

EIRFeature

Food, not money, is the crisis

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The presently threatening global tragedy can be summed up in a few words: up to the present moment, President Bill Clinton “doesn’t know diddly about economics.” Therefore, our nation’s captain, Bill Clinton, out of his ignorance of economics seamanship, is desperately trying to save the doomed “Titanic,” when his concern ought to be saving this planet’s imperilled passengers, and himself.

Thus, when he should be focussed upon a real crisis, the immediately perilous, world-wide food crisis in Russia, and elsewhere, which is now threatening to blow up immediately, the President’s attention is gripped by a G-7 Hallowe’en fantasy spectacle, in which he is joined with Margaret Thatcher look-alike Tony Blair, and others, all in an obscene carnival, intended to muster popular support for a soon-to-be-nonexistent-in-any-case international financial system—the relevant “Titanic” of this situation. The President, with his new-found male bonding with Blair, is, thus, lured from reality, into a dream-like quest for that miraculous incantation which will make foolish people “feel better” about the crisis, even if only momentarily, even if the end result is to make everything much worse than if the G-7 had done nothing at all.

Since the series of Washington conferences he called, earlier this month, the President has fled from the very reality he had presented in his September 14th address to the New York Council on Foreign Relations. Between the time of the September 23rd surfacing of the LTCM panic, and the Social-Democratic electoral victory in Germany, the President flinched; he capitulated to his fears of those Wall Street and London powers he had enraged by his New York address, and fled into the ostensibly protective embrace of his fellow “Third Way” ideologues from western Europe. Since the beginning of October, he has been obsessed with virtually pretending that he had never said what he freely admitted to be the case in his September 14th address. Since early October, instead of facing reality, he has been



President Clinton and Prime Minister Blair in Washington, Feb. 6, 1998. "The President," writes LaRouche, "with his new-found male bonding with Blair, is, thus, lured from reality, into a dream-like quest for that miraculous incantation which will make foolish people 'feel better' about the crisis, even if only momentarily, even if the end result is to make everything much worse than if the G-7 had done nothing at all."

wasting precious time and resources, which ought to be spent on more useful activities, helping to make a monstrous crisis worse.

During this recent period, the President has joined the official fools of Britain and France, with apparent support from the new government in Germany, in seeking yet another, ultimately disastrous short-term "crisis-management" scheme and mass-media hype, all for no better purpose than a short-lived effort to deny reality for yet another few more days. Thus, we have the sillier politicians being used once again, in yet another bankrupt bankers' attempt at a short-term bail-out for their incurably bad choice of investments. Thus, all for the sake of Alan Greenspan's and Eddie George's bankers, we have another G-7 scheme to force the widows and orphans of the world, to give up their last few pennies, and also their children's blood, in a futile attempt to bail out a financial empire of the IMF, which, in any case, is already, hopelessly doomed.

Unfortunately, even those cruel, wildly hare-brained bail-out schemes, are far from the worst danger lurking within the President's recent folly.

The central ideological feature of these October developments, has been the attempt to subordinate U.S. economic and foreign policies, to a "Third-Way" bonding of the President, to what, for a moment, at least, is a London-directed, "Dick" Morris-advised, G-7 coalition with Blair, Jospin, and the newly installed German Chancellor, Gerhard Schröder. Thatcher-look-alike Blair's influence on the issues of the

present global financial crisis, is devilishly awful in its implications for even the near term. Unless the President realizes, soon, what an evil little Rumpelstiltskin Blair really is, the U.S.A. will discover, