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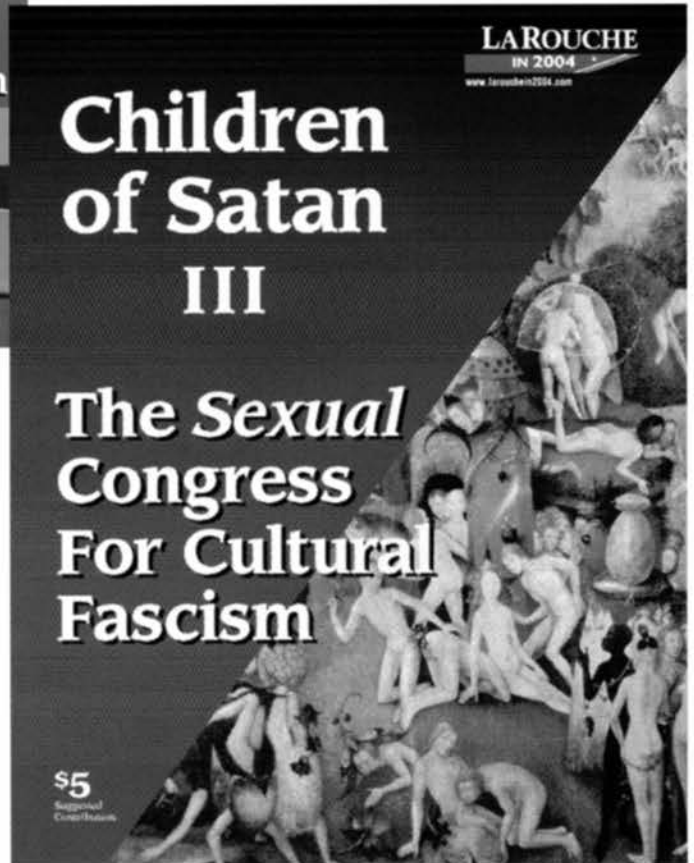
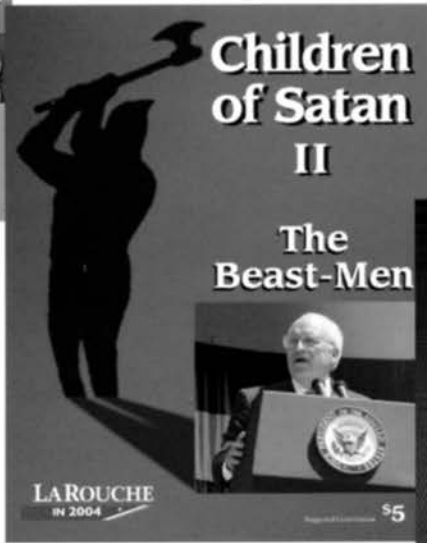
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LaRouche Tells Dems. Take FDR Legacy or Face Fascism
Philippines: Nation Being Pushed Over the Cliff
Senate Report Says No Basis for Cheney's Iraq War

Gauging Forty Year Collapse Of U.S. Physical Economy





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From the Editors

We've got Dick Cheney "on the proverbial political ropes," writes Lyndon LaRouche in his *Economics Policy* feature in this issue. But the tougher job lies ahead: "So, now, with that relatively minor success under our belts, we must move on from that important, but relatively marginal fact, to the much more important task of inducing relevant powers to join me in rescuing an otherwise presently doomed world economy." Any effort merely to reform the bankrupt system, he continues, short of returning to FDR's Bretton Woods design, "would inevitably accomplish nothing more during the months immediately ahead, than making the world's situation gravely worse, by postponing the needed remedies, than it is already doomed to become."

LaRouche's piece takes off by airing a bit of "our family laundry"—the flaws among his Baby-Boomer associates, which they share with almost all of their generation, and which block their efforts at economic analysis and business management. The Baby-Boomer generation, fixated on "my money," is incapable of understanding how to earn real income; this is proven again by the idiocy of the Democratic Party, in buying the faked Bush "recovery" that lasted all of two months with virtual jobs, because all they really believe in is financial markets. Editor LaRouche vows that *EIR's* coverage disdains financial market reports and tea-leaf reading; instead, we are developing pedagogies for showing citizens what is happening to the real economy.

The alternative, as LaRouche discussed in his July 15 webcast (see *National*), is a rapid descent into fascism worldwide. For an American citizen or political leader, the only way to avert such a disaster, is *not* to choose "the lesser of two evils" in the Presidential race, but to fight to transform the political geometry—from the highest plane of the Sublime, as Martin Luther King, Jr. did in his day. That is the challenge that LaRouche gave his youth movement, in discussions at the webcast conference about how they will intervene in Boston during the Democratic Convention. "Once you have the sense of that," he told them, "that you are working *together*, around that understanding of *who you are*, and what you represent, you are an infectious, unstoppable force, that this planet desperately needs. That's your mission." (For the full text, see www.larouchein2004.net.)

Susan Welsh

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National

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Speaking to a webcast conference in Washington, D.C. on July 15, Lyndon LaRouche refocused his 20-month mobilization to force out Vice President Dick Cheney, on the Democratic Party: "It's not who's going to be nominated for President. That's not the issue. Who is going to *own* the person, who is nominated for President. That's the issue. That's what the Convention in Boston this next week means!"

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The Policy for Physical-Economic Reporting

by Lyndon H. LaRouche, Jr.

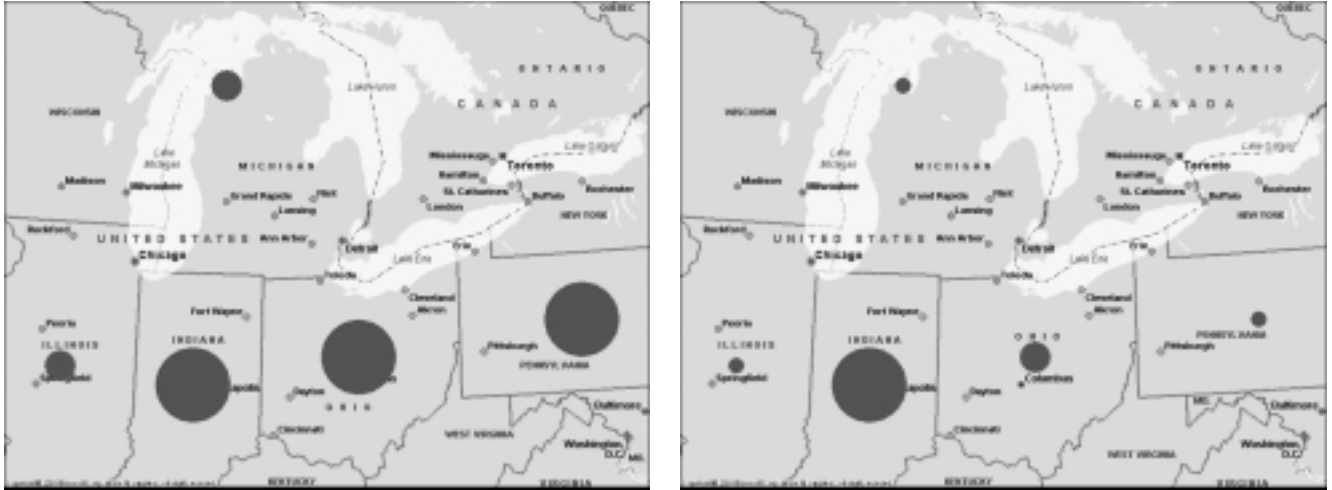
Prefatory

The following, formal restatement of the internal economic policy of our association and its publications, was initially prompted by the need to promote a timely eradication of certain residual, slovenly, often politically opportunistic habits which have continued to creep into our international association's practice, even since the time, two decades ago, I, rather gently, but firmly expelled London School of Economics matriculant David P. Goldman from our economics staff. I did that then, because of the persistence of his opportunistic moral corruption, and dubious, duplicitously conducted dalliances, in the economic and related departments of our work.

I had hoped, at that time, that my needed actions then, would be taken as a warning against similar wrong-doing in times to come.

Unfortunately, the aftertaste of that case of David P. Goldman, and of similar problems during the 1977-1984 interval, has lingered up to the present time. This has been typically expressed in the form of those opportunistic habits of thought which are typical of the Americas' and Europe's now ageing "Baby-Boomer" generation, producing fads such as the northern Virginia environment's morally corrupting "Winstar mania" of 1999-2000. That type of pathological behavior in the matter of economics, which had been the originally intended target of an internal report to my associates, is a habit, rampant in the cultures, university campuses, and editorial boards of Europe and the Americas, against which I have continued to fight to defend the economic, related editorial work, and political orientation of our association with (happily) significant, but imperfect success, up to the present instant. The problem addressed so, is, in principle, the same continuing, widespread, offending tendency, among professionals, business managements, and governments, exhibited on a more or less global scale by the world crisis zooming in on us all today.

Annual Raw Steel Output in the Five Top Steel Producing States, 1973 vs. 2003



The incredible shrinking physical economy of the United States: steel production.

For example: In later years, the Goldman to which I referred here, changed his political sex, so to speak, more than a decade ago, and since then enjoys the company of his fascist cronies (the self-proclaimed “neo-conservatives”). I was not surprised by that turn in his career. The manifest decay in his moral outlook, which had prompted me to move him out of the economics sector, was already a warning of the direction he would take, if he did not mend his ways. Sometimes, even in the course of ordinary business, as some seasoned employers and security specialists will tell us—as in his case—what appeared, at first, to be simply an employee’s opportunistic turn toward intellectual sloppiness and later technical incompetence, often reflects the more serious, underlying actuality of a decadence in personal morality, as well.

However, in assembling my thoughts for what had been intended to be an internal memorandum on the subject of the continuing, endemic reflection of similar problems of sloppiness in some quarters of our work, I realized that, with some amplifications, the same argument for brightening the quality of our economics work, would serve a broader purpose, for a wider political audience, in the U.S.A. and abroad. So, I present it to a general readership here.

It should surprise no thinking person, that there is a certain congruence between the errors of economic analysis, merely typified in the worst case by the charlatanism of David P. Goldman and his neo-conservative accomplice Laurent Murawiec, and a certain sloppiness in the business management which “the Baby-Boomer instinct” tends to promote in the day to day management of the practical business affairs of even some among my associates, as well as business and governments generally, today. The contributing systemic features of the shop-worn stodginess in some nooks of the business management of our own association, are included in the implied focus

of corrective attention in this report; but, the problem so addressed is, as I have already said here, one of much, much wider significance in government, academia, and business in the larger world. Therefore, I have judged this matter to be a topic of general, international relevance, which should be aired before a larger audience.

The kernel of the point which I develop in this report, is the significance and character of the connection between the allocation of resources within an organization with a strategic quality of external political mission, such as my own, and the internal management of that organization itself.

The persistently recurring errors of management which I have been obliged, repeatedly, to point out to certain of even my leading associates, have a specific generational character, rooted centrally in the “Baby-Boomer” cultural heritage of those presently in their fifties or early sixties, which is to say the same generation of “Baby Boomers” which presently inhabits, or, if you might prefer, infests, the leading positions of management in government, private business, and academic life generally.

The distinct quality of potentially fatal economic error of mismanagement characteristic of that “Baby Boomer” generation, is an error which can, and must be precisely pin-pointed. Properly assessed, it is not only a precise kind of hysterical mental disorder, but one so definable, in a precise and profoundly scientific way, as an expression of a functional disorder which, when it is rightly recognized as a form of mental illness, opens doors of insight leading us toward recognition of ways to reach otherwise unavailable potential for progress of the general human condition today.

In this instance, I mean, by pointing to “opportunistic” behavior also found among some of my associates, to expose a widespread tendency there to adapt to what should be con-



“There is a certain congruence between the errors of economic analysis, merely typified in the worst case by the charlatantry of David P. Goldman and his neo-conservative accomplice Laurent Murawiec, and a certain sloppiness in the business management which ‘the Baby-Boomer instinct’ tends to promote in the day-to-day management of the practical business affairs of even some among my associates.” Goldman (left) and Murawiec were trained by LaRouche but “bought” by financial networks to do corrupted financial and other “analysis.”

sidered as certain actual, or merely imagined, alien standards for academic or journalistic and kindred notions of “professionalism.” The opportunist apology for “temporarily” neglecting reflections on those scientific principles upon which our work is premised, becomes, then: “Maybe, then, when we have won them over to thinking of us a part of their club, they will begin to take our argument seriously.” That was Goldman’s most commonly used sophistry back then. When challenged on that point, he swallowed, and then defended the sophistry itself; and, thus he became, in the course of time, what Brillat-Savarin and Ludwig Feuerbach proposed: Sooner or later, you become what you have swallowed. In the feral realm of the predatory form of contemporary European and U.S. “middle class” society which the neo-conservative Goldman inhabits today, what one becomes, is, often, a matter of who eats whom.

Inevitably, in the cases in which our writer or editor happened to fall for a moment into that lure of opportunism on subject-matters of economic or related character, that person’s report never quite got to the point of identifying the axiomatic issues underlying his, or her assigned putative subject-matter; those assigned issues which distinguished my virtually perfect record in long-range economic and related forecasting, as contrasted, almost consistently, to the axiomatic failures of the opposing professional opinion. Too often, our own writers and editors were disoriented by what was intended to be the sly suggestion, from the other end of the telephone: “You people have interesting ideas; but, you have to learn to express them in ways which will be accepted by . . .” *That is the corruption; if such advice from strangers—especially the stranger breed of strangers—is taken to heart, the thing which must be said, will never find a way to be said by those who have been duped by such counsel.*

The lingering after-effects of prevalent such forms of induced editorial or related expressions of opportunism on the decision-making processes of both public and private institu-

tions today, represent a presently intolerable threat to civilization. Under the influence of such opportunism, the urgently needed truth, upon which the existence of civilization now depends, would never be actually said in time to rescue humanity from the presently onrushing threat of a plunge into a planetary new dark age. The actual entry into such a new dark age were now likely, unless we say what needs to be said, in the way my successful forecasting shows that truth must be formulated—formulated in a way which must tend to provoke consternation among the ranks of “conventional economics doctrine.”

So, under the circumstances of the presently onrushing, global breakdown-crisis of the world’s present monetary-financial system, that progress which my colleagues’ have achieved in published work, so far, is, too often, still far from good enough to meet the standard which my own work has set as a target. To be exact: With rare exceptions, much of their work does not yet meet the standard which I assigned to it in my repeated specifications for an applied science of physical economy. This deadly shortfall is never more clearly expressed than in some of the all too conventional, sometimes even apolitical methods for internal practice of business management within our own association. That shortfall must be corrected now.

One associate with the protesting, raised eyebrow, will react to this present report of mine with, “But, we . . . !” Yes! Admittedly, when the reader gets to the bottom of the page of the returned examination, a reflection of the right test-question species of answer is sometimes indicated there. Even then: The problem is in the way that writer gets to the bottom of his page; he appears to reach his assigned destination, as a student might pick the right choice from a multiple-choice questionnaire, but by a route which is not actually available to anyone within the real universe. When I challenge one of them, he often defends this by apologies such as, “I know that we say . . . , but . . .”

Thus, the time has come that I must be, urgently, more demanding. The shoemaker's children need their shoes repaired again. The situation is this:

The Role of The Cheney Case

We are the best in the world at what we do, but we are, nonetheless, far from satisfied with the quality of our work so far. For example, we, together with our growing roster of collaborators have put Prime Minister Tony Blair's accomplice, U.S. Vice-President Dick Cheney, on the proverbial political ropes, when most critics from among leading U.S. and foreign political circles had exposed themselves as having, not only wrongly, but foolishly ridiculed my intention to expose his frauds, when they described it as my contemptibly ridiculous waste of effort. Even being the best at what we do, by being leaders in that way, we thereby incur the special responsibility of leadership that implies. So, now, with that relatively minor success under our belts, we must move on from that important, but relatively marginal fact, to the much more important task of inducing relevant powers to join me in rescuing an otherwise presently doomed world economy.

The world has now entered the terminal phase of that presently doomed "floating exchange-rate" monetary-financial order which was introduced in 1971-1972, introduced chiefly by the influence of George Shultz and his accomplices of President Richard Nixon's crew. This notoriety includes Shultz's notably key, destructive role at the 1972 Azores monetary conference. The changes in U.S. policy, over the interval of the Nixon, Ford, and Carter administrations—including the monstrously destructive role of Paul Volcker and Volcker's incredible successor, Alan "Bubbles" Greenspan—have now brought the world as a whole into a state of affairs in which no monetary order even remotely resembling the present "floating exchange-rate" system, could continue to exist longer than a very short time ahead. The world's present international monetary-financial system, including its central banking systems, is now worse than hopelessly bankrupt, and must be put into a Franklin Roosevelt-style reorganization-in-bankruptcy by governments, or else the world's plunge into a new dark age were unavoidable.

Dumping Cheney was only one of the beginnings of the greater task now before us. Any effort merely to reform, or adjust the present international monetary-financial system, short of returning to Franklin Roosevelt's Bretton Woods design, would inevitably accomplish nothing more during the months immediately ahead, than making the world's situation gravely worse, by postponing the needed remedies, than it is already doomed to become. The issue facing the U.S.A. and the world today, is no less than a millennial one. Unless the fundamental changes I have set forth are made, now, there is no hope for the continued existence of a recognizable present form of civilization during the immediate generations yet to come. Any objection to my statement to that effect, must be recognized as essentially a childish tantrum, as onrushing



"Dumping Cheney is only one of the beginnings of the greater task now before us." LaRouche Youth Movement street theater rally near the White House on July 13, as Republican calls for dumping Dick were multiplying, the fruit of LaRouche's 20-month-long drive for Cheney's ouster.

world history will soon demonstrate that fact with undeniable effects.

The crux of the matter to be considered in defining the larger context of this report on the principles of business management for an association such as my own, is that there is no longer any sane reason for hope of avoiding a rather immediate plunge of the entire world into a prolonged "new dark age," unless the present monetary-financial system is replaced, abruptly and comprehensively, by the return to something like that which U.S. President Franklin Roosevelt intended in his direction of the design for the post-war fixed-exchange-rate system of economic protectionism. That onrush of a threatened, rather immediate plunge into a general, global economic breakdown-crisis, affecting every facet of personal life in the Americas and Europe, among other places, is the only political subject worth discussing among serious people, in any setting today. There is no other subject-matter of discussion, including the little matter of some faulty business management logic which I must repeatedly correct among some of my associates, which is not subsumed, in fact,

by the onrush of that debacle.

The alleged political impediments to such change, such as the difficulties referenced by opponents of such an immediate reform, are not acceptable, nor even sane excuses for failing to institute such a reform immediately, now. You will either save the patient's—the physical economies'—life immediately, or you will not save it at all. There is no sane discussion of anything, which is not situated implicitly in that challenge.

My work as, on the record, the world's consistently most successful long-range economic forecaster of the recent period of approximately forty years, plays a crucial role on behalf of the urgently needed effort to re-establish such a world system today, one modelled on President Franklin Roosevelt's global reforms, including the reforms which Roosevelt's "Judas Iscariot," President Truman, abruptly aborted. My unique successes as a forecaster embody the proof of the need to make the reforms I have proposed, and to do it now.

Despite the Truman Administration's early and frequent, extensive wrecking of Franklin Roosevelt's design for the post-war world, the world's conditions—including the situation of the presently self-wrecked U.S. national economy, and the relations among the Americas, western Europe, Japan, et al.—changed significantly for the better, during the time (1946-63) of U.S.-led reconstruction of those and related parts of a war-torn world from the prevalent conditions of 1944-1945. We changed somewhat for the better during 1946-1964, but, then, later, mostly for the worse, during 1964-2004 to date.

Despite those changes, both up and downward, the principles of what Alexander Hamilton identified as "The American System of political-economy" are an expression of the U.S. Constitutions of 1776 and 1789, an expression of principles whose repeatedly proven validity has survived all foreign and domestic assaults on their reputations so far. These constitutional principles, rooted in well-defined natural law, have established a presently proven record as the only actual national constitution of the world which has remained in force since 1789. To summarize that point: the American System of political-economy expresses the only set of principles of political-economy which have not been repeatedly shown to have been wretchedly incompetent, as this fact has been exposed repeatedly, on a world scale, over the interval 1776-2004.

It had been the original intention of many of the leading European admirers of our republic's initial, post-1763 struggle for freedom from the tyranny of the British East India Company's new empire, to see the establishment of our independence as a spark to promote the cause of freedom and progress of peoples in Europe, as throughout the Americas. The British orchestration of the French Revolution of 1789-1814, has created a situation, up to the present day, under which the imperial forces associated with the British Empire have succeeded in playing the situation on the continent of Europe, and elsewhere, in such a way as to ensure that no power from continental Europe would bring the global tyr-

anny of the Anglo-Dutch Liberal form of financier-oligarchical imperialism to an end.

Nonetheless, still today, despite the fact that Theodore Roosevelt and Woodrow Wilson combined forces to impose the anti-constitutional, London-designed Federal Reserve System upon the U.S.A., the legacy of the original Declaration of Independence and Federal Constitution with its governing Preamble, has never been efficiently uprooted from the nature of our people and their institutions. So, today, even despite the corruption which the Federal Reserve System typifies, we remain, by nature, a people rooted culturally, "organically," in the many successive generations of our anti-British-imperial, American System of political-economy.

The American vs. the British System

In contrast, the monetary-financial political systems of western and central Europe, are, still today, axiomatically expressions of that neo-Venetian-oligarchical, Anglo-Dutch Liberal imperialist system, built around an interlocking nest of "independent central banking systems." That European system is, when contrasted with the American System, essentially the British system: the neo-Venetian, Anglo-Dutch Liberal form of financier-oligarchical imperialism.

The world is presently gripped by the onrush of the terminal phase of that British system of Venetian-style, financier-oligarchical imperialism—a world which, at the present moment, is lodged within the homicidal grip of that imperial Anglo-Dutch Liberal system by virtue of the present state of the floating-exchange-rate IMF system. This system is the locus of the present threat of the imminent doom of civilized life on this planet, for generations yet to come. Only if the American System of political-economy comes out of its enforced cocoon-like status, and does so by reasserting the American System legacy of Franklin Roosevelt, is there any credible hope of avoiding the relatively immediate plunge of the planet into a generations-long new dark age. The American System of political-economy must be asserted—during the moment of relative strategic advantage presented as the hopeless bankruptcy of the present incarnation of the British imperial system—an American System asserted to the included effect of saving Europe and the Americas, by bringing the international monetary system under the principles of that System.

The system to which the intellectual opportunists, even some erring fellows among us, are inclined to adapt for the sake of being accepted socially by their interlocutors, is now doomed. To the extent we consent to a continuation of that intellectual softness among us, we, like the rest of it all, were doomed to enjoy the onrushing arrival at the point of descent into a planetary new dark age. *Only as we burst free of all such opportunistic inclinations, and present the economic case as I have defined it, as a matter of physical economy, rather than an interpretation of the physical economy from the standpoint of monetary-financial considerations, will the*



The Bretton Woods Conference called by FDR in 1944. "It were prudent to copy . . . certain among the principled features which distinguished the pre-Nixon, fixed-exchange-rate, protectionist system of President Franklin Roosevelt's design, from both that earlier British imperial gold standard which reigned until 1931, and the present, tragically failed, 1971-2004 floating-exchange-rate system."

U.S. survive the presently onrushing storm. When the planet is melting, that planet provides no hidey-hole in which to be secure against global developments.

Lately, my U.S. political association has performed what our enemies, and also some friends, have seen as some virtual political miracles, which, in some cases, I was able to push through over the reluctance of most of our leading and other associates. Our people are good horses, but some of them do not perform well without a relentless coachman.

The situation is, that the U.S. model, as might be best understood on principle by the example of great Presidents such as Abraham Lincoln and Franklin Roosevelt, is the benchmark of preference for the great changes which must now be introduced to the world, if a civilized state of existence is to persist during the generations immediately ahead of us now. This is the only available model of reference for freeing the world from the imperialist system of "globalization," and rescuing the world's system of sovereign nation-state economies from that state of self-doomed wreckage which is the immediately inevitable outcome of failure to reverse the decisions introduced by Shultz et al. beginning 1971-72.

To some degree, it were prudent to copy, more or less exactly, certain among the principled features which distinguished the pre-Nixon, fixed-exchange-rate, protectionist system of President Franklin Roosevelt's design, from both that earlier British imperial gold standard which reigned until 1931, and the present, tragically failed, 1971-2004 floating-exchange-rate system. We must act quickly. In such a situation of great urgency, we must rely, as much as possible, on simply reviving those precedents in international law, re-

specting economic relations, such as the 1648 Treaty of Westphalia, which were undermined under the corrosive influence of circles including relevant U.S. malefactors typified by such as Arthur Burns, John J. McCloy, and George Shultz.

Without those changes I have just indicated afresh, the world would be plunged soon into a prolonged new dark age. However, in copying certain proven precedents for the sudden reforms which are urgently needed today, we must take into account the difference between the principle of international law represented by those precedents, and the changed conditions to which we intend to apply those principles. As the allegory worthy of this occasion, let us say: There is a certain difference between the original human design for the wheel, and the designed application of that same principle to modern economy. The crucial purpose of this present statement of our current policy respecting economic reporting, is that we must understand the difference between a mere classroom-like description of a principle's application, and the ontological actuality of the current practice of the principle itself.

Formally, what I have just said is a true description of the choices presented for our attention. However, there is also a much deeper, commonplace psychological problem, which we must also address here. Objectively, the choices before U.S. institutions (among others) can be clearly described along the lines of the preceding opening remarks. However, that brings us to a deeper, more stubborn challenge: How were it possible to educate not only leading institutions, but also the population in general; to rid the population of those deeply rooted beliefs in the erroneous kinds of adopted principles, such as the dogma of "free trade," and blind faith in ordinary

financial accounting practices, which have led them to the self-inflicted doom which threatens the nations of the Americas and Europe, among others, today? *What is wrong with those people's minds? How can they be cured of that popular mental illness?*

What I include, to that purpose, in the following pages, often incorporates material which I have addressed frequently in locations published earlier. Much of this is therefore already familiar to a large ration of my associates. Therefore, why repeat it, as I do here? Obviously, as will become clearer as the reading proceeds here, many of those associates have forgotten those lessons in the course of their role in the practice of the management of our association and of its policy-shaping processes. They have, in many relevant instances, allowed mediocrity to replace reason, in the course of reducing their memory of these materials to more or less empty rituals.

I close this foreword with a qualifying observation on my use of reference to crucial historical and scientific elements to which I make crucial references during the course of the following three sections of this report. Essentially, since I have covered all of these points in depth in writings published during the recent three decades, it is not necessary to burden this present location with extensive footnotes respecting those matters. The primary audience for this present report, is already responsible, in a certain manner of speaking for that knowledge; others, have access to websites and other available sources of our earlier treatment of those matters, either by me, or the members of our association more broadly.

1. The Lunatic Games Which Baby Boomers Play

The all-too-frequent instances of incompetent management of our own internal economic and related affairs with which I have had to deal, all center chiefly around one specific element of mental illness which my associates now in their fifties or early sixties usually share with the rest of that same generation, in Europe as in the Americas. The influence of that mental aberration, as expressed by cases of mismanagement of our own internal affairs which I have uncovered from time to time, quite lawfully echoes the same axiomatic element of disorder in the same persons' blunders in both economic forecasting and strategic assessments of the current national and world situations.

This is not only an internal problem of our association. It is a pathological element of behaviorism which was introduced into our work by the generation from which my associates of that pedigree have been drawn. Therefore, it were in the general interest that I share my reflections on this matter with the relevant elements of the general public, as also those of my associates standing in the need of prayer.

As I shall identify and then elaborate on this point, there is one crucial element of assumption in that pathological behavior, which is the crucial feature of this problem. I proceed now accordingly.

As I have emphasized repeatedly, the characteristic moral flaw in the economic and related behavior of Americans and western Europeans between approximately the ages of fifty and sixty-three years today, is chiefly a reflection of a cultural paradigm-shift which was consolidated in the aftermath of a series of shocking changes in cultural outlook, changes which center around the impact of the Cuba missile-crisis of 1962 and the subsequent assassination of U.S. President John F. Kennedy. The eruption of the so-called "rock-drug-sex youth-counterculture" among those often referenced as "the Sixty-Eighters," was shaped by a confluence of the moral corruption spread by the Congress for Cultural Freedom with the terrible shocks centered upon the succession of the 1962 missiles-crisis and the launching of the official U.S. war in Indo-China.

Despite the resistance to that induced cultural degeneration from among a leading minority of that generation's output from some leading universities of that time, the rise of that tainted element of that generation into leading positions of political, economic, and cultural authority in today's leading institutions, has conditioned even most of those of that same generation who had been opponents of the worst freakishness of the Sixty-Eighter generation, to submit today to the accomplished fact that the induced cultural paradigm-shift has now become the determining consensus, the current cultural matrix, to which even former dissenters tend to submit, that in the name of "being realistic."

In earlier generations, among the leaders of science-driven technological progress in closely held enterprises, any competent consultants' study of the behavior of management of the better such enterprises would emphasize three key factors in the outlook of management. 1.) How do we, as an association, actually earn real income *physically*, by means of our physical contribution to society as a whole? 2.) How do we get the financial income needed to sustain the process of actually earning that income. 3.) How must we regulate the way in which we spend that income according to the principle by which we actually earn it morally? The "Baby-Boomer" generation tends to be not merely ignorant of the first factor, but is usually militantly ignorant, and therefore often howls like a pack of enraged banshees, if its representatives are confronted directly by the fact of their generation's typical fallacy of composition on economic-management matters, their omission of consideration of the first principle of economics: *How do we actually earn, physically and morally, the real income needed?*

Typical of this common point of combined moral and economic degeneration of the "Baby-Boomer" stratum, is the nearly quarter-century trend in the U.S.A. and western Europe, most notably, toward substituting employment of cheap labor from poorer countries, for production (and employ-



“We must rely, as much as possible, on simply reviving those precedents in international law, respecting economic relations, such as the 1648 Treaty of Westphalia (above), which were undermined under the corrosive influence of circles including relevant U.S. malefactors typified by such as Arthur Burns, John J. McCloy, and George Shultz.”

ment) in the U.S.A. and western Europe. Producing wealth is less and less fashionable, and, more and more, even much less than fashionable, in opinion shared among the Baby Boomers of Europe and North America; getting what one wishes cheaply, without regard for the welfare of the producer, has become the characteristic moral decadence of the upper twenty percentiles of family-income brackets, especially what used to be classed as “white collar” brackets, in most functional categories of principal mode of employment, in the U.S.A. and western Europe, as also elsewhere.

That shift to an hostile attitude, or merely indifference toward the generation of physical forms of wealth in a physical mode, is the moral factor of economic decadence which grips the U.S.A. and much of Europe increasingly today. Although the currently onrushing breakdown-crisis of the world’s present monetary-financial system usually attracts attention to the financial processes, it is the change in characteristics of physical behavior within the present world system, which is the root of the currently onrushing disaster. The getting and spending of nominal money-wealth, including the sheer lunacy of treating financial derivatives as fungible, is more emphatically a symptom of the underlying problem than the origin of the problem. Thus, the emphasis on balancing the nation’s financial budget today, is often conclusive evidence of the proponent’s unbalanced state of mind.

Typical of that source of the moral degeneration of the “Baby-Boomer” generation’s quality of reign over society today, is the introduction of the neo-Luddite, psychopatho-

logical cult of “post-industrial society,” which was introduced, as an active policy, into an increasingly foolish Europe and North America during the middle through late 1960s.

The Spread of the Green Death

As I recall from some decades past, among the popular alcoholic beverages then distributed in the U.S. State of Minnesota and its vicinity, was a malt liquor popularly known as “the Green Death.” Usually, that stuff did not actually kill the victim, but often produced an awesome effect on the incautious consumer, an effect which gave it the reputation associated with that nickname. Today, in Europe and elsewhere, there is another “Green Death” which is designed to actually kill entire legions of the presently living generations. It is a form of mass-insanity, comparable to the case of Europe’s late Fourteenth-Century Flagellant hordes, which is popularly known currently as “ecology,” or “environmentalism.” It is currently killing on a scale which is tantamount to intentional genocide.

As the case of the Laxenberg, Austria-based International Institute for Applied Systems Analysis (IIASA) shows, the spread of the influence of this cult of “ecology,” from the Cambridge, England nests of “systems analysis,” was a leading active factor of induced political hysteria, in accelerating the self-destruction of the former Soviet Union and associated Comecon.

This latter, pathological phenomenon of “The Green Death,” in mass behavior today, is a leading by-product of

the brainwashing of the populations of the U.S.A. and Europe by methods typified by the work of the Allen Dulles-led faction of the U.S. Central Intelligence Agency under the banner of the Congress for Cultural Freedom (CCF). The combination of the Fabian ideology of the cult associated with Bertrand Russell's destructive programs for science and culture, with the pro-Satanic qualities of the existentialism associated with the so-called "Frankfurt School" of Horkheimer, Adorno, Arendt, et al., was used, chiefly under the banner of that CCF, to outlaw the notion of truth in science, culture, and politics.

So, the authority attributed to the actual or merely alleged popularity of some body of opinion, produced today's habitually reckless disregard for truth, which has, increasingly, replaced the role of a rigorously definable truthfulness in the functions of law, government, and the teaching and practice of science and art.

The spread of this lunatic cult of "ecology" has done more than any other single factor, to make a wreckage of, most notably, today's Germany, to such effect that Germany can not be pulled back from its present lurching at the brink of self-inflicted doom, unless the "Green" factor were rudely overridden, for the sake of both physical and mental health in that nation's political life.

Yet, the most significant social expression of this "Baby-Boomer"-associated trend, is to be recognized in the patterns of change in mass entertainment. Europe and the Americas are rotting away in a cesspool of mass entertainment of a quantity and quality which echoes the "bread and circuses" of ancient, decadent imperial Rome. Even what passes for residual niches of Classical art, have become little more than waxwork museums, in which the parts are played by adult people playing the escapist game of "doll house"; games played with no sense of an historically specific political relevance to the actuality of history-shaping, currently breaking present or past events, or of past creations in the unfolding of artistic achievement. The childish prescribed rules of the doll house are invoked as the arbitrary premises for moral judgment on the reality of past and present developments.

The role of "games" as a substitute for production of real changes in a specific time and place in a real universe, lends the flavor of an opium-soaked, existentialist's dream-fantasy to art, history, and science alike. "If I win this game, I will be successful," is the hallmark of a culture which has turned, in flight from a reality which displeases it, into fantasies whose effect on the real world is the doom of the dreamer. Faced with evidence that his, or her actions are self-destructive, the dreamer screams in defiance of reality: "You are wrong! You will see that we in this doll-house world of fantasy, have agreed to believe unshakeably in what we are doing! If you try to interfere, we shall stage a tantrum, with such howling, shrieking, and cascading threats of violence, as Adolf Hitler was wont to do, like Vice-President Cheney, which will cause you to avoid offending us in that way ever again!"

These intellectually degrading influences of neo-Roman-

ticism, which were already acting upon the children and adolescents of the 1950s, took a crystallized form among those who first entered adulthood in the aftermath of such shocking events as the 1962 missiles crisis, the unsolved murder of President Kennedy, and the launching of the U.S. official war in Indo-China. Thus, the mass brainwashing of a leading portion of the U.S. and European population's children, up to the point of the shocking events of 1962-1964, prepared the youthful victims' tender, suggestible minds to bring a pro-Nietzschean "transvaluation of values" as a leading characteristic of the generation which came to be known as "The 68ers." That is the generation, now in its fifties or early sixties, which reigns, their minds dwelling in "doll house" modes of escape from seeing the frightening real world; this mental illness reigns, in most political, economic, and related other mass-institutions of opinion-shaping in Europe and the Americas today.

This is the environment in which the discussions by, and about the economists, reigns today. Taking into account the general observations I have summarized above, look on stage, to where today's customary views toward economy are to be seen. As Britain's Jonathan Swift would agree, this means the playing of foolish games, including expressions such as mass gambling and pro-homicidal computer games, which more and more of globally extended European society plays.

