltonian solution to the Third World problem is to negotiate suitable agreements with each and every developing sector nation which commits itself to Hamiltonian policies of high-technology progress and matching national banking policies. On the basis of a nation's firm commitment to high-technology development of industry and agriculture in terms of sound projects to this effect, we must assume that the future ability of the nation to pay its debts for capital and related imports is adequately secured. If that nation will also establish Hamiltonian national banking policies, the nation's present creditors should reorganize its present foreign debt situation in such a way as to defer the bulk of payments on a suitable future time according to some suitable schedule.

Governments should be encouraged to offer grants and amnesties to such nations as part of this urgent debt-reorganization. We also have at our disposal one more means to further massive easing of those debt-burdens. The International Monetary Fund and its associated World Bank represent both a crucial portion of the nonperforming debt of developing and other nations, and institutions which could sustain a prolonged debt moratorium without adverse effects on the national banking systems of nations with holdings in the IMF and the World Bank. Furthermore, the efforts of the IMF and the World Bank to manage their debt-portfolios is the principal cause of the worsening of the present world depression, a situation which indicates that those institutions have more than outlived their tolerable usefulness under present circumstances.

The United States must propose to other governments that general debt moratoria be adopted for debt to the IMF and the World Bank. Those two, presently useless institutions, should simply be frozen for the duration of the current world monetary and economic crisis, and their books reopened for negotiated settlement of accounts at some suitable future date. No national economy or its banking system would be injured by such measure.

The special concern of the United States involves key commercial banking institutions of our Federal Reserve System. These banking institutions are the apex of our domestic savings and credit structures, and the essential structures of credit flow for orderly financial management of industry and agriculture. Since the 1971 crisis of the dollar, a crisis forced upon the United States by the cupidity of the government of the United Kingdom, the constriction of domestic industrial growth has impelled our leading commercial banking institutions into an unwise involvement in the so-called Eurodollar market, resulting in most unhealthy ratios of nonperforming and other poor-grade debt in their portfolios, especially on foreign account.

The United States government cannot indulge itself in the moralistic attitude that these banking institutions ought to suffer the consequences of their imprudence. We cannot allow the chain-reaction in our commercial banking system such consequences imply. We must act

to stabilize and strengthen the position of the essential institutions of private savings and credit.

Two, complementary approaches must be taken through cooperation between government and our national banking system. Over the long term, by involving these institutions as participating lenders in the creation of new, viable credit for our domestic industry and agriculture, and in viable export projects, we must build up the mass of viable items in those banks' portfolios, so that the ratio of good to poor paper is improved in the portfolios of commercial institutions. The federal government and banking system as a whole can establish appropriate special discounting and other procedures for stabilizing paper held against foreign debtor accounts over the term of its rescheduled maturities.

Over the intermediate-to-long term, the policy of the government and also the banking system must be to gradually let out the "hot air" from bad foreign holdings and domestic real-estate and other affected categories of poor paper in a manner such that the losses incurred can be absorbed without destabilizing the viability of the principal affected financial institutions. Such an approach will work only on the condition that the national and world economies are enjoying sustained forms of sound expansion. Under those conditions, the frightening short-term obligations of today become the easily paid or written-off items of an expanded, more prosperous economy.

It is not necessary for the government of the United States to threaten any nation with reprisals to secure that nation's adoption of Hamiltonian principles of economic development and national banking. Those policies are already the policies of our neighbor, Mexico. Most nations of the developing sector would leap forward to make such agreements with the United States. Others, who hesitated, would soon learn the folly of their hesitation by contemplating the benefits being accrued by the nations which had agreed previously to such agreements.

Basic U.S. Economic Policy

The United States is the product of the foresight of those leading 16th and 17th century humanists of Europe who, recognizing the wickedness embedded in the oligarchical forces of anti-industrialism and zero-growth in their own nations, resolved to create on these shores a new nation, a nation built by settlers who represented the most literate, most cultured elements of the populations of Europe, a nation free of the oligarchical traditions and encumbrances which spoil the political institutions of European nations to the present day. Their purpose in so creating this new nation was modeled on the policies of Plato, the policies of the Ismaili giants of Islam, to create a new state whose existence and achievements would act as an added lever for the progress of the human race globally.

The principal architects of the United States were English Neoplatonic humanists of the 16th and 17th century-Commonwealth Party associated with John Milton. Originally, those humanists had envisaged American colonies made up of the most literate and cultured sections of the English population as the lever for uprooting the oligarchical institutions of England itself. By the end

of the French and Indian Wars, it became clear to our political forebears around Benjamin Franklin, that the political and moral degeneration of England had gone too far to hope for a foreseeable common humanist solution between the American colonies and the so-called mother country. Beginning in 1766, Franklin and others shifted the center of gravity of the American alliance from England to the humanist heirs of Richelieu, Mazarin, and Colbert in France, to the circles around the great Vergennes and Turgot. With humanist aid, America established a new nation on this continent through the League of Armed Neutrality, an alliance of the states of continental Europe against the evil Britain in behalf of the United States.

From the Treaty of Paris of 1783, when Britain was forced to reluctantly accept the independence of the United States, until the year 1863, Britain conspired to destroy the United States physically, and was prevented from making war upon the U.S. in 1863 only through the threats of Russian Czar Alexander II to make war on England and France if they intervened against the government of Abraham Lincoln. Since 1863, when Britain reluctantly accepted our nation's existence under the threat of Russian guns, Britain shifted to its fall-back position, of attempting — with some success — to subvert us, to make the United States a "dumb giant" rushing about the world in British imperialist service with a British chain attached to the nose of our nation's government.

This British subversive influence over our nation was aided by the assassination of three U.S. presidents by the British Secret Intelligence Services (SIS) — Presidents Abraham Lincoln, James Garfield and William McKinley. This British subversive influence galloped ahead immediately following the SIS assassination of President McKinley. The National Civic Foundation, the Russell Sage Foundation, and later the Brookings Institution, acted as centers of penetrating subversion of U.S. policies and institutions. The RAND Corporation is a post-World War II continuation of the subversion of the United States through dupes and traitors associated with such SIS branches as the Royal Institute of International Affairs, London's International Institute for Strategic Studies, the London Tavistock Institute, the Institute for Policy Studies, and the Rhodes Scholarship Institution. To cast a smokescreen of fraud around this subversion, SIS created not only rags such as the *New Republic*, but a legion of liars of British persuasion, such as Charles A. Beard, William James, John Dewey, and the networks of the SIS conduit, the League for International Democracy, as well as SIS's Fabian networks within our organized labor movement and other institutions.

Despite that British subversive and matching treason among pro-British American citizens, America remains America, and Britain represents to this day every policy that is the moral enemy of United States Constitutional principles and vital interests. Outside the ranks of the British-dominated liberals and radicals, the majority of our citizens are Americans in their outlooks, their essential sense of what is right and what is wrong. It is the duty of the President of the United States not merely to represent the specific electorate which has raised him

to that office. The duty of the President is to rally especially those forces of the electorate, outside the British corrupted liberal and radical strata, which are organically committed to the principles — the anti-British principles — on which this nation and its Constitution were founded.

The continuing, fundamental difference between the United States and the United Kingdom is the difference between the American system and the British system of political economy. The American system is based on the principle of scientific and technological progress both for our own nation and the world. This commitment is addressed to a more fundamental moral purpose, that of providing a society in which the essential human qualities of the individual citizen, his or her creative powers for discovering, transmitting, and assimilating knowledge, cause the citizen to value himself, herself and others for those distinctively human qualities.

The British system is based on the objective of preserving the rule of an hereditary oligarchy allied with the British monarchy. This oligarchy regards scientific and technological progress as the fundamental source of threats to its continued hegemony. That oligarchy is committed to slowing down technological progress in England itself as much as possible through keeping the rest of the world in relatively greater technological backwardness with respect to Britain. Morally, the British oligarchy is committed to halting technological progress as much as it deems feasible, to keeping the bulk of humanity in the backward, labor-intensive state which causes man to resemble morally a lower form of animal life, a beast whose labor and mode of existence are unchanged from generation to generation, just as a beast's behavior is essentially unimproved over the duration of the existence of specific varieties.

This difference between America and England was the irrepressible issue of the American Revolution. England, whose policies were typified by the wretched hoax, *The Wealth of Nations*, written by the liar Adam Smith, proposed to keep the United States in a rural-centered relative backwardness, to prevent our forefathers from developing industry and advancing our methods of commerce and agricultural technologies.

It is not surprising or accidental that the British-influenced liberals and radicals among our population and that of other nations should have been used for zero-growth movements by networks of British Secret In-

telligence Services or should be spouting the same British policies of anti-industrialist zero-growth against which the American Revolution was fought.

This is not only a matter of adhering to our Constitution, our Neoplatonic-humanist traditions. Economic development through advanced technologies is not only the absolute imperative for the human race today. Economic development, the emphasis on the creative powers of the mind of the citizen, is the indispensable practical framework of daily life in which the citizens regard themselves and others as human beings, and not as akin to lower beasts. There can be nothing but hypocrisy to speak of concern for "human rights," and to tolerate those zero-growth, antinuclear policies which deny persons the right to regard themselves as human.

The economic policy of the United States must always be a continuation of those principles governing the intent and efforts of those European humanists who made our nation possible. We exist to be a force through which the world is freed from the vestiges of decayed oligarchies and oppressive backwardness of all kinds.

Through our evolution as a nation, that continuing national moral purpose assumes a specific economic policy form. We have the most developed labor force and matching technological capabilities of any nation of the world. Our destiny, our duty, our opportunity lie chiefly in continuing to develop as the most advanced tool-maker for the world, the world center of fundamental scientific research, the ever-advancing technological giant whose export of high technology capital is the crucial element in the technological progress of other nations.

The world-historical task embedded in the foundation of our nation is only half accomplished. Until the world is transformed as our predecessors from Thales, Plato, and others understood it must be transformed, the United States must be the principal revolutionary instrument through which the whole of our species is brought into the adulthood of humanity. Our present role as the world's leading producer of advanced capital goods, as the world's scientific leader, is the central form of that task, as far as the future can be envisaged. If we recommit ourselves to the moral purpose underlying our long battle against England, we shall succeed for the foreseeable future, and shall have thereby laid a foundation such that we need not fear what fate may be in store for us beyond the foreseeable decades ahead.

Healey Budget Makes It Official:

Sterling In For Rout

British Chancellor of the Exchequer Denis Healey took a major political gamble last week in the announcement

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of his Spring Budget...and promptly lost, as world markets turned their backs on his attempts to create a stable atmosphere for the pound.

Heavy intervention from the Bank of England has prevented any precipitous drop in sterling since the budget's revelation, but the London Stock Exchange dropped 18 points in two days.

As one Rothschild family-linked banker put it, "The markets perceived, in spite of the *New York Times* coverage of it as reflationary, that Healy is deflating because the pound sterling is weak—he has to prop it up. In reaction to his efforts, most of our clients are pulling