

the issue is, the way that the Obama Administration is going now, that threatens to be the destiny of anyone who is a member of the Obama Administration.

“The way Obama is acting strongly suggests that he is a Narcissus case,” LaRouche elaborated, “which has been shown in this connection with his changes in behavior in his visit to London and Europe. This has shown that the man has a chronic Narcissus complex like that of the Emperor Nero.”

“He is fickle, fickle, fickle! Don’t put any credence in interpreting what he says. We’ve already had an example of that. We saw what he pretended to be, up to a certain point. He went to London, and then he showed us what he really is. That’s already established. That’s not something that’s debatable. That is a fact! And I know people get frightened when I say things like that, but you have to face reality. That’s what our problem is.

“The guy got in and he fooled us. The possibility of that was clear,” LaRouche explained. “We dealt with it, but we didn’t have it. We didn’t have concrete evidence, and that’s because people were covering this thing up. So now what’s happened is he’s now in power, and what he really is, has been exposed. People were looking for a political commitment as the issue—that he had a different political commitment. And what you find out is he had no political commitment; he had an *ego commitment*. It’s a Narcissus Complex.”

LaRouche also took note of the growing opposition to Obama’s top economic advisor Larry Summers: “This thing is *not* a Summers scandal,” LaRouche explained. “What you are really talking about with this case is a much more interesting story. Many of us realize that Obama is really a Nero type; then they themselves got on the wrong end of his anger, and are not taking it lightly. Some of these people also have a historic, patriotic motive, and recognize that this guy is betraying the country. So now he’s going to find himself, for those and related reasons, in all kinds of trouble. And although they will not go after him directly, they will peel off his apparatus,” beginning with Summers, who is among the most vulnerable.

“It wasn’t Summers that was caught. Summers was protected by the President. And now the President, being who he is, will abandon Summers. Anybody who can become inconvenient to Nero gets abandoned.”

LaRouche concluded: “The Emperor Nero is not a popular institution inside the U.S. And we have to think in terms of the Emperor Nero, otherwise you don’t understand Obama.”

## London’s Black-Ops Project

by Anton Chaitkin

April 10—*Time* magazine misnamed as the “Consortium of Behavioral Scientists” what it described as “a secret advisory group of 29 of the nation’s leading behaviorists,” directing President Barack Obama’s catastrophic policy, of pouring out trillions of dollars to prop up the London-centered offshore finance swindle.

The group of economists is actually called the Behavioral Economics Roundtable, based at the Russell Sage Foundation in Washington D.C. The “behavioral economics” project has been tightly organized and run jointly since 1986 by the Alfred P. Sloan Foundation and the Russell Sage Foundation.

Through these and related institutions, the project’s sponsors are descendants of the the same clique of London-directed strategists who created the Hitler and Mussolini regimes, and ran the propaganda war against President Franklin Roosevelt.

After World War II, these British Empire strategists revived fascist economics and psychological manipulation methods to attack and reverse Roosevelt’s legacy.

### The Empire’s Irrational Subjects

Israeli kook psychologist Daniel Kahneman, called the founder of behavioral economics, was an apostle of brainwashing expert Kurt Lewin. Kahneman has described his own Israeli army experiments, based on the psychological warfare methods of Lewin’s bosses in London’s Tavistock Institute: the study of soldiers’ vulnerable minds in “leaderless groups.”

Kahneman met Alfred P. Sloan Foundation vice president/psychologist Eric Wanner in 1982. Wanner, previously employed by Britain’s Sussex University, home of the Tavistock Institute, took Kahneman under his wing. Wanner soon afterwards became chief executive of the Russell Sage Foundation and, in 1986, he instituted the Behavioral Economics Project, run jointly by the Sloan and Sage foundations.

Both foundations, as will be reported below, were central to London’s post-World War II fascist revival.