It is chiefly from this historical vantage-point, that we are able to diagnose the weeds of that mental illness, on the subject of economy, which I am still compelled to seek to uproot from the ranks of even my own associates today.

The Games Foolish Economists Play

The moral and intellectual degeneration of the practice of political-economy, as that corruption is usually taught and practiced in American, European, and other universities today, reflects two successive phases of moral degeneration of academic and related thought in higher education. The difference between these two, was reflected in a raging debate among U.S. economists, during the 1950s, between Harvard economist Wassily Leontief and what Leontief dubbed "the ivory tower" school, the latter headed, during the 1950s, by Tjalling Koopmans and his "Operations Research" circles.

Near the close of the 1950s, I intervened in the debate still raging. Although I had already defined my criticism of the linear methods associated with Leontief's work in the domain of national-income accounting, Leontief was sane; the "ivory tower" fanatics who followed Bertrand Russell's clones Norbert Wiener and John von Neumann, clearly were not sane. That was the difference. I have maintained my emphasis on that distinction throughout my work during subsequent decades. While there is a serious error of method in the work of Leontief and kindred opponents of the radical empiricists of the "ivory tower" faction, Leontief et al. have been travelling in the real world, but in need of a better map. Today, with the rise of the "post-industrial" utopianism of Zbigniew Brzezinski et al. during the post-Kennedy 1960s, lunacy prevails,

while the generation now in power enforces that lunacy as the prevalent dogma of their generation, the currently reigning generation.

The usually recommended, but foolish approach to discussion of the subject of political-economy and related matters, is to seek to present one's facts and argument within terms of reference—the opportunist's approach, the traditional sophist's approach—which your discussion-partner, or audience, might be expected to accept as the currently recommended “doll house” game to be played. The argument for this presently prevalent, morally corrupt practice, runs along the following lines: if you wish to convince people, which is to say, “make friends and influence people,” you must frame your argument in terms they will accept. Actually, to the degree you might succeed, thus, in persuading people, in discussion of economic and related matters today, both you and your audience are behaving in a way which is functionally insane. So, the bankrupted gambler returning home late, from work, on pay-day evening, explained to the members of his family: “I played the game, and we are all now doomed!”

To grab a handhold for insight into the psycho-social mechanisms by which modern generations of Americans have been brainwashed to that effect, consider the following example.

Some of you older English-speaking bozos were suckered into that practice by reading author Dale Carnegie's once best-selling text in “sophistry for dummies,” *How to Win Friends and Influence People*, or by attending sessions of the Dale Carnegie Institute. Others were mentally and morally corrupted to the same effect, by the typical public-school or university classroom of the recent generations' experience. In nearly every course of instruction to which you were subjected, usually including childhood rearing in the typical family household, church, and neighborhood, you were subjected to a similar kind of brainwashing, as was typified, in my generation, by the standard secondary-school geometry classroom, or something even worse introduced later under the rubric of “the new math.” The brainwashing which was done to destroy the minds of the youth, either in the standard class in Euclidean geometry, or the worse “new math,” shared certain essential features with the Dale Carnegie cult's doctrine; the difference between the two cases is that the Dale Carnegie cult's argument was a much more blatantly irrational echo of traditional forms of obviously irrational methods of sophistry, as practiced upon the dupes brainwashed by the ancient Delphi cult of the Pythian Apollo.

In those classrooms and related examples, such as the



“Producing wealth is less and less fashionable, and, more and more, even much less than fashionable, in opinion shared among the Baby Boomers of Europe and North America; getting what one wishes cheaply, without regard for the welfare of the producer.” Child labor for food exports in Pakistan.

intrinsic irrationality of the radically empiricist mathematics, and mathematical-physics dogmas widely accepted today, the lunacy of widely adopted axiomatic opinion has been masked by the adoption of the arbitrary definitions, axioms, and postulates of a system such as that of Aristotle, or the simpler, more degenerate arguments adopted by the celebrated, self-confessed hoaxster, Sir Isaac Newton. Thus, we have to consider not only the Aristoteleanism of standard Euclidean geometry, but, more recently, the neo-Aristotelean hoax copied from the medieval irrationalist William of Ockham: the empiricism of Paolo Sarpi, Galileo Galilei, Francis Bacon, Thomas Hobbes, René Descartes, John Locke, Bernard Mandeville, François Quesnay, Adam Smith, Jeremy Bentham, and the neo-Aristotelean version of a slightly revised empiricism associated with Immanuel Kant.

During and following the 1789-1815 transformation within European culture introduced by the succession of the French Revolution, the pioneer imperial fascism of Napoleon Bonaparte, the monstrously perverse role of Castlereagh and Metternich in the Congress of Vienna, and G.W.F. Hegel's codification of the Napoleonic experience as his fascist doctrine of history and the state, a new, more radical form of empiricism began to emerge, a convergence of what was known as the Positivism of Comte et al., with the existentialism of Schopenhauer, Nietzsche and kindred predecessors of Adolf Hitler, Martin Heidegger, et al. The current of logical positivism produced the radical empiricism of the most evil creature ever to slither across more than half of the Twentieth Century, that author of the doctrine of “world government brought about through the use of the terror induced by use of nuclear weapons,” Bertrand Russell. Russell, the intellectual

den mother of the decadent fanatics Norbert Wiener and John von Neumann, emerged, especially following 1942-1945, spewing a form of anti-scientific lunacy way beyond empiricism.

At this point, we must shift gears. We must situate those forms of insanity which are axiomatic features of currently prevalent doctrines of political-economy and accounting, by seeing them as within their historically determined origins. We must see this as a process of successive transformations of cultures, since a point in ancient Greek civilization prior to the outbreak of the Peloponnesian War. We must focus on the considerations which led to a decline in the quality of European culture, a turn which was characteristic of the period between the outbreak of that war and the death of Plato.

All of the most significant of the foolish games which have been popularly played in European culture since that time, including the follies of current world economic and accounting practices, can be competently understood only by taking two interdependent factors of all of the history of European civilization to date into account. There factors are, first, the introduction of the fraudulent, reductionist notions of physical scientific method typified by such predecessors of the modern empiricists, positivists, and existentialists, as the Eleatics, Aristotle, and Euclid, and, second, the social basis for the motives behind the cultivation of that reductionist mentality. Those two sets of axiomatic errors, are the historical root in susceptibility to all of the lunatic games which Baby Boomers play today.

2. The Oligarchical Roots of the Disease

Our subject in this chapter of this report, is the nature of those usually controlling, cultural characteristics of behavior which are typified by the particular way in which they are transmitted across successive generations. This chapter will thus prepare the ground for the subject of the report's concluding chapter: the willfully alterable form of transmissible characteristics of economic behavior.

The persistence of the pathological syndrome which I have merely typified by reference to the tragic case of David P. Goldman, can not be competently assessed without insight into the way in which various types of psychopathological behavior, and their radiated influence, have been transmitted through the continuities of fairly well known phases of European culture, from generation to generation, over spans of as much as 5,000 years. Indeed, as Bal Gangadhar Tilak and other experts in those matters have pointed to the span of the Vedic-Sanskrit culture, as provably between not less than six to eight thousands years, the transmission of culture in ways independent of fixed genetic heritages, goes even deep into the last great ice age. Only by looking at the relevant patholog-

ical syndrome within the context of such a relatively more accessible part of the historical process, can the nature of transmission of culture, and also the transmission of mental disease among the some among the participants in that culture, be efficiently addressed.

Mankind, like the beasts, is mortal in his incarnation, but, unlike the beasts, immortal by virtue of the cognitive powers of the objective, personal existence of the human individual, the power to generate, receive and impart those qualities of ideas, such as discoveries of universal physical principles, which continue to have a life before, and after that of the author of that discovery, or of its transmission, has died. This immortality has a negative aspect, in the respect that bad ideas also have a kind of conditional immortality as trans-generational artefacts. So, human society is an ongoing accumulation of the quality of ideas of principle—man-generated cognitive ideas, ideas which do not exist as a type among the higher apes, or other lower species. This is the meaning of culture, which exists only among human beings. There is the build-up of valid ideas of scientific and Classical-artistic principle, usually over many, many generations, and their transmission into generations yet to come. There are also anti-ideas, corrupting and destructive habits of the mind, which are also transmitted, and so embedded in the habits of a nation and culture.

We can clean up much of the mess bequeathed to us by earlier generations, by discovering, and adopting the corrective—cognitively revolutionary—principles through which some of the burdensome rubbish is discarded in large chunks. The fact remains, that the individual case is always an expression of, a product of an historical process reaching back many generations, such as back to ancient Greece, and elsewhere, earlier. It is the characteristics of that long-wave process, which should always be the initial point of reference for any scrutiny of the systemic features of the behavior of a current population, or portion of that population. The individual will exist, but it exists within the context of an enveloping, long-range, broadly reaching culture.

It were therefore an incompetence tantamount to idiocy, to treat a tragic case like that of David P. Goldman as he were merely some object dumped into existence as a blank slate, a slate on which a capricious experience has written this or that. In every individual, by virtue of family nurture in childhood and adolescence, and, a far stronger influence, that of the culture which he or she inhabits, centuries of accumulated heaps of goodness, and also stinking rubbish, may be imposed on the new individual during the first decades of life, and beyond that. All moral and other intellectual sickness of individual human behavior, and of society for the most part, too, are sicknesses of the culture, a culture reaching, for better or worse, over many generations.

Most of human behavior, in known history to date, has been regulated by certain arbitrary assumptions of belief which are usually either unsuspected by the believer, or which



The 1950 founding of the Congress for Cultural Freedom, a crucial part of recycling fascist networks of World War II into western intelligence operations, but also, the foundation for the 1960s counterculture, including an ecology movement of “Greenies” deeply hostile to the productive economy and to the raising of physical standards of living in poor nations. Germany’s Economics Minister today, Renate Künast (right, with a human vegetable) is typical of such ’68er Greenies.

have appeared to him only in the shadowy form of what are treated by that victim as if they were “self-evident” definitions, axioms, and postulates, like such assumptions of a Euclidean or Cartesian geometry. For this reason, as I have made this point in several pedagogical seminars on this topic, nearly all cultures, or so-called “sub-cultures” encountered still today, present us with the spectacle of a human individual behaving like a fish habituated to life within a fishbowl. The “bowl” within which the will of the victim is held captive—until the bowl is broken—is defined by a container; that container is a set of what are actually arbitrary beliefs of a type functionally akin to the controlling role of the “self-evident definitions, axioms, and postulates” of a Euclidean geometry.

The ideas which are received, retained, and introduced by the individual, or the contemporary society, are of two principal types. The first class of types represents, variously scientific valid and invalid, notions of universal principles, such as the set of fictitious axiomatic principles and definitions of a Euclidean geometry. The second class of types, represents those ideas which are treated as deductive, or analogous decisions made on the basis of implied belief in underlying principles associated with the first class of types. Most arguments respecting policy in today’s societies, treat the latter types as variable ideas, and the former as relatively fixed. Many of those relatively fixed ideas, as comparable to the allegedly self-evident definitions, axioms, and postulates of a Euclidean geometry, are ideas of whose origin in belief the individual believer usually is not conscious, and even to the degree he might become conscious of those origins, he usually prefers to accept them as if in blind faith. As to the existence of those higher principles, of the first type, themselves, he is either not conscious most of the time, or not at all. It is ideas of the first type, the class of seemingly fixed, axiomatic assumptions, which are the proper choice of primary subject for inquiry into the characteristic features of the defective behavior of, for example, subject Goldman.

That set of distinctions, and the implications of examining such matters, is the approach being taken here toward the conclusion to be reached at the close of this report.

According to what some feeble souls might regard fearfully as the secrets of European civilization’s knowledge of what is rightly termed “natural law” and its practice, the essential conflict *within all globally extended European civilization*, to the present day, is what is known to the fearless and witting as the following.

Once we have taken into account the essential fact of European civilization’s principal intellectual debt to the Egypt of the Great Pyramids of Giza, the high points of the specifically European civilization are to be traced chiefly from the pre-Aristotelean, Classical Greece of Thales, Solon, Pythagoras, and Plato, and includes the powerful, enduring coincidence of Christian theology with that of Plato’s Greece (e.g., Plato’s *Phaedo*), and the revival and resurgence of Classical Greece’s best through the mediation of that Fifteenth-Century, Florence-centered Classical Renaissance. The highest level of epistemological competence and clarity in European civilization, was achieved prior to the death of Plato, after which European culture as a whole underwent a general degeneration in the leading features of its culture, until Europe’s upward-turning, Fifteenth-Century Classical Renaissance was launched by a Christian Europe, a Christian Europe which became the adopted adversary of the pro-Satanic Grand Inquisitor Tomás de Torquemada.

Throughout that span, from Solon, Thales, Pythagoras, and Plato, through the modern Classical culture of Cardinal Nicholas of Cusa, Johannes Kepler, and Gottfried Leibniz, the great issues of civilization have centered, in fact, functionally, around the conflict famously expressed by the *Prometheus Bound*, the first part of Aeschylus’ most important drama, his *Prometheus* trilogy. The issue of that drama is the Satanic tyrant’s, the Olympian Zeus’ prohibition against transmission of knowledge of the laws of Creation to a mankind which



The opponent against which much of LaRouche's discoveries in economics were generated, was what he calls the "post-modernist genre" of imperialist economics, the radical empiricism of such as Norbert Wiener (left) and John von Neumann, which completely substituted "information" for discovery, and "communication" for the development of the physical economy.

Moses and Christianity, for example, have defined as a creature made uniquely in the likeness of the universe's true ruler, the foe of Zeus which is known, thus, as the Creator.

That issue, so defined, is the central feature of all European civilization, from the time of Solon, Thales, Pythagoras, and Plato, to the present day. The problem already identified as the subject of this report, is an implicitly subsumed feature of that greater drama which is implicit in *Prometheus Bound*. Until the significance of the argument of that drama is understood, and the importance of that understanding as a benchmark for mapping the actual history of European civilization since Aeschylus wrote it, it were nearly impossible to achieve a coherently efficient insight into both modern European civilization and the associated implications of pathological phenomena including that which is merely typified by the referenced case of David P. Goldman.

The underlying task which I have set out to clarify in this present chapter of this report, is the tasks of, first, of pointing to the origin of the systematic features of contemporary European civilization's present, mortal crisis, and, then, tracing out the lineaments of the present case of corruption identified at the outset here, systematically, within that set of terms of reference.

Zeus As Satan

The villain of *Prometheus Bound* is the Olympian Zeus, whose messenger is also known, in principle, as the Mephistopheles of Christopher Marlowe's *Dr. Faustus*, and also as the Satanic figure admired by the Martinist freemasonry's Count Joseph de Maistre, Grand Inquisitor Tomás de Torquemada. That Torquemada is also the Grand Inquisitor of Fyodor Dostoevsky's *The Brothers Karamazov*. This is the issue

of evil which confronts us whenever we meet the influence of the ancient Eleatics, Sophists, Aristotle, and the modern empiricists, Cartesians, Kantians, Hegelians, positivists, and existentialists. It is the same evil, in the tradition of the mass-murderous anti-Semite Torquemada, expressed by the crimes of Adolf Hitler. This is the same issue of evil which we confront as the pervasive feature of the Anglo-Dutch Liberalism of Thomas Huxley, his H.G. Wells, Bertrand Russell, and their contemporary liberal imperialist followers in the post-modernist genre of such as Norbert Wiener and John von Neumann.

This set of historically defined issues is the context in which the clinical topic introduced at the beginning of this report must be situated for a competently practicable understanding. I proceed now with a summary of the crucially relevant highlights of that history. When that has been done, in turn, in the next chapter, I shall then apply the historical-epistemological considerations identified here to the practical side of management within a modern economy.

Within the span of subsequent time traced since about the close of the Eighth Century, B.C., the span of specifically European history is traced by reference to the emergence of the Classical tradition of Solon, Thales, the Pythagoreans, and Plato, which occurred amid that tradition's conflict with the chief adversary of Classical culture: the combined legacy of Babylon and kindred cultures then associated with the tyrannical imperial power of the land-based Achaemenid empire, and with the financier-oligarchical maritime power, Tyre. That Tyre was the precursor of that later, imperial new Tyre of the Adriatic, the Venice whose roster of bastard progeny features that Anglo-Dutch Liberalism of the British East India Company's new Roman empire, an empire led during

the late Eighteenth Century by Lord Shelburne's collection of such consummate misanthropes as Adam Smith, Edward Gibbon, and Jeremy Bentham.

For our uses here, I restate that genealogy of historical facts as the continuing conflict between Classical humanism and oligarchism.

During that period of ancient European history preceding, accompanying and immediately following Greece's Peloponnesian War, the intent by the oligarchical interest was to eradicate the Classical humanist culture of the relevant Greeks. This oligarchical interest was centered in a proposal to combine the territory from the eastern border of the Achaemenid empire to the Atlantic, within a single oligarchical system of cooperating empires. This was known in that time as, variously, "The Persian Model," or, generically, "the oligarchical model." This was the model around which the Roman Empire was built, later, and also, still later, the *ultramontane* system coordinated through the financier-oligarchy of Venice. That is the same model, of oligarchism, at issue in Aeschylus' *Prometheus Bound*.

The success of this "oligarchical model" project, was delayed for about two centuries by the impact of an alliance between that Academy at Athens which had been led by the then recently deceased Plato, and the son and opponent of Philip of Macedon, that dedicated enemy of Aristotle, and target of Aristotle's homicidal impulses, known as Alexander the Great. However, with the close of Rome's Second Punic War, and the onrush of Rome's wars against the Greek colonies of southern Italy and against Greece itself—the circumstances marked by the deaths of Archimedes of Syracuse and the Cyrenaic representative of the Athens Academy, Eratosthenes of Alexandria—Rome unleashed the process of creating the long-intended oligarchical imperial system, this time under the reign of imperial Rome. Later, with the decline of the Byzantine Empire about A.D. 1000, the oligarchical system fell under the *ultramontanist* alliance of the rising power of the Venice financier oligarchy with the system of Norman chivalry.

It was the temporary collapse of that Venice-led imperial system during the self-inflicted New Dark Ages of the mid-Fourteenth Century, which created the opening for the, long overdue, fresh eruption of the opposing force of Classical humanism, the eruption which was expressed as the Fifteenth-Century, Florence-centered Classical Renaissance. With this eruption, the first modern nation-states, Louis XI's France, followed by Henry VII's England, emerged as the founding of the modern European nation-state, and, therefore that birth of modern European civilization of sovereign nation-states, a civilization whose emergence had been long delayed by the forces of the Venetian-Norman *ultramontane* system.

Unfortunately, during the closing decades of that Fifteenth Century, by the aid of a strategy premised upon an opportunistic, temporary understanding between Venice and the Ottoman empire, Venice's oligarchy recovered sufficiently to strike back, as typified by the unleashing of the pro-

Satanic man-beast of Grand Inquisitor Tomás de Torquemada in Spain, the unleashing of the mad dogs of Habsburg alliance of Austria and Spain upon a division of the formerly cooperating nations of Europe: a division which was engineered by the role of such Venetian agents as Francesco Zorzi and Gasparo Contarini, in the orchestration of religious controversies used to set the nations of Europe against one another's throats over the interval A.D. 1511-1648.

During the decades following Venice's virtual defeat by the 1648 Treaty of Westphalia, Venice shifted its strategy to increasing reliance on an adopted and cultivated clone of itself, the imperial, Anglo-Dutch Liberal financier-oligarchy of the maritime regions of northern Europe. The emergence of this Anglo-Dutch Liberal system of hostility to the existence of the modern European form of nation-state, has been the principal cause of all major warfare, and related conflict, in Europe since that time.

As I have elaborated this earlier, within relevant sundry published reports, such as the series on the subject of the "beast-man" phenomenon, the combination of France's dubious Louis XIV and the Anglo-Dutch outgrowths of Venice's financier-oligarchical system, plunged Europe into a series of wars and related nightmares from which the British East India Company emerged, with the relevant Paris Treaty of 1763, as the presumptive new world Roman empire in progress. The only significant, continuing challenger to that Anglo-Dutch imperial hegemony, since then to the present time, has been the American Revolution of 1776-1789 and its continuing potential in the world at large today.

The Culture of Human Cattle

Look at the root of the typical failures of today's professional practice of economics, to which I have pointed above, seeing those failures as expressions of the continued treatment of classes of persons as human cattle, in even modern European history, as today. Then, trace the root of that behavior in modern society to its origins in that ancient and medieval practice of the doctrine of the Olympian Zeus which is reflected as the central issue of Aeschylus' *Prometheus Bound*.

To those ends, focus now upon the functionally determined, systemic connection between the Satanic doctrine of the Olympian Zeus and the way in which both a widespread, corrupted form of mathematical-physics teaching, and the customs of practiced political-economy, by governments and others, reflect the same specific, Satanic impulse against humanity which that Zeus expresses against Aeschylus' Prometheus.

The Fifteenth-Century Renaissance's role in bringing forth the modern sovereign form of nation-state, represented the systematic effort to uproot those oligarchical forms of organization of society which had traditionally reduced the majority of the persons of any city-state, kingdom, or empire, to the status of those of either hunted or herded human cattle, as this was typified by the condition of life of the helots of Sparta.



“From the vantage-point of physical science, the absolute line of separation of man from beast, is expressed by the ability of the individual human mind to discover an experimentally validated universal physical principle.” California members of the LaRouche Youth Movement in a pedagogical on light reflection and refraction.

This same oligarchical policy was applied to the education of freed slaves in the U.S.A., after the close of the Civil War. This policy of northern liberal reformers, which was a wicked direct attack upon the contrary policy of Frederick Douglass, was to greatly inhibit the education of the children of the freed slaves, and their descendants, thus condemning them to the menial occupations of herded human cattle, slaves upgraded to the status of serfs.

Thus, the majority of the former slaves, and most among their descendants, have been left, by the lingering effect of continuing that cultural policy of “tracking” as a tradition of practice, even still today, as nominally more or less free in their bodies (when not imprisoned). But, for the most part, our citizens of African descent are still condemned, as if to a de facto heritage of an induced semi-literate sub-culture of virtual human cattle. The frequent result is an induced state of mind, in which many of those victims themselves defend by their antipathies to the policies of Frederick Douglass. This antipathy to Douglass’ commitment to Classical humanist education, is fostered by their oppressors to foster the victim’s allegedly natural cultural preferences: the shackles of the mind which the virtual slave puts daily upon himself.

The popular delusion among many, which is fostered by their lack of even elementary competence in the ABCs of economics, is the false belief that the U.S.A. profited, as a national economy, from the labor of slaves. This is, for example, the incompetence of the racist, who believes in marginalizing the labor of the poor inside the U.S.A., or, as those fools who supported NAFTA did. The populist delusion of these fools has been, that looting the bodies of slaves, or people in neighboring countries, is a precious advantage for those in the U.S. who, in fact, are about to lose more and more of their

farms, factories, and pensions as a result of the effects of NAFTA in increasing the relative poverty of people in our own lower income brackets.

The world’s leading economist of the mid-Nineteenth Century, Henry C. Carey, already exploded that myth, in his famous documentation of the evidence, his 1858 *The Slave Trade: Domestic and Foreign*.

The *British* did profit richly from slavery in the U.S.A.; the *New England and Manhattan financier allies of the British monarchy* also profited; but the U.S. economy itself, including the vast majority of non-slaves, was looted by the effects of slavery. Under President Abraham Lincoln’s leadership, and following that, through 1876, the economic power of the U.S.A., which had been aborted by the slavery-interests of both the United Kingdom and the southern sectional slaveholder interest, was unleashed. Our nation and its people did not profit from slavery, but they profited from the ending of slavery under the leadership of President Lincoln, whereas we had been made poor by tolerating the British imposition of the institutions of slavery and so-called “free trade” upon the United States.

Thus, the revival of the British-protected, Nineteenth-Century Spanish monarchy’s trafficking in African slaves into the Mediterranean and the U.S.A., was profitable for the British; but, the primary motive for cooking up this scheme, was not that margin of profit which London obtained, *incidentally*, from its control over the international cotton trade.

The primary purpose of that British policy, especially from the 1820s on, was to destroy that U.S. republic which London not merely hated, but regarded as the greatest potential flanking threat to London’s imperial power over the nations of continental Eurasia. The British intention was to di-

vide the U.S.A. of that time among squabbling baronies, just as British agent August Belmont's Democratic Party Presidential nominee for 1864, General George B. McClellan had, earlier, failed to exploit an obtained crucial victory over the forces of Robert E. Lee because McClellan was one of those Union generals who were for a peaceful division among the states, who preferred to bargain with the Confederacy, rather than defeat it. That division would have Balkanized the continent, and eliminated the further threat to London's empire from the U.S.A., while preserving and expanding slavery under the virtual British puppet, the Confederate States of America.

Only U.S. citizens living with shackles on their minds today, have any objection to President Lincoln's war-time policies.

The subversion, and temporary takeovers of control of the U.S.A. by the U.S. accomplices, and also sometime rivals of the Anglo-Dutch Liberal system, remains still the pivotal issue which points to the presently looming, potential end of the Liberal imperial system of financier-oligarchical rule. Hence, these considerations must be included among the long-ranging historical implications of the need to break the power of that combination represented by those presently controlling both the Bush-Cheney Administration and also the political machinery of the Democratic Party's present National Committee leadership. Only the imminence of the great, global monetary-financial crises, would create the opportunity to bring about the needed change within the U.S.A. itself. *Only the emergence of a U.S. leader who is committed to seize that opportunity as a Franklin Roosevelt would have done, would define the weeks and months immediately ahead as a turning-point in world history for generations yet to come. Otherwise, the United States, and the people in it, were virtually doomed to a prolonged sojourn in a certain kind of Hell, by the events to follow the November 2004 general election.*

Aristotle's Evil Work

The work of Aristotle and of the empiricist followers of Venice's tyrant Paolo Sarpi, was crafted with the same intent as the use of slavery under the code of Lycurgan Sparta and the Spanish, Portuguese, French, and Anglo-Dutch slave-trafficers of the Sixteenth through Nineteenth centuries. The intention is exactly the same as that of the Olympian Zeus of Aeschylus' *Prometheus Bound*. All related attacks on the heroic role of Prometheus, from ancient through present times, are reflections of the influence of that same pro-Satanic principle of evil typified by the Zeus of *Prometheus Bound*. Aristotle provided a system of sophistry which has been commonly used in a more or less explicit defense of the conduct of that evil oligarchical tyrant Zeus.

Prior to the training of Aristotle at Demosthenes' school of rhetoric, the most effective of the principal means by which that degradation of masses of populations into a self-inflicted cultural status as human cattle is accomplished, is typified by the sophistry associated with the model influences of the cult

of the Pythian Apollo at Delphi. The discrediting of the Eleatics, the Sophists, and the Delphi cult, by Plato, created the setting in which the formalist systems of Aristotle and empiricism have been developed and deployed as the model new weapons used in European civilization in the war against reason, in defense of the intention of Delphi, the Eleatics, and the Sophists. This report of mine brings the pro-Satanic implications of the doctrines of Aristotle and the empiricists into its needed special point of focus.

Meanwhile, even prior to the work of Socrates and Plato, the same issue, as posed by Aeschylus' *Prometheus Bound*, reveals itself as the key to what was to become the judicial murder of Socrates. That murder was done by that faction of the Sophists known then as that democratic Party of Athens, a party which may be recognized today as the forerunners of the U.S. Democratic National Committee's political herders of human cattle. I point to the examples of the foolish Terry McAuliffe and Robert ("Bob") Shrum, the latter the crooked man who stole a crooked sixpence (the California recall election) by means of a crooked style.

The case to be considered here, comes down to the point, that there are two ways in which to turn human populations into human cattle. These are typified by the systemic victims of Americans of African descent, before and after President Abraham Lincoln's Emancipation Proclamation. One is to shackle, imprison the victims, and herd them under conditions tantamount to physically enforced slavery. The slyer method, employed by post-Lincoln Liberal reformers, is to induce the victims to place the shackles of their mind upon themselves, as the current leadership of the Democratic National Committee and its accomplices have done.

In ancient Athens after the work of Socrates and Plato, ordinary shackles were discredited, although never abandoned as political instruments of government. The Romans, who experienced some difficulties in managing their acquired Greek and other slaves, were assisted in dealing with the difficulty, by their rediscovery of what had become, generally, the lost works of Aristotle. The Roman conquerors put Aristotle's advice to work for them, in their combat against the superior culture of defeated Classical Greece, and against any Christianity but the captive pantheonic version of their own choice and making, in such exemplary ways as Claudius Ptolemy's fraudulent rewriting of astronomy. Ptolemy had concocted a fraudulent work which sought to discredit the discoveries made four approximately four centuries earlier by Aristarchus. and, even earlier, by the Pythagoreans. Aristotle's method was superseded by the development and propaganda of a vulgarized version of Aristotle, concocted and spread by Venice's Paolo Sarpi and his household lackey and plagiarist, Galileo Galilei. Later, English, Dutch, and French empiricism were superseded by a still more radically degenerate system, a system known by the alternate names of "logical positivism," or the "radical empiricism" of Bertrand Russell and such among his post-modernist intellectual offspring as Norbert Wiener and John von Neumann. The method of them

all, from the Eleatics, to the followers of the Eleatics known as the Sophists, through Aristotle and beyond, has been the following. The method of putting de-humanizing shackles on the human mind, as expressed by all of these systems, is the method of *formal ontological reductionism*, which I have described, summarily, as the systemic architecture of an induced “fishbowl mentality.”

That is the form of the shackles of the mind which the thus self-enslaved great majority of the people of the U.S.A. have continued to put upon themselves, especially during these most recent four decades. Such is the culture, and fate of those who have chosen to be human cattle. The epistemologist’s study of the way in which Aristotle’s method of enslaving the mind was employed, as a new disguise for achieving the intention of the then-discredited method of the Sophists, is the most crucial of the studies which must be conducted in the effort to free the members of European civilization from the system of brainwashing which rules and ruins the world today.

Since the work of the one-time tyrant of Venice, Paolo Sarpi, Sarpi’s system of “Aristoteleanism for dummies,” otherwise known as the empiricism of Sarpi, his household lackey Galileo Galilei, Sarpi’s English asset Sir Francis Bacon, and Galileo’s pupil Thomas Hobbes, has been the primary mode from which subsidiary branches of the same method of mass-brainwashing, such as Kantianism, positivism, and existentialism, have been derived. The essential, common characteristic of these philosophically reductionist modes of pseudo-reasoning, is their sometimes asserted, but always implicitly present ruling assumption, that man is merely another form of animal life.

Under these systems, religious belief is relegated to the assumption of the existence of a parallel, but separate universe, where we might expect to find the little green men, casting crooked dice from under the floorboards of history, who determine thus the destiny of living men and women capriciously, as the pro-Satanist Bernard Mandeville, the feudal ideologue François Quesnay, and the plagiarist of Quesnay, Adam Smith, defined the “under the floorboards” doctrine variously captioned under “laissez-faire” or “free trade.”

What Is Science?

From the vantage-point of physical science, the absolute line of separation of man from beast, is expressed by the ability of the individual human mind to discover an experimentally validated universal physical principle. Although the principles which man has discovered in that way so far, are each and all known to be efficient universal physical principles whose existence antedates mankind’s discovery of them, our use of those discoveries to change the physical universe around us, changes man’s relationship to the universe. This principle of change is reflected by man’s ability to increase our living species’ potential relative population-density by more than four decimal orders of magnitude above the level

which might have been inferred, for any time on this planet, for any of the species of higher apes.

This capacity of generating and transmitting such discoveries across the spans of successive generations, defines the individual member of the human species as implicitly immortal. When men and women are prevented from exercising that uniquely human capacity of the individual and society, man is being reduced to the condition of a beast.

As I outline the argument for fundamental scientific progress in the closing chapter of this report, the distinction of the human species from the beasts is expressed in the most elementary way by the ability of the individual human mind to hypothesize, as Plato defines *hypothesis* in his Socratic dialogues.

The act of hypothesizing is typified in the simplest type of instance, by the discovery of a stubbornly systemic anomaly in man’s sense-perceptual experience. This shows that some agency not directly observable with our senses, is acting to produce an effect which can not be accounted for by simply observable cause-effect connections among sense-perceived experiences. Once we accept the notion that the cause of this anomaly might be just that, an agency operating from beyond our powers of direct perception, our opinion on the subject of the reality of sense-perception should be changed from the naive view that the real world is what the senses plainly show us. We now realize that the world of sense-perception is a world of shadows cast by a real world; the task of gaining knowledge then becomes working to discover the real world which is casting the shadows we recognize as sense-perceptions. From that standpoint, any mental image of the real world causing the shadows serves us as an hypothesis.

Sense-perceptions are reactions to stimulation of certain organs of our mortal, living body. What we perceive, is not the action of the real world on our sense-organs. What we perceive is the biological sense-apparatus’ reaction to the stimulus. Even the reality of the reaction itself, is never self-evident, as ordinary sensory illusions illustrate that point. Sense-perception requires verification by methods akin to the same methods of experimental tests which are employed for verification of scientific hypotheses.

Once an hypothesis has been defined, a further step is required. Having created an hypothetical image of the way in which relations are being ordered, in a realm beyond our direct powers of perception, ordered to produce the effects seen as sense-perception, how can we determine whether our hypothesis is a fantasy or not? Can we, then, design an experiment, in which the object is to show whether or not we can control the shadows in a way which corresponds to our hypothetical notion of the way in which the relevant features of the unseen, hypothetical world are lawfully operating? This, for example, is what is done routinely with modern nuclear and sub-nuclear microphysics. We can see nothing there, directly, but we are able, nonetheless, to control the effects of the unseen world on the observed one.

This method of hypothesis is known to European culture



“The most fundamental principles of economic science will be found, buried within the implications of that compared pair of cases, of the true geniuses Bach (left) and Kepler (statue at Weil der Stadt). To understand economics competently, anyone must, first, go through an experience similar to that lightning-like stroke of truly creative recognition which I recognize in the referenced features of the work of Kepler and Bach.”

since the time of the pre-Aristotelean Classical Greeks, such as the Pythagoreans and Thales. The Greeks derived their use of the principle of hypothesis, as defined by Plato, from study of the products of Egypt’s long history of astronomy, a history whose crucial, intermediate benchmark is the astrophysical design of the great pyramids of Giza. The geometry which these Greeks employed was not the ivory-tower geometry which has been attributed to Euclid since the time of Plato’s adversary Aristotle and his successors; it was a *physical geometry*, as this is typified by the Classical Pythagorean problem of physically doubling the cube by means of purely geometric construction. All of the successful leading accomplishments of modern European physical science, as typified by the work of Cardinal Nicholas of Cusa, Luca Pacioli, Leonardo da Vinci, and their followers Johannes Kepler and his follower Gottfried Leibniz, are an echo of the tradition passed down from the notion of “powers” which occupies the central position in the scientific method of the Classical pre-Aristotelean Greeks.

The requirement for an experimental demonstration that an hypothesis is an existing, efficient principle of ongoing action in the universe which casts the shadows of its presence upon our sense perceptions, is that knowledge of this hypothesis is proven to be a power of the individual human mind over the unseen universe, by virtue of the efficiency of the changes which command of that principle is enabled to enforce, reliably, upon the visible domain.

Such an hypothesis, once proven so, does not stand alone. There are many unseen powers (universal physical principles) out there, beyond the shadow-world of sense-perception. We can not rely merely upon discovering a single experimentally

validatable hypothesis; we must construct an hypothesis which corresponds to what is presently knowable as the efficient interaction of all of the unseen powers “out there.” We must hypothesize the hypotheses to this effect. It does not stop there. Unless we adopt the notion of a fixed universe, we must hypothesize the way which the universe corresponding to an higher hypothesis is undergoing continuing development according to some higher principle, as Plato relies upon this most famously in his *Timaeus* dialogue.

Men and women can look up to the skies, as the relevant ancient Egyptian astronomers did before the Greeks they educated, and see the Creator. The poor beast can not; he or she can see only man as the surrogate for his Creator, and can be quite angry with his mortal master on this account, when that master does not obey what the beast considers to be the rules which that master himself has set for them. As that seminal genius of the Renaissance, Cardinal Nicholas of Cusa, observed, as man participates in God, so the beasts participate in man.

The function of the individual is the transmission of the fruits of the process of hypothesizing, by individuals, laterally, in his or her own time, but across successive living generations of mankind: by reliving each actual act of discovery from the past, and affording the future the means of the same quality of access to his own original work. The acquisition and development of the powers so acquired, is the source of that transformation in man’s relationship to the universe on which the progress of the condition of mankind depends, the only means by which mankind’s continued existence could be assured over the long range of coming developments of and within our Solar system.

Can men and women endowed with such wonderful powers, be treated as cattle? To be reduced to the role of being hunted or herded, as animals are? Or, could men and women made practically conscious of the human individual's special role in the universe, by virtue of these creative powers, accept submission to being treated as such cattle by their society? Could we, as men or women, tolerate our fellow humans being treated as cattle? Where is our conscience?

Then, Came the Renaissance

From the decline of Classical Greece's leading role in the continued progress of emergent European civilization, from the interval between the launching of the Peloponnesian War, the judicial murder of Socrates, and the death of Plato, until the Fifteenth-Century European Classical Renaissance, most of mankind was subjugated, chiefly, to an *ultramontane* form of imperialism, as typified by the emergence of the Roman Empire and its medieval successor, the alliance centered upon Venice's imperial financier oligarchy and the Norman chivalry. The Florence-centered eruption of the Italian Renaissance of Classical Greek principles, over the Latin, unleashed an economic revolution in Europe. The realization of the long struggle against the *ultramontane* system, as had been led by the Augustinian tradition, by Abelard of Paris, Frederick II Hohenstaufen, and Dante Alighieri, came in the Renaissance's fostering of the first modern nation-states, Louis XI's France and Henry VII's England.

The significance of this Renaissance establishment of those two model modern sovereign nation-states, established the principle of the Christian Apostle Paul's *I Corinthians* 13 as the implicit fundamental law of the nation: the Platonic principle of *agapē*, as translated into the doctrine of law expressed in the 1776 U.S. Declaration of Independence as Leibniz's anti-Locke principle of "the pursuit of happiness," and as the ruling principle of law of the entire U.S. Federal Constitution, its *Preamble*. The principle was the promotion of the self-development of the distinctively human creative powers of the individual. This was the right to invent, to innovate, and, above all else, to discover new universal physical principles of the universe: to do that which the evil Zeus of *Prometheus Bound* forbid that mankind be permitted to do. All of the achievements of the globally extended influence of modern European civilization since, have been premised upon that principle of fundamental scientific and related progress.

As I have restated earlier, the emergence of this new institution, the modern nation-state based on such republican principles, provoked a violent reaction from among the remnants of the failed *ultramontane* system. These were, most notably, Venice's financier oligarchy and its chivalric assets in various places; these hateful defenders of the ultramontane legacy included Inquisition-ridden, late Fifteenth-Century Spain. Earlier here, I emphasized the military and related strategic features of that pro-feudal, Venice-led reaction. The more durable of the evil effects produced by that reaction, was

the campaign to destroy the human mind: first, by reviving Aristotle; second, by introducing the simplified version of Aristotle, empiricism; and, later, such outgrowths of empiricism as positivism, existentialism, and the explicit counter-culture launched by the British imperialist Fabian Society and its U.S.-sponsored outgrowth, the counter-cultural Congress for Cultural Freedom.

The common feature of all of these modern reactionary programs, has been the suppression, and also the destruction of those characteristics of the individual human mind, from which the kind of progress represented by the modern sovereign form of nation-state have sprung. The root of these schemes is to be found in Aristotle's writing on the subject of politics, and in his putrid *Nicomachean Ethics*. The practical political motive behind those corrupt philosophical exertions, has been the campaign to stifle those creative powers associated with the discovery and practical realization of universal physical principles. The practical political motive is to suppress recognition of the evidence which shows that human beings are not animals who must therefore accept the condition of being human cattle.

The introduction of the reductionist dogmas of the Eleatics, Sophists, and Aristoteleans, was deployed in ancient Greece, to attempt to crush the scientific method of developing knowledge, the method typified by the work of the Pythagoreans. The characteristic feature of this fraud by the pro-oligarchical forces of Aristoteleans and their like, was to substitute fanciful sets of definitions, axioms, and postulates for the notions of *powers* as *intentions*. The characteristic feature of those reductionist hoaxes, is the prohibition of resort to those methods of hypothesis which are associated with the pre-Aristotelean, Classical Greek notion of *powers* (Gr: *dynamis*).

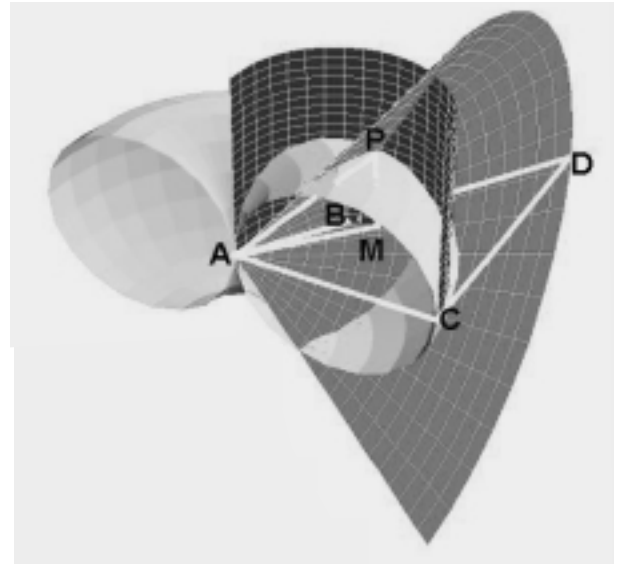
As I have pointed out at an earlier point in this report, it was a high-ranking representative of Venice's intelligence service, Francesco Zorzi, who deployed to Henry VIII's Tudor England, where he operated, under the recorded name of "Giorgi" as marriage-counsellor to that suggestible king. Through the playing upon the impatient lusting of that king for the tease Anne Boleyn, and with the help of Venetian agents such as Thomas Cromwell and putative Plantagenet heir Cardinal Pole to the English throne, the Venetians prompted the king to behead Sir Thomas More, the king's most able counsellor, and to launch a schismatic enterprise in needless warfare, a schism which contributed greatly to burying all of Europe in religious and related warfare over the interval 1511-1648. At the same time, this same Zorzi launched a published attack on the work of Cardinal Nicholas of Cusa's *De Docta Ignorantia*, one of the seminal scientific works of the Renaissance, and campaigned for the enthronement of Aristotle as an ideological weapon deployed in the effort to destroy the work of the Renaissance, and to thus return Europe to the *ultramontane* system under Venice and its Norman allies.

During the closing decades of that same century, a new



Archytas' solution to the Delian paradox typifies the work of pre-Euclidean, physical, constructive geometry. Here, members of the LaRouche Youth Movement have built a pedagogical device to demonstrate his solution, which creates a torus, and a cylinder in order to find the geometric means between two magnitudes—AC and AB in the drawing.

Archytas' Construction for Doubling of the Cube



tyrant emerged in Venice, Paolo Sarpi, who, in concert with his household lackey Galileo Galilei, created the dogma of empiricism as a more radically reductionist system than that of Aristotle. Despite efforts to reintroduce Aristotle's role as the leading enemy of scientific thought during subsequent times, empiricism, as typified by the work of Descartes and Newton, has continued to be the foundation of all important efforts to corrupt or even virtually eliminate scientific methods from civilization.

Ever since Zorzi's role in England, the principle weapon used by the financier-oligarchical interest, in the attempt to castrate scientific fertility within the populations at large, has been the combination of an Aristotle revived as an adversary of the Fifteenth-Century Renaissance's founding of the modern sovereign nation-state, and the bumptious successor and rival of Aristotle's modern influence, empiricism.

In all of these reductionist systems, the method employed for mass-brainwashing of scientists and others has been the crafting of what I have described, in various published locations, as a "fishbowl mentality." The trick used has been to induce the victims of this conditioning-process to adopt a certain set of allegedly "self-evident" definitions, axioms, and postulates, or the like, as the basis for any socially tolerated argument on virtually any subject. This may be an echo of the Eleatic system which was ridiculed by Plato in the *Parmenides* dialogue. It might be the Sophist system whose reputation was also wrecked by Plato's dialogues. It may be the empiricist "principles" of Sarpi, Galileo (e.g., "action at a distance"), Descartes, Newton, and so on. Or, it may be simply: "In today's accepted accounting practice, we always. . . ." That soup-stock may then be enriched by such shibboleths as Jonathan Edwards': "That nasty tyrant, God, despises you, but, if

you sign this contract here tonight, he will provide you utterly despicable creatures with riches and pleasures in your mortal life, but, in any case, your secured admission to a soup-kitchen he has provided for your comfort on cold nights, after you are dead."

By inducing a leading stratum of the population to insist on the strict enforcement of those special rules of mental behavior, the tyrant creates a fish-bowl mentality, through which to prompt his dupes to turn away from any idea which lies outside the bounds of the prescribed set of *a priori*, self-evident rules of the game.

So, for example, Lagrange responded to young Gauss' devastating exposure of Lagrange's folly on The Fundamental Theorem of Algebra, Lagrange protested, saying, in effect: "You cheated. You went outside the rules. You used geometry!" Every pompous academic crackpot who has ridiculed Gauss, or Gauss's teacher Kästner, on this account, has relied on imitating, or referring to the kernel of that childish complaint by Lagrange.

The issue of the quarrel between Gauss, on the one side, and Euler, Lagrange, et al, on the other, was, precisely, that competent mathematics had been nothing but the understanding of the nature of mathematical physics. In pre-Aristotelean Classical Greek culture, mathematical physics was "spherics": the application of Egyptian astronomy's approach to Astronomy from the vantage-point of reference to a spherical geometry of physical action. The Classic case of the Pythagorean Archytas' report of the construction of the geometric means for doubling of the cube to Plato, at Tarentum, is the model way of representing the significance of Pythagorean spherics to the modern classroom. As in the instance of the original discovery of a universal physical principle of gravita-

tion, by Kepler (i.e., as detailed in his 1609 *The New Astronomy*), it is anomalies, as defined in terms of the system of spherics, as opposed to the pro-Aristotelean first books of Euclid, which require discovery of efficient universal principles operating from behind the ken of simple sense-perception. The same method represented by Archytas' solution for geometric construction of the doubling of the cube, is reflected in Kepler's discoveries.

In contrast to that, all of the learned academic idiocies practiced in the name of mathematical physics, are based upon a combination of two lunatic assumptions. One, that the universe is a Cartesian manifold. The other, that all of this might be replaced by Bertrand Russell's failed scheme for deriving all science from his ultra-reductionist view of the simple counting numbers. By insisting that all science must be confined within a "fishbowl" defined by those confining, *a priori*, "self-evident" assumptions, more minds are destroyed than actually educated in schools and universities, to the present day.

The purpose of all this, was to castrate the minds of the populations of, especially, modern European civilization. If the dupes of such brainwashing can be induced to seek in sense-perception, the location of those universal physical principles for which sense-perception offers only shadows, then the organization of society around the conception of the difference between man and beast, can be prevented, or made vulnerable to the Phrygian anarchy of lunatic mobs, as this has been done to most of the people of the U.S.A. and Europe today.

When a people has no reasonable comprehension of the intrinsic difference between man and beast, then how shall it muster itself to defend that of whose existence it does not know? When the worship of the Creator of the universe is replaced by rituals at a carnival side-shows, such as those of our lunatic "fundamentalists" today, how can those victims know that they are made, man and woman, in the likeness of the Creator? They become, like most of our political leaders today, virtual Hamlets, who fear their own uncertainty about immortality so much, that they would hasten their own deaths, as in some equivalent of flight forward, in the most foolish manner, in order to silence their fearful doubts. As for the mass of people so misled, they become virtually the miserable, rutting yahoos of Jonathan Swift's allegorical representation of the early Eighteenth-Century United Kingdom. They become human cattle, to be herded, or to be hunted.

That people, so stupefied, will go to their death in chains, after, first, putting the shackles of their minds upon themselves.

3. The Intention To Create Wealth

Some planted enemy agents aside, the principal cause of economic performance-lapses which I have discovered in leaders in my international association, is that they, today,

are chiefly "Baby Boomers," representatives of a generation, from the Americas and Europe, who entered leading and other universities during the middle to late 1960s. It is the predominant tendency of the members of that generation, to view matters of management of income and expenditure simplistically, as, in principle, reducible to the so-called "practical standard" of what is regarded as "conventional financial accounting and budgeting." With U.S. Federal Reserve Chairman Alan Greenspan's introduction of legalized gambling side-bets as a substitute for production, a change in the character of the economy was institutionalized by him following the 1987 U.S. stock-market crash, in "conventional" economy and accounting. Today, that change in conventional practice includes much which would have been frankly, and rightly considered clinical insanity, or even, and that justly, "criminality," prior to the 1979 appoint of Greenspan's predecessor or, "predatorcessor," Paul Volcker, as U.S. Federal Reserve Chairman. The result of that polluted form of economic inculturation tends to be economic death by suffocation, or, to use the more appropriate technical term, *technological attrition*.

Although I have a record of performance, as being the world's presently leading expert in the science of physical economy, very few among my associates from among that "Baby Boomer" generation, have ever actually understood *emotionally* the mathematical-physical form of expression of the essentially underlying principle of a successful modern economy. Their problem is chiefly emotional, rather than formal. (When they are challenged on this point, the *wrong* emotion often pours out, even profusely, from the mind and that mouth, from which, for the moment, reason has retreated.)

As a matter of contrast, I do have an efficient comprehension in such professional matters, an advantage partly due to the fact that I represent an earlier generation, which was still productive-technology-oriented: more significantly, because I am also the original discoverer of the principled nature of those relevant connections between science and political economy which had been bequeathed to our time as the unfinished work of the founder of the science of physical economy, Gottfried Leibniz.

The relative failures of management performance of which I have often had reason to complain among most of my associates, are not so much due to their lack of diligence in mathematical-physics matters as such. They are, on the average, far above the typical members of their generation in intellect, and usually embody that self-sacrificing devotion to mission which is found among very, very few of that generation today; but, unfortunately, at the same time, most of them have become merely another set of victims—self-esteeming "underdogs," waiting for scraps to be thrown to them. They have become mostly obedient victims of the peculiar pathologies of a generation which came into adulthood during the middle to late 1960s. Their faults, insofar as they exist, are the symptoms of the common pathologies of their generation. Despite all wishful disclaimers from across the Atlantic, the



“There is no financial security for any U.S. citizens, except as the Federal government, by new policies, under new laws akin to those associated with President Franklin Roosevelt (above), may overturn radically what had been lately considered, until now, as irreversible popular opinion. . . . But for a new FDR on the scene, anyone who promises such financial security in personal affairs, or business, to anyone, now, is a babbling fool, or a liar.”

problem is parallel, and virtually identical, or even worse, in western Europe.

The problem must be seen and understood as being, functionally, a mass phenomenon. By that, I mean that we can not understand the source of the problem competently by studying each individual, case by case, and then totaling the scores for each classified relative sub-type of personality. The dominant cultural characteristics of the population taken as an entirety, must be adduced; it is the relationship of the individual, or small group, to that entirety, which usually prevails. Therefore, attention must be focussed upon the way in which the characteristics of the reigning current of the society as a whole, govern the way in which the individual or small group responds to, interacts with, the characteristic trends in the society as a whole. The problems to which I refer here are the characteristic problems of this Trans-Atlantic generation taken as a whole.

In such a case as that, Friedrich Schiller’s conception of the role of the superior quality of the special individual to the people of his or her time, is the applicable consideration. That individual must act upon behalf of the people of his time, rather than acting primarily as a reflection of their currently prevalent mores.

We live now in a time when celebrities, as in the field of mass entertainment, are chiefly freaks, rather than accomplished thinkers and artists. The Congress of Cultural Freedom, as the “Beast Man III” report issued by my U.S. Presi-

dential campaign points to the crucial relevant points, has done much to shape, or, better said, misshape that generation. This generation, currently typified by persons in their fifties or early sixties, with its Orwellian counter-cultural dogma of mediocrity as a substitute for reason; today’s “Baby-Boomer” culture, has virtually outlawed, as if by collective will, the type which, had been, in earlier generations, the morally best of the qualified true leaders of a national culture.

In the Phrygian atmosphere produced by the Congress for Cultural Freedom’s mass-brainwashing, our society’s qualified leading individuals tend to be shunned simply because they refuse to behave as the prevalence of Orwellian mediocrities demands. Consequently, today’s frightened individual, even one among the best of his or her generation in many ways, often reacts to the fear of that lynch-mob-like rampage of a fanatically mediocre culture, by seeking a hermit-like niche, a cocoon in which to hide from the attention and wrath of our contempo-

rary Phrygian mobs.

Relative to their parents’ and grandparents’ generations, that Baby Boomers’ emotionally driven, irrational lack of comprehension of economic processes, has a specific quality. It is, said again, a by-product of the effects of the influence of the U.S.A. CIA-directed Congress for Cultural Freedom, whose destructive cultural influence intersected the shock of such of such effects as the 1962 missiles-crisis, the assassination of U.S. President John F. Kennedy, the launching of the U.S. official war in Indo-China, and the impact of that bug-like pestilence spewed from Britain, known as “The Beatles.”

Thus, to summarize that point: the effect of the mass cultural-paradigm shift expressed by the students entering U.S. and European universities during the middle to late 1960s, is a mass phenomenon among the generation, currently in their fifties or early sixties, whose representatives occupy most of the leading positions of influence in society today. It is a generation well represented in the leading stratum of my political association; it is the currently reigning generation, in nearly every institution, on both sides of the Atlantic today.

It is this those of this generation typified by the upper twenty percentile of income-brackets, today’s so-called “suburban” factor, which has led, often viciously, in adopting the ruinous new, and increasingly cruel economic and related policies introduced to the U.S. under the 1968-1981 reign of William Yandell Elliott-trained U.S. National Security Advisors Henry A. Kissinger and Zbigniew Brzezinski.

Technically, the inability of such typical members of that generation to grasp the essentials of the practice of economic management, is rooted as a factor in the policy-shaping of our society which is fairly labeled, clinically, as a commonplace variety of a factor of psycho-sexual impotence often associated with obsessiveness about pleasure-seeking sensual effects. It is a form of impotence often expressed as indifference to the ruinous cruelty their policies wreak upon the poor of our own and foreign nations. The problem was not typical, if admittedly not uncommon among persons in management positions during earlier generations; but, in today's Baby-Boomer generation, especially the upper, "suburban" twenty percentile of family income-brackets, it is the prevalent economic culture. It is expressed as a form of such psycho-sexual impotence paralleled, greatly reenforced, and symptomized most dramatically by the spread of the fanatical, Dionysiac irrationalism of the so-called "ecology movement," by the spread of indifference, even among harsh critics of the "ecology hysteria," to the cruelty of the ruinous, broader effects of that Phrygian nightmare.

The most important aspect of that dysfunctional mental behavior respecting economy, can be identified in the following way.

Economy, Art and Science

For the purposes implicitly emphasized throughout this report, I shall now emphasize the pathology expressed as the inability to locate the connection between the mathematical forms of economic processes, and those certain higher qualities of human individual capacity for passion, which are otherwise expressed, and exemplified by the most able performers of great Classical musical compositions. I emphasize insights into such matters which had been made accessible to mathematical physics by the specific accomplishments of Bernhard Riemann.

I now identify the connection just indicated, and then elaborate the way in which it is expressed in economic practice.

A Classical musical composition, which is to say one coherent with the higher conceptions of polyphony introduced and developed by J.S. Bach, has nothing in common with the work of the sausage-maker of monotonous, and not very nice sounds, Jean Philippe Rameau. On the contrary, in the case of an authentic Classical composition in the legacy of Bach, the composition as a whole is a single *thought-object*, in the Herbart-Riemann sense of use of the German term *Geistesmasse*. The composition is defined as a unified process of (elementarily) a single conception of (primarily) contrapuntal development, from beginning to close of its performance. Not the simple schoolbook notion of counterpoint, but a much higher one.

The practice of such art is located primarily in the development of the natural qualities of the human singing voice according to the standard of vocal polyphony corresponding to the Florentine *bel canto* method of singing-voice training

and maintenance. Music is generated by contrapuntal relations among different singing-voice species defined according to the point of reference provided by Florentine *bel canto* discipline. Instrumental music is properly generated and performed by the mind of the performer who imposes a mental image of the relevant *bel canto* singing-voice quality on the behavior of the instrument. All acceptable Classical musical composition and performance has these defining qualities.

The specific characteristic of Classical musical composition and performance, is the process of development accomplished through a sufficiently deep understanding of counterpoint from the point of reference provided by J.S. Bach. This discipline frees music from reliance upon arbitrary sensual effects, such as the scoring in of fire sirens, barking dogs, or the vanity of so-called "passage work." The complex of cross-voice relations so rallied provides the means for giving substance to a driving intention, called the process of development, through which each Classical composition satisfying such requirements of composition and performance, becomes a unique, indivisible single idea, of the quality of unique existence which Herbart and Riemann reference by their use of the German term *Geistesmasse*.

Thus, the competent performer of such a composition must control his performance under the uninterrupted motivation supplied by that thought-object. In instrumental performances, this is best illustrated by the relatively rare cases of a performance of one of Beethoven's late quartets which meets the standard of this performance requirement for one of those quartets. Taking those quartets, including the Grosse Fugue (Op. 133) as a unit-collection, these quartets encompass the highest level of achievement by Bach, and something qualitatively more besides.

That set of quartets can be adopted as a pedagogical unit, for demonstrating more powerfully the principle, that the idealized image of the perfectly *bel canto* form of human singing-voice, as existing primarily in the mind of the composer and performer of such works, is the substance of the medium of Classical musical composition. The reality does not lie in the sound heard by the ear, or the musical sex-maniac, but the true musical idea, heard only in the mind even of a great, but greatly deafened composer, heard, as Bernhard Riemann would understand, in the complex domain.

My investigations into this matter, have shown that the production of such excellent performances by certain among the most notable performers, such as the late Wilhelm Furtwängler so cruelly hated by pro-Nazi, sometime CIA Director Allen Dulles' Congress for Cultural Freedom, involves the performer's unconscious awareness of principles, to which Furtwängler alluded sometimes as "playing between the notes," which he, or she nonetheless takes implicitly into account. Such a quality of performance is in itself, proof that they have developed the ability to perform in ways which meet the subtler technical requirements of the composition as a unified process expressed a single idea. Simply, to the extent that the performer's mind is acting under the guidance of



Presumptive Democratic Presidential nominee Sen. John Kerry has completely rejected the FDR legacy for dealing with the economy, while “me-tooing” Cheney/Bush on the Iraq war. “If that quality of political leadership of the U.S.A. which Kerry only reflects in a currently pathetic way, is not changed radically during the very near future, there will soon be no U.S.A. as we have known it earlier during our lifetimes.”

the singleness of effect of the intended composition as an indivisible unit, the performer’s mind is dissatisfied by results which deviate from the intended effect, and “tries again,” with the determination not to deviate, as if into side-ditches, from the conceived objective of the composition as a whole. The mind of such a performer “sees” the articulation toward which he or she is aiming, even when he or she could not give a formula for it, or a name for it. Here, “between the notes,” lies the essence of musical creativity.

The classical example of the same principle from the pages of modern physical science, is the uniqueness of Johannes Kepler’s consummately Platonic musical discovery of the principle of gravitation. Kepler recognized, from the anomalous characteristics of the Solar orbits (e.g., the elliptical pathway: “equal areas = equal times”), that the Solar system was controlled by a principle which was operating from “outside” the bounds of any of the assumed principles of regularity employed by any then currently accepted astronomy, such as those from the rabid Aristotelean Claudius Ptolemy through Copernicus and Tycho Brahe. Kepler, delivering a devastating refutation of both Ptolemy and the method of Aristotle, developed the foundations of modern astronomy, prior to the foolish work of plagiarists of his findings on gravity, such as Galileo and Isaac Newton, but before the essential principles of an infinitesimal differential calculus had been developed by Leibniz and Bernouilli, and before the comprehension for

elliptical functions and general principles of physical curvature, by Gauss, Riemann, et al.

To combine the two examples, music and astronomy: Kepler anticipated the necessary discoveries by such among his successors, as the accomplished musicians know how to perform the late Beethoven quartets without knowing the formal-mathematical-like implications of the principles which they have in fact mastered in performance.

This combination illustrates the essential principle of my original discovery of the deep physical principle underlying any competent notion of a science of physical economy. It is a discovery which I made, during the late 1940s and very early 1950s, by recognizing something, as by a stroke of insight which struck like lightning. With the help of Percy Shelley and some others, I saw suddenly, as if in a single glance, the deep principles of irony, of Classical poetry, prose style, and punctuation, which are implicitly outlawed by the *New York Times* style book or the maudlin preciosities of the fashionably decadent varieties of sundry literary “reviews.” The most fundamental principles of economic science will be found, buried within the implications of that compared pair of cases, of the true geniuses Bach and Kepler. To understand economics competently, anyone must, first, go through an experience similar to that lightning-like stroke of truly creative recognition which I recognize in the referenced features of the work of Kepler and Bach.

In the case of our youth movement organization, and also other pedagogical programs, I have introduced the task of undergoing the experience of the pedagogical stroke of lightning represented by the challenge of Carl Gauss’s 1799 exposure of the fraud permeating the representation of the notion of the Fundamental Theorem of Algebra by the empiricist fanatics Euler, Lagrange, et al., an exposure of the fraud by Euler, which implicitly wiped away any favorable reputation of the pagan god which Euler worshiped, black magic specialist Sir Isaac Newton.

As Kepler’s uniquely original act of discovery of *a universal physical principle* of universal gravitation reflects this, all universal physical principles are actually discovered only as an object existing “outside” the framework of the relevant physical-mathematical scheme in which their appearance is initially expressed as a relevant stubborn anomaly of that system. This is the kind of anomaly expressed by the Pythagorean school’s recognition of the paradoxical implications of doubling a line upon itself, doubling a square by construction, Archytas’ constructive solution for the doubling of the cube, and the implications of the work of Theaetetus, Plato, et al., in defining the deep ontological implications of the uniqueness of the so-called “Five Platonic Solids.”

The crucial principle, which the fanatical “fundamentalist true believers” in empiricism, such as Euler and Lagrange, refused to accept, is shown with the relatively greatest combination of simplicity and adequacy, by Archytas’ solution for the doubling of the cube by construction. In this solution, two geometric actions, not directly visible to the sense of the cube



“That Roosevelt,” the earlier U.S. President Theodore Roosevelt (above), “steered the United States’ policies, over the relevant interval 1901-1919, away from our patriotic tradition, into such imitations of the British imperial system and into such policies as the ramming through of the Federal Reserve Act.”

as such, define the solution, which can then be constructed, geometrically, accordingly. This case is an elementary demonstration of the principle whose physical existence Euler denied, a phenomenon which he mislabeled “imaginary numbers.” Archytas’ proof is, in fact, an excellent example of the actual, physical existence of what Gauss and Riemann, among others, defined as the complex domain of a mathematical physics free of the “ivory tower” baggage of an abstract, merely formal mathematics.

On the surface of that case, it would appear to the careless pedagogue, for example, that this matter between Gauss and Euler, et al., was an outgrowth of the study of cubic roots by Cardano. In fact, the way in which this treatment of the Cardan problem was addressed in the Eighteenth Century, was conditioned by the revolution in mathematical physics accomplished by Kepler. It was Kepler’s specification of the need that “future mathematicians” develop a mathematics of the infinitesimal calculus and a mastery of the subtle implications of elliptical functions, which posed the challenge which had led Leibniz to his unique discovery of an infinitesimal differential calculus and the related notion of a catenary-cued, universal physical principle of least action and also to his related notions of natural logarithmic functions. Euler, who was both a Leibniz-hating empiricist and fanatical devotee of the cult of Isaac Newton, had joined with fellow-Voltairean d’Alembert and others, in the attempt to defame Leibniz’s work in every way possible. In that fit of enthusiasm, Euler, then stationed as the enemy of the circles of Lessing and Moses Mendelssohn at Berlin, trumpeted his fraudulent use of the ripely misleading term “imaginary numbers.”

The same kind of hoax underlies all of the generally ac-

cepted doctrines of economy against which I have contended over many decades. It is significant to the point being argued here, that, in principle, this began with my rejection of the idea of a Euclidean geometry on the day of my first classroom exposure to that stuff. The idea of an abstract geometry, separate from physically efficient action, was already morally abhorrent to me at that time. My commitment to the notion that a true geometry must be a physical geometry then, led me soon after that, to my attachment to Leibniz and rejection of Kant, and, more than a decade later, to my rejection of Norbert Wiener’s “information theory” hoax, as that, in turn, led over the ensuing 1948-1953 interval to my original discoveries in a science of physical economy.

Passion: The Quality of Intention

As Kepler treats the matter of universal gravitation, the key to physical science is the principle of *intention*, as he defines it in this connection. This is the crux of the entirety of the argument outlined in this report so far.

What Kepler proved, in fact, was the falseness of the notion that the idea of laws of the universe must be limited to passive faith in the observed regularity of action. In this Kepler was making the same argument which Philo of Alexandria, the friend of the Christian Apostle Peter, had made against the toleration of Aristotle by Judaism. Philo’s argument is pedagogically beautiful.

Aristotle, Philo’s argument goes, insists, in effect, that God is dead. Implicitly, Aristotle’s method argues, pervasively, that once God had created the universe with a fixed set of laws, thus creating a perfect universe, God himself could not interfere with that Perfection! Thus, insofar as monotheistic religion accepts the argument by Aristotle, God’s active existence is chiefly relegated to events outside the universe in which we live, excepting cases in which specific interventions were presumably prescribed in the fixed design of the universe, prior to the moment of its creation as Perfection.

Relative to Aristotle, Kepler is thus arguing the following summary points, in effect. First, that the universe is an ongoing process of creation, as under that hypothesizing of the higher hypothesis expressed by Plato’s *Timaeus*. This means that the Creator is an active agent in *the continuing process of creating the universe*. In Judaism, this means, as was recently emphasized to me by a relevant sage, that the timing of the arrival of the Messiah is not written in some eternal contract with mankind, but is an event which would occur only when the Creator decided to make such an intrusion. For physical science, this means, as it did for Kepler, that the observed, anomalous motion governed by the principle of universal gravitation, is a representation of the continuing, active intervention of the Creator according to the Creator’s intention. God does not, awaken, sleepily, on certain occasions, to “wind up the universe,” as poor foolish Newton proposed; the Creator is actually always on the job, running it all of the time. That latter point made by Kepler, would have really frightened the poor black-magic specialist Newton, if he had ever

actually read that work of Kepler which he so wretchedly attempted to plagiarize. (The story is that some necromancer managed to reach Isaac Newton in the after-life. Being a modern character, the necromancer asked the shady Newton, "What are you doing now?" to which Newton is reported to have replied, "Cooking." Apparently, God was not pleased with brother Newton.)

For Kepler, in particular, all discovered laws of the universe are intentions. The practice of science by man is accomplished by expressing those discovered intentions of the Creator as man's practical intentions, man's *passions*. In other words, *the passion to make it happen*.

The pathetic Aristotelean, or empiricist, chooses, instead, to see science as providing a road map to a pre-fixed domain, with the same connotations for which Philo blamed Aristotle.

Put the same point another way. If one sees a scientific principle as a merely an explaining of nature, then the function of science is limited to predicting what are presumed to be inevitable consequences of a certain action taken under specific circumstances. The victim of such a delusion has adopted Aristotle's point of view. He does not see himself as an instrument of the Creator who intends to use him to carry out a specific task of changing the universe. He does not see the Promethean principle as the essence of any efficient morality. He senses no moral obligation to express impassioned intent by taking continuing action to bring about lawfully determined forms of changes in the ordering of events. He is psycho-sexually impotent, and therefore hides behind following the rules toward what he foresees as their predicted effects. He does not worship God; in his actual practice, he worships Aristotle, or something even worse.

The relationship of physical science to economy is to be defined for knowledge, and practice, according to the rejection of the implications of the dogmas of such as Aristotle, the empiricists, and the Aristotelean empiricist of Kant's exercises in psycho-sexual impotence, his infamous series of *Critiques*.

Now, let us show what that means, concretely, for the moments now immediately ahead for the Americas and Europe alike.

Running, or Ruining a Business?

Now, against the indispensable background which has been summarized in this report up to this point, we come to the core of the immediate argument to be delivered: What is the mental state of the individual who is qualified to lead the management of a national economy, or, a business, or, an enterprise such as my own, under the circumstances defined by the onrushing, terminal collapse of the world's present, 1964-2004 system? What is the challenge which inevitable developments of the immediate future now present such that individual?

There are three principal topics to be introduced at this point, on the basis of the historical background supplied above.

First, we have entered a time in which money, as it has been considered by prevalent popular opinion during, most emphatically, the recent four decades, is about to vanish as dramatically as the German *Reichsmark* vanished at the close of 1923 hyperinflation. The fate of money, in pocket, in savings, in insurance funds, and so forth, is now in jeopardy. Who will come out of the onrushing monetary-financial holocaust financially alive, is very much in doubt. There is no financial security for any U.S. citizens, except as the Federal government, by new policies, under new laws akin to those associated with President Franklin Roosevelt, may overturn radically what had been lately considered, until now, as irreversible popular opinion. Otherwise, but for a new FDR on the scene, anyone who promises such financial security in personal affairs, or business, to anyone, now, is a babbling fool, or a liar. Survival today is a terribly serious national, not merely personal, nor local, political question.

In other words, when a monetary-financial system has entered a crash-phase, all local relations involving money are changed by the sudden instability of *all relations* within the bounds of that system. *Under that condition, there are no local solutions*; that is the period into which you, personally, your family, your community, your state, your nation, and the world as a whole, is now plunging. The only solution is to introduce a radical change into the system. A radical change is now inevitable for the immediate future. Your habits of the past quarter-century or more, are now out the window. There is about to be a very, very radical change in the world of both money and real economy. Either we make the change, or the enemy will make that change which produces a nightmare for you beyond your imagination. The change will now come suddenly, one way or the other. *The proverbial party of the past forty years is now over!*

As I shall explain here, the nearest relevant precedent for that aspect of the immediately imminent situation, is to be found in certain leading features of the way in which the predators of post-World War I Versailles orchestrated the fall of what they knew to be the already hopelessly bankrupt British gold standard. That British system was one whose life the relevant predators of Versailles intended to sustain, *up to a point* which proved to be the coincidence of four factors: a.) the 1931 establishment of the Basel, Switzerland-based Bank for International Settlements, b.) the 1931 founding of a new, largely Netherlands-based, financial cartel to carry over the financial claims of the Versailles creditors against Germany, c.) the 1931 removal of the British gold standard; and, d.) the 1933 installation of Adolf Hitler as dictator of Germany through an operation coordinated by the Bank for International Settlements' principal Germany representative, the London Bank of England-created Hjalmar Schacht.

The situation which the people and government of the U.S.A., in particular, actually face today, is a reality to which both the incumbent administration and both the leadership of the Democratic National Committee and the Kerry campaign are hysterically indifferent. If that quality of political leader-

ship of the U.S.A. which Kerry only reflects in a currently pathetic way, is not changed radically during the very near future, there will soon be no U.S.A. as we have known it earlier during our lifetimes.

A scheme for your unspeakably miserable future is already afoot. It is a scheme orchestrated by a syndicate of international financier interests, which represents, as reflected by the "Bilderberg group" now, the descendants of the same Synarchist International-associated, financier interests who came out on top in the shake-out, under the pre-President Franklin Roosevelt state of the U.S. economy, the same crowd who gave the world the fascist Mussolini, Hitler, Franco, and other fascist horrors of 1922-1945 continental Europe. This is the crowd behind the Versailles international financial/monetary system of 1918-1933. The essential difference between what happened during 1918-March 1933 and today, is that the "bang" of the presently onrushing, global monetary-financial breakdown-crisis, is several "Richter Scale" orders of magnitude greater than that of the 1918-1933 interval.

That parallel, and the solution for that type of crisis, can not be represented in a sane way by any known monetary and related theory currently taught in universities, or debated in barrooms, cocktail lounges, or backyard barbecues.

These types of collapse of once absolutely powerful entire monetary-financial systems, have occurred several times in well-studied aspects of the history of European civilization. In the course of the breakdown-crisis of any such system, there is a momentary or longer period of transition, from one, old, shattered monetary-financial system, into a new one which has shucked off most of the financial assets which had been associated with the failed system. That is about to happen now. In that interim which occurs between the collapse of a preceding monetary-financial system, and the emergence of the new, there is a transitional phase-shift in the system as a whole, during which economic values can be understood and managed solely from the standpoint of physical economy, rather than the preceding, failed monetary-financial system. That is where we stand, world-wide, today. I shall return to that subject, physical economy, at the appropriate place in this concluding chapter of my report. Such a break in continuity of money, and of valuation of monetary and financial assets, will now soon occur. That is absolutely assured. The questions are: In which direction will the break take us? What are the alternatives? What are the available routes of safe transition? And how long will they take, to get across the bridge from the presently failed world monetary-financial system, and what should, one may hope, replace it?

I continue with my listing of the three listed categorical points.

The second of the three topics is the role of physical economy, especially in a transitional period of crisis such as that about to explode world-wide today. How must we define growth, especially under the kinds of conditions to which I have just referred? What must be understood about the distinction between short-term, and long-term growth?

The third, crucial topic is that subject to which I have given transitional emphasis, from time to time, during the preceding pages of this report. What is the quality of state of mind of the truly successful entrepreneur, which distinguishes him, or her, from that "trampling herd" of professional underdogs, whose welfare depends upon his, or her role of leadership: a role of leadership as expressed by the make-or-break decisions which must be made only by a competent management of a closely held agricultural or industrial enterprise, a large infrastructural investment, or the kind of leadership we lack presently in the White House and the approved circles of the Democratic National Committee. We need the kind of leadership we have not seen in decades, which I hope this report will help, directly, or, more likely, indirectly, to provoke from within a state or national government gripped in crisis. What distinguishes the character, and the performance of such a leader of the society's business, from that underdog mentality which our putatively leading presidential and vice-presidential candidates represent at the moment that I write this report?

Now, to address those three topics in that order.

What Happened at Versailles?

Here are some tough facts, which you were not taught in public schools or university, but on which your family's future life may depend today.

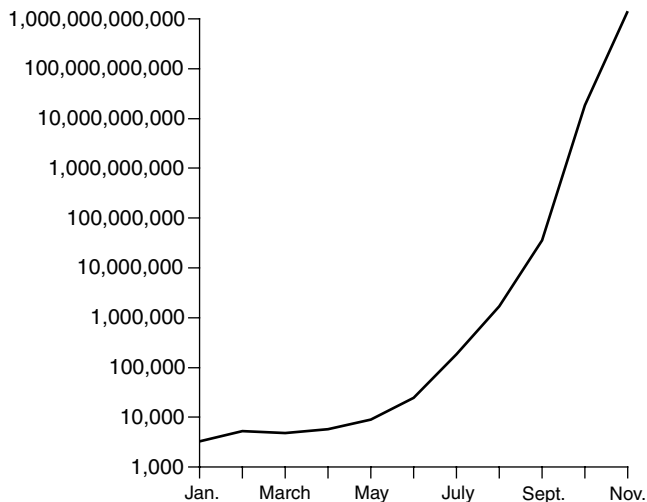
What became known as World War I was chiefly the work of a then-recently deceased Emperor of the British Empire, Prince of Wales and then King Edward VII, he with his "liberal imperialist" Fabian Society and its appendages. The purpose of that war was to virtually destroy, as in the "Seven Years War," earlier, those continental powers of Eurasia which might be tempted to continue their established tendency to orient to that American System of political-economy which had emerged as a world power through the victory of President Abraham Lincoln over the British puppet, the Confederate States of America. One of the most notable of the names given to these newly flavored strategies introduced by Edward VII's entourage, was "geopolitics."

Through the successful assassination of U.S. President William McKinley, Theodore Roosevelt, the British asset who had been reared in the tradition of the Confederacy by his treasonous uncle, James D. Bulloch, became President. That Roosevelt, together with Ku Klux Klan enthusiast Woodrow Wilson, steered the U.S.'s policies, over the relevant interval 1901-1919, away from our patriotic tradition, into such imitations of the British imperial system and into such policies as the ramming through of the Federal Reserve Act which had been introduced to the U.S.A. through an agent of Edward VII's interest, Jacob Schiff.

The long-range policy of the relevant currents around the British monarchy at that time, was to draw a United States corrupted at the top, into the role of a virtual member of a renamed British Empire, which became known later as the British Commonwealth.

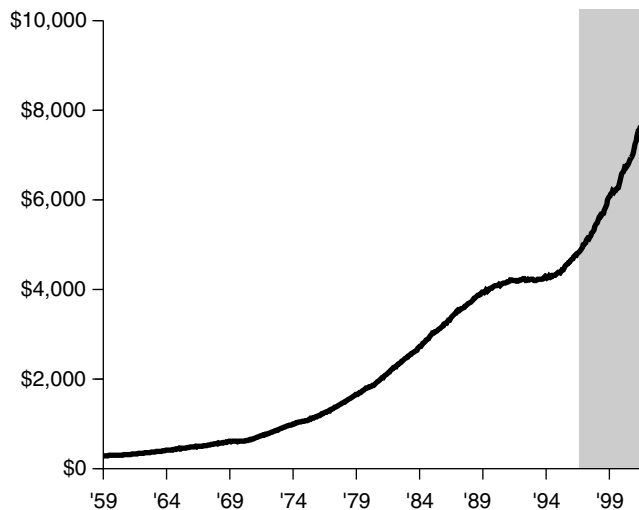
Weimar Hyperinflation in 1923: Wholesale Prices (1913 = 1)

(logarithmic scale)



Monetary Aggregates: U.S. Money Supply (M3), 1959-2001

(\$ Billions)



Source: Federal Reserve

Hyperinflation in Weimar Germany (left); hyperinflation in the United States money supply today (right). “This is what we are facing today: something much bigger than 1918-1933, but representing the same general principles.”

The British launching of World War I depended upon assurance that the United States would not only have been weaned from its earlier affinities for German culture, but would have been brainwashed into the sort of sloppy sentimentality toward all lovely things British, which we associate with the U.S. tradition of the treasonous Hartford Convention. Without the assent of, and logistical support by the U.S.A., and without the actual, “last-minute” entry of U.S. military forces into the war, the Kaiser’s Germany would have emerged as the final victor in that horrible, prolonged war.

The original British strategic plans for World War II were different. During the period of King Edward VIII, Britain’s original, geopolitical intention was to keep the U.S.A. out of the planned war among continental European powers. Britain’s initial strategy was to keep the United States out of the war, lest the U.S.A. emerge as a contender of British intentions for post-war, “geopolitical” domination over Eurasia. Initially, the Anglo-French strategy was to have the Wehrmacht strike first against the Soviet forces, and, then, when mired in Russia’s strategic depths, the western allies would fall upon Hitler’s rear.

This changed with the Hitler-Stalin pact, which resulted in the Wehrmacht’s strike westward first, against the Synarchism-rotted territory and military forces of the establishment of France. It was developments in that direction which prompted the ouster of King Edward VIII on the pretext of the Mrs. Simpson affair. The crucial turning-point which de-

termined the ultimate outcome of the war, was Britain’s War Minister Winston Churchill’s use of the crisis-situation on the beaches at Dunkirk, to squelch the pro-Hitler affinities among leading British circles around the deposed Edward VIII, and force through the U.S.A.-British alliance against Hitler—an alliance whose intent, in Churchill’s eyes, was principally to secure the continued existence of the British empire. Not only had the British oligarchy had few objections to most of the policies of Hitler, many of which they applauded, or treated uncomfortably as unavoidable under the circumstances; it was the British establishment, as represented by the Bank of England’s Montagu Norman, who—with support from circles of the New York City financier establishment, such as Norman’s partners at Brown Brothers, Harriman—had refunded the Nazi Party for the purpose of bringing Hitler to power. In London, the change from this backing of Hitler was motivated by the prospect of turning the British Empire over to a continental upstart like Hitler. This, not Hitler’s crimes on the continent and elsewhere, apparently stirred the patriotic whimsies of the British Establishment, but, actually, the motive was Britain’s imperial commitment since 1763.

The point which must be emphasized, to avoid any misunderstanding of the deep roots of the present situation today, is that there has been what I describe in the following lines here as the continuing, centuries-long, long-range strategic outlook of the Anglo-Dutch Liberal imperialist faction, which

first secured its imperialist status, then on behalf of the British East India Company, with the 1763 Treaty of Paris.

Since that time, during the remaining years, 1763-1805, under the leadership of Lord Shelburne and his crew, the intent of the new British empire of that time was, as Shelburne's Edward Gibbon had emphasized, to establish London as the capital of a new Roman empire which would never fall. For Shelburne, et al., the success of the just-concluded (1763) "Seven Years War" which London had successfully orchestrated upon the continent of Europe, was the model for ensuring that no continental power, nor upstarts among the colonies in the Americas, would ever succeed in becoming the base for a plausible threat to the continuation of that empire.

From the close of the Nineteenth Century, until the present time, that continuing policy has adapted itself to the notion of a continuing "geopolitical" grand strategy of the financier oligarchy associated with what had once been Montagu Norman's Bank of England.

This imperial policy has been continued in sundry forms, each chosen as an adaptation of a continuing long-term policy to the changing conditions of the relatively medium term. Both so-called "world wars" of the Twentieth Century, are examples of that consequences of that continuing policy as carried into practice.

Now, bring our attention back to the way in which the history of 1918-1933 was shaped by that long-standing British imperial policy.

The principal victory achieved by Britain at post-World War I Versailles, was its use of the wobble-headed racist, President Woodrow Wilson, to bring about the adoption of a factually absurd doctrine, that Germany had sole guilty responsibility for the preceding war. This fraudulent resolution was nonetheless adopted at Versailles in the name of Wilson, but, actually effected through Wilson's Secretary of State, Robert Lansing, who, despite his legitimate contempt for the maudlin babblings of his President, was the author of the hard-boiled, pro-banker resolution on Germany's exclusive war-guilt. That was the setting of the stage for the events of 1929-1933, and the model adopted by some, still today, as the approach to dealing with the presently onrushing collapse of the present world monetary-financial system.

To appreciate the relevant great ironies of Versailles, we must take into account the grand deception wreaked by John Maynard Keynes, in his hypocritical denunciation of the Versailles agreements, in his *The Economic Consequences of the Peace*. Remember, that Keynes' first publication of his *General Theory*, was that book's appearance, in German, in Berlin, in the preface of which Keynes praised the German Nazi system of that time, as the place most likely to adopt Keynes' proposed system. Keynes was very much on the inside of the business around the Bank of England's Montagu Norman, the chief patron of Hjalmar Schacht, and a central figure in bringing Adolf Hitler into power in Germany. Nonetheless, what Keynes said about the financial-economic-mon-

etary arrangements coming out of the Versailles process, was factually true, if much, much less than candid (our typical shrewd, but evil, international financier figures, like Alan "Bubbles" Greenspan presenting his forecast as testimony to the Congress, tend to that sort of intentionally deceptive, Delphic variety of gallows humor, which mimics Pythia's infamous advice to Croesus).

To understand the events from 1918 through 1933 in a way which is directly relevant to understanding the wild-eyed foolishness shown so far by presumptive Democratic Presidential nominee John Kerry, we must define two, coordinated tracks of developments over the 1918-1933 interval. The one was, as Keynes warned, the inevitable doom of the Versailles monetary system. The other was the correlated intentions of a consort of international financier oligarchs, known then as the Synarchist International, including Venice's Volpi di Misurata and Montagu Norman, which put into place all of the fascist regimes installed in continental Europe over the interval 1922-1945. The functional relationship, and interdependency among those two lines of operations then, is crucial for understanding the situation which confronts the people of the U.S.A. and Europe immediately, today. The same guys who brought us Hitler and World War II, are still, in the person of their biological and other heirs, in the same kind of business, once again, today.

The process of 1918-1933 was just that, a process of strategically orchestrated, successive maneuvers, all with a certain end-result, including something like Hitler, in view. It is important to trace out the critical phase-shifts through which events were marched to the ominous result in Berlin, of Jan. 30, 1933.

On the one side, the Versailles system temporarily propped up the British gold standard through the use of the war-reparations debt assigned to Germany, to prop up the bankrupt nations of France and Britain. This subsidy of France and Britain, in turn, secured the debts of those nations to Manhattan bankers associated with names such as Morgan, Mellon, du Pont, Harriman, et al., the group allied to that Democratic Party adversary of Franklin Roosevelt, National Chairman Raskob, who is mimicked by those who have savagely opposed my candidacy today! This, then, was the group which was later to back Britain's Montagu Norman in putting Hitler into power in January 1933, partly done through Norman's business partner, Brown Brothers, Harriman. They all knew, already then, that Germany, physically, could not possibly sustain this reparations demand.

So, we had the 1923 hyperinflation in Germany, which was used to break the economic back of the German economic opposition to what was to emerge as Nazi power, by enabling a waiting cartel of financial vultures, sitting in nearby Netherlands and elsewhere, waiting to take the opportunity created by the Dawes Plan, to sweep in to buy up control of financial-industrial interests which became tools of the sundry operations deployed by relevant alien powers in Germany from

Pennsylvania Counties At or Above the Hill-Burton Standard for Hospital Beds, 1970 vs. 2001



A real economic measure: the shrinking of hospital bed availability shown here in Pennsylvania over 30 years. The Hill-Burton Act of 1946 set standards for hospital beds of various types per thousand people. In most U.S. counties, hospital coverage has fallen below even the minimum end of the Hill-Burton range.

that point on. This operation was also the occasion for the launching of the first stage of Hitler's march to become dictator. The U.S.-backed Dawes Plan did that. The later Young Plan, which ostensibly failed of its stated purpose, actually succeeded in what certain Synarchist International financier circles intended, including putting Hitler into power in Germany.

As I have noted earlier here, the constitution of the Bank for International Settlements as an outgrowth of Young Plan negotiations, and the coordinated abandonment of the British gold standard by London, set the stage for the consolidation of a vast financier cartel, which—not the Nazis as such—was the cabal of the not-quite-hidden proprietors of a vast sum of financial claims which became the core of the phoenix-like birth of the power of the Synarchist International in post-war Europe from 1945 on. James Stewart Martin's 1950 *All Honorable Men*, and my discussions with relevant on-the-spot officials whose first-hand knowledge dated, inclusively, from the day after President Franklin Roosevelt died, merely reflect, in part, still today, the way in which much of the relevant political and financial power of the present moment was rescued from the scrutiny of the relevant Nazi-hunters, to be a leading financier oligarchical power on our crisis-racked planet today.

The financier oligarchy of Europe, together with much of that spilling over into the U.S.A. today, as now, is predominantly an Anglo-Dutch Liberal extension of the old Venetian financier-oligarchy. It controls Europe's governments, often from above, through the charmingly misleading title of "independent central banking systems," which might better be called the roosts of the carrion crows. Through the ability of these syndicates, most of the time, to control the policy-shaping of governments under conditions of financial-monetary crisis, a concert of such institutions is able to deal with a

crisis like that of 1918-31, or a far worse world crisis today, by measures which amount to wiping vast masses of financial and related assets from the books, and creating new financial and monetary assets which are now concentrated, not miraculously, in the hands of those financier oligarchical interests which are insiders of the cartel.

This can work two ways, as President Franklin Roosevelt only scratched the surface of this potential. If the power lies, in fact, with the sovereign governments; rather than the governments playing the role of being lackeys of the financier cartel—as most of the governments of Europe and the U.S.A. itself are doing presently—the modern nation-state republics can act promptly to put the bankrupt financial-monetary system into reorganization in bankruptcy. That urgently needed, emergency form of remedial action is done, as President Franklin Roosevelt employed the highest constitutional principle of promotion of the general welfare, to ensure the sovereignty of its people and their institutions, and the welfare of posterity. Simply by putting the so-called "independent" central banking systems into government receivership for reorganization in bankruptcy, and creating state credit fungible against the creation of solid long-term assets, a group of nations can bring the crisis under control, and launch a rather immediate pattern of general, long-term growth.

In any case, either way, there is a sharp break, a discontinuity in the institutions of the monetary-financial process. If the needed break is properly executed, this discontinuity becomes the transition from a failed to a feasible system of economy. Under good leadership, money comes back into existence, more or less promptly; the essential functions of daily life are continued without significant interruptions, and, as under President Franklin Roosevelt, a new generation can look toward its future with a sigh of relief, and with refreshed optimism about life in general.

This is what we are facing today: something much bigger than 1918-1933, but representing the same general principles.

The most unfortunate, literally tragic factor in our nation's situation today, is represented by those powerful financier-political forces who have feared me the most over the period since my 1971 New York debate with Keynesian Professor Abba Lerner; they feared me, as a potential danger to the interests of that Synarchist International, whose tools, such as Professor Sidney Hook, insisted that I might be a potential threat, but would not be allowed to be an actual threat to his masters' special interests. For that reason, I have been defamed by massive campaigns of lies, several times faced assassination by instruments of our government, and have been fraudulently imprisoned by the worst, long-sustained fraudulent campaign by our Department of Justice in its known history.

The Democratic National Committee's Terry McAuliffe's observed pattern of behavior indicates that he is, for reasons not yet clear to me, rather stupid—a dull-witted, if obedient flunky, a lackey of a voice not his own; where his notable Leporello, Robert Shrum, is essentially a thug, an utterly unprincipled political hit-man. However, what those two are doing is known, and is supported, because the Synarchist variety of financier interests, including those behind the rigging of Arnold Schwarzenegger's ascent to the Governorship of California, still consider me today, as very much what Sidney Hook and his masters feared at the close of 1971. I know the game, and, as the New York Council on Foreign Relations' William Bundy once said to a reporter interviewing him on the subject of my role in pushing what became the SDI, that terrifies them.

I am prepared to act in defense of civilization against this danger, insofar as the institutions and the citizens of the U.S.A. discover the good sense to support my efforts. Of my apparent rivals for such chores, it must be said that the sawdust has apparently nearly run out of the dummies.

The situation of the U.S.A. today is terrible, ominous, but not yet hopeless. Events of the recent two years, have demonstrated that among those associated with the in-depth circles of our Presidential system, and like circles of patriots within the Congress, the United States has a repository of the best leadership, for the world's presently urgent mission, which is available in the world today. These are the people who, as if shoulder to shoulder, over the course of the recent two years, have put the neo-conservative controllers of the current puppet-like President on the ropes. These typify the patriots on which a Presidential candidate like me would chiefly rely to conduct a government under conditions such as those of the present crisis. The problem is, that the bearers of the certain kind of personal political cowardice which presently, habitually pervades the lower eighty percentiles of the family-income households of our nations, have yet to find the courage to stand up on their hind legs and rally to candidates, such as myself, who are actually qualified, by knowledge,

skills, and dedication, to do the job which a President must do under the present special conditions of world crisis.

A Transition to Physical Economy

What my associates and I are doing now, is the following.

Developments, both inside the U.S.A. and around the world, have reached the point that financial forecasting no longer has any practical significance for serious economists: only a fool would attempt to refuel the tanks of a sunken oil tanker, or a demolished automobile. The present world financial-monetary system—the so-called “IMF System”—is finished. The exact date of the official certification of “the crash” remains undecided; but, we have now entered the period of “trans-sonic”-like turbulence, which signals the end of the system in its present form. The early disintegration of the present world system, is now a foregone conclusion for anyone who knows the situation; it is doomed beyond doubt, either one way or another. No intelligent, well-informed person cares any longer about what Federal Reserve Chairman Alan “Bubbles” Greenspan does, or does not say, or does or does not do. The result now in the terminal phase of its progress, is already a foregone conclusion. The Titanic is sinking, and intelligent people are not going to hang around betting on the exact time it will go under. The smart advice is: “Take your money out of those markets, and run! Or, spend it for something that will do some good in bringing a new financial-monetary and economic system into existence as soon as possible.” Since our nation, and those of Europe, are already bankrupt, since the system is bankrupt, every one of you is already bankrupt, directly, or implicitly, in one, more or less obvious way, or another; but, some, those more likely to survive the storm than most, are those who are not also insane.

That party is over, except for the assorted drunks trying to struggle to their feet amid the morning dew of the lawns and sidewalks outside.

The practical question is, therefore, the following. Since it is impossible to fix the existing monetary-financial system in its present terminal condition, at least, not by any means which leave that presently bankrupt system operating under current rules and conventions in force, on what do we focus our attention? The answer is: the physical economy, those values which remain values in a viable, operating economy, whatever the situation with money might become.

This means we put our efforts behind employment in productive work, which produces either needed forms and quantities of useful physical goods, or services on which life, care of persons, and operation of the society as a society continue to depend.

We must concentrate a lot on long-term, low-cost, implicitly fungible forms of issuance of created Federal credit, to fund rebuilding and expanding the nation's basic economic infrastructure. This means creating and maintaining the capacity for generation and distribution of reliable sources of power at stable and reasonable costs. This means building up

our water-management network for its multipurpose functions in certain low-cost-per-ton forms of bulk transport, in agriculture, in human and animal needs, and in maintaining a stable water-balance in our environment over more and more of the territory of the U.S.A., including vast underdeveloped regions. This means a strong emphasis on mass transportation, as distinct from highway transport, for improved efficiency, and for the vast economic advantages of mass transport over highway transport. This means rehabilitating our cities, including a reversal of the excessive shift, the highly costly and outrageously wasteful, per capita, shift into “suburbanization,” making the cities once again what they are potentially, as the most efficient engines for family life—when they are clean and safe. It means rebuilding the health-care capacity we have lost to the predatory financial sharks of the HMO law’s system. It means, the development of basic economic infrastructure as the indispensable precondition for successful agricultural and industrial production.

It also means bringing regions of the world such as the U.S.A., Canada, Europe, and so on, up in the level of technological development and scientific progress per capita, so as to return high-grade productive employment functions to the populations of those formerly-industrialized nations of the world.

These are not monetary-financial requirements; they are physical requirements. The use of money is properly merely a means of social exchange needed to facilitate the trade and production of these physically necessary things.

So, let us take the map of the U.S.A., starting with the 1926 aftermath of World War I: approximately the present span of my lifetime. For a first pass, take that map at five-year intervals, or better, two-year intervals. Use readily available computer technology, using available, relevant data, to construct a lapsed-time map of processes of change in the location and employment of the population over the interval from 1926 (when U.S. railway-building peaked) to the present day. This takes us from mid-point in the generation which went to war in World War I, which was hit hard by the Coolidge-Hoover Depression, through the life’s experience of the World War II generation, the following Baby-Boomer generation, and the emerging new young adult generation of today.

Examine that approximately eighty-year span in a selection of layers.

The first layer is population. Where is it located, noting the difference between urban and rural concentrations, and distinguishing the principal activities associated with production of physical goods, as agriculture and manufacturing, in these areas. Note the life-expectancy, and age-group composition of the population, and distinguish unemployed from employed.

Next, take capital formation in basic economic infrastructure.

Next take agriculture and manufacturing.

Correlate these with fluctuations in physical standard of

living.

Correlate these with levels and categories of educational qualifications, and health-care functions.

Among the included results of the construction of such lapsed-time images, the rise and fall of the U.S. economy become dramatically clear, especially the accelerating collapse since the 1970s.

Those and related types of lapsed-time images afford a dramatic image of what has gone wrong with the U.S. economy (and U.S. policy-shaping) over the 1964-68 interval, and how that attrition has been accelerated since 1971-72. It also sends a plain message, warning us what, in general, needs to be done to fix the mess. That is the basis for making policy, both for government operations, and for the promotion of credit and other assistance for private investment.

Now, note, that money and price were never used in constructing those lapse-time images. Yet, relative economic values were nonetheless shown clearly, without the usual fakery to which we have become accustomed from official government and Federal Reserve reports, especially since 1983. We can, therefore, set U.S. policy for building up the economy in a similar way. Then, if we have established a fixed-exchange-rate, protectionist monetary-tax policy, and build in measures of fair-trade regulation, we can translate physical objectives and their requirements into monetary-financial forms.

One of the great problems in attempting to educate the U.S. population to recognize reality today, is that so much has been done to brainwash the population to thinking in monetarist, rather than physical-economic terms. They think of the physical economy, on which their life depends, as something which must be delivered as a result of a monetary policy; in reality, things are the other way around. Now, since the money-system is in the process of blowing out, we are forced to look at national needs in terms of our physical requirements, and the geographic distribution of those physical requirements, rather than the hocus-pocus of what is intrinsically fraudulent financial reporting. We must bring the U.S. population, in its own self-defense and interests of its mental health, to look at the history, present situation, and future of our economy in physical terms.

That is what my associates and I are pledged to do now. That brings our report to its concluding feature, the matter of intention. The issues of profit and entrepreneurship are to be found addressed there, in the immediately following, concluding portion of this report.

What Accountants Do Not Understand

For reasons which I have been in the process of developing from the outset of this report, *two closely related topics, science and the intentional function of entrepreneurship*, have been reserved for this concluding portion of the report as a whole. The other matters addressed above are, so to speak, the jig-saw-puzzle pieces; once these have been put on display, the intentional functions of science and entrepreneur-

ship must do the rest.

The following is not necessarily true of the particular accountant as a person in personal private life, but it is true of the practice of his trade: "There is nothing personal here; I am just doing my job." There speaks the motive for the crime of negligence for which the accountant is often used as a willing or unwitting accomplice by corrupt managements, and in other, related ways. The rules of accounting are, in and of themselves, morally corrupt, and also corrupting of those who rely too much on them!

The essence of the practice of the accountant, with his acceptance of the bookkeeping mentality which custom has dictated to the members of his profession, is that his method of practice is, in itself, ignorant of the essential difference between a man and a beast; he is just "Good Soldier Schweik," sweeping, and sweeping, and sweeping the barracks floor. The same is to be said, with much greater emphasis, of the usual fully culpable economist of today. The accountant may actually write the report, which serves as the basis for the order which puts the people into the furnaces; it is the contemporary economists in the tradition of the British Haileybury School of the British Foreign Office's Jeremy Bentham, Adam Smith, Thomas Malthus, et al., especially those of today in the tradition of John von Neumann and his morally demented kind, who design and prescribe the policies for the use of those furnaces of so-called "fiscal austerity" today, where senior citizens, and others are being effectively mass-murdered, at accelerating rates, by the Nazi-like adherents of HMO and kindred, morally degenerate policies of practice today.

Management of a firm, or a national economy, or an international monetary-financial system, must be the profession of a human being who, as the Classical poet Goethe, in one of his better periods, makes the point so elegantly in the "Prometheus" soliloquy from his *Grosskopta*, despises the Olympian Zeus and his fellow gods "As I do."

The typical, standard practice of the accountant or business executive who deserves the wrath which Goethe expressed in composing that soliloquy, would protest: "But I am only doing my job," like the dog depositing a certain something on the sidewalk, or a Dick Cheney expostulating *ex cathedra* on the floor of the Senate. For human beings, we, and also our dogs, set a higher standard of required performance, as the dog looks accusing at its owner: "You didn't feed me yet!" Tell the all too typically kennel-worthy varieties of accountants, politicians, and business executives: We must insist: "For men and women we must set a higher standard of human performance than for dogs."

The accountant, and the referenced sort of economist, treats men and women as merely human cattle. It is the specific acts, which might be interpreted by the accountant as like a specific act of a beast-like creature, on which accounting, the practice of the prevalent, decadent sort of today's economists, or the present-day social theories of business management,

are focussed, to the exclusion of that quality of activity which defines the person as essentially human. The role of personal creativity, in the sense of fundamental discoveries of universal physical principle, is treated as a kind of accident, which may or may not be tolerable within the framework of a well-managed business enterprise. More cruel, in the longer term, is the scientist who plays a part like that of "The Professor" from *The Blue Angel*, when he defends the reputation of that disgusting, morally stupefied black-magic fan, Isaac Newton who wrote: "*Hypotheses non fingo*," the Newton whose only known motion presented in his function as a member of the English Parliament, was the scientific achievement of proposing: *Please open the window* (or, was what he actually said might have been the more consistently Newtonian proposition: *Please cause the window to be opened*).

The principle of hypothesis, as defined by Plato's dialogues, marks the behavioral difference in species between man and mere beast. It is also the secret of competent business management, as it is of the work of physical science, and Classical artistry. That is the principle which is typified by the process of discovery displayed in relatively intimate detail, in Kepler's *The New Astronomy*. That quality of experimentally verified hypothesis, is the quality of *intention* which distinguishes a human form of scientific method from the practice of such pathetic routines as the Newtonism and the like of the empiricists, the practice of financial accounting, and defective forms of business management. Without the intention to create a new good which has not existed in the reports of the accountants, there is no competence in business management, science, or leadership by governments. The executive whose statement on policy depends upon literal attention to the report of the accountants, is a walking potential menace to the existence of his firm, or the government by which he is employed.

Kepler's God moves the planets by an efficient *intention* which we perceive as a universal physical law. Man increases the human species' power to exist, and to forestall the attrition inherent in "zero technological growth," by that intention which is expressed as the application of the continuing power of the personal human will to activate a discovered universal physical principle by *intention*. This notion of intention is identical with that Pythagorean notion of *powers* (Greek: *dynamis*), which the neo-Sophist Aristotle sought to replace by the term "energy." *Power*, or *intention* as employed by Kepler, is a continuing willful act upon the universe; "energy" is merely an effect, a measure of the depth of a footprint left in the path by the passing of some creature.

The notion of science associated with the Aristotle of Philo's polemical attack, is *abracadabra*: Invoke the name and its ritual, and magical powers will respond as by sympathetic magic, or the rites of black magic which festooned the interior of Newton's chest full of scientific papers which was opened to the public by Maynard Keynes. Newton was a thing which could not be admired by the once-great Georg Cantor,

until after poor Cantor had been driven insane by manipulations associated with the cronies of Bertrand Russell.

So, the incompetent business executive points with alarm to the statistics prepared by his accountant, or some passing economist, and shouts: "This refutes all objections! This is the lesson we must follow!" Unfortunately, the pattern of statistical information to which this bellowing stentor of a bookkeeping mentality points, is a pattern which points toward the self-inflicted, oncoming doom of that enterprise. The lesson which should have been learned, was that the governing intention of practice of that management had drifted into the direction of a compulsive commitment to self-inflicted doom. What the data actually showed was the fallacy of the data, that it did not measure what needed to be shown. The error lay in the negligence of the principles which the bellowing bookkeeper mentality was obsessively devoted to overlooking. So, the battle of Leuthen was lost by the superior numbers of the Austrians, because Frederick the Great, being no bookkeeper mentality, recognized what Charles of Lorraine did not, and acted upon that discovery with the appropriate form of intention-driven continuing action.

The fool is the one who, having adopted the idea of following a certain system, acts like a damned Aristotelean, or worse, trying to beat anyone to death who refuses to adhere strictly to that "boss's" adopted system. This is the most common cause of disastrous types of mismanagement which I have seen in business and related matters generally, and in all instances of the unnecessary management incompetence among key executives in my own international association.

Look at scientific progress in economy as an example of another way of stating what I have just said.

The scientist discovers a principle, an experimentally valid principle which functions in his, or her mind as Kepler defines his adoption of the willful impulse recognized in the Creator's ongoing intention expressed as universal gravitation. That imitation of the discovered aspect of the working of the Creator's mind, the Creator's intention, is now adopted by the discovery, such as a Kepler, Leibniz, or Riemann, as the discoverer's intention framed in the image of the manifest quality of the Creator's expressed intention.

It is not a matter of a single such intention. Competent economic management is expressed by a mind—echoing Kepler's, for example, or Plato's, for example—which, rather than focussing upon a single hypothesis, is focussed on that higher hypothesis expressed by a continuing generation of such hypotheses, and their ongoing application to the practice of the discoverer's enterprise. In the practice of successful business, or national economy, for example, the relevant intention, so defined, may be found in the management's wisdom in employing a professionally dedicated scientific discoverer, and building the business's operations around the process of the passion for a continuing, endless process of applied scientific progress which is the driving force of that enterprise, or nation, or human society in general. It is in



"In the practice of successful business, or national economy, for example, the relevant intention, so defined, may be found in the management's wisdom in employing a professionally dedicated scientific discoverer, and building the business's operations around the process of the passion for a continuing, endless process of applied scientific progress."

this creative intention that the true secrets of all economic progress, and durable generation of true profit of firms and national economies, are located.

It is a nation driven by such a science-driver principle of economy, which is the only truly profitable national-economy. It is the enterprise which participates in such a mission-orientation as the basis for its policy, which is the only enterprise qualified to survive in the long run.

The typical failure of a formerly successful enterprise, nation or firm, is the result of the passing, or other retirement of the leading figure who had created the enterprise, and the replacement of that figure by either absentee ownership, or a boss who is the victim of his own "bookkeeping mentality." Or, the same thing, the absentee ownership of a stockholders' corporation. Thus, it has been the closely held enterprises (e.g., the Germany *Mittelstand*) directed by impassioned creative minds, relying upon the progress fostered by creative minds with which they are associated, which is the well-spring of success in modern national economy.

Consequently, the worst performance among my associates is from those who not only lack my creative powers and disposition, but who out of envy, think that they have mastered all of the tricks of bookkeeping, and the like, by which to run the enterprise in a way different than I had built it up. This, by the way, is among the important reasons that only a foolish United States would not choose me as its President for this time of crisis.

For most of his adult life to date, David P. Goldman has sought fame. Now, he has succeeded; he bears the name of a disgusting disease.

LaRouche Webcast: Restore FDR Legacy or U.S. Faces Fascism

by EIR Staff

Speaking to an international Internet broadcast from Washington, D.C. on July 15, Presidential candidate Lyndon LaRouche refocused his 20-month mobilization to force out Vice President Dick Cheney, on the Democratic Party: “It’s not who’s going to be nominated for President. That’s not the issue. Who is going to *own* the person, who is nominated for President. That’s the issue. That’s what the Convention in Boston this next week means!” LaRouche thus hit the critical battle now convulsing both campaigns, just below the surface of media headlines: Will Cheney’s override removal from the race—and from power—be forced through now, shaking up both parties’ strategic *and economic* debates? And will the Democrats keep “protecting” Cheney—even supporting him against Republicans who now want him out—because of synarchist bankers like Lazard Frères’ Felix Rohatyn in their back rooms, who have control over Sen. John Kerry’s campaign?

After an extensive discussion of the battle of Franklin Delano Roosevelt against the international fascist forces who sought world power in the 1930s and ’40s, LaRouche, during the well-attended webcast, sharply encapsulated the current situation going into the Democratic National Convention: “The financial system is bankrupt everywhere on the planet, and the powerful financial forces who created Hitler, are at it again. They are out to collapse the system, and create a new fascist world empire. Dick Cheney is one of their tools—and that pig has to be put in the pen.”

LaRouche went on to demonstrate how the economic and financial system *is* bankrupt, and the underlying physical economy of the United States has been destroyed, with the elimination and down-waging of productive jobs, and the examples of the drastic shrinkage of the machine-tool and steel industries, hospitals, and railroads. As a result, the United States is now a nation of bread and circuses, with an actually

fascist faction represented by Cheney’s gang trying to make it into a new global Roman Empire.

In addressing the economic collapse, LaRouche used a new set of graphics, which demonstrated what he called the “incredible shrinking economy,” in which the financial aggregates (like debt) take over the productive economy. He also showed graphics which depicted the 30-40% shrinkage of physical economic infrastructure, in a time-compressed fashion. This underlying reality, LaRouche argued, underscores the fact that those who believe in the “markets” are insane.

LaRouche was addressing approximately 220 people in Washington and hundreds of groups and individuals at Internet sites around the world. His Washington audience included more than 100 East Coast activists and recruits of the LaRouche Youth Movement, preparing to make an intervention at the Boston Democratic National Convention starting July 27, for LaRouche’s “FDR” leadership and policies for the party. The Democratic National Committee is trying to exclude LaRouche, and the LaRouche Youth, going so far as to use “national security” claims and supposed national terror alerts—at the same time claiming that the party is a private club which can exclude whomever its leadership opposes. Also in LaRouche’s live Washington audience were state representatives and other elected officials from more than a dozen U.S. states, and diplomats from Asian, African, and Ibero-American nations.

The candidate focused on Franklin Delano Roosevelt’s defeat of the fascist threat and rebuilding of the American economy over the 1933-45 period, as the touchstone legacy of the Democratic Party—currently rejected by Kerry’s suicidal campaigning and by the DNC leadership of the party (he noted that 1932 Democratic Chairman Jacob Raskob opposed and tried to exclude candidate Franklin Roosevelt, as Chairman

Terry McAuliffe now opposes and excludes LaRouche).

In his webcast invitation, LaRouche had set the theme as “The new threat of fascism today,” and argued that the removal of Cheney, while an indispensable objective, begins a larger task of getting Americans to join LaRouche in endorsing the FDR approach to rebuilding the world economy.

But the fact that the event coincided with funeral services for his long-time associate and representative in Germany and Britain, American Mark Burdman, led LaRouche to open his remarks with a discussion of the meaning of immortality expressed in Burdman’s life and work, “to humanize, personalize, and make clearer, the subject which I originally intended to present.” By engaging policymakers internationally, including many in the senior ranks of the “Atlanticists” of the post-war NATO alliance, in a 20-year dialogue about LaRouche’s assessments—talking to individuals who might or might not agree with those assessments—Burdman participated in making history, LaRouche said. “That’s why I’m probably one of the best-informed persons in the United States. . . . It’s through people like Mark,” whose quality of immortality LaRouche defined by the fact that he was a person who governed his life by ideas and discoveries of principle.

From there, LaRouche launched into the history of the creation of fascism by the financial forces who had pushed through the Versailles Treaty after World War I; and then described how Franklin Roosevelt spoiled their game. He did it in two ways, LaRouche said: first, by saving the United States from those forces who would have made the United States a fascist state by 1934, had Hoover been re-elected; and second, by saving the world from fascism, by preventing the British from joining the Nazis in their world conquest plan.

FDR restored the American System of Political Economy, LaRouche said, but as soon as he was dead, the banking crew went into action again. They first used Truman, and, after having been stymied by Eisenhower, took off like a shot once Kennedy became President. In the course of this transformation, they succeeded in imposing a reign of terror that destroyed a generation, now called the Baby Boomers. That generation, whose leading circles are now in power internationally, has been brainwashed to believe *there is no truth*, and that work (blue-collar workers) is bad. These beliefs have coincided with the literal takedown of the U.S. economy.



Candidate LaRouche spoke to a Washington audience of over 200, and to hundreds of groups and individuals internationally listening on the Internet.

The Democratic Convention

Much of the discussion in the question period—in which many questions came from leading Democrats, as well as members of the LaRouche Youth Movement—focused on the threat of fascism from the Cheney forces, especially through the possible staging of another Reichstag Fire event, and on what could be done about it in the Democratic Party.

LaRouche was blunt in criticizing frontrunner Kerry, who is showing no guts on either questions of the war or the economy, and who appears prepared to go along with economic policies which are literally fascist as well. The solution lies in reviving FDR’s ideas, and mobilizing the lower 80% of income brackets, who now just sit back and wait, or beg for crumbs.

As for what LaRouche himself, who will be at the Convention with a substantial contingent of youth, can do about shifting Kerry’s perspective, the candidate stuck to the question of method. It’s a matter of campaigning on principle, he said, not tactics, and the principle that we have on our side, is the American System of Political Economy. As for post-Convention perspectives, they could well focus on campaigns to clean up the Congress, he said.

But, the candidate stressed, the emphasis of the youth and others must be on giving the population a sense of optimism, and of their own immortality. Leadership today means challenging the mistakes the population has made, but conveying a sense of optimism about how things can be changed, unlike what happened in Germany when the Nazis came to power. A youth movement committed to saving humanity can uniquely convey that sense of optimism in these days.

Senate Intelligence Report: No Basis for Cheney's Iraq War

by Jeffrey Steinberg

The Senate Select Committee on Intelligence (SSCI) on July 9 released its 551-page Part I report on the pre-Iraq war intelligence fiasco. Contrary to virtually all of the U.S. media coverage of the document, it represents a damning indictment, not of the CIA and the rest of the intelligence community, but of the Bush-Cheney White House, which manipulated the Congress and the American people into a war against Iraq, on the basis of lies.

While the most damning evidence against Vice President Dick Cheney, and the illegal "private" intelligence cell at the Pentagon run by Undersecretary of Defense Douglas Feith and Deputy Undersecretary of Defense William Luti, will be withheld until a later SSCI report is produced *after the November Presidential elections*, the initial report proves that U.S. intelligence community analysts had assembled more than 30,000 pages of documentation, the bulk of which showed that Iraq posed no imminent threat to the United States, U.S. allies, or neighboring countries. Where there were suspicions that Saddam Hussein might possess or aggressively be seeking weapons of mass destruction, the evidence was incomplete, contradicted by other intelligence, or based on source reports from discredited individuals and organizations.

Much of this evidence was either ignored or misrepresented in the infamous Oct. 1, 2002 National Intelligence Estimate (NIE) on Iraq's weapons of mass destruction, a fact the SSCI report documented thoroughly. But more to the point, as Committee Democrats emphasized in their "Additional Views," Bush Administration officials, led by Cheney, were already fully committed to war on Iraq, long before the NIE was even drafted, and repeatedly made public statements that were wild lies, when held up against the massive dossier of analytical reports produced by the intelligence community.

These "Additional Views" by Democrats foreshadow the Part II report, zeroing in on what Committee Vice Chairman Sen. John D. Rockefeller IV (D-W.Va.) labeled a renegade "private intelligence failure" run out of the Office of the Undersecretary of Defense for Policy, Douglas Feith, which passed "stovepiped" intelligence to the Vice President, bypassing the intelligence community, and violating the National Security Act of 1947.

At the July 9 press conference releasing the report, Rockefeller singled out Feith, saying that the Committee had already looked into "part of his alleged efforts to run intelligence past

the intelligence community altogether; his relationship with the INC [Iraqi National Congress] and [Ahmed] Chalabi . . . and [whether] he was running a private intelligence failure, which is not lawful."

Assistant Secretary of Defense for Legislative Affairs Powell A. Moore sent an hysterical letter in reply to Rockefeller, demanding, "if you have any evidence supporting the serious charge you floated during your press conference, you provide it to the department," or issue a public apology to Feith. In fact, the Democrats' "Additional Views" itemized Feith's efforts to bypass the intelligence community (see *Documentation*).

On July 13, Rockefeller shot back in response to the Moore letter, reporting that the SSCI is investigating whether "Feith was running a private intelligence operation not authorized in law," explaining that the National Security Act of 1947 requires that all heads of agencies involved in intelligence activities "keep the congressional oversight committees informed. . . . When the Committee finishes its review of these activities, we will be able to determine if, in fact, Undersecretary Feith was running an unauthorized intelligence activity in contravention of this and perhaps other legal requirements."

The Baby-Boomer Syndrome

A retired military intelligence officer, with decades of experience in Southwest Asia, recounted recently that, as a junior Defense Intelligence officer, he had been schooled that a good intelligence analyst goes to work every day prepared to resign, if pressured to "spin" or falsify intelligence. If there is a collective indictment against the intelligence community to be found in the SSCI report, it is the failure of the various intelligence agencies to publicly raise the roof, every time a high Administration official made a public assertion about Iraq's WMD or terrorist links that was either a lie or a gross exaggeration of the best intelligence available.

As Lyndon LaRouche has emphasized, the problem is that the intelligence community, like every other institution of government and civil society, is dominated today by Baby Boomers, who are not willing to "fall on the sword" to defend the truth.

With that universal, generational flaw stated, the overwhelming picture presented in the SSCI document, is that tens of thousands of pages of analytical work, provided by



Undersecretary of Defense for Policy Douglas Feith was responsible for “stovepiping” selected raw intelligence reports to the Vice President, bypassing the intelligence community.



Sen. Jay Rockefeller (D-W.Va.), vice chairman of the Senate committee, drew a furious response from the Pentagon, for his incisive public attack on Doug Feith.

the intelligence community to the Senate panel, *proved* that Iraq posed no threat, and the Bush/Blair invasion of March 2003 was totally unwarranted.

It is LaRouche’s further assessment that senior intelligence analysts, as well as SSCI staffers, aware of the constraints under which they were operating, nevertheless insured that the Part I report, while criticizing the intelligence community, would provide devastating ammunition against the Bush-Cheney Administration, proving that they lied to the American people to get their “dirty little war.”

The NIE

A good deal of the Senate panel report centered on the October 2002 NIE. The intelligence community assessment of the threat of Iraq’s WMD was produced only after pressure from Senate Democrats, who demanded some official assessment of the threat, prior to the Congressional debate and vote on granting President Bush the authority to go to war. No such study had been undertaken by the intelligence community for years, even though Vice President Cheney and other Administration officials had been ranting for months about “proof” of Saddam’s vast arsenal of WMD, his ties to al-Qaeda, and the reconstituting of Saddam’s secret nuclear weapons program, which threatened the world with “nuclear mushroom clouds.”

The NIE was prepared in just three weeks, and did not go through the normal multiple review process. Its principal author, Robert Walpole, is widely described as an ambitious careerist, who would bend to the wishes of the White House, and who was already in the neo-conservative ideological camp.

To get to the bottom of the intelligence community’s assessment of the Saddam WMD threat, the Senate panel staff, according to their report, asked the intelligence community (IC) for all evidence that contradicted the findings of the NIE. As a result, “In early November 2003, the IC wrote to the Committee that it was working to provide the contradictory

intelligence requested by Committee staff. In the same letter, the IC said it had uncovered an additional six volumes of intelligence material that supported the IC’s assessments on Iraq’s WMD programs.” The Committee received an additional 30,000 pages of IC documentation, in response to 100 supplemental requests.

The only data request that was refused to the Committee was the President’s Daily Briefing citations of Iraq’s WMD, which the White House refused to provide. “Without examining these documents,” the Committee report concluded, “the Committee is unable to determine fully whether Intelligence Community judgments were properly disseminated to policy-makers in the executive branch, one of the tasks outlined for review.”

The Committee report found, up and down the line, that the underlying IC analyses disputing the WMD threat and terror links of Saddam Hussein’s regime, were not reflected in the NIE, and certainly not reflected in the statements of top Administration officials.

Unwarranted Conclusions

The SSCI report provides 15 pages of conclusions, based on a comparison of the Oct. 1, 2002 NIE and the 30,000-plus pages of intelligence community analyses. The key overall conclusion was that the underlying intelligence provided no clear case for war:

“Conclusion 1. Most of the major key judgments in the Intelligence Community’s October 2002 National Intelligence Estimate (NIE), *Iraq’s Continuing Programs for Weapons of Mass Destruction*, either overstated, or were not supported by, the underlying intelligence reporting. A series of failures, particularly in analytic trade craft, led to the mischaracterization of the intelligence.

“The major key judgments in the NIE, particularly that Iraq ‘is reconstituting its nuclear program,’ ‘has chemical and biological weapons,’ was developing an unmanned aerial vehicle (UAV) ‘probably intended to deliver biological warfare agents,’ and that ‘all key aspects—research and development, production, and weaponization—of Iraq’s offensive

biological weapons (BW) program are active and that most elements are larger and more advanced than they were before the Gulf War,' either overstated, or were not supported by, the underlying intelligence reporting provided to the Committee. The assessments regarding Iraq's continued development of prohibited ballistic missiles were reasonable and did accurately describe the underlying intelligence.

"The assessment that Iraq 'is reconstituting its nuclear program' was not supported by the intelligence provided to the Committee. The intelligence reporting did show that Iraq was procuring dual-use equipment that had potential nuclear applications, but all of the equipment had conventional military or industrial applications. In addition, none of the intelligence reporting indicated that the equipment was being procured for suspect nuclear facilities. Intelligence reporting also showed that former Iraqi nuclear scientists continued to work at former nuclear facilities and organizations, but the reporting did not show that this cadre of nuclear personnel had recently been regrouped or enhanced as stated in the NIE, nor did it suggest that they were engaged in work related to a nuclear weapons program.

"The statement in the key judgments of the NIE that 'Baghdad has chemical and biological weapons' overstated both what was known and what intelligence analysts judged about Iraq's chemical and biological weapons holdings. The intelligence reporting did support the conclusion that chemical and biological weapons were within Iraq's technological capability, that Iraq was trying to procure dual-use materials that could have been used to produce these weapons, and that uncertainties existed about whether Iraq had fully destroyed its pre-Gulf War stocks of weapons and precursors. Iraq's efforts to deceive and evade United Nations weapons inspectors and its inability or unwillingness to fully account for pre-Gulf War chemical and biological weapons and precursors could have led analysts to the reasonable conclusion that Iraq may have retained those materials, but intelligence analysts did not have enough information to state with certainty that Iraq 'has' these weapons.

"Similarly, the assessment that 'all key aspects—R and D, production, and weaponization—of Iraq's offensive BW program are active and that most elements are larger and more advanced than they were before the Gulf War' was not supported by the underlying intelligence provided to the Committee. Intelligence showed that Iraq was renovating or expanding facilities that had been associated with Iraq's past BW program and was engaged in research that had BW applications, but few reports suggested specifically that the activity was related to BW. Intelligence reports did indicate that Iraq may have had a mobile biological weapons program, but most of the reporting was from a single human intelligence (HUMINT) source to whom the Intelligence Community (IC) never had direct access. It was reasonable for intelligence analysts to be concerned about the potential weapons applications of Iraq's dual use activities and capabilities. The intelligence reporting did not substantiate an assessment that all aspects

of Iraq's BW program 'are' larger and more advanced than before the Gulf War, however.

"The key judgment in the NIE that Iraq was developing a UAV 'probably intended to deliver biological warfare agents' also overstated what the intelligence reporting indicated about the mission of Iraq's small UAVs. Numerous intelligence reports confirmed that Iraq was developing a small UAV program [BLACKED OUT], but none of the reports provided to the Committee said that Iraq intended to use the small UAVs to deliver chemical or biological weapons. The Air Force footnote, which stated that biological weapons delivery was a possible mission for the small UAVs, though other missions were more likely, more accurately reflected the body of intelligence reporting."

A Fallacy of Composition

Senators Jay Rockefeller, Carl Levin (D-Mich.), and Richard Durbin (D-Ill.) jointly wrote "Additional Views" at the end of the SSCI report, which summarized the incompleteness and fallacies of the panel's report:

"Regrettably, the report paints an incomplete picture of what occurred during this period of time. . . . The central issue of how intelligence on Iraq was used or misused by Administration officials in public statements and reports was relegated to the second phase of the Committee's investigation, along with other issues related to the intelligence activities of Pentagon policy officials, pre-war intelligence assessments about postwar Iraq, and the role played by the Iraqi National Congress, led by Ahmed Chalabi, which claims to have passed 'raw intelligence' and defector information directly to the Pentagon and the Office of the Vice President.

"As a result," the Senators concluded, "the Committee's phase one report fails to fully explain the environment of intense pressure in which Intelligence Community officials were asked to render judgments on matters relating to Iraq when policy officials had already forcefully stated their own conclusions in public."

Documentation

'Additional Views' of Democratic Senators

Here are excerpts from the "Additional Views of Vice Chairman John D. Rockefeller IV, Senator Carl Levin, and Senator Richard Durbin," appended to the report of the Senate Select Committee on Intelligence.

When the analytical judgments of the Intelligence Community did not conform to the more conclusive and dire Adminis-

tration view on Iraqi links to al-Qaeda, and specifically the notion that Iraq may have been involved in the September terrorist plot, policy makers within the Pentagon denigrated the Intelligence Community's analysis and sought to trump it by circumventing the CIA and briefing their own analysis directly to the White House.

Beginning in early 2002, a group of individuals under the direction of the Under Secretary of Defense for Policy Douglas Feith were tasked by him to look at intelligence information related to all terrorist groups, the links between them, and the roles of state sponsors. This effort eventually focused on al-Qaeda's ties to Iraq and the CIA's reporting on the subject, including its June 2002 report, "Iraq and al-Qaida: Interpreting a Murky Relationship."

Even though the CIA's June 2002 report was "purposefully aggressive" in seeking to draw connections between Iraq and al-Qaeda, the intelligence analysis did not find the relationship sought by Pentagon policy officials. One of the individuals working for the self-named "Iraqi intelligence cell" at the Pentagon stated [that] the June report, ". . . should be read for content only—and CIA's interpretation ought to be ignored." This criticism of the CIA's analysis was sent by Under Secretary for Policy Feith to Deputy Secretary Paul Wolfowitz and Secretary Rumsfeld.

This critique turned into an alternative analysis of the relationship between Iraq and al-Qaeda. The analysis was briefed to Secretary Rumsfeld and Deputy Secretary Wolfowitz in early August 2002. Prominent in the briefing was a slide entitled "Fundamental Problems with How Intelligence Community is Assessing Information." It faulted the Intelligence Community for requiring "juridical evidence" for findings. It also criticized the Intelligence Community for "consistent underestimation" of efforts by Iraq and al-Qaeda to hide their relationship, contending that "absence of evidence is not evidence of absence."

On August 15, 2002, Pentagon analysts presented the alternative analysis to Director Tenet. In attendance at the briefing were Under Secretary Feith and the Director of the Defense Intelligence Agency. But the briefing given to Director Tenet was different than the one presented to Secretary Rumsfeld days earlier. Gone from the terrorism briefing was the highly-critical slide, "Fundamental Problems with How Intelligence Community is Assessing Information." The Pentagon wanted to avoid challenging directly the Intelligence Community while it sought to shape the Iraq terrorism analysis nearing completion.

When asked about his reactions about the Pentagon's alternative terrorism analysis, Director Tenet told the Committee that he "didn't think much of it" and that he ". . . didn't see anything that broke any new ground for me." Still, according to one staffer's account of the briefing, Director Tenet took the unusual action of agreeing to postpone the publication of the CIA's assessment of Iraq's links to terrorism, entitled "Iraqi Support for Terrorism," until Intelligence Community analysts could meet with Pentagon policy officials and "at-

tempt to come to some consensus."

The meeting between analysts and the Pentagon briefers took place on August 20, 2002. In a memorandum submitted to the Committee by the two Pentagon staffers who attended the meeting, they stated "We raised numerous objections to the paper." One was that the draft "makes no reference to the key issue of Atta."

The August 20th meeting is clear evidence of the Administration politicizing an analytical process that should be protected from the meddlesome reach of policy officials. The Pentagon's policy office had delayed the publication of an important Intelligence Community assessment on Iraq and terrorism, and insinuated themselves into a coordination meeting in the hopes of molding the judgments to establish a link between Iraq and the attacks carried out by al-Qaeda terrorists on September 11th. The Pentagon officials "raised numerous objections to the paper" as if they believed it was the policy office's role to object to an Intelligence Community assessment prior to its publication. The "key issue of Atta" was at the center of the Pentagon's case. The problem is that the Intelligence Community did not find the report alleging a meeting between al-Qaeda hijacker Atta and an Iraqi intelligence official in the Czech Republic to be credible, a meeting Vice President Cheney had already said publicly was "pretty well confirmed."

The Intelligence Community's findings did not support the link between Iraq and the 9/11 plot Administration policy officials wanted to help galvanize public support for military action in Iraq. As a result, officials under the direction of Under Secretary Feith took it upon themselves to push for a change in the intelligence analysis so that it bolstered Administration policy statements and goals.

But the Intelligence Community analysts did not buckle under the pressure brought to bear by Pentagon policy officials on August 20th. While some changes were made to the "Iraq Support for Terrorism" report, published in September 2002, the efforts of the Pentagon staffers did not convince the analysts to change their analytical judgments.

This did not dissuade the Pentagon policy shop, however. They simply took their case directly to the White House. On September 16, 2002, two days before the Intelligence Community disseminated its terrorism assessment, Pentagon policy officials presented their alternative analysis to the Deputy National Security Advisor and the Vice President's Chief of Staff. This time the staffers re-inserted the slide critical of the Intelligence Community's analytical approach to the issue and included additional information on the alleged meeting in Prague between Atta and the Iraqi intelligence service not in the version briefed to Director Tenet. Furthermore, the CIA was kept in the dark about the Pentagon's intentions. Director Tenet was not told by the Pentagon that this alternative analysis would be subsequently briefed to the White House and remained ignorant of that fact until March 4, 2004, when it was revealed to him at an Intelligence Committee hearing.

Enron's Lay Indicted: Who's Still At Large?

by Harley Schlanger

The indictment this week of ex-Enron CEO Ken Lay, while long overdue, does not even begin to cure the actual disease ravaging the U.S. economy, of which his bankrupt company became the most visible symptom. Lay was indicted in Houston on July 8 on eleven counts, including conspiracy and multiple counts of fraud. His indictment came on top of that of his protégé Jeffrey Skilling, and of Enron former Chief Accounting Officer Richard Causey, and was hailed by many analysts and commentators as evidence that the nation has finally dealt with the wave of white collar crime and corruption of the 1990s.

In reality, the actual story has yet to be told, except in the pages of the *EIR* and in weekly and campaign publications associated with Lyndon LaRouche. Though Lay, an intimate friend of President Bush—who dubbed him “Kenny Boy” while campaigning in Enron’s private jet and taking his advice on energy policy—was a key figure in the corporate corruption scandals of that decade, he was merely one player in a bigger picture.

Lay was the snake-oil salesman for deregulated markets and energy derivative speculation, a front man for the nexus of free-trade ideologues and Anglo-American banking and financial interests out to destroy forever the American System of economics, as founded by Ben Franklin and Alexander Hamilton, and revived by Franklin D. Roosevelt to pull America out of the Great Depression.

The upcoming trial of Lay offers Federal prosecutors an opportunity to get beyond the sensational reporting on the outrageous corporate culture of Enron “Traders Gone Wild,” and instead, to get at the flawed axioms of the post-industrial, Baby Boomer society which are plunging our nation—and the world—into a New Dark Age.

The Myth and Reality

Enron was a product of the feverish junk bond-financed merger-and-acquisition mania launched by convicted swindler Michael Milken of the now-defunct Drexel Burnham Lambert investment bank in the 1980s. Milken provided the financing for Lay to engineer the takeover of Houston Natural Gas by Omaha-based InterNorth in 1985. By the time Lay brought in Jeffrey Skilling and Andrew Fastow in the early 1990s, his intent was clear: Enron was to become more than a regional player in the natural gas business; it would become the “World’s Greatest Company,” as signs posted in its Houston headquarters proclaimed. It would be at the forefront of



Vice President Cheney's and George Shultz's gang of free-trade thieves robbed California, with Ken Lay's Enron their "spear-point" for deregulation policy. This is the gang that then made Arnold Schwarzenegger "governator" to loot the state further; and now has its operative in John Kerry's Presidential campaign as well.

the new deregulated world, making its profits from trading energy derivatives, rather than delivering oil and gas or producing electricity.

As John Hoefle detailed with devastating precision in an article entitled “LaRouche Campaign Defeated Enron, to Win Re-Regulation” (see *EIR*, Dec. 14, 2001), Enron was transformed by Lay from a gas pipeline company to a new kind of investment bank—what the London *Economist* described as “a hedge fund with a gas pipeline on the side.” This change was made possible because Ken Lay “had a friend” at Chase, as well as at Lazard Frères, First Boston, Citibank, Salomon Brothers and other leading firms, which were happy to use Enron as a battering ram to knock down the old paradigm, in order to deliver more financial clout into the hands of speculators, who were more than happy to place increasingly risky side bets in the unregulated over-the-counter derivatives markets.

In the process, Lay and his leading collaborators became the high priests of the cult of deregulation, proclaiming themselves to be the leading force in the “New Economy.” In an interview with *Business Week* in February 2001, the arrogant Skilling spoke in messianic terms: “If you walk around the halls here, people have a mission. The mission is, we’re on the side of the angels. We’re taking on the entrenched monopolies. In every business we’ve been in, we’re the good guys.” This mission, according to Skilling, was to be the dominant force in what he called the “financialization of energy.”

But Lay et al. were not only the major cheerleaders in this transformation to an unregulated market economy—they helped create it. Enron played a major role in every change in regulatory policy, from lobbying the Commodity Future Trading Commission (CFTC) to decree regulatory exemptions for over-the-counter derivatives, just as Enron moved heavily into this area in the early 1990s (CFTC chairman Wendy Gramm was rewarded for this with a lucrative position on Enron’s Board), to lobbying the President’s Working

Group on Financial Markets to prevent moves toward regulation of derivatives, following the collapse of Long Term Capital Management (LTCM) in the Summer of 1998. In that case, despite the danger of a systemic meltdown inherent in the collapse of speculative entities such as LTCM, Enron lobbyists were successful again, as the Group issued a recommendation in November 1999 that electronic exchanges which trade derivatives be excluded from regulation.

On paper, Enron grew to be the seventh-largest corporation in America, and its praises were sung from every pulpit where free-trade fanatics gathered to worship. For example, take the Nobel Prize in Economics acceptance speech delivered by Myron Scholes on Dec. 9, 1997. Scholes—whose notoriety exploded in his face when the application of his Prize options model precipitated LTCM’s collapse—singled out Enron and GE for praise for employing a “new model” in trading over-the-counter energy derivatives. Said Scholes, “Financial products are becoming so specialized that, for the most part, it would be prohibitively expensive to trade them in organized markets”; i.e., diligent regulators would never allow them! Or, as Ken Lay put it in one of his regular pep talks—which could be published as “Economic mantras for idiots”—“An imperfect market is better than a perfect regulation.”

The Looting of California

While greedy, wild-eyed traders foaming at the mouth on the floor of exchanges may believe that the nominal value of the financial paper issued as derivatives has some inherent, mystical worth, the more senior members of the Anglo-American financial oligarchy are aware that ultimately, there must be an income stream to support otherwise unsustainable speculative gambles.

For example, Michael Milken’s thievery of the 1980s was possible only because he could draw upon mob-linked sources of funds up front, from “Milken’s Monsters” such as Meshulam Riklis, for seed capital to take over corporations; then, he looted the pension funds of the targeted companies to pay back some of the debt.

For Lay and the other energy pirates which followed in Enron’s wake, the income streams to sustain the derivative bubble would come from the suckers in those states which fell for their brand of snake oil: Deregulation, they chanted, will make energy markets more efficient through increased competition, which will benefit the consumer. While the suckers lined up for their promised savings—Enron-scripted deregulation bills were passed by the Congress and many state legislatures, including California, often with little opposition—Lay and his allies engaged in orgies of self-congratulation, while dispensing huge amounts of funds to politicians to protect their golden goose.

But there is little doubt that they knew the real consequences of their actions. When reporting on quarterly profits at Enron in 2000, fueled by the looting of California, Skilling commented, “Prices are rising, and I know that’s hurting con-

sumers—but it certainly has been beneficial for Enron.”

It is in California that the ugly face behind deregulation—and ultimately, the true criminality of Enron—became clear. From the beginning, Enron teed up the people of California for a major-league fleecing. As prices first jumped, in the Summer of 2000, Lay and his allies blamed the state, even as Enron traders were jacking up prices through various kinds of illegal practices with telling names such as “Death Star,” “Fat Boy,” and “Get Shorty,” to game the markets. As recently released tapes of discussions of the traders engaged in such practices prove, they were fully conscious of what they were doing and the harm they were causing.

During the power crisis of 2000-01, when the state was hit with rolling blackouts, soaring rates, and the bankruptcy of major utility company Pacific Gas and Electric, Enron’s “angels” bragged about getting “Grandma Millie,” and causing California to “Burn, baby, burn.” One now-jailed operative, Timothy Belden, the chief of Enron’s West Coast trading division, boasted on one of the tapes that one trader “steals money from California to the tune of about a million” dollars

LaRouche Called for Enron’s Demise

LaRouche’s December 2000 solution for the California crisis: “The first step . . . is to put the entire, formerly regulated sections of our nation’s energy industry under Chapter 11 bankruptcy protection . . . putting some entities under Chapter 11 protection immediately. But it also means putting a protective umbrella, of Federal and state government threat to provide such protection, to any relevant entity within the domain of maintaining national and regional security.

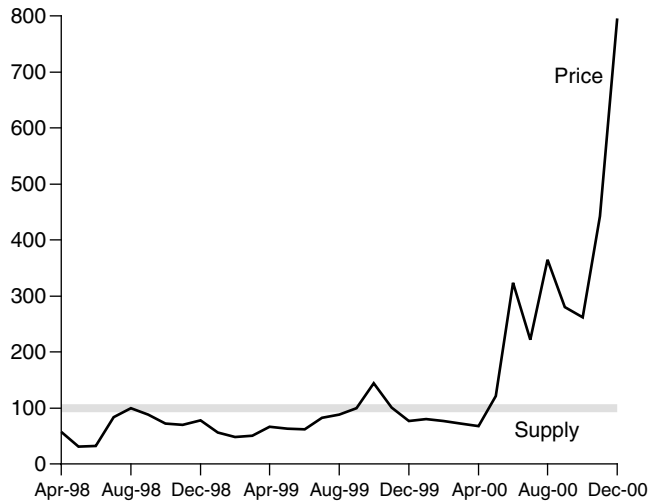
“As a leading feature of that use of Chapter 11 methods, bankruptcy reorganization must be conducted to further the aims of immediate reinstatement of former types of Federal and state regulation of the generation and distribution of the nation’s energy supplies; that, at prices sustainable by businesses and typical households, and consistent with pre-2000 trends in such prices.

“The difficulty in taking those urgently needed reforms of corrective action, is not only that deregulation has become, like cocaine, a habit; but that the financial interests associated most closely with the campaign for the election of the present administration, represent chiefly a Southern Strategy-based complex of financial interests which are deeply committed to defending the revenues from activities which are choking California’s economy to death.”

FIGURE 1

California Electricity Price Disconnects From Supply, Under Deregulation

(Indexed to August 1998 =100)



Sources: California Power Exchange, U.S. Dept. of Energy, *EIR*.

a day. In language that would make Dick Cheney feel better, traders pumped each other up with stories of how they were “f***ing California.”

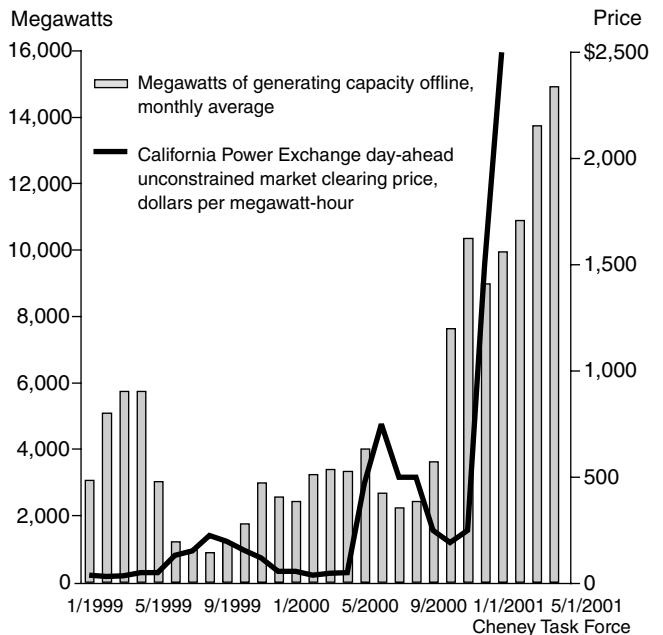
LaRouche Steps In

Long before a single dollar was stolen from Californians, Lyndon LaRouche had taken the point against deregulation. In a series of mass-circulated reports—from the late 1970s against trucking deregulation, through attacks on airline, banking and energy deregulation in the '80s and '90s—LaRouche pinpointed the problem. It was not simply a matter of the corruption of thieves, such as Milken and Lay. Nor could the blame be placed solely on the financial elites, such as George Shultz, a long-time apostle of the policies unleashed on California, for whom the economic model of free trade, privatization, and deregulation is more than a license to steal. LaRouche warned repeatedly that Shultz and his allies at Lazard Freres, JP Morgan Chase, et al., were *restructuring the global economy*, to create a new Roman Empire.

This could only succeed if America's citizens fell victim to their own ignorance of economics, and bought into the paradigmatic changes implicit in the axioms of post-industrial society. Thus, LaRouche stresses, the most serious problem is the corruption of the population, under the domination of the current Baby Boomer culture, which causes people to swallow gallons of Lay's snake oil even as it is making them sick, in the hope they get some benefit on the side, e.g., cheaper electricity prices (see box). The only alternative to this drive for Schachtian fascist-style austerity is to return, as LaRouche alone has consistently proposed, to the regulatory

FIGURE 2

Energy Pirates Withheld Electricity, Jacked Up Prices in California During Cheney's Energy Task Force — January to May 2001



Sources: California Energy Commission; California Power Exchange; University of California Energy Institute.

approach embedded in the U.S. Constitution, particularly that employed by FDR to lift America out of the 1930s Coolidge-Hoover Depression.

California Gov. Gray Davis eventually responded to the crisis precipitated by the Enron-led deregulation, echoing LaRouche in a series of statements in early 2001. In his State of the State address on that Jan. 8, he attacked the deregulation scheme as “a colossal and dangerous failure. It has not lowered consumer prices. And it has not increased supply. In fact, it has resulted in skyrocketing prices, price gouging, and an unreliable supply of electricity—in short, an energy nightmare.” Davis correctly blasted those “out of state profiteers” who have one major objective: “maximizing unheard-of profits” while holding the state of California hostage.

Davis appealed to the Bush Administration to impose price caps and take other measures to aid the state. He ran into what has become an increasingly common feature of current U.S. political life, the Cheney Stonewall. The Vice President, who was appointed by Bush to head up an energy task force, told the *Los Angeles Times* that he was so opposed to any action from the Federal government which would interfere with “market forces,” that he would do nothing to aid California, even if the energy crisis there threatened the national economy. “I am a believer in markets,” Cheney, who had served as CEO of energy giant Halliburton, told reporters.

TABLE 1

Profits Soar at Selected Energy Companies, First Quarter 2001

(First Quarter 2001 Compared to First Quarter 2000)

Company	Increase	Company	Increase
EOG Resources*	448%	Chevron	53%
Calpine	424%	BP plc**	52%
Williams	172%	Duke Energy	51%
Apache	158%	El Paso	46%
Unocal	122%	ExxonMobil	44%
Reliant Energy	104%	Texaco	39%
Occidental	93%	Southern	35%
Phillips	86%	Dominion	28%
Mirant	84%	Enron	26%
Kerr McGee	81%	Shell	23%
Dynegy	73%	AES	19%
Conoco	58%		

Source: Company financial reports.

* EOG Resources, formerly Enron Oil & Gas, was a spin-off of Enron Corp.

** BP had dropped the Amoco from its name, reverting to BP plc.

“I think the notion of deregulation is basically sound. What happened in California—it was poorly executed.” Cheney argued that imposing price caps would be an unacceptable interference in the workings of the “market.”

Cheney was merely repeating what his fellow Texas energy confidant Ken Lay had written in an op-ed in the *San Francisco Chronicle*: “The situation in California is the result of continued regulation,” Lay lied, adding that it was “complicated by a series of natural and man-made factors.” In a private memo to buddy Cheney, Lay called on the administration to “reject any attempt to re-regulate wholesale power markets by adopting price caps or returning to archaic methods of determining the cost-base of wholesale power.” Price caps, he wrote, “will discourage private investment by significantly raising political risk.”

Dereg Gang Brings in Arnie

While Davis was fighting a rearguard battle against the “energy pirates,” Cheney continued to coordinate with Lay, to protect the license to steal. Lay and Enron were intimately involved in the drafting of the Cheney energy commission recommendations—though Cheney continues to insist that he is under no obligation to tell anyone how much so, as his “private” deliberations should be protected under non-existent executive privilege.

The damage done to California by Lay, et al. plunged it into bankruptcy. More than \$70 billion was looted from the state, from a surplus of \$12 billion to a budget deficit of \$38 billion, as a direct result of deregulation. LaRouche insisted on immediate, urgent *re-regulation*, Davis escalated. “If they don’t want their plants seized [by the state, under eminent domain procedures]” he warned, “they should make sure their plants are up and running this Summer [of 2001].” Senate President Pro Tem John Burton said, “Sooner or later, we’ve

got to let these buccaneers know that we’re not going to tolerate what they’re doing to us. The only thing these exploiters would understand is a little counterterrorism.”

This turned out to be mainly talk not backed by action. Lay and Cheney continued to act, both through Cheney’s energy task force, and on the ground in California. Davis’ call for action from the Feds evoked this from Lay: “In the final analysis, it doesn’t matter what you crazy people in California do, because I got smart guys who can always figure out how to make money.”

But it did matter to Lay: In May 2001, at the height of the crisis, he convened a meeting at the Peninsula Hotel in Beverly Hills, to present Enron’s “Comprehensive Solution for California.” Among those meeting with Lay were Michael Milken, former L.A. Mayor Richard Riordan—and actor Arnold Schwarzenegger, who was being wooed to replace Governor Davis! Thus, as the state was being plunged toward bankruptcy and ungovernability, the very network responsible for the crisis were preparing the next phase. The bankruptcy of Enron in December 2001 did not slow down these synarchist elites—they ran the recall of Governor Davis, and put in Schwarzenegger, the former steroid-using bodybuilder, as Governor, with orders to halt any effort at re-regulation. Having been vetted for the post in September 2002 by Lord Jacob Rothschild, and flanked by the likes of the free-trade freak Shultz and mega-speculator Warren Buffet, Arnie was morphed into the Governor.

The Kennedy-Kerry Connection

Central to Arnie’s transformation from a comic book-like movie action figure to an allegedly credible political figure, was the role of Bob Shrum, a nominal Democratic Party consultant who had lost twice to Bush, Jr.—in 1994, advising incumbent Governor Anne Richards in Texas, and again as Al Gore’s chief strategist in the 2000 Presidential election.

Throughout the battle for re-regulation in California in 2001 and again, during the 2003 recall campaign, LaRouche said that the deregulation forces will prevail only if the delusions and false axioms of the American population, fed by the free traders and their media accomplices, are untouched and even reinforced by internal sabotage of the Democratic Party. While Governor Davis was waging a fight, with critical backing from LaRouche and his youth movement, operations were being run to protect the cheats and swindlers behind Ken Lay.

The indictment of Ken Lay opens the opportunity to get to the bottom of the economic paradigm-shift of the last four decades, and take the measures required to revive our economy, so it may serve the General Welfare. It is indispensable that the dirty role played by Dick Cheney be part of the deliberations when the Democratic Party convenes its Nominating Convention on July 26 in Boston. But Democrats should be forewarned, that the same Bob Shrum who presided over the previous failed campaigns against Bush, and who provided crucial backing for the victory of Schwarzenegger, is now the chief campaign guru to John Kerry!

Has the Chief Justice Lost the Supreme Court?

by Edward Spannaus

For many years, Chief Justice William Rehnquist was the dominating feature of the U.S. Supreme Court, along with that radical nominalist (“textualist”), Associate Justice Antonin Scalia. The hard-right trio of Scalia, Rehnquist, and (since 1991) Justice Clarence Thomas could generally pull a couple of others along, to constitute a guaranteed majority in most cases.

That has now changed, even though the composition of the Court itself has not changed for a decade—since Justice Stephen Breyer was added in 1994, following the first Clinton appointee, Ruth Bader Ginsberg, in 1993. While the Court’s makeup is the same, its alignment is not. Rehnquist, Scalia and Thomas haven’t changed much—as could be seen in the Guantánamo ruling where they were the dissenters in a 6-3 decision—but now, these three are, more often than not, in the minority.

What has accelerated this shift, is the Court’s reaction to the Bush-Cheney Administration’s assertion of unlimited Executive power, especially since Sept. 11, 2001. As was seen most clearly in the “torture memos” (see *EIR*, July 2), the Bush-Cheney Administration has asserted stridently, that neither the courts, nor international treaties, nor domestic law, can restrain the President when acting in his capacity as Commander-in-Chief.

The Supreme Court is now vigorously asserting its own authority, as one of the three co-equal branches of government, and is instructing the Bush-Cheney Administration that it is not above the law.

‘Every Reason To Weep’

Striking confirmation of the shift in the Court came in a July 9 speech by the outgoing U.S. Solicitor General, Theodore Olson, who was the featured speaker at the annual roundup of the Supreme Court’s term held by the Washington, D.C. Chapter of the Federalist Society, an umbrella group for self-styled “conservative” lawyers.

Olson was introduced by one of his law partners, who bemoaned the emergence of a new majority on the Supreme Court which does not include Federalist Society heroes Scalia, Rehnquist, and Thomas. Olson’s partner suggested that, with the court’s new configuration, “blunter techniques will be necessary,” and that the Administration might decide that Olson’s successor should be Dick Cheney, with his “pithy

and succinct style of argument.” To guffaws and applause from the audience, he went on to say that “perhaps all that is needed, to awaken the court from its dreams about French law, are a few Anglo-Saxon words”—i.e., “Go f— yourself.”

Olson himself declared that, looking at the just-completed Supreme Court term, “conservatives have every reason to weep”; and, he lamented, “help is not on the way.” He complained that “conservatives lost virtually every important case” before the Supreme Court this past term, and he cited a broad array of cases on various matters, not just the enemy combatant cases. And this is despite the fact, Olson pointed out, that seven of the nine Justices now on the Court are Republican appointees!

Olson cited, and seemingly agreed with, a July 3 analysis published by the *New York Times*, which suggested that “the 2003-04 term may go down in history as the term in which Chief Justice Rehnquist lost his court.” As the Justices head into their 11th term together, this is now, “surprisingly and in new ways, a new court,” *Times* Supreme Court reporter Linda Greenhouse wrote. She noted that in close decisions (i.e. 5-4 votes), Rehnquist was in the minority more times than not, in 10 of 18 such rulings. In contrast, two years ago, Rehnquist was in the majority in 15 out of 21 such 5-4 rulings, and last year, it was half and half.

What is true for Rehnquist, is even more so for Antonin Scalia and Clarence Thomas, who were in the minority even more than the Chief Justice. Thomas had the most dissenting votes of any member of the court; Sandra Day O’Connor, usually described as the court’s leading “pragmatist,” had the least.

A feature story in the July 4 *Washington Post Magazine* went so far as to portray O’Connor as the new, *de facto* Chief Justice. But, probably more accurately, Olson described 84-year-old Justice John Paul Stevens (a Ford appointee) as the court’s most influential member.

At another event reviewing the Supreme Court’s term, held by the Heritage Foundation on July 12, most speakers expressed similar views, noting that this could no longer be considered a “conservative” court.

More strikingly, a number of speakers put this not so much in sterile “conservative-liberal” categories, but in terms of the Court once again asserting judicial supremacy in matters of law and the Constitution. One panelist, failed appeals court nominee Miguel Estrada, sardonically put it this way: The Justices are deeply unanimous in agreeing that they should be governing the country; they just disagree as to how.

Cheney Fails To Prevail

In addition to the enemy combatant cases, which we reviewed in our July 2 issue, the Cheney Energy Task Force case was also a setback for the Vice President’s view of unrestricted Executive power. This involved the efforts of two watchdog groups to obtain access to records of the Task Force, to determine to what extent executives and lobbyists from

Enron and other corporations were involved; Cheney resisted *all* discovery on “constitutional” grounds of separation of powers and the powers of the Executive.

Contrary to the general perception of the case, Cheney never even asserted Executive Privilege over any of the documents; rather, he just baldly claimed that the Constitution barred any discovery of evidence from the President or the Vice President. After the Federal District Court ordered broad discovery, Cheney went to the Court of Appeals, and then the Supreme Court, demanding that they order the lower court to prohibit all discovery.

The Supreme Court refused to accept Cheney’s overarching definition of Executive power (only his hunting partner Scalia, and Clarence Thomas agreed with him), and instead, sent the case back to the appeals court for reconsideration of Cheney’s efforts to bar the lower court’s discovery order—which it clearly considered to be overly broad.

Impact of the Torture Memos

The most dramatic defeats for the Cheney doctrine of the “imperial Presidency” were of course in the enemy combatant cases, of Yaser Hamdi and the Guantánamo detainees.

Many observers believe that these defeats were self-inflicted: By refusing even the most minimal procedures under international and American military law for determining the status of detainees, the Administration not only thumbed its nose at the law, but then did the same to the Federal courts, when challenges were brought.

Secondly, the disclosure of the “torture memos” coming out of the White House and the Justice Department unquestionably played a crucial role in determining the outcome of these cases.

The first photos of the prisoner abuse at Abu Ghraib were shown on CBS-TV on the evening of oral arguments in the *Padilla* and *Hamdi* cases, on April 27. During that day’s arguments, two Justices had asked the government: What inhibits the use of torture against a prisoner, in light of the government’s argument that in war-time, the law is what the President says it is, and that the courts have no say in the matter? The government’s response, was that the United States is bound by international treaties, that the courts should not get involved, and that “you have to trust us.”

EIR questioned Solicitor General Olson about this at the Federalist Society event, pointing out the questioning of Olson’s deputy Paul Clement about torture, just before the photos of Abu Ghraib came out. “To what extent,” *EIR* asked, “do you think that the disclosure of the memos written by [Vice President Dick Cheney’s legal counsel] David Addington and by the Office of Legal Counsel, turned the tide in the ‘enemy combatant’ cases?”

Olson at first said that he didn’t think that Addington, who is the Vice President’s top lawyer, had written any of the memos, and he added that he didn’t accept *EIR*’s characterization of the colloquy at the Supreme Court. Olson said that he

didn’t think that we will ever know what effect the disclosure of the memos had on the court, but he noted: “The justices are human, and they may have been affected.”

Olson also repeated something he had said earlier: that he believed that the court was being very conscious of its legacy in light of earlier cases involving human rights—which, he said, had not been the court’s finest moments—such as the *Dred Scott* case and the World War II Japanese internment cases.

Torture and Cancelling Elections

EIR elicited more substantive answers to a similar question at the Heritage Foundation forum on the Supreme Court held on July 12. Here, none of the four panelists—former U.S. Attorney General Edwin Meese, former U.S. Solicitor General Walter Dellinger, former DOJ official Miguel Estrada, and Pepperdine University law professor Doug Kmiec—disputed the notion that Cheney’s lawyer Addington had written a key memo which was then generally attributed publicly to White House Counsel Alberto Gonzales.

Dellinger, a Solicitor General in the administration of Bill Clinton, answered that he believed that the disclosure of the torture memos—with their assertion that criminal laws such as the anti-torture statute do not bind the President when he is acting as commander in chief—“must have been quite startling to the Justices.” He gave other examples, to illustrate that the Administration was acting as if it had decided that the Supreme Court was simply not relevant to the issue.

Kmiec, who had headed the DOJ’s Office of Legal Counsel during the Reagan Administration, said that “the real sad thing about the torture memo story” was that it was leaked, and that therefore, “it illustrates the importance of the deliberative process, and the confidentiality aspect of Executive Privilege.”

But then Kmiec revealed why he considers this confidentiality to be so important: Hard questions arise which have to be confronted, “including the hard question that was recently asked of the Office of Legal Counsel and the Department of Justice: ‘What do you do if you suffer a terrorist attack on the day of the national elections? Do you postpone it? Do you have it after a week? After a couple of days?’ ”

Kmiec went on to say that such questions—whether on torture, or on the elections—“have to be asked and answered”; but that it is very different if this is done in public, rather than with the type of candid discussion that goes on privately in the Office of Legal Counsel.

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Army Stress Subject of House Committee Hearing

The stress on the Army was the main topic of discussion at a hearing of the House Armed Services Committee on July 7, with concerns expressed from both sides of the aisle. Ranking Democrat Ike Skelton (Mo.) noting the return of units to Iraq for second tours less than a year after their first, the call up of the Individual Ready Reserves, the use of stop loss orders, and so forth, said, "Each of these measures is a concern . . . but, taken together, they pose for me a serious alarm. We're managing this conflict with stop-gap measures, as if the end is near." He added that "The demand is so high, I think we're taxing our part-time soldier in the Guard and Reserve nearly to the breaking-point."

Lt. General Norton Schwartz, director of operations for the Joint Staff, presented to the committee the Pentagon's plans for the next rotation into Iraq, the bulk of which will occur between November 2004 and March 2005, which, notionally, will be slightly smaller, from the present 140,000 troops to 135,000, but will be heavier, with more tanks and armored vehicles than the present force went in with. It will also include a slightly higher percentage of National Guard and Reserve troops, and will see the return of the 3rd Infantry Division and the 3rd Armored Cavalry Regiment to Iraq for 2nd tours. Second tour troops will make up 55% of the rotation.

Gen. Richard Cody, the Army's new vice chief of staff, agreed with Skelton that the Army is "absolutely" stretched thin. He also reported that there are units in Iraq doing tasks for which they weren't trained, and not just National Guard and Reserve units, either. "Our entire force is doing that," he said. He noted that multiple-launch

rocket battalions are doing ammunition handling missions, and air defense artillery troop are doing cordon-and-searches, and that this is going on across active duty, National Guard, and Reserve units.

Transportation Bill Stalled in Committee

Five weeks after first convening, on June 9, a conference committee has yet to reach an agreement on a new six-year transportation bill, and meetings of the committee appear to be few and far between. An announced meeting of the conference scheduled for July 13 did not occur as planned. While the differences between the House and Senate versions of the bill are substantial, the White House is also a factor in the deadlock. The Bush Administration had proposed a \$256 billion spending program, a substantial increase over the previous six-year bill, of \$218 billion. However, members of Congress sensitive to job losses and infrastructure issues in their states, went for considerably larger programs. The House passed a \$284 billion plan and the Senate a \$318 billion plan, either of which would face a veto threat, in the name of "responsible restraint over Federal spending," according to an administration position paper.

Senate Minority Leader Tom Daschle (D-S.D.), speaking to reporters on July 13, warned that the GOP's chances of passing a bill, this year, "are running out." He said that while President Bush is "willing to borrow money for Iraq, he's not willing to dedicate the kind of commitment to our highways that this country so badly needs." He later added, in reference to

the fact that a six-month extension of the existing program has already been passed, "We don't want to talk about extensions. We want to talk about getting a transportation bill."

House GOP Thug Tactics Defend Patriot Act

When the White House sent word up to Capitol Hill that it would veto any attempt to water down the U.S.A. Patriot Act, the House Republican leadership responded to prevent just that from happening. On July 8, when the House was considering the appropriations bill to fund the Commerce, Justice, State Department, and the Judiciary, Rep. Bernie Sanders (D-Vt.) offered an amendment to prohibit the Justice Department from blanket searches of library and bookstore records, as permitted by the Patriot Act. Sanders' amendment had significant support from a minority of Republicans, enough to pass it, but the GOP leadership went into action, holding the vote open 23 minutes beyond the customary 15 minutes, so that they would have time to twist the arms of enough recalcitrant Republicans to defeat the amendment. It finally went down on a tied 210-210 vote.

Not surprisingly, Democrats were outraged. Even some Republicans were upset. Rep. Marty Meehan (D-Mass.) said afterwards, "The Republican leadership is out of control." The vote, he said, "is just the latest example of a growing trend towards abusive, close-fist partisanship on the part of the Republican House leadership." Rep. Butch Otter (R-Id.) told reporters afterwards "You win some, and some get stolen."

Democratic anger carried over

into the following day, during debate on a rule to consider a water supply bill. Rep. James McGovern (D-Mass.) offered to amend the rule under consideration to prohibit the House from keeping a vote open for the purpose of manipulating the outcome. Rep. Barney Frank (D-Mass.), speaking in support of McGovern's motion, told the House that "we are talking about the integrity of the democratic process, because the sole purpose of that sort of delay—this is a very particular form of delay. It is a 'DeLay' delay, and this kind of "delay squared," carried out at the behest of the majority leader [Tom DeLay (R-Tex.)], is to allow members of the Republican leadership to press members of the Republican Party who have voted one way to now abandon that position, lest the way they voted, prevail." McGovern's motion was defeated by a vote of 216-180.

Class-Action Reform Hits Senate Roadblock

The procedural warfare characterizing proceedings in the House also was reflected in the Senate, when Majority Leader Bill Frist (R-Tenn.) brought a legal reform bill that would result in most class action lawsuits being transferred to Federal courts, to the floor for consideration on July 7. Frist initially tried to bring it up under a unanimous consent request that would have limited each side to 5 relevant amendments. When the Democrats objected (including after he had offered ten relevant amendments and then an unlimited number), he then brought it up under regular order and promptly resorted to a tactic known as "filling the amendment tree"; that is, filing five contentless amendments in a way that

prevents any other Senator from offering amendments to the bill. "We are willing to set aside pending amendments in order to make progress on the bill," he said, afterwards, "However, we are not prepared to have this bill become a magnet for every unrelated issue that is brought to the floor."

Democrats responded by filibustering the bill. Minority Leader Tom Daschle (D-SD.), even before Frist filled the amendment tree, noted that until Frist brought it up, the bill had not been the subject of even a single hearing in committee, and therefore, he found it "very troubling" that Frist wanted to limit amendments by both sides. "It would be our intention," he said, "to work with the majority to complete debate on this bill, with the understanding, of course, that we would have the opportunity to offer amendments." Instead, because of what Frist had done, "I would argue that this is probably an absolute guarantee that it will never get passed, because we will never get cloture on a bill that denies Senators their right to offer amendments, regardless of the subject matter." The following day, a cloture vote failed, 44-43, to close further debate on the bill.

Appropriations Process on a Very Slow Train

The Fiscal 2005 Defense Appropriations bill has slowly been working its way through conference committee and may become the only one of the 13 annual spending bills to be passed by Congress before the Summer recess begins on July 23. Issues still to be resolved in that bill include the addition of emergency funds for fighting forest fires, and getting the bill through the

Senate without a budget resolution. The lack of a budget resolution means that the Senate is operating under a discretionary spending cap of \$814 billion, the cap imposed by last year's budget. Senate Appropriations Committee chairman Ted Stevens (R-Ak.) classified about \$7 billion of the \$416 billion in the defense bill as emergency spending in order to get around the cap.

Meanwhile, the process otherwise remains stalled. The House has passed seven of the 13 bills, but the Senate, besides the defense bill, has only passed the homeland security bill. Senate Minority Leader Tom Daschle (D-S.D.) warned, on July 13, that time is running out on the legislative schedule to get the appropriations process done, aggravated by the fact that Senate Majority Leader Bill Frist (R-Tenn.) brought a constitutional amendment outlawing gay marriages to the Senate floor, instead. "You can only conclude about the Administration's priorities," Daschle said, "that this Constitutional debate is more important than our national security or any other issue that is pending before the Senate right now." Daschle further complained that the Republicans had offered to take up the homeland security bill in such a way that there would be "virtually" no "real legislative consideration" of the bill, an offer the Democrats found "unacceptable."

Daschle's complaint went beyond appropriations bills. Besides failing to take up any legislation dealing with national security, he charged, the Republicans are "shirking" their oversight responsibilities, with scandals circulating around the Bush Administration that Congress ought to be looking into. "So, it's a mixed up, turned-upside-down world that our Republican friends have presented to us."

Crazed Vultures To Argentina: Pay Now or Die!

by Cynthia R. Rush

International financial predators have risen to new heights of desperation and vengeance in their attempts to annihilate the nation of Argentina.

The Global Committee of Argentina Bondholders (GCAB), the front-group for the vulture funds that speculated on Argentine debt prior to the December 2001 default, and claims to represent the majority of those “investors” holding the country’s defaulted debt paper, announced on July 12 that it was launching an international offensive to force the government of President Néstor Kirchner to renounce its official proposal to restructure \$88 billion in defaulted debt, and accept the GCAB’s “counter-offer” instead. Co-Chairmen Hans Humes and Nicola Stock are embarking on a tour that will take them to cities in the United States, Europe, and Japan to enlist support for crushing the South American nation.

As indicated in a July 12 press release, GCAB insists that Argentina’s official proposal to restructure defaulted debt with a 75% write-down “is inconsistent with other sovereign restructurings,” which were more generous, and does not “display a genuine willingness to pay.” Instead of the 75%, the GCAB wants a “relevant writedown” of no more than 30%, and preferably 20% of the debt’s nominal value.

During a July 14 luncheon held at the New York headquarters of its financial adviser (and author of the counter-proposal) Bear Stearns-Morgan Stanley, the GCAB detailed its other demands: the government must make a \$5.2 billion cash payment toward interest unpaid since the December, 2001 default, and issue a bond for the remaining amount; raise the primary budget surplus (the amount set aside to pay debt), from the 3% of Gross Domestic Product agreed on with the International Monetary Fund, to at least 3.5% for 2005; and raise the interest on a special discount bond above the 8.2%

the government is offering. Were the government to work with “more realistic budgets,” raved Hans Humes, then bondholders could get a “substantially higher return than currently offered.”

Standard of Living Has Already Plummeted

Higher return? Argentina’s poverty rate still stands above 50%, and real unemployment remains close to 20%. It is officially at 15% only because of the World Bank-financed “Heads of Household” subsidies which go to 2.5 million unemployed. Studies recently released by the IDEF, a think-tank linked to the Argentine Workers Confederation (CTA), and the Center for Studies of Argentine Development (Cenda), report that real wages are at 1940 levels! The average monthly wage of 592 pesos (about \$200), is 18% below the 723 pesos needed to cover the cost of the monthly market basket for a household of two adults and two children, according to the government’s statistical agency, Indec. Since the January 2002 peso devaluation, the cost of that market basket has increased by 56%, while wages have plummeted.

This is a country that once prided itself on the quality of its skilled labor. Today, the only kind of jobs that are increasing are those in the “informal” economy of “self-employed,” street vendors, kiosk owners, domestic help, etc. Indec also reports that there are 5.7 million people who live on 1.50 pesos a day—about 50 cents, and another 5 million who live on 2.90 pesos a day, or one dollar—the internationally recognized standard of “extreme poverty.” These 10.7 million Argentines represent 20% of the country’s families, which are incapable of covering the cost of the market basket of basic food items. At least 40% of people who are employed fall into the category of “indigent,” according to Indec.

Ominous for the country's future, the government estimates that 56.4% of youth between the ages of 18 and 25 live in poverty; 56.2% do not go to school, and 17.4% are looking for work.

It is for these reasons that President Kirchner frequently observes that "we are still in hell, trying to climb out."

Ready To Kill

Presidential candidate Lyndon LaRouche has repeatedly warned that synarchist financial interests will kill, by eating Argentine children if necessary, to get their debt paid. The vulture funds are the worst of the lot, representing speculative financial capital; but they are not working in isolation. The International Monetary Fund (IMF), and the member governments of the Group of Seven industrialized nations coordinate closely with them, demanding that Argentina "negotiate in good faith" to pay an uncollectable debt.

Synarchist financiers have reserved special vengeful treatment for Néstor Kirchner who, for all his limitations, has refused to subordinate his population's welfare to bankers' priorities. But London and Wall Street are demanding that fascist policies be applied throughout the region. As the global financial system disintegrates around them, they are resorting to Dick Cheney-style thuggery and terror, lest anyone contemplate overturning such policies.

Exemplary was the June 7 speech given at a London investors' conference by Roger Scher, head of Latin American Sovereign Ratings at the British rating agency, Fitch. Pointing to Brazil, he observed that the Lula da Silva government isn't anxious to sign another agreement with the IMF when the current one expires in December. But, he threatened, with the \$33 billion in financing it needs between now and December (not to mention a \$22 billion projected budget deficit), Lula would do well to announce *now* that he will negotiate a new program with the Fund. After all, Scher arrogantly stated, "Brazil is still a prisoner of market sentiment. If the market says Brazil is a dog, then Brazil is a dog."

That is, give Ibero-America the same treatment that Dick Cheney and friends ordered for the Iraqi prisoners at Abu Ghraib.

Signals for What?

The IMF is openly blackmailing the Kirchner government on behalf of the vulture funds. The Fund has made it clear that unless the government indicates its willingness to submit to the foreign bondholders, and imposes a number of harsh austerity reforms, completion of the third review of its \$13.3 billion agreement with Argentina will be delayed, possibly until the end of August.

Although Argentina has complied with the Fund's macroeconomic targets, the IMF claims that it has not implemented policies agreed to during the last review in March, chief among which was to negotiate "in good faith" with all bondholders. Moreover, as IMF official John Dodsworth implied,

the third review won't be approved by the Fund's Executive Board, unless Kirchner gives "concrete signals" that he intends to deepen austerity.

This means raising utility rates of privatized companies (to compensate them for the "suffering" caused by the 2001 peso devaluation), correcting the "deplorable" lack of progress in privatization of the public banking sector, and ramming through "fiscal responsibility" legislation to keep the provinces from "excessive" spending.

The current IMF agreement doesn't provide Argentina with any fresh financing. But should the Fund not approve the loan review, on grounds that Kirchner lacks the necessary "commitment" to austerity, the government believes—mistakenly—that this would be a fatal blow to its standing with the international financial community, and its ability to exit its default status. The reality is that the global monetary system is so close to shattering, the "international financial community" may not be around in its current form long enough for Argentina to prove its good intentions.

LaRouche Alternative: Only Way Out

The real question is whether the synarchist plans for imposition of global fascism can be averted by implementation of LaRouche's New Bretton Woods plan for the bankruptcy reorganization of the global system.

Despite its insistence that it wants to act responsibly toward foreign creditors, the Kirchner government is well aware that the fragile global situation could make debt repayment impossible. In the "shelf registration" document it presented July 2 to the U.S. Securities and Exchange Commission (SEC), as required by the restructuring process, the government warns very pointedly that the country is vulnerable to "external shocks . . . which could have an adverse material effect on Argentina's economic growth and our ability to service our public debt."

The document points to potential regional financial upheaval, warning that "a significant decline in the economic growth" of neighboring Brazil, Argentina's most important export market, could also affect its ability to pay its debt. Very revealingly, the government warns that it cannot guarantee imposition of "unpopular" IMF austerity measures, for which there is no "clear political consensus." Such measures could give rise to political and social instability which "may prevent the successful implementation of reforms required by the IMF program."

The open expression of such doubts, plus Kirchner's constant assertion, repeated again on July 13, that he will "not pay the debt off the backs of the Argentine people," drives the synarchist bankers wild. In conjunction with its international offensive, GCAB is reportedly going to the extreme of preparing to sue Cleary & Gottlieb, the old-line New York law firm which represents the Kirchner government, for being too successful in defending its client's interests.

World Food Grains Output Potential Falls

by Marcia Merry Baker

The wheat harvest drew to a close in July in Kansas—one of the world’s leading wheat centers—and the estimate is the crop will be down by fully 35% from last year’s decent level. On July 18, the Kansas Agricultural Statistics Service reported that this year’s area harvested will be 8.7 million acres, 1.3 million fewer than last year; the average yield per acre will be 36 bushels, down 12 from last year’s yield; so all told, the harvest will be 313.2 million bushels (8.5 million metric tons), down 35% from 2003. In addition, the milling quality of the harvestable wheat is poor.

The immediate circumstances for such a large swing in the crop (Winter wheat, the predominant U.S. type planted in the Fall), include prolonged drought in western Kansas, harvest-time storms in central Kansas, and other “natural” factors. However, the reason for this occurrence is not at all Mother Nature, but rather, the combined impact of decades of policies undermining reliable, secure farm output, both here in the U.S. Grain Belt, and in other granary regions of the world, from Argentina to France, Australia, the Canadian Prairie Provinces, Russia, and so on. They include:

- Lack of infrastructure, refusal to rebuild or extend infrastructure;
- Decades of underpaying family farmers, who have had to rely on off-farm jobs to survive; many have given up farming altogether;
- High energy prices for fuel for farm machinery, drying grain, etc.;
- Cartel control over processing, transportation, inputs, and trade.

In June, at the onset time of the Northern Hemisphere Winter wheat harvest, the U.S. Department of Agriculture issues its first-of-the-season harvest crop estimates; and likewise, the UN Food and Agriculture Organization (FAO) issues its June global *Food Outlook*. For total world production of wheat and grains of all types (rice, corn, sorghum, oats, barley, rye, triticale, etc.), the picture is bleak.

How a once highly-productive agriculture region in Australia has been undermined over the past 30 years, is described in the interview below with farmers from the huge state of Western Australia, one of the world’s leading wheat regions.

In contrast to this takedown process, China and India have

TABLE 1

Decline in World Grain Stocks

Year	World Grain Stocks (Million Metric Tons)
2000-01	598.5
2001-02	570.8
2002-03	474.9
2003-04 est.	397.8
2004-05 forecast	362.7

Source: UN Food and Agriculture Organization, *Food Outlook*, June 2004.

pursued policies intended to build-up and stabilize their agriculture production, with notable success in recent years. However, in so many parts of the world, the farm sectors have been in decline, or in the case of Africa—despite its vast natural agro-climatic potential—obstructed by global financial powers, that the trend of total annual grain production of all kinds has been *declining per capita*, and headed for guaranteed famine.

One way to look at the effect of variable and inadequate harvests, is in terms of the drastic drawdown taking place in carryover stocks of grains (of all kinds). **Table 1** shows the 40% drop in world stocks over five crop years from 2000/01 to 2004/05, from the June FAO *Outlook Report*.

For wheat in particular, the June USDA report forecast a serious gap between the amounts globally available, and needed for human consumption. In the 2003-04 season, the wheat harvest is estimated to be 550.02 million tons—almost 40 million tons less than what is needed for annual human consumption, estimated at 588.41 million tons. This simply means a huge drawdown in stocks; and hunger. This gap will help reduce world wheat reserves from the 167.14 million tons in reserve in 2002, to 126.43 million tons, a one-year drop of about 25%.

The ratio between wheat reserves available and consumption requirements is the worst since 1954, according to the USDA.

It was to highlight this threat and mobilize for economic development policies to avert it, that Lyndon LaRouche in 1988 initiated an international “Food for Peace” effort by the Schiller Institute. In December that year, at a Chicago conference of farm leaders and other activists, LaRouche gave a keynote address titled, “Give Us This Day Our Daily Bread,” calling on them to provide leadership in their respective areas, to restore food security, by fighting to restore economic growth policies at large. Today, LaRouche is stressing the same principle, as a matter of national emergency. He points out (see page 4) how American agriculture—along with manufacturing, infrastructure, and medical and other services—has been eroded in what he calls “The incredible shrinking U.S. economy.”

LaRouche's CEC Challenges 'Free-Trade' Destruction of Australia's Agriculture

The Robinsons are farmers from Kojonup, in the state of Western Australia. Jean has been the State Secretary for the Citizens Electoral Council, the LaRouche movement in Australia, for the past several years, and is now running for the Senate in the Federal election expected sometime between August and October. She is widely known for representing the CEC and Lyndon LaRouche in the state, and polled 7.4% of the vote in her last race in a highly contested state election.



Jean Robinson

The Robinsons were in Washington, D.C. in February 2004, to attend the international Schiller Institute conference. They were interviewed Feb. 16, by Marcia Merry Baker.

EIR: Our subject today is the real downshift below the danger point of agriculture in Australia, which is one of the leading centers of world food production capacity. While in the headlines are things like BSE or avian flu, we have a plain old meltdown of farming, which this couple can tell us about, of just “meat and potatoes” agriculture—dairy, wheat, and so forth—even without any terrible new diseases.

First, tell us about the state you are from, and then we'll get into what has been happening over the past decades.

Wayne Robinson: We are from the state of Western Australia, we live in the southwest, about three hours drive from Perth.

EIR: And you are considered one of the leading agriculture regions of Australia.

Jean Robinson: Yes, we are one of the leading, in mainly wheat, wool, and dairy. We are the state that has the biggest wheat production in Australia by far, and a lot of it is exported. We are the sixth in the world when it comes to exporting grain. So not much of it is used domestically. And of course, there are all the other industries, like wool export, as well.

Meat and dairy are all actually a closed domestic market which has been destroyed in the last couple of years, because

of the policy to deregulate everything through the so-called globalization process. In international terms, Australia is extremely productive in food, when you consider the size of the state compared to other places.

EIR: Let's look at that shift, because you yourselves have been farming over the time period of the shift. Does agriculture go way back in the family, and what kind of operation have you traditionally farmed?

Wayne Robinson: It goes way back, we being in agriculture all our life. We used to live in South Australia. We used to farm wheat, cattle, sheep, and also pigs. And we've carried on in Western Australia.

EIR: We are going to get to the vantage point of today—when things are breaking down. But when things worked, what was the size of your operation? How did it all work?

Jean Robinson: Basically, what we saw in Australia in the '50s, '60s, and '70s—which is the result of the policy associated with the Bretton Woods System, particularly under our great wartime Prime Minister John Curtin—there was a revolution of agriculture in Australia. It really exploded; we used to make everything—tractors, all sorts of things, all highly productive, and everything was driven by high technology.

But that all started to fall apart, particularly in the 1970s. What happened to the U.S. dollar, the same thing happened to Australia. We had these enormous interest rates in the 1980s, and that actually bankrupted about 50% of Australia's farmers. We've gone from having 300,000 farmers to less than 100,000 farmers in just 20 years. And that was the first thing that happened. But up until that point, agriculture was pretty good, with its highs and lows. And then you got this squeeze going on with more and more debt, it's become unpayable.

The cumulative debt for agriculture in Australia is something like \$32 billion. And with less than 100,000 farmers, you don't have to be a rocket scientist to figure out that's not going to work.

Basically, it's been a result of this process happening all around the world, with this policy of deregulation and so-called “free trade” allowing the market to determine the policy of everything. And what we've seen in the last five years is a full-scale collapse of agriculture across the board. The first



Headlines decry the current worsening farm crisis in Australia, from Queensland Country Life, Stock and Land, and other Australian agricultural media of February-April 2004.

industry to go was the pig industry. Canadian pork was allowed to come into Australia, and that completely destroyed the domestic market.

Since then, we've seen the dairy industry go down, which was deregulated two years ago. We've lost 30% of our dairy farmers in two years, Australia-wide. It's the same occurrence in Western Australia.

Something like \$2 billion has been taken away from the farmers' net income in the name of deregulation. And so the industry has completely collapsed, although the government said to the farmers, "You've got to be competitive. And we'll give you these grants, we'll give you money for the quota." Because we have a quota system in this country.

EIR: Quota for output?

Robinson: Yes. A farm would have to buy a quota, but then would be guaranteed a certain price for a certain number of liters of milk per year.

EIR: In the United States, it used to be called production management. But you're saying it was presented as it should work, with certain conditions, that if you stayed within your quota, you were supposed to be able to stay in business?

Jean Robinson: The policy used to be that most of the commodities of agriculture were run by what we called the Statutory Board System, which regulated the agricultural industry and set the prices. The price index is to match more than the cost of inputs.

Of course, that system has been thrown completely out the door, and now we've got the market philosophy dominating.

EIR: In other words, having a national wheat board, or a national pig board, or a national dairy board, was considered the enemy of globalization.

Jean Robinson: Probably the most important industry now that's being destroyed is the wheat industry. We're the sixth-biggest exporter of grain in the world, because we've been able to have such high-quality wheat under a controlled organization dedicated to increasing the profits for the farmers and exporting all around the world. But now, of course, that's falling under the priorities of globalization. We are now in the process of deregulating all the marketeers. And we've also got something called "National Competition Policy."

EIR: When did that come about?

Jean Robinson: In 1996.

EIR: 1996 was the same year the United States adopted its infamous radical free trade. It was called the "Freedom to Farm" Act (otherwise the "freedom to fail" act).

Jean Robinson: Exactly. And unfortunately, the farming organizations that are supposed to represent the farmers' interest, like our National Farmers Federation, have actually supported all these policies. Consequently, it just destroyed a number of family farmers in Australia.

EIR: And what do they say, “Make it fair and do it anyway”?

Jean Robinson: Well, no. When we were in the pig industry, we used to export breeding stock all around the world. So we had a fair idea of what was going on in most places. They said things like, “Yes, you’re going to lose your domestic market because of increased competition. But that doesn’t matter, because you can export.” And the greatest fib that we were told was that we could export to China! But when we find out that China is one of the biggest pork exporters in the world; well, that fib is ridiculous. “That’s like taking coals to Newcastle,” as we say in Australia.

Basically, this was a game of deception and lies in order to entice farmers into allowing a stable system to become completely dismantled in the name of free trade and deregulation.

EIR: Getting back to the wheat situation, anytime you have droughts, that’s adding trouble on top of an already stressed-out system, because farmers are so marginalized with this debt. What’s happened in the way of drought recently?

Jean Robinson: In Australia, with what’s been considered the worst drought in 100 years, something like 80% of the agricultural areas have been suffering from drought. That’s really hampered, in particular, the dairy industry, because the farmers have to buy all their feed if they are going to supplement their cattle. And of course, they are not getting paid for the milk they produce. They are getting paid 50% less for it than they were. Consequently, the feed costs have gone through the roof. And so the process of bankruptcies is accelerating.

And this is also creating a false illusion in Australia, as far as wheat farmers are concerned, because wheat prices have gone up because of the drought. So everybody thinks the high prices are wonderful; but everybody doesn’t realize that we’re going into global depression.

The ridiculous part is that in Australia there have always been these huge plans, which were supposed to be implemented by the Curtin government during the wartime, to build these water projects around the country. The most famous was the Snowy River project,¹ and that was the only project that was built, out of 48.

The idea was to do it throughout the nation, because potentially, Australia is a food basket for Asia, because we have the climate and the soil to grow the food. We don’t have a lack of water; we have a *lack of water management*. About 85% of Australian rainfall just goes out to sea. And in the monsoon season, the top part of Australia is completely covered with water.

The Fitzroy River in Western Australia—just to give you some idea—is the second biggest flowing river on the planet, behind the Amazon River. But at this stage, it just flows all out

1. See interview with Australian civil engineer Prof. Lance Endersbee in *EIR*, June 28, 2002.

to sea. There is no political will to create dams and irrigation systems, which could be easily done, and then we’d alleviate the droughts that we do have in Australia.

EIR: This must be a terrible scene. Are you involved in what we call “Custom Harvesting”?

Wayne Robinson: “Contract Harvesting.” We had a good season where we were, but 90% of Australia is in drought. Last year, farmers spend thousands of dollars putting crop in. No rain came, so they ended up with nothing, except a big debt for putting the crops in.

EIR: Among the many things you are doing with the CEC effort in Australia, connected to the LaRouche effort around the world to reverse this globalization, do you work with many farmers?

Jean Robinson: The CEC is a registered political party, and a lot of support comes from the rural areas. We have many farm organizations, but they are all dictated to by the major political parties and also chemical companies.

EIR: You mean like the pharmaceutical companies, or the seed companies?

Jean Robinson: Seed companies and fertilizer companies all have a real interest in agriculture. They want to influence the farmers’ organizations to go down the road to deregulation and privatization. All of this is the “corporatization” of Australia’s agriculture, which is of course, the bottom line.

EIR: Some enterprising farmers from the U.S. Midwest, in states such as Iowa and Nebraska, who can’t make it here totally on the farm income, have gone to spend six months of the crop year in Brazil to buy land and to farm. They are farming on two continents! Do you see anything wild like that in your part of the globe?

Jean Robinson: What we have are farms getting bigger and the family farmers disappearing. In order for people to survive, they have this idea, “You got to get big or get out!” Consequently, we are having a depopulation of the rural areas in Australia. We lost 40-50% of our population in 20 years.

EIR: Where did you lose that from?

Wayne Robinson: Mainly all over the state. In our town, 20

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suicides. Because of the indebtedness, sense of hopelessness, and the constant fight against, not only droughts, but also the depressed commodity prices and the spiralling costs with the fertilizers and also insurance. With the collapse of these big insurance companies from so-called terrorist events, we've seen explosions in the cost of insurance in Australia. And that's really hampered the rural areas, because it's affecting tourism and agriculture as well.

EIR: You mentioned people subsisting on welfare as the only way not to go into exile and move and scramble. So, therefore, other services—hospitals, clinics, and churches—are strung out.

Jean Robinson: Absolutely. The health situation in Australia is shocking. We've lost a huge amount of rural hospitals, closing down everywhere. Same with schools, same with bus services. We've had a complete tightening of our rail system, and what's left has been privatized, so that will go bankrupt as well.

years ago, the population was 2,800, now it's down to 2,100. That's one of the main agriculture areas in the state.

EIR: So the whole landscape has changed; who can live there, make a living, is completely altered?

Jean Robinson: Basically, we see all our rural towns turning into ghost towns. About four years ago, nearly 65% of the original rural population was on welfare. And this is what has kept people staying, the welfare system. At the same time, however, due to drought, deregulation, privatization, and free-trade policies, what we see is more and more people leaving. The opportunities aren't there for young people. Most young people have to go to cities to try and get jobs. I think the average age of Australian farmers is 57 years old. We have the same problem in the wool industry; there virtually aren't any shearers left to shave the sheep. The average age of a shearer now is 45-50 years old, which is ridiculous. You have to be pretty fit and young to shear a sheep. We got this demise occurring throughout all the industries.

And of course, what is never talked about in the main media in Australia or anywhere else, is the amount of suicides. Australia has the highest suicide rate in the world among youth. It's also in the agricultural areas, these huge amount of

EIR: We saw world headlines on the new rail line for attracting tourists. Is that part of the privatization, or was that an attempt to upgrade some rail line?

Jean Robinson: The main rail line has been across Australia for a long time; it's quite expensive to go on, but it's really old technology, and it badly needs some doing up. It's the same with everything.

We recently had a railway line open up from north to south, from Darwin to Adelaide. We've been talking about this for 100 years, and it's finally been built—and it's been built by Halliburton! And so, you want to question, "What's going on there?" Again, it's old technology; they're not building high-speed rail. They're selling it as a tourist thing.

And something else to take under consideration, East Timor has become a so-called independent nation. Well, they have already built the pipeline to get the gas and oil into Darwin. So, obviously, they need a rail system to get that down to the more populous part of the nation, which is the southern states. You have to wonder. You have to wait 100 years for a railway to be built, but all of the sudden, there is huge access to oil and gas. Things "happen."

EIR: So, if you put a map in front of you and start to connect the points on the map, you're seeing schemes, not develop-

ment. Looting schemes, potentially.

What about your election campaign against all this anti-development?

Jean Robinson: This year will be a Federal election in Australia. At this stage, we've got 85 candidates standing.

EIR: What time of year will the elections be?

Jean Robinson: Well, we're not sure, because in Australia the discretion of the elections is up to the prime minister. He can call elections anytime he likes. It's actually due before the end of this year.

EIR: Are you running?

Jean Robinson: Yes. I'm running as a Senate candidate in Western Australia, along with one other person, Stuart Smith. And then we have 15 electoral seats for the lower house. It's pretty exciting, because we've never been able to do this before. Here in Australia, we only have two parties, Liberal and Labor. But there's no reliable party to challenge the status quo. Of course, they're not talking about what we are talking about: the greatest financial crash in history, and what to do about it.

EIR: Well, I'm counting on you to win in all respects. Do you want to add anything?

Jean Robinson: Yes. We did a study comparing the state of California with the state of Western Australia. Western Australia is actually five times bigger than California, and yet only has a population of 1.5 million, compared to 35 million. But we also have a lot more mineral resources, and agriculture, and everything. And yet, California is supposedly the sixth-biggest economy in the world. When you compare that with what Western Australia produces, it's pitiful.

The state of Western Australia generates something like \$35 billion in exports of minerals and agriculture. What that really shows you is that we've become the biggest quarry on the planet. We actually load up our wheat and our gas and our iron ore, and it all gets exported at dirt cheap prices. And then, of course, it comes back to Australia in manufactured goods that we have to pay the most for.

Western Australia is a huge state with immense resources, particular in the mineral wealth. But the Australian population doesn't benefit from all that wealth.

EIR: And in California, as you implied, one of the bases for all these people, is that there were infrastructure booms at different times in the past—in the 1930s, and then after the Second World War, with big, big aqueducts, water, and transportation.

And there was once a program for 40 nuclear plants, only two sites of which have been built! There were major canal projects, hydrological projects; it was in the 1950s. But for your own state, the projects were still on the drawing board.

Jean Robinson: Yes, that's correct. During the Second World War, John Curtin adopted the same policies as Roosevelt, for post-war reconstruction, using the Bretton Woods System as a means of financing it. The government actually had 48 water projects that needed to be built in Australia.

Unfortunately, John Curtin died, just before Roosevelt died. And that was the end of all those ideas. We had a Liberal government come back in, and those plans were all dismantled. And nothing got built except in Western Australia.

They did build the upper half of what's known as the "Old River Scheme"; the dam that was built contains eight times the water of Sydney Harbor bridges. The idea was to irrigate huge tracts. And of course the diamond mining up in the Kimberleys requires a lot of water. But that was it. That was all stopped by the mid-1960s.

We actually haven't built any water projects—not dams, nothing. And Perth, the capital of Western Australia, has been short of water for 30 years. And the problem hasn't been solved, because no one is prepared to build the infrastructure projects required; and basically we don't have access to create the credit and finance it in the first place.

That's what has to happen. We need to have a people's bank, a National Bank again, and get back to having the American System of Economics, like we used to have in Australia.

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The Philippines Is Pushed Over the Cliff

by Mike Billington

When the Philippine Senate, dominated by the government party, announced on June 24 the official tally for the May 10 presidential election, declaring incumbent President Gloria Macapagal-Arroyo the winner by 12.9 million votes to 11.8 million for opposition candidate Fernando Poe, Jr., opposition members from both the Senate and the House issued the following joint statement: “In the wee hours this morning, the majority in Congress delivered to democracy in our country a fatal blow from which it may never recover. Throughout the past three weeks, despite the unrelenting and well-founded entreaties of the opposition, the Congress majority steam-rolled the canvassing of votes for the May 10 presidential and vice presidential elections in a display of extreme partisanship that was fully incompatible with its constitutional duty to determine the true will of the people as expressed through the ballot box. The majority played blind, deaf and dumb to the numerous and incontrovertible evidence of poll fraud that was bared right under their noses by the Congress representatives and lawyers of the KNP and other opposition parties.”

Outgoing Vice President Teofisto Guingona, Jr. said the “monstrosity” of electoral fraud exposed during the canvassing is “a tragedy for the Filipino people,” while Sen. Aquilino Pimentel, Jr., in his sponsorship of the minority report to Congress, said, “The proclamation of Mrs. Arroyo at all costs might reap the whirlwind of instability for the country.”

But even more indicative of the threat of disintegration of the Philippines economy and social structure, are the following emergency economic pronouncements by the newly elected Arroyo government, and government agencies—tantamount to a declaration that the Philippines is a failed state:

June 28: The National Power Corporation (NAPOCOR) announced a near doubling of electricity rates. President Arroyo said she would not intervene, while claiming she would make special funds available to the poor (but see below on

the bankrupt budget). Arroyo had promised a *reduction* in electricity rates as a major campaign pledge.

June 25: President Arroyo lifted a freeze on tariff reductions. The tariff reductions had been implemented at the behest of the International Monetary Fund (IMF), but frozen as a concession to nationalist interests in the manufacturing and agricultural sectors during the election campaign. With the election over, the reductions are being renewed, despite the desperate need for government revenue.

July 1: The government announced a speeding up of the privatization of NAPOCOR, a project announced as President Arroyo’s first order of business after being placed in office through a U.S.-backed military coup in January 2001. (NAPOCOR was bankrupted largely because a nuclear power plant constructed under President Ferdinand Marcos in the 1980s, was mothballed after Marcos was deposed in 1986, in the hysteria of the “anti-nuclear” movement of the day. Philippines taxpayers are still paying \$155,000 in interest *every day* for the facility, without benefitting even one watt from the safe and highly productive facility. See the accompanying box.) To sweeten the sell-off of 35 power plants, and the leasing of the transmission lines, by the end of 2005, the government will absorb \$9.3 billion in NAPOCOR debt, pushing its national debt-to-GDP (gross domestic product) ratio to the highest in the world for comparable economies.

July 6: The Philippines Federation of Bakers Association announced that the price of *pan de sal*, the basic bread roll of the Filipino people, would double in price from 1 peso to 2 pesos (\$1=P55.87 and falling) due to increases in the price of baking ingredients.

July 7: Ten new tax and austerity measures were announced, as Rep. Joey Sarte Salceda, chair of the Economic Managers’ Group to the President, said the country had six months at most, given the rising budget deficit of \$5.5 billion and the outstanding debt of nearly \$100 billion. “Drastic mea-



President Gloria Macapagal-Arroyo's re-election "victory"—amid charges of widespread vote fraud—is seen by opposition congressmen as a possibly fatal blow to democracy and stability.

asures are needed to increase revenue and reduce government spending," Salceda said. The government will raise all administrative charges, such as licenses, increase the Value Added Tax from 10% to 12%, shift corporate taxation from net to gross revenue to increase corporate taxes (which will hit manufacturing particularly hard), and index cigarette and alcohol taxes to inflation, so the government will profit from inflation!

July 12: A "fiscal compact" was declared by the government's economic managers, justified by a "declaration of fiscal crisis." Among the numerous austerity measures, revenue allotments to local government units will be suspended. This will certainly result in conflicts between the regions and the center in Manila, as happened when the IMF demanded similar payments to the Federal government from the provinces in Argentina, to pay the foreign debt.

Dumping the Presidential System

But the most revealing, and the most scandalous, of President Arroyo's post-election moves on behalf of the IMF and other foreign vultures now closing in to pick the bones of the Philippine economy, was the announcement that she would move with all due haste to convene a Constitutional Convention, aimed at a "charter change" from the U.S.-modeled Presidential System of government, to a European-style Parliamentary System. President Arroyo openly promoted the fact that her primary goal was to eliminate the crucial "checks and balances" aspect of the Presidential System. "The problem of the presidential form," she said, "is the legislative and the executive are separate, so they are conflicting by nature. In

the parliamentary form of government, they are one. The decision of the executive presumes already that the legislative is part of the decision-making, therefore the laws will move faster."

This pronouncement is all the more startling in light of the developments in Washington in the past weeks, in which the "checks and balances," which reside in both the legislative and the judicial branches of government under the Presidential System, have checked the moves toward dictatorial powers by President Arroyo's sponsors in the executive branch of the Bush Administration! The Congress is investigating and exposing the lies used to justify the illegal preemptive war on Iraq, fraud by Vice President Dick Cheney's Halliburton Corp., and the planned, systematic torture of prisoners, among other crimes, while the Supreme Court has taken an historic stand against the "imperial Presidency" implemented under the direction of Vice President Cheney, condemning and forbidding the Administration's policy of declaring itself to be above international and constitutional law in regard to the prisoners from the Afghanistan

war. As Supreme Court Justice Sandra Day O'Connor opined, "A state of war is not a blank check," despite Cheney's pretensions to the contrary.

As President Arroyo denigrated the Philippine Constitution and the Presidential System as outmoded, as "a system of the 20th Century," she was at the same time joining the Cheneyacs' assault on the U.S. Constitution, which is standing in the way of tyranny in both countries.

A similar call to revert to the British form of government, against which America stood as a beacon of hope and liberty, was recently issued by U.S. Presidential candidate Ralph Nader. Nader is being placed on the ballot in several states by Republican Party networks, in an effort to split the opposition to a Bush/Cheney reelection. Nader is a spokesman for the radical environmentalist movement against human progress, whose campaign manager, not surprisingly, has worked for many years for mega-speculator George Soros, who has been leading the effort to legalize psychotropic drugs. Soros, it will be remembered in the Philippines, led the speculative assault on the Asian currencies which caused the collapse of 1997-98. Is President Arroyo aligning the Philippines with this filth?

There are also severe economic consequences to President Arroyo's call for a Constitutional Convention. The current Constitution, drafted in 1987, following the 1986 coup against President Marcos, retained a number of nationalist, protective measures for the economy, especially restrictions on foreign ownership of most categories of business and industry, and of property.

Gen. Fidel Ramos—who orchestrated both the 1986 coup against Marcos and that of 2001 against President Joseph Estrada—during his own Presidency, from 1992-98, dramatically watered down the constitutional protective measures, on behalf of his sponsors in Washington and the Carlyle Group, of which he is a member. Nonetheless, the international free-trade “globalization” mafia has harped on every Philippine government to eliminate all remaining such restrictions on foreign prerogatives. Ramos himself, speaking at the East-West Center in Hawaii on May 26, describing himself as “President Arroyo’s older brother,” instructed her to move rapidly to shift to a parliamentary system.

U.S. Ambassador to the Philippines Frank Ricciardoni, a close ally of the neo-conservatives in the Bush Administration, has lectured his host government repeatedly that the 1987 constitutional restrictions on foreign ownership stood as a “barrier” to foreign investors, and should be removed.

The New Argentina

The Arroyo Administration has been forced to defend itself against the growing chorus of voices, including from this magazine, which have warned that the Philippines will soon be given the “Argentine treatment”—i.e., having done absolutely everything demanded of it by the IMF, and having thus been driven into bankruptcy, the plug will be pulled and the nation will be left to die.

On July 6, for the third time this year, the government’s effort to sell medium-term bonds failed, as banks demanded interest rates far above that acceptable to the government.

The Fitch rating agency released a report on the Philippines on June 30, the day President Arroyo was re-inaugurated, which warned Manila that credit downgrades and other punitive measures would soon strike if the government “failed to exploit the improved political backdrop [sic] by making headway on fiscal policy tightening.” Fitch pointed to the national debt, which was 58% of GDP in 1999, 70% at the end of 2003, and, with the absorption of the \$9.32 billion in NAPOCOR debt, will reach 90% in 2004. Interest payments alone account for an incredible 46% of national revenues! Except for Japan, the Philippines is now the largest debt issuer in Asia.

The IMF also added its weight, calling in Treasury Secretary Mina Figueroa to be grilled by a five-man panel, insisting on new taxes and new issuance of debt. As noted above, the government is responding in lock-step. In addition, the government announced that it would adopt a new accounting system demanded by the IMF. Reminiscent of U.S. methods of stealing Social Security funds to cover current deficits, government borrowings from government-owned and -controlled corporations, government financial institutions, and Social Security institutions will be excluded from the computation of public sector debt, according to an official of the Department of Finance. Excluding these amounts from computing public debt, said the official, would “improve” the

country’s debt-to-GDP ratio—all on paper, of course. The official 2003 figures of public debt were supposed to have been released in June, but are being held up while they cook the books, IMF-style.

The impact of the financial collapse is palpable. One-third of the population lives in poverty, a poverty which is painfully visible to any visitor to Manila, as squatters fill every nook and cranny along the railroads and the open sewers, without water or electricity. While agriculture is holding its own, manufacturing plummeted by 11% in March, the second month of decline. Foreign direct investment fell by 26% in 2003, compared to 2002. The currency is falling precipitously—nearly 5% in the past year.

Hostage in Iraq

A primary source of foreign currency for the Philippines is remittances, totalling over \$7 billion per year, from the more than 5 million workers who have left their families to toil overseas, unable to find work at home. More than 4,000 of these workers are in Iraq, working for the occupation armies under U.S. command. President Arroyo also sent a small contingent of 51 soldiers and police to serve in Iraq, a charade meant to add another country to the list of the “coalition of the willing” to please the neo-cons.

This combination of desperation and subservience has now placed the Philippines in a quandry, as a truck driver in Iraq has been kidnapped, and threatened with beheading if the Philippines does not remove its troops immediately. President Arroyo promised not to replace them when their contracted term runs out on Aug. 20, while offering a ransom payment for the worker’s release. Finally, on July 13, when these efforts had failed, she offered to pull the troops out early. This has infuriated the Bush Administration, which demanded “clarification,” and accused the government of “sending the wrong signal to terrorists.” But the already explosive social situation in the Philippines appears to be forcing President Arroyo to stand up, for once, to the Washington “Imperial Presidency.”

Whether or not the Philippines will also stand up to save its population from the economic ravages of the world financial system, however, is more problematic. The example of Malaysia’s former Prime Minister, Dr. Mahathir Mohamad, who imposed exchange controls against the speculators and the IMF in 1998, or Argentina’s President Nestor Kirchner, who has refused to capitulate to the IMF, demonstrate the kind of leadership which is thus far lacking in the Philippines, either in the government or in the opposition. In the cases of both Malaysia and Argentina, Lyndon LaRouche and the *EIR* were able to contribute significantly to internationalizing the efforts of such relatively small nations, whose leaders chose to defend their populations against the tyranny of the collapsing IMF-centered financial system, and the threats of London/Washington imperial interests. But such leadership must come from within.

Revive the Marcos Nuclear Power Program

by Ramtanu Maitra

The Philippines, a power-surplus nation in the 1960s, is now a power-short nation. Power outages in the capital city of Manila have become a routine discomfort. Are the authorities concerned about the power shortcomings? What one hears in the Philippines today is the promise to privatize the power sector to “solve” the problems. Psalm, a state company, is overseeing the privatization of the National Power Corporation’s (NAPOCOR’s) 35 power-generation plants. NAPOCOR’s transmission assets, valued at \$2 billion, have been spun off to the National Transmission Corp., or Transco. President Gloria Macapagal-Arroyo has instructed the Department of Energy to complete the privatization of NAPOCOR’s power-generation assets within two years, while the privatization of Transco is expected within six months.

Whatever activity one can see in the area of power generation is only in the geothermal area. Energy Secretary Vincent Perez has opened for public bidding ten “highly prospective” geothermal fields, aiming to add an additional 860-1,200 megawatts in the next ten years. In other words, a bankrupt nation, heavily dependent on imported oil, is promising its power-short citizens nothing better than 1,200 MW of additional capacity in the next ten years.

Bataan Nuclear Power Plant Closed Down

Such was not, however, the case in the Philippines in the 1960s and 1970s, when the nation looked to installation of nuclear power plants for electricity generation, to develop a strong electrical power sector. The first plant was set up in Bataan, despite strong opposition from anti-development environmentalists. A number of events, including especially the much-exaggerated Three Mile Island accident in the United States, played a role in making the Bataan plant into the most expensive tomb in the Philippines, and the nuclear program a story of the past.

On April 26, 2004, Dr. Alan T. Ortiz, president and chief executive officer of Transco, admitted that the reactor in the Bataan Nuclear Power Plant has already been removed. Nuclear power is no longer one of the options being eyed by the government to solve the power crisis. Ortiz admitted the reason in a recent press conference, when he said that nuclear power is a “very sensitive, expensive, and politically untenable option.” He said the nuclear club had only five members, namely the United States, China, Britain, France, and Russia.

“If you set up a nuclear power plant, you’ll be subjected to the most severe, most extreme conditions by the five members of the elite club,” Ortiz told newsmen. He said the five members of the nuclear power club determine the supply and the price of nuclear fuel, pointing out that the Philippines may not want to be put in a situation tantamount to going “from the frying pan into the fire.”

Look at the treatment the Philippines, received in trying to set up the Bataan Nuclear Power Plant. The BNPP is a 620 MW nuclear facility of the pressurized water reactor (PWR) type, located at Napot Point, Morong, overlooking the South China Sea. According to Raymund Jose Quilop, a professor with the University of the Philippines (Diliman), the Philippine government, in collaboration with the International Atomic Energy Agency (IAEA), passed the “Atomic Energy Regulatory and Liability Act of 1968.” In 1976, a contract for a nuclear power plant was signed with Westinghouse Electric Corp. Quilop wrote: “Unfortunately, construction work on the nuclear power plant was stopped in June 1979 after the Three Mile Island incident. A commission was formed to look into the plant’s safety. Consequently, after five months of inquiry, the commission recommended that additional safety upgrades be incorporated in the original design of the plant. Construction work resumed in September 1980. The inclusion of additional safety upgrades in the plant design lengthened the construction timetable by an additional 18 months and increased the cost of construction, to around US\$1.95 billion. In 1985, the nuclear power plant was finally completed and the first batch of nuclear fuel was delivered.”

Then, with the coup against President Marcos, the plant was mothballed. A Fact-Finding Mission constituted in 1992 pointed out that most of the technical questions regarding safety matters “can be addressed through a prudent and diligent refurbishing and upgrade program of the plant and a comprehensive and continuous training program for the plant’s personnel and that of the PNRI.” It was also pointed out that the Bataan plant’s location and seismic criteria of its design provide for safe operation. The plant had also been designed to withstand the strongest earthquake possible in the area, while its location 18 meters above sea level gave it protection from any lava flows that may come from a dormant, but maybe active, volcano, Mt. Natib, and from a possible tidal wave. The Mission also pointed out that the plant’s fuel is low-enriched uranium, which is non-explosive, while the spent fuel to be generated during the 30-year operation can be adequately stored in the plant’s storage space. With regard to the commercial viability, the Mission argued that nuclear power “represents a significant savings over the lifetime” of other plants (gas turbine, coal, combined cycle, and oil).

The Philippines is now paying the costs, both financial and in the physical economy, of the irrational rejection of this valuable resource.

Sharon's Wall Ruled Illegal

by Dean Andromidas

The fight for the creation of a Palestinian State, and regional peace, won a great moral victory on July 9, 2004. The International Court of Justice, in the Hague, ruled that Ariel Sharon's Berlin Wall on the West Bank is a violation of international law and must be dismantled as soon as possible.

The ruling—"Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory"—was passed almost unanimously.

The judgment states that according to the material before them, the court "is not convinced that the specific course Israel has chosen for the wall was necessary to attain its security objectives. . . . The wall, along the route chosen, and its associated régime, gravely infringe a number of rights of Palestinians residing in the territory occupied by Israel, and the infringements resulting from the route cannot be justified by military exigencies or by the requirements of national security or public order. . . .

"The construction of such a wall accordingly constitutes breaches by Israel of its various obligations under the applicable international humanitarian law and human rights instruments. . . .

"Israel is bound to comply with its obligation to respect the right of the Palestinian people to self-determination and its obligations under international humanitarian law and international human rights law. Furthermore it must ensure freedom of access to the Holy Places that come under its control."

The court ruled that the wall, therefore, is contrary to international law, and Israel is obligated to cease, forthwith, the construction of the wall now being built on the West Bank and around East Jerusalem. Israel is also obligated to make reparation for the damage caused to the Palestinians whose land was seized, houses were destroyed, businesses damaged, and whose agricultural holdings were seized or destroyed. Furthermore all States are under obligation not to recognize the illegal situation caused by the construction of the wall, and are under an obligation not to render any aid or assistance in maintaining the situation created by such construction.

The Court expressed the view that the UN, especially the General Assembly and the Security Council, should take required action to bring an end to this illegal situation. They

concluded with an appeal for the UN as a whole to redouble its efforts to bring the Israeli-Palestinian conflict to a speedy conclusion, thereby establishing a just and lasting peace in the region.

"This is an excellent decision," Palestinian President Yasser Arafat declared after hearing the Court's decision. "We thank the court in the Hague. This is a victory for the Palestinian people and for all the free peoples of the world."

Sharon reacted to the ruling with a combination of demagoguery, xenophobia, and sophistry. He said the ruling was part of "the evil winds blowing against Israel in the world. What happened in The Hague was not a wind, it was a storm."

Sharon and all his cronies keep repeating the false statement that the ruling prevents Israel from defending itself from terror.

The ruling does not declare the wall, as such, illegal: only its route. The ruling gives Israel the right to build a wall, along its 1967 border, the so-called "green line," but not on "Occupied Palestinian Territory." The court declared that Israel has the right and duty to defend itself, but must respect international law. Pro-peace activists, including part of the Israeli military-security establishment, see Sharon's wall, not as a "security" wall, but as a "political" wall, whose aim is to create a new *de facto* border deep inside the West Bank.

Another piece of sophistry was expressed by Sharon groupie, American lawyer Alan Dershowitz, who, in a commentary in the *Jerusalem Post*, referred to the ICJ as dominated by judges from "totalitarian states." One wonders if he considers Germany, France, United Kingdom, the Netherlands, Japan, etc., as totalitarian states.

"Non Binding," But Morally Binding

The ICJ ruling is an "advisory opinion" on behalf of the UN General Assembly and is therefore "non binding" and, in itself, will not force Israel to remove the wall. Israel has already announced it will ignore the judgment.

The ICJ is part of the Charter of the United Nations and is its principal judicial organ. It has its origins in the Permanent Court of International Justice founded in 1922. It also functions as the judicial advisor to the UN General Assembly and the UN Security Council.

Besides the conclusions cited above, the ICJ's ruling went beyond the expectations of the Palestinians, and broke new ground in the legal and diplomatic fight for peace in the region.

First, the ICJ accepted jurisdiction for the case in the face of opposition from the Bush Administration, Israel, and also the European Union—despite its official opposition to the wall.

In taking up the case, the ICJ gave legal weight to General Assembly resolution ES-10/14, adopted at the end of last year by its Tenth Emergency Special Session. This session had been convened under the provisions of Resolution 377A, the famous "Uniting for Peace" resolution, by which the session



The black line shows Israel's wall, as completed or under construction in December 2003. The outermost gray line to the north, west, and south is the post-1948 armistice line, the so-called Green Line, recognized internationally as the legal border. The additional territories were seized by Israel during the June 1967 war. Other gray lines show plans to extend the wall—either approved by the government, or recommended by the Army. Dashed lines show extensions demanded by settler organizations. The dark gray areas and triangles are Israeli settlements. The Jordan River is on the far right.

was called following a deadlock in the Security Council, when the United States alone vetoed a Security Council resolution

calling for an end to the construction of Sharon's wall on Palestinian Occupied Territory. Part of the resolution requested this "advisory opinion."

The court dismissed all arguments voiced by the Bush Administration and Israel, including alleged claims that an ICJ judgement would unfairly influence ongoing peace negotiations under the Bush Administration's Road Map for a Middle East peace. This is important because these are among the same arguments that have been put forward by the Bush Administration to justify vetoing almost every Security Council resolution that seeks to put pressure on the Sharon government.

Although several justices, in separate opinions, expressed reservations on certain aspects of the acceptance of jurisdiction, only one justice saw them problematic enough to vote against the ruling. The latter was Justice Buergenthal (United States), who in a four-page "separate opinion," asserted that the court should have used its "discretionary" powers to refuse the case, on grounds that it did not possess enough information to come to its far-reaching conclusions. The 14 other justices disagreed with Judge Buergenthal on this issue as well.

Another important point was made in a "separate opinion" of Judge Elaraby, who emphasised the historic nature of the court's ruling, pointing out that no UN resolution or decision regarding the Palestine question was ever brought before the ICJ to test it against international law until this present ruling. Elaraby also pointed out that the responsibility of the United Nations to the territory of Palestine goes back to the old Palestinian Mandate under the League of Nations, in which the territory of Palestine was designated a "sacred trust of civilization" which cannot be abrogated until an independent Palestinian State is constituted.

Secondly, the ruling is a test of violations of international law, before a judicial tribunal, which the Israelis have been committing for almost four decades.

One of the most important of these violations is the Israeli settlements on the West Bank, about which the ruling states: "The Court concludes that the Israeli settlements in the Occupied Palestinian Territory (including East Jerusalem) have been established in breach of international law." Since the wall is on the Palestinian side of the Green Line, they ruled its construction "a *fait accompli* on the grounds that it could well become permanent, in which case, and notwithstanding the formal characterization of the wall by Israel, it would be tantamount to de facto annexation." This ruling gives further legal weight to the 1967 border; anything outside of this border, i.e. the territory of the West Bank and Gaza, is considered "militarily occupied," and therefore Israel cannot claim any sovereign rights in this territory, and must conform with the Geneva Conventions.

The judgment clearly stated that Israel has the right of self-defense, but the court took exception to Israel's claim that its conflict with the Palestinians was part of the so-called international war on terror. The court ruled that Israel cannot,



A section of Sharon's 25-foot-high separation wall, the subject of the World Court case, in Qalqiliya City, Israel. "According to B'Tselem, the total length of the main and secondary barriers will be 659 kilometers upon completion, affecting 237,000 acres of land—7,000 of which has been expropriated—and disrupting the lives of 875,000 Palestinians in 206 communities. This is 38% of the Palestinian West Bank population."

as Sharon has constantly asserted, invoke the Security Council Resolutions 1368 and 1373, passed after the September 11, 2001 attacks, since the attacks on Israel originate in areas Israel itself controls.

In its call for all states to take action to end Israel's violation of international law, the court went even further than the Palestinians expected. Only two voted against this part of the ruling. One was Judge Buergenthal, and the other was Judge Peter Hendrik Kooijmans, who opposed it on the grounds that such a ruling was not formally requested by the General Assembly. Thirteen other judges found such a ruling totally appropriate.

Will This Ruling Stop the Wall?

While this ruling will not stop Sharon, nonetheless the Palestinians and the Arab league will take the judgment to the General Assembly in order to have it affirmed. If a resolution is presented to the Security Council, it will be vetoed by the United States and most likely by Great Britain. Therefore Palestinians are expected to hold off on such a move while trying to gain more support, especially from the European Union, and the other permanent members of the Security Council, including China, Russia, and France.

There has been considerable speculation that it could be used to slap economic sanctions on Israel. In fact, certain aspects of the ICJ's ruling cite the precedent of its own ruling in 1970 on the case of Namibia, in which it ruled that South

Africa's occupation was illegal, opening the way to economic sanctions. South Africa had claimed that it held mandatory powers. Although the United States would veto such a move, the ruling would serve to give legal weight to such a request.

What is clear is that this ruling cannot be dismissed, and it will not go away. Israeli commentator Ben Kaspi, in the Israeli daily *Ma'ariv*, July 11, lamented that "this decision will go down in history, carefully filed, as a norm in international discourse that does us a great deal of harm. No American veto in the world can change that; it is ethical, humane, public and international harm. It could really take off in Europe, for example. In the steady trickle of harm, it could ruin what is left of Israel's reputation."

On July 30th, ten days before the ICJ ruling, the Israeli Supreme Court made a landmark ruling calling for the rerouting of a 30-40 kilometer section of the wall because of its negative impact on the Palestinian population. This

Israeli ruling shows that some people in Israel feel under pressure to at least make a pretense of taking the ICJ ruling into consideration. That this case was even brought before the Israeli court, in a joint appeal involving both Palestinians and Israelis living in the affected neighborhood, demonstrates that the Israeli government is under pressure. The case was also supported by the Israeli Council for Peace and Security, which comprises nearly 1,000 reserve and retired military and security officials.

The Israeli Court, which always acts with legal ambiguity when it comes to the occupied territories, did not rule on the illegality of the wall, nor did it challenge the fact that it is built beyond the Green Line. Although Sharon and the army claimed they would abide by the decision, the wall, which will be almost 500 miles long, is a lot longer than the 40 kilometers in question. Furthermore, the revised maps presented to the government show the wall being extended to encompass the settlement of Ariel, a move that would not only mean the seizure of many square kilometers of Palestinian land, but would almost cut the West Bank in half.

At the end of the day, it is the United States that can act "to ensure compliance by Israel" in the decision of the court. The Bush Administration has made it clear it will not act on the decision of the court. Presidential candidate Sen. John Kerry has also announced that he will not act on the Court's ruling.