This began before the war was even won. In 1944,



*In the nightmare of the 1930s, Alfred P. Sloan, the chief executive of General Motors, was among the small circle of leading pro-Hitler industrialists in the United States. In 1934, Sloan helped to found the American Liberty League, which organized American pro-fascists to attack President Franklin Roosevelt. Sloan appears here on the cover of Time, Sept. 24, 1925.*

Montagu Norman had stepped down as governor of the Bank of England, after two decades directing the London and Wall Street promotion and funding of the Hitler dictatorship. Norman next created the World Federation for Mental Health, managed by leaders of the pro-Hitler Cliveden Set under the presidency of Tavistock Institute director John R. Rees. Heading this London initiative within the U.S.A. was Kurt Lewin, working for Tavistock with Rockefeller money arranged by Russell Sage Foundation operative Raymond Fosdick.

Lewin set the tone for what is now called “behavioral economics”: Instead of a republic’s government serving its citizens, an empire’s oligarchy rules its subjects by playing on popular ignorance and irrationality. Lewin mused in his 1941 book, *Time Perspective and Morale*:

“One of the main techniques for breaking morale through a ‘strategy of terror’ consists in exactly this tactic—keep the person hazy as to where he stands and just what he may expect. If, in addition, frequent vacillations between severe disciplinary measures and promises of good treatment, together with the spreading of contradictory news, make the cognitive structure of this situation utterly unclear, then the individual may cease to know when a particular plan would lead toward or away from his goal. Under these conditions, even those individuals who have definite goals and are ready to take risks will be paralyzed with severe inner conflicts in regard to what to do.”

### **Sloan, Sage, and the Project**

The two foundations running the Behavioral Economics Roundtable have extended this project and put their behavioral operatives into the National Bureau of Economic Research (NBER—an anti-labor think-tank funded entirely by the right-wing Olin, Bradley, Scaife, and Smith Richardson foundations), giving many Roundtable Sage-Sloan paid operatives an NBER label.

Arrangements with NBER have been supervised by Sloan Foundation Program Director Michael S. Teitelbaum, who epitomizes the unashamed Hitler legacy at Sloan. A former Oxford University faculty member, Teitelbaum was a key American instigator of the return of the Nazi race pseudo-science called eugenics. From his Sloan base since 1983, Teitelbaum has spread eugenics and anti-immigrant filth into Congressional deliberations. He was president of the American Eugenics Society from 1985 to 1990, and vice president of the Sloan Foundation in the late 1990s, as “behavioral economics” was revved up.

This effort has borne rotten fruit in the person of leading behavioral economist Alan Krueger, whom President Obama has nominated to be Assistant Secretary of the Treasury for Policy. Though not yet confirmed, Krueger has already been advising Treasury Secretary Tim Geithner on the catastrophic bailouts.

Krueger has been a director of the Russell Sage Foundation, a Sloan Fellow, an NBER Olin Fellow, and is a longtime staff leader at the eugenics movement’s Office of Population Research at Princeton University. American Eugenics Society founder Frederick Osborn created that office at Princeton in 1936, the year after the eugenics movement triumphed with the passage of Hitler’s Nuremberg race laws. (The office now adver-

tises a workers' efficiency survey being conducted by Treasury-designee Krueger and his fellow Princeton faculty member, behavioral economics originator Daniel Kahneman.)

In the nightmare of the 1930s, Alfred P. Sloan was among the small circle of leading pro-Hitler industrialists in the United States. He had been made chief executive of General Motors in 1923 by GM's co-owners, the J.P. Morgan bank and the DuPont chemical enterprise.

In 1934, Alfred P. Sloan and Morgan-DuPont financial executive John Jacob Raskob founded the American Liberty League, and at the same time, the Sloan Foundation. The Liberty League organized American pro-fascists to attack President Franklin Roosevelt, while carrying on propaganda favorable to Mussolini and Hitler.

The Sloan Foundation's assets were based on shares of General Motors, whose Opel division produced a large proportion of Germany's exports for the Hitler regime throughout the 1930s.

The Russell Sage Foundation, a British Empire agency planted within the United States (with money from Wall Street speculator Russell Sage's widow), was X-rayed in the 1976 reference work *Carter and the Party of International Terrorism*, published by the U.S. Labor Party:

"Since its incorporation in New York State in 1907, the Russell Sage Foundation has served as the major Fabian Society-Fabian Research Bureau operation in North America. Russell Sage has been the pioneer institution in the building of a 1984 [Orwellian]-style police infrastructure in this country: in the nazification of the federal judicial system; and the development of computer technology as a technical upgrading of centralized Wall Street black propaganda control over every facet of the mass media in the field of overt criminal and terrorist activity ... since its engineered takeover of the New York City rackets during the late 1910s, [Sage] has been maintaining an ongoing program of crime profiling...."

"Under the stated purpose of scientific social work, Russell Sage initiated a wide range of projects [aiming at] the creation of a centrally controlled, mass-social-control apparatus. Russell Sage conducted the earliest program in co-participation (Mackenzie King's profiles of the Rockefeller family Colorado mining companies and working-

## The Roundtable 29

*The Russell Sage Foundation identifies the "Behavioral Economics Roundtable" members as:*

1. Henry Aaron, Brookings Institution
2. George Akerlof, University of California, Berkeley
3. Linda Babcock, Carnegie Mellon University
4. Nicholas C. Barberis, Yale University
5. Marianne Bertrand, University of Chicago
6. Roland J. M. Benabou, Princeton University
7. Colin Camerer, California Institute of Technology
8. Peter Diamond, Massachusetts Institute of Technology
9. Jon Elster, Columbia University
10. Ernst Fehr, University of Zurich
11. Robert H. Frank, Cornell University
12. Christine Jolls, Harvard University
13. Daniel Kahneman, Princeton University
14. David Laibson, Harvard University
15. George Loewenstein, Carnegie Mellon University
16. Brigitte Madrian, University of Pennsylvania
17. Sendhil Mullainathan, Massachusetts Institute Technology
18. Edward D. O'Donoghue, Cornell University
19. Terrance Odean, University of California, Berkeley
20. Drazen Prelec, Massachusetts Institute Technology
21. Matthew Rabin, University of California Berkeley
22. Thomas Schelling, University of Maryland
23. Eldar Shafir, Princeton University
24. Robert Shiller, Yale University
25. Cass Sunstein, University of Chicago
26. Richard Thaler, University of Chicago
27. Jean Tirole, University of Social Sciences, Toulouse
28. Richard Zechhauser, Harvard University
29. Amos Tversky (until his death), Stanford University



*The Tavistock Institute's Kurt Lewin set the tone for what is now called "behavioral economics": Instead of a republican government serving rational citizens, an empire's oligarchy rules its subjects by playing on popular ignorance and irrationality.*

class profiling [in] Pittsburgh and San Francisco...)

"[In World War I] Russell Sage moved its offices to Washington, D.C., and took over the Department of War. The Foundation [with its London background]—in that government capacity—organized the entire logistical and support operations for the U.S. war effort [in the alliance with Britain]. Personnel placed in the State Department took control over all German-American assets for the duration of the war. Col. Ayer of Russell Sage was one of President Wilson's chief negotiators and advisors at Versailles; he later assumed charge of the postwar German reparations and through this, was instrumental in creating the Anglo-American networks epitomized by the activities of [Hitler intelligence executive] Adm. Canaris and [London-controlled Nazi regime-designer] Hjalmar Schacht.

"Russell Sage [later concentrated on] funding of Raymond Fosdick [head of the Rockefeller Foundation who coordinated with publicist Ivy Lee and Morgan partner Thomas Lamont in directing international finances and public relations for the Mussolini and Hitler regimes] and supervision of German military buildup during the Weimar period.

"[Just as] the original Fabian Society used visiting



*Sloan Foundation program director Michael S. Teitelbaum was a key instigator of the revival of the Nazi race pseudo-science eugenics. From the Foundation, Teitelbaum, former president of the American Eugenics Society (1985-90), spread eugenics and anti-immigrant filth into Congressional deliberations.*



Robert J. Gordon website

*Andrei Shleifer, is part of what the New York Times dubbed a "small circle of financial professionals, particularly hedge fund managers," that Larry Summers has "cultivated ... to serve as an informal brain trust." Shleifer's wife, Nancy Zimmerman, was running a hedge fund out of the back room of Harvard's USAID-funded privatization project office in Moscow.*

fellow programs [to recruit] long-term agents of influence, the Russell Sage Foundation maintains a network of leading operatives in every major university in the United States... Among the notable individuals [created as Russell Sage projects were]:

"Charles Hamilton, sponsor of Stokely Carmichael's Black Power project; ... Daniel Bell [author of *The Coming of Post-Industrial Society*]; Alvin Toffler, author of *Future Shock*; Kenneth Boulding, the zero-growth convergence theory planner; University of Chicago psychological warfare [strategist] Morris Janowitz; top brainwasher Edward Shils; Columbia University counterinsurgency warfare planner Amitai Etzioni; LEAA [Law Enforcement Assistance Administration] founder James Vorenburg; Institute for Policy Studies

terrorist controller and labor counterinsurgency expert Paul Jacobs; and the leading European-based linguistic brainwasher and left counter-gang controller, Alvin Gouldner of *Theory and Society*.”

### The Obama Vortex

This London “black-ops” project, behavioral economics, has embedded its operatives throughout the Obama Administration.

Sage Foundation director Richard Thaler is a linchpin of the scheme. Thaler originally managed the Sloan-Sage sponsorship of Daniel Kahneman to “define that field” of economics.

Thaler runs a multi-billion-dollar private asset fund (Fuller & Thaler) employing Kahneman as a director. Thaler’s private fund took over from Russell Sage the financing of the behavioral economics project inside NBER.

A University of Chicago professor, Thaler closely consults his younger faculty colleagues Austan Goolsbee and Cass Sunstein, two Obama advisors who were initiated into Thaler’s behavioral economics clique.

Sunstein co-authored Thaler’s book, *Nudge*, on how a regime can engineer people’s choices without their knowledge. President Obama has chosen Sunstein as U.S. administrator of the Office of Information and

## MisBehavior in Russia

The knives are out for Larry Summers, former Harvard president, behavioral economist, director of the National Economic Council for President Barack Obama. The *New York Times* (April 6, 2009, “A Rich Education for Summers (After Harvard)”) speared him as a fanatical hedge-fund operator and multi-millionaire.

His Harvard protégé, the prominent behavioral economist and mass corruptionist Andrei Shleifer, is part of what the *Times* called the “small circle of financial professionals, particularly hedge fund managers,” that Summers has “cultivated ... to serve as an informal brain trust. He consults with them on policy matters from his perch in the White House.”

In the early 1990s, Summers was chief economist for the World Bank, coordinating the privatization and looting of Russia with Vice Premier Anatoly Chubais. While Summers’ man Shleifer and Harvard University were then being paid by the U.S. government to advise Chubais and the Russians on privatization, Shleifer’s wife, Nancy Zimmerman, was running a hedge fund out of the back room of Harvard’s USAID-funded privatization project office in Moscow.

Put in charge of setting up a stock market, and engineering other post-Soviet projects, Shleifer engorged himself on the resultant stocks and bonds,

while Russia slid into misery. The U.S. government sued Harvard, Shleifer, and Zimmerman under the False Claims Act. Harvard and Shleifer reached an agreement with the Justice Department in 2005: Harvard paid \$26.5 million to settle; Shleifer paid \$2 million in damages, on top of his wife’s firm’s \$1.5 million in damages.

As Summers defended the looting of Russia and Shleifer’s role in it, Harvard paid most of Shleifer’s damages and kept him on the faculty.

The cited *Times* article names only Nancy Zimmerman, and not Shleifer himself, as being in that Summers circle of hedge fund managers.

The *Times* makes a reference that points in the direction of the underlying behavioral economist takeover of the Obama Administration:

“Among these [hedge fund] insiders are Kenneth D. Brody and Frank P. Brosens, the founding partners of another hedge fund, Taconic Capital Advisors, for whom Mr. Summers did consulting work from 2004 to 2006. Mr. Summers reached out to Mr. Brosens in December to discuss the Obama administration’s economic priorities. This year, he campaigned to have him run the federal office overseeing the \$700 billion bailout program. Mr. Brosens withdrew his name from consideration last month.”

The cited Kenneth D. Brody (Brosens’ partner) is himself the Treasurer of the Russell Sage Foundation, the central channel through which the behavioral economics project has been foisted on the American government.

—Anton Chaitkin

Regulatory Affairs. Sunstein's wife is Samantha Power, a longtime, paid George Soros agent specializing in provoking wars in Africa, who now runs "multilateral affairs" (the London connection) in Obama's National Security Council.

Goolsbee, a notorious advocate of radical free trade, was chief economic advisor to Obama's Presidential campaign. Like current Obama chief economic advisor and fellow behavioral economist Larry Summers, Goolsbee worships the late University of Chicago economist Milton Friedman. Goolsbee eulogized Friedman (*New York Times*, Nov. 17, 2006) for "scientific economics."

The London-Wall Street sponsors of behavioral economics want to get away with crushing austerity as policy outcome in the present systemic collapse. From the Aug. 6, 1923 *Time* magazine cover lionizing Benito Mussolini, on through the 1930s, they claimed that *Il Duce* was brutal, but "he made the trains run on time."

Goolsbee invoked that Mussolini legacy in the title of an article, "Where the Buses Run on Time" (*Slate*, March 16, 2006), to praise the behaviorist speed-up of bus drivers made possible by Milton Friedman's economic program under the Pinochet dictatorship in Chile. Goolsbee argued that Chicago should use the methods for reducing wages and speeding up bus drivers that had been successful outcomes of the Chilean fascist regime.

## The Daniel Kahneman, Amos Tversky Swindle

by Mark Bender

April 8—The short version of behaviorist economics is that it can be considered the carry-over of the pseudoscience behind the Pentagon's Revolution in Military Affairs into the civilian sphere. It also clearly reflects the hedonistic calculus of Jeremy Bentham and Bernard Mandeville.

Its origins can be traced to two Israeli behavioral psychologists, Daniel Kahneman and Amos Tversky, both with experience in, and employed by the Israeli Defense Forces (IDF), who had begun a long collaboration by 1968.

Born in Tel Aviv in 1934, Kahneman spent his youth in France, where his father was director of research for

a chemical company "directed by the financial mainstay of the Fascist anti-Semitic movement in France in the 1930s," as Kahneman recalled in his autobiography (*A History of Psychology in Autobiography*). At the end of the war, the family embarked for Palestine.

Kahneman received his bachelor's degree from Hebrew University in Jerusalem in 1954, majoring in psychology with a minor in mathematics. A favorite professor there introduced him to the work of "group dynamics" brainwasher Kurt Lewin, especially Lewin's "force field from the outside." He was so taken by Lewin's theories that he still teaches them today.

After graduating, he served in the Israeli Army for four years, three of them in the psychology branch of the IDF. One of the projects he worked on was selection of individuals for officer training, using methods based on World War II British manuals. In a test involving a leaderless group, he experienced what he called the "first cognitive illusion I described," which he named "the illusion of validity."

In an autobiographical sketch he submitted upon receiving a Nobel Prize, he wrote, "puzzles with which I struggled at the time were the seed of the paper on the psychology of intuitive prediction which Amos Tversky and I published later." Kahneman is known as a leader in the field of hedonics, with an emphasis on the "framing" of decision-making (how a question is "framed" will affect the answer).

The two began publishing in the early 1970s, with the seminal work "Judgment Under Uncertainty: Heuristics and Biases," published in *Science* magazine in 1974. At the end of that detailed work is a note indicating that their research "was supported by the Advanced Research Projects Agency of the Department of Defense [DARPA] and was monitored by the Office of Naval Research" under a contract with the Oregon Research Institute, with additional support "provided by the Research and Development Authority of the Hebrew University."

### Behavioral Economics Is Born

Kahneman and Tversky worked in Israel, the United States, and Britain, each spending time at Cambridge, and in 1978, both arrived at Stanford University's Center for Advanced Studies in the Behavioral Sciences. It was here that they met University of Rochester-trained economist Richard Thaler, and the "science" of behavioral economics was born. The next year, 1979, saw the publication of the fundamental work of the new