Saxony Election: Ruling SPD To Be Minor Party?

by Rainer Apel

Two weeks after their disastrous showing in the June 13 elections for new European Parliament (see *EIR*, July 9 and July 16, 2004), the German Social Democrats (SPD) were struck by a new disaster: In the June 27 elections for municipal parliaments in the eastern state of Thuringia, the SPD vote was cut by more than one-third statewide, from 24.4% to 15.6%. In some of the municipalities, the SPD lost much more than that: for example, 11.9% in Greiz; 12.6% in Suhl; 13.8% in Weimar-Land; 15.1% in Weimar. And most of the 8% increase of non-voters, compared to the last municipal elections in Thuringia in 1999, were deserters from the SPD. Voters are abandoning the party, and with the exception of a few elder Social Democrats, like Hans Koschnick (see *EIR*, July 9), the party leadership is incapable or unwilling to grasp what is going on. The Chancellor, and former SPD party chairman (until March 2004), Gerhard Schröder, is not showing any intent to review and change his budget-cutting policies (the “Hartz IV” package for deep cuts in labor, unemployment, and welfare budgets)—which are certain to drive even more voters away.

In Saxonia, Thuringia’s neighbor state which will hold elections for state parliament on Sept. 19, the SPD is in complete panic and disarray. On the day before the aforesaid Thuringian municipal elections, Saxonian state party chairwoman Constanze Krehl could only get 54% of the delegates at an SPD state party convention in Döbeln, to support her pro-Schröder policies. Krehl’s main challenger in the party, Thomas Jurk, received almost 90%, however, which forced Krehl to resign on June 28.

Krehl’s ouster does not solve the SPD’s problem, however, which is to prevent their vote from dropping from the 10.7% it had in the 1999 Saxonian state parliament elections, to the 5-8% range, which is what opinion polls now give the party. If the party, under its new leadership, continues to stay loyal to the Chancellor’s budget-cutting policy, it is certain to fall further. Chancellor Schröder’s plan to “reform” unemployment and social welfare payments into a work-for-welfare scheme by Jan. 1, 2005, will cut state payments to 180,000 long-term unemployed, and another 50,000 welfare-receiving Saxonians, by more than 25%—from a monthly pay of 451 euros to 331 euros. Even if the state continues to pay rent, electricity, and heating, the unemployed, and welfare recipients, may hardly be able to buy food and other goods of daily consumption. Medicine, bus and train fares,

and other expenses all will have to be paid from this 331 euros sum, starting next year. Now, who should expect these 230,000 Saxonians to be so masochistic as to vote SPD in September? The Chancellor and the national SPD party leadership seems to expect just that, because they are urging the Saxonian party section not to campaign for any position critical of the Chancellor’s policy.

Labor Deserting the SPD

The Saxon state section of the DGB (German Labor Federation) expects that many—if not most—of these 230,000 voters will either stay home on election day, or vote for other parties, like the post-communist PDS. The anti-SPD populism of the PDS made it the big winner of the June 27 Thuringian municipal election, receiving 25% of the vote instead of the 18% it had in 1999. In opinion polls, the PDS is now ahead of the SPD in all five eastern states of Germany.

A DGB official in Dresden, the Saxon state capital, told this author on June 30, that labor is skeptical that a new SPD leadership would pursue a better policy. Even with the support of many of Krehl’s opponents, the Saxon labor unions could not get the themes “labor” and “social welfare” placed prominently on the party’s election campaign program. They were placed way back in the list of campaign items. “An SPD without any prominent reference to labor and social issues? That would be like the Greens . . . almost forgetting to mention the environment,” the DGB official said, forecasting that the disarray and disorientation in the SPD would drive voter turnout below the 53% reached in the Saxon state elections five years ago.

While it is uncertain whether the SPD will avoid becoming a minor party, what is certain is that the LaRouche movement, and its BüSo party, have launched a large-scale intervention in the Saxonian campaign. With the campaign theme, “In Sachsen Muss die Wirtschaft Wachsen!” (“Economic Growth Must Start in Saxony!”), some 50 organizers of the LaRouche Youth Movement from Germany, and other European states, will take part in the remaining 10 weeks of the campaign, addressing the issues that concern the 70-80% of voters in lower-income categories. They will also address those of young Saxons below voting age, presently thinking of leaving Saxony to look for a job and a future somewhere else. The LaRouche youth will tell them there is a future if the government’s budget-cutting policies are dumped, in favor of a “Eurasian Land-Bridge” perspective of new infrastructure. If Saxony were to expand its machine-building center in Chemnitz, convert some of its capacities in the crisis-stricken automobile sector in Zwickau to the production of tractors and other farming machinery, and transform the traditional Leipzig industrial fair into an exhibit of goods produced in Euro-Asian countries, this eastern-most state of Germany could make a genuine contribution to the development of the Eurasian Land-Bridge. And if young Saxons decide to join the LaRouche youth, it will be good for Saxony.

Neo-Cons Questioning Bush Faith in Pakistan

by Ramtanu Maitra

Since 9/11, the Bush Administration has maintained a two-track policy towards Pakistan. Both the White House and the State Department have consistently exuded confidence in Pakistan's efforts to counter terrorists, both in Afghanistan and in Pakistan, and to remain a steadfast ally of the United States in the war on terrorism. But signals from both the Pentagon and the neo-conservatives have been critical of Pakistan, constituting the other track. One of its illustrious representatives, U.S. Ambassador to Kabul Zalmay Khalilzad—described by some as “Bush's favorite Afghan”—complains of Pakistani duplicity in dealing with the Taliban and other anti-U.S. terrorists, who are trying to disrupt the American-backed government in Kabul. Khalilzad, by expressing these views publicly, is challenging President Bush, who has repeatedly assured the American public that Pakistani President Pervez Musharraf is the most important ally in America's war against terrorism and is doing everything possible to help.

Paul Wolfowitz associate Khalilzad, like the rest of the neo-con pack, has indicated little interest in Pakistan. The neo-cons, as of now, are not deeply interested in Afghanistan either, but they are of the view, as the White House believes, that holding of Presidential and parliamentary elections in Afghanistan prior to the U.S. Presidential election in November would help President Bush's re-election.

A story in the *New Republic* on July 7, “Pakistan for Bush,” suggests that Musharraf is under pressure to deliver “high-value targets” (HVTs) to coincide with the Democratic National Convention in late July. Citing an official who works under Pakistani Inter-Services Intelligence's director, Lt. Gen. Ehsan ul-Haq, the *New Republic* said that the Pakistanis “have been told at every level that apprehension or killing of HVTs before [the] election is [an] absolute must.” This source claims that Bush Administration officials have told their Pakistani counterparts they have a date in mind for announcing this achievement: “The last ten days of July deadline has been given repeatedly by visitors to Islamabad and during [ul-Haq's] meetings in Washington.” That would allow President Bush to extract maximum political mileage out of the whole affair, it is presumed.

Bush says the United States and Pakistan “are working together closely on common challenges.” Pakistan's support

was essential in the campaign against the Taliban, he has said on many occasions.

Major Non-NATO Ally

A similar assurance was issued last March by Secretary of State Colin Powell. While visiting Pakistan, he said, “Pakistan is taking on a number of difficult challenges of counter-terrorism, stopping proliferation, reforms in education, and building strong democratic institutions. The United States supports Pakistan's determination and courage.” As a gesture of trust and friendship, Powell told reporters at a joint press conference with Pakistani Foreign Minister Khurshid Mahmud Kasuri on March 19, that the Bush Administration “will be making notification to our Congress that will designate Pakistan as major non-NATO ally for purposes of our future military-military relations.”

Subsequently, on June 16, President Bush announced that decision at MacDill Air Force Base in Florida while addressing American troops.

Also important to note are the statements of the U.S. Assistant Secretary of State for South Asia, Christina Rocca, during her testimony before the House Committee on International Relations on June 22. Rocca said Pakistan “continues to be very cooperative on all the fronts of . . . vital national interest to the United States,” including non-proliferation and terrorism. On terrorism, she said that so far this year, 77 Pakistani soldiers have lost their lives against al-Qaeda and the Taliban in the Tribal Areas. She added that Pakistani security forces also are waging a struggle against domestic terrorists. “There is a battle going on for the soul of Pakistan at the moment, between extremists and moderates,” Rocca said.

At Oak Ridge, Tennessee on July 13, President Bush said: “Three years ago, Pakistan was one of the few countries in the world that recognized the Taliban regime. Al-Qaeda was active and recruiting in Pakistan, and was not seriously opposed. Pakistan served as a transit point for al-Qaeda terrorists leaving Afghanistan on missions of murder. Today, the governments of the United States and Pakistan are working closely in the fight against terror. President Musharraf is a friend of our country, who helped us capture Khalid Sheik Mohammed, the operational planner behind the September 11th attacks. And Pakistani forces are rounding up terrorists along their nation's western border. Today, because we're working with the Pakistani leaders, Pakistan is an ally in the war on terror, and the American people are safer.”

But does the President's confidence in Pakistan match his envoy's views in Afghanistan? Apparently, not. On April 6, UPI news agency reported that Khalilzad, who was visiting Washington, had suggested on April 5 that U.S.-led forces in Afghanistan may enter Pakistan to destroy the Taliban and al-Qaeda hideouts if the Pakistanis fail to do the job. His comments caused an uproar in Islamabad, where President

Musharraf said he took very serious exception to Khalilzad. "His statement is totally out of tune with the official U.S. policy—he should better consult the State Department before issuing such statements," said Musharraf. A Foreign Ministry spokesman, Jalil Abbas Jilani, said that "Mr. Khalilzad is not aware of the realities on the ground . . . and is perhaps also unaware of the position of his own government. The U.S. Administration at the highest level has greatly appreciated Pakistan's effort in eliminating and rooting out the terrorist infrastructure and the al-Qaeda elements from Pakistan"

This angry reaction, and likely the pulling of strings by the White House, put Khalilzad on the defensive and on April 6, he reversed field. "Pakistan is a significant country, and we would like Pakistan to deal with the problem," said Khalilzad at a briefing at the National Press Club in Washington.

Khalilzad has sometimes gotten support for his "suspicions about Pakistan" from the Pentagon. For instance, on April 20 this year, the top U.S. Commander in Afghanistan, Lt. Gen. David Barno, told reporters the U.S. military was watching closely how Pakistan deals with the militants, but said a "significant" number of the terrorists lodged in Pakistan's Tribal Areas along the Pakistan-Afghanistan border had to be "killed or captured. . . . We have some concerns that [Pakistan's operation] could go in the wrong directions," he said. Attacks on U.S. forces just across the border from Pakistan's Tribal Areas bordering Afghanistan are frequent, and militants often retreat into the mountains toward the Pakistani region, U.S. officers allege.

AEI Writes Khalilzad's Questions

These statements by the U.S. military, however, do not suggest that Pakistan is backing the terrorists acting against Kabul and American troops. What Khalilzad vents, from time to time, is really the view of the neo-cons in Washington. On May 31, the *Washington Times* published an article by Arnaud de Borchgrave, a neo-con mouthpiece. De Borchgrave wrote that Pakistan, a "major non-NATO ally" of America, has 22 Urdu-language publications that advocate *jihād* against the United States, Israel, and India. He cited *Zarb-e-Momin* (Blow of the Pious), a weekly published by the Al Rashid Trust in Karachi, charging that U.S. soldiers were promoting pornography in Afghanistan. "In Khost, the Americans are distributing triple-X CDs, videos and magazines as freebies by the thousands. They have even set up Internet cafes that show free porn movies. . . . If the Afghans got rid of the Russians, how can they tolerate the Americans who are committing atrocities against Muslims all over the world?" And *Nida-e-Millat*, a weekly of the Nawa-i-Waqt Group in Lahore, said Christian missionaries "under the guise of aid missions are forcing Iraqis to abandon their Muslim faith with bread and medicines," quoted de Borchgrave. "They are setting up churches in every nook and cranny of every Muslim country. Iran is the next target of the missionaries." De

Borchgrave's meaning is that despite what President Bush and Secretary of State Powell claim, Pakistan is siding with the fundamentalists and is less than a staunch American ally against terrorism.

Similar views come out routinely from the neo-con bastion, the American Enterprise Institute (AEI). One of AEI's resident fellows, Reuel Marc Gerecht, wrote "Pakistan's Taliban Problem" on Oct. 29, 2001, noting that for over 20 years, Pakistan has been supporting an array of militant Islamic groups inside Afghanistan. During the Soviet-Afghan War (1980-89), Pakistan's dictator, Zia al-Haq, made Gulbuddin Hekmatyar, a fire-breathing Islamic militant, Islamabad's favorite Afghan guerrilla leader. In 1995, the Western-educated prime minister, Benazir Bhutto, and her right-hand man, Gen. Nasrullah Babar, abandoned Hekmatyar for the intellectually more primitive, though no less militant, Taliban, who'd sprung in late 1994 from the hundreds of *madrassas*, religious schools, located on both sides of the Pakistani-Afghan border, Gerecht said.

Gerecht claimed, "What Secretary of State Powell and Ambassador [Richard] Haass (then Powell's Special Envoy to Afghanistan) were suggesting is that General Musharraf can and will stand athwart his country's history and yell, 'Stop!' Musharraf, who recently described the United States as 'the lesser of two evils' (the other evil, by the way, wasn't bin Laden, but the possibility that Pakistan could get caught in a war between the United States and the Saudi militant), is most unlikely to be so foolish, even if he is so ideologically inclined." Gerecht's contention is that the Talibanization of Pakistan will stop only when the Taliban in Afghanistan have been extirpated—and not by Pakistan.

Another AEI resident fellow, William Schneider, pointed out on June 8, 2002 that the U.S. response to the terrorism of Sept. 11 also triggered unintended consequences. The United States again teamed up with Pakistan, this time to overthrow the Taliban. The unintended consequence was that al-Qaeda terrorists took refuge in Pakistan, joining with local Islamic militants, Schneider said. "Al-Qaeda is believed to have had a hand in the bombings of Christian churches in Pakistan, the murder of American journalist Daniel Pearl, and the Karachi car bombing that killed 12 French technical advisors."

Schneider warned the Bush Administration that taking Pakistan as a partner in the war on terrorism may also lead to a nuclear war between India and Pakistan.

But beyond the neo-cons, who belong to the Republican stable, Khalilzad was once paid by the UNOCAL oil giant to negotiate with the Taliban for getting their approval on a pipeline from Turkmenistan to Pakistan through Afghanistan. Khalilzad is also close to Zbigniew Brzezinski, a Democrat. It has been said that if the Kerry-Edwards ticket wins the next Presidential election in November, "Zbig" may get in the administration. It is not unlikely that Khalilzad is getting his orders from somewhere else.

China Sends Warning On Taiwan Arms Sales

by William Jones

At a press conference at the Chinese Embassy in Washington on July 12, Chinese Press Counselor and spokesman Sun Weide issued some rather pointed warnings regarding U.S. attempts to exacerbate the Taiwan issue by increasing arms sales to the Taiwan government.

The hastily arranged press conference caught people somewhat by surprise; such press conferences are very infrequent. But it was obvious from Sun Weide's remarks that the Chinese government was intent on getting across a message to policy-makers in the U.S. capital, directed probably to both the Bush Administration and the Congress, where neo-conservatives allied to Vice President Dick Cheney have been busily working to heat up the cross-Strait issue, as well as beating the drums on Hong Kong elections.

Secondly, the press conference came shortly after the visit to Beijing by Bush National Security Advisor Condoleezza Rice, in which it is reported that similar warnings were issued privately. Rice met there with a number of top officials, including Chinese President Hu Jintao, as well as former President Jiang Zemin. Aside from any concerns they may have expressed to Rice privately, they also deemed it necessary to follow up with a more public statement on the issue.

U.S. Neo-Cons Stirring up Trouble with China

While on the official level, U.S.-Chinese relations appeared to be developing smoothly, with regular contacts between government officials on all levels, there have been clear signs of trouble on the horizon. While Taiwan President Chen Shui-bian has, perhaps under Administration pressure, been less strident over the last few days, a large Taiwan delegation was in Washington in June, visiting Congressional offices and others, in which they were being encouraged by the usual neo-con suspects on Capitol Hill to upgrade their defense purchases.

Press counselor Sun Weide minced few words as to how China viewed this issue. "The U.S. leaders have reaffirmed on many occasions that the U.S. side adheres to the one-China policy, abides by the three China-U.S. Joint Communiqués, and opposes Taiwan independence," Sun said. "However, we are gravely concerned over the recent U.S. moves on the Taiwan question. We strongly urge the U.S. side to stop selling advanced arms to Taiwan, cut the military links between

the U.S. and Taiwan, stop any official exchanges with Taiwan authorities, and stop supporting Taiwan efforts to join the international organizations where statehood is required. Only in this way can the stable development of the China-U.S. relations as well as the peace and stability across the Taiwan Strait be guaranteed," Sun Weide said.

In addition, two major reports have been issued in the last several months, one by the Pentagon and the other by the U.S.-China Economic and Security Review Commission. The Pentagon report mooted the possibility of a Taiwan attack on the Three Gorges Dam as a possible "scenario" if there were a military conflict between China and Taiwan. The Congressional Commission report, stopped just short of calling for a change in the "one-China policy." Needless to say, these reports were like waving a red flag in front of the Chinese leadership. The two reports, Sun said in reply to a question about them from *EIR*, were "filled with Cold War rhetoric." "Some people here are not comfortable with China and don't want to deal with China," Sun added.

Cheney Threatened China

That potty-mouth Vice President, Dick Cheney, also visited Beijing in April. While allegedly trying to allay Chinese fears over any independence moves on the part of Chen Shui-bian, Cheney also put out a not-so-subtle threat that the situation in Taiwan might be influenced by how China "deals" with the situation in Hong Kong, a clear attempt at interfering in what is now a Chinese affair.

Sun then criticized the U.S. media articles that complained about the "lack of democracy" in Hong Kong, underlining the simple fact that under the many years of British rule, the people of Hong Kong had never participated in the process of selecting the chief executive. Since the handover of Hong Kong to China, there have been two elections, and will be a third election in September. The elections are being handled, Sun Weide pointed out, in accordance with the Basic Law regulating the "one country, two systems" implemented by China in the handover.

"Hong Kong is China's Hong Kong," Sun said. "The Chinese people have the determination, the capability and the wisdom to maintain the stability and prosperity of Hong Kong. The U.S. government has stated on many occasions that it supports the implementation of "one country, two systems" and the Basic Law. We again urge the U.S. side to honor its commitments in its deeds," Sun said.

Sun also warned the United States about being inflexible in the six-party talks, indicating that the United States should be prepared to offer "corresponding measures" at the moment North Korea declares it has frozen its nuclear activities.

After making a mess of U.S. policy in Southwest Asia, Cheney and his minions seem intent on stoking the fires for another major debacle—with potentially devastating consequences for the entire Asia-Pacific region. The sooner Cheney gets his walking papers, the safer the world will be.

International Intelligence

Putin Moves Swiftly To Reorganize Ministries

On July 11, Russian President Vladimir Putin signed a decree, among others, to re-consolidate Russian intelligence agencies under the Federal Security Service (FSB). The decrees surprised Russian experts who had believed that a reshuffle in the so-called "force ministries" had been postponed until September.

According to FSB spokesman Gen. Col. Yevgani Loyev, the July 11 decree elevated FSB head Nikolai Patrushev to the status of Cabinet minister and expanded his authority to appoint and promote staff without specific Presidential approval. He will work with two first deputies (one for the FSB Border Service) and two deputies, instead of the recent structure of 12 deputy directors.

Loyev denied media reports that the FSB was being renamed the Ministry of State Security. Loyev did *not* officially confirm reports that the revamped FSB would reincorporate agencies that were spun off from the old Soviet KGB in the early 1990s, such as the Foreign Intelligence Service (SVR). Many Russian media, however, rushed to headline, "FSB Will Have Practically All the Functions of the U.S.S.R. KGB." London's *The Electronic Telegraph* (*Daily Telegraph* online) followed suit with a July 15 headline, "Putin Brings Back the Cold War Spy System," asserting that Putin had reunited the SVR with the FSB "under one directorate." This is not actually stated in the decree, though there are reports in Moscow that it will happen soon.

Britain's Muslims Prepare To Abandon Labour Party

According to a commentary in the London *Independent* on July 12, penned by Ismail Patel, "The Iraq War, the Anti-Terrorism Act 2001 and the government's failure to protect Muslims under race discrimination laws" mean that most Muslims will no longer vote Labour. The electoral significance of this can be seen in towns like Leicester, where some burroughs have a 19%

Muslim vote. The Conservatives and the Liberal Democratic Party are well aware of the fact, he wrote, and Liberal Democrat leader Charles Kennedy and Tory chief Michael Howard have recently made more than a dozen visits to Leicester.

Patel notes that because of the anti-terror laws, "Muslims are no longer politically guided by their mosques. . . . The average voter has turned to grassroots organizations and individuals with a track record of civic commitment, over mainstream politicians."

Thai Prime Minister: We'll Provide HIV Drugs

Ahead of the opening of the 15th International AIDS Conference on July 12, host country Thailand announced that every person living with HIV/AIDS in Thailand will get the medication needed to keep them alive, *The Nation* of Bangkok reported on July 11. Thai Health Minister Sudarat Keyuraphan told the paper that Prime Minister Thaksin would also announce plans to provide the locally produced anti-retroviral (ARV) drugs GPO-Vir to neighboring countries Burma, Cambodia, and Laos, which have also been ravaged by HIV/AIDS.

The theme of this year's conference is "Access for All." Currently, Thailand treats about 50,000 people with HIV/AIDS with GPO-Vir, the fixed-dose combination of three drugs; lamivudine, stavudine, and nevirapine. Sudarat said the goal was to extend the treatment to 70,000 by next year. The Government Pharmaceutical Organization will soon produce two more ARV drugs for those patients who cannot tolerate GPO-Vir.

Israeli Army Fires on UN Gaza Food Convoy

The top United Nations relief official for Palestinian refugees said on July 14 that part of a UN aid convoy delivering food to 20,000 Gaza Strip residents besieged by Israel came under fire, apparently from an Israeli armored personnel carrier (APC). The attack occurred when 16 trucks of the UN Relief and Works Agency for Palestine Refugees

(UNRWA), cleared for entry by the Israeli military, delivered 370 tons of food to residents of Beit Hanoun, a town that has been cut off from the rest of Gaza by Israel since June 28.

Shortly after passing the APC, a five-vehicle section of the convoy, marked with UN flags and symbols and with UNRWA Commissioner-General Peter Hansen on board, was attacked. "At that point, rapid firing appeared to come from the APC in the direction of the convoy," UNRWA said in a statement. Hansen, who was inspecting some of the demolished areas on the edge of the town, and the UNRWA personnel were forced to take cover in a nearby building.

After talks with Israeli military officials, the firing stopped about 25 minutes later, and the convoy resumed its delivery.

Shaken Italian Govt. Makes Big Budget Cuts

The Italian government enforced "Maastricht Treaty criteria" with large cuts in its budgets on July 8, two days after Standard & Poor's downgraded Italy's debt to AA-, and in the midst of the crisis triggered by the resignation of Economics Minister Giulio Tremonti. The government issued an executive order enforcing budget cuts and tax measures for a total 7.5 billion euro. The EU Commission expressed its satisfaction for the maneuver.

Prime Minister Silvio Berlusconi, who is also Economics Minister *ad interim*, appeared next to Banca d'Italia Governor Antonio Fazio in a public conference, in which he endorsed Fazio, thus signalling the end of the conflict between executive and central bank which had characterized Tremonti's mandate. Berlusconi also suddenly dropped his radical tax reform proposal, announcing a more moderate plan which envisions a higher tax burden for high incomes. The proposal had been the putative issue of the conflicts within the coalition government, which led to Tremonti's resignation.

On the same day, the Parliament bipartisan committee working on financial reform plans, including measures reducing the independence of the Banca d'Italia, disbanded.

Cheney-Protection Racket Is Deadly

It's been over a year since Presidential candidate Lyndon LaRouche charged that Joe Lieberman's Democratic Leadership Council and Terry McAuliffe's Democratic National Committee were running a "protection racket for Dick Cheney" against LaRouche's drive for the Vice President's impeachment. Now, with LaRouche's 20-month mobilization on the brink of forcing Cheney out, the truth of his charge is being obviously displayed by the Democratic Party's "leaders" themselves. Influential Democrats are acting publicly and privately to hold back the growing ranks of Republicans who desperately want the opprobrious Cheney off George W. Bush's ticket, and are calling publicly for him to step off or be pushed.

It's not just Terry McAuliffe: Democratic spokesmen and sympathizers from all around the country, and even internationally, are calling it the interest of the Democratic Party to keep Dick in place, to make a Democratic election win easier.

This Democratic display of "what's bad for the nation, and worse for the world, could be good for our party in November," is not just immoral; no, it is also suicidal in just the way that the German Social Democrats' identically immoral early 1930s slogan, "After Hitler, Us" was suicidal. In fact, LaRouche goes further: If Cheney is protected and clings to the Bush ticket and brings it down to defeat, the result of a synarchist banker-controlled Democratic administration could be *worse* than the re-election of a Bush Presidency shaken up by the dumping of Cheney and his neo-con gang.

The Democrats are right that Cheney is the most hateable feature of the Administration. Polls are probably correct, when they show him with a dismal approval rating. With Cheney there, they figure they don't have to provide a positive alternative, especially in addressing the devastating collapse of the economy, not to mention the war. They figure they can win with the kind of contentless, "me, too" campaign that Sen. John Kerry is running rather than mobilizing the "forgotten men and women" of the lower 80% of incomes.

But, what kind of Democratic ticket is worth electing that does not put forward an economic and strategic policy in the spirit of FDR, a dramatic break with the last 40 years of disastrous decline? If a Democrat were elected simply on an "anti-Bush/Cheney" basis, there would be no check on the influence of those "Democratic" synarchist bankers who have no compunction against using either party to suck the blood of the population, under these conditions of economic and financial collapse. A Democratic administration of that sort could be just as bad as, or worse than, Bush.

But even that doesn't tell the whole story. Keeping Cheney in place is *dangerous* between now and the election, in at least two ways:

On the one hand, there is every indication that Cheney and his neo-con allies are chafing at the bit to start a new war! It could be Syria, it could be Iran, or it could even be some place like North Korea or South America. Just because the U.S. military cannot keep Iraq secure, is no reason that lunatics like Cheney, Wolfowitz, and Rumsfeld will be deterred. They were told that before the Iraq invasion, after all.

On the other hand, there's the potential domestic threat, one that Cheney never tires of delivering, about the possibility of a new terrorist incident hitting the United States. The fact that Cheney devoutly wishes to have such an event, in order to enhance his power and position, might indeed increase the likelihood of its happening, either by negligence, or more direct means. Is there any reason to believe that the Cheney grouping wouldn't move to establish a full-fledged dictatorship, should such a terrorist event actually happen?

The lesson is: Don't play pragmatic politics. The United States, yea, the world, cannot afford another day of Dick Cheney staying in office. With him out of power, hopefully along with a number of his gang, the Democrats can still easily win, simply by mobilizing the forgotten men and women of the Roosevelt coalition, behind the mission of rebuilding the nation, along the lines put forward by Lyndon LaRouche. After all, that's what the country needs anyway, in order to survive.

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• ST.LOUIS
AT&T Ch.22
Wednesdays—5 pm
Thursdays—12 Noon

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T/W Ch.80
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Tuesdays—7 pm
Wednesdays—10 pm
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• CARSON—Ch.10
Wednesdays—7 pm
Saturdays—3 pm
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Comcast*
TRENTON Ch.81
WINDSOR Ch.27

• COLD SPRING
US Cable Ch.10
Wednesdays—5 pm
• COLUMBIA HTS.
MediaOne Ch.15
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• DULUTH—Ch.20
Mondays—9 pm
Wednesdays—12 pm
Fridays 1 pm
• FRIDLEY—Ch.5
Thursdays—5:30 pm
Saturdays—8:30 pm
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Saturdays—7 pm
• NEW ULM—Ch.14
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HERMANTOWN—Ch.12
Tue: Btw. 5 pm-1 am
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• ST.CROIX VLY.
Valley Access Ch.14
Thursdays: 4 & 10 pm
Fridays—8 am
• ST.LOUIS PARK
Paragon Ch.15
Wed, Thu, Fri:
12 am, 8 am, 4 pm
• ST.PAUL (city)
SPNN Ch.15
Saturdays—10 pm
• ST.PAUL (N Burbs)
AT&T Ch.14
Thu: -6 pm & Midnite
Fri: -6 am & Noon
• ST.PAUL (NE burbs)*
Suburban Ch.15
• St.PAUL (S&W burbs)
AT&T-Comcast Ch.15
Tue & Fri: -8 pm
Wednesdays—10:30 pm
SOUTH WASHINGTON
ATT Ch.14—1:30 pm
Mon, Tue, Wed, Thu

• BUFFALO
Adelphia Ch.20
Thursdays—4 pm
Saturdays—1 pm
• CHEMUNG/STUEBEN
Time Warner Ch.1
Mon & Fri: 4:30 pm
• ERIE COUNTY
Adelphia Intl. Ch.20
Thursdays—10:35 pm
• ILION—Ch.10
Mon & Wed—11 am
Saturdays—11:30 pm
• IRONDEQUOTT Ch.15
Mondays—7:30 pm
Thursdays—7 pm
• JEFFERSON/LEWIS
Time Warner Ch.2
Unscheduled pop-ins
• MANHATTAN—MNN
T/W Ch.34; RCN Ch.109
Alt. Sundays—9 am
• NIAGARA COUNTY
Adelphia Ch.20
Thursdays—10:35 pm
• ONEIDA—Ch.10
Thu: 8 or 9 pm
Fri: 12 Midnight
• PENFIELD—Ch.15
Penfield Comm. TV*
• QUEENS OPTV Ch.34
Fridays—5 pm
Tuesdays—9 pm
• QUEENSBURY Ch.71
Thursdays—7 pm
• RIVERHEAD Ch.70
Thu—12 Midnight
• ROCHESTER—Ch.15
Thursdays—3 pm
Mondays—10 pm
• ROCKLAND—Ch.71
Mondays—6 pm
• STATEN ISL.
Time Warner Cable
Thu—11 pm (Ch.35)
Sat—8 am (Ch.34)

• MONTVALE/MAHWAH
Time Warner Ch.27
Wednesdays—4 pm
• NORTHERN NJ
Comcast Ch.57*
PISCATAWAY
Cablevision Ch.71
Wed—11:30 pm
• PLAINSBORO
Comcast Ch.3*

• ALBUQUERQUE
Comcast Ch.27
Mondays—3 pm
• ANTHONY/SUNLAND
T/W Ch.15
Wednesdays 5:05 pm
• LOS ALAMOS
Comcast Ch.8
Mondays—10 pm
• SANTA FE
Comcast—Ch.8
Saturdays—6:30 pm
• TAOS—Ch.2
Thursdays—7 pm

• AMSTERDAM
Time Warner Ch.16
Wednesdays—7 pm
• BRONX
Cablevision Ch.70
Fridays—4:30 pm
• BROOKLYN
T/W Ch.34
Cablevision Ch.67
Tue: 12 Noon & 8 pm
• CHEMUNG/STUEBEN
Time Warner Ch.1
Mon & Fri: 4:30 pm
• ERIE COUNTY
Adelphia Intl. Ch.20
Thursdays—10:35 pm
• ILION—Ch.10
Mon & Wed—11 am
Saturdays—11:30 pm
• IRONDEQUOTT Ch.15
Mondays—7:30 pm
Thursdays—7 pm
• JEFFERSON/LEWIS
Time Warner Ch.2
Unscheduled pop-ins
• MANHATTAN—MNN
T/W Ch.34; RCN Ch.109
Alt. Sundays—9 am
• NIAGARA COUNTY
Adelphia Ch.20
Thursdays—10:35 pm
• ONEIDA—Ch.10
Thu: 8 or 9 pm
Fri: 12 Midnight
• PENFIELD—Ch.15
Penfield Comm. TV*
• QUEENS OPTV Ch.34
Fridays—5 pm
Tuesdays—9 pm
• QUEENSBURY Ch.71
Thursdays—7 pm
• RIVERHEAD Ch.70
Thu—12 Midnight
• ROCHESTER—Ch.15
Thursdays—3 pm
Mondays—10 pm
• ROCKLAND—Ch.71
Mondays—6 pm
• STATEN ISL.
Time Warner Cable
Thu—11 pm (Ch.35)
Sat—8 am (Ch.34)

• TOMPKINS COUNTY
Time Warner Ch.13
Sun—1 pm & 9 pm
Saturdays—9 pm
• TRI-LAKES
Adelphia Ch.2
Sun: 7 am, 1 pm, 8 pm
• WEBSTER—Ch.12
Wednesdays—9 pm

• CUYAHOGA COUNTY
Ch.21: Wed—3:30 pm
• FRANKLIN COUNTY
Ch.21: Sun—6 pm
• LORAIN COUNTY
Adelphia Ch.30
Daily: 10 am; or
12 Noon; or 2 pm;
or 12 Midnight
• OBERLIN—Ch.9
Tuesdays—7 pm
• REYNOLDSBURG
Ch.6: Sun.—6 pm

• LINN/BENTON
AT&T Ch.99
Thursdays—1 pm
• PORTLAND
Tue—6 pm (Ch.22)
Thu—3 pm (Ch.23)
• SALESVILLE
Tuesdays—12 Noon
Thursdays 8 pm
Saturdays 10 am
• SILVERTON
Charter Ch.10
Mon,Tue,Thu,Fri:
Betw. 5 pm - 9 am
• WASHINGTON
Comcast Ch. 23
Wed: 7 pm; Fri:10 am
Sun:6 am; Mon:11 pm

RHODE ISLAND

• E.PROV.—Ch.18
Tuesdays—6:30 pm
• STATEWIDE
RI Interconnect
Cox Ch.13
Full Ch.49
Tuesdays—10 am

TEXAS

• AUSTIN Ch.10
T/W & Grande
Wednesdays—7 pm
• DALLAS Ch.13-B
Tuesdays—10:30 pm
• EL PASO COUNTY
Adelphia Ch.4
Tuesdays 8 pm
Thursdays—11 am
• HOUSTON
Time Warner Ch.17
Saturdays—9 am
Mon, 12/29: 4 pm
Wed, 12/31: 4 pm
Tue, 1/6: 4 pm
Wed, 1/14: 8 pm
• KINGWOOD Ch.98
Kingwood Cablevision
Saturdays—9 am
Mon, 12/29: 4 pm
Wed, 12/31: 4 pm
Tue, 1/6: 4 pm
Wed, 1/14: 8 pm
• RICHARDSON
AT&T Ch.10-A
Thursdays—6 pm

• E.MILLARD
Precis Ch.10
Tuesdays—5 pm
• SEVERE/SAN PETE
Precis Ch.10
Sundays & Mondays
6 pm & 9 pm

• GREATER FALLS
Adelphia Ch.8
Tuesdays—1 pm

VIRGINIA

• ALBERMARLE
Adelphia Ch.13
Fridays—3 pm
• ARLINGTON
ACT Ch.33
Mondays—4 pm
Tuesdays—9 am
• BLACKSBURG
WTQB Ch.2
Mondays—6 pm
• CHESTERFIELD
Comcast Ch.6
Tuesdays—5 pm
• FAIRFAX—Ch.10
Tuesdays—12 Noon
Thursdays—7 pm
• LOUDOUN
Adelphia Ch. 23/24
Thursdays—7 pm
• ROANOKE—Ch.19
Tuesdays—7 pm
Thursdays—2 pm

WASHINGTON

• KING COUNTY
AT&T Ch.29/77
Mondays—7 pm
• KENNEWICK
Charter Ch.12
Mondays—12 Noon
Thursdays—8:30 pm
• PASCO
Charter Ch.12
Mondays—12 Noon
Thursdays—8:30 pm
• SPOKANE—Ch.14
Wednesdays—6 pm
• WENATCHEE
Charter Ch.98
Thu: 10 am & 5 pm

WISCONSIN

• MADISON—Ch.4
Tuesdays—3 pm
Wednesdays—12 Noon
• MARATHON COUNTY
Charter Ch.10
Thursdays—9:30 pm
Fridays—12 Noon
• SUPERIOR
Charter Ch.20
Mondays—7:30 pm
Wednesdays—11 pm
Fridays 1 pm

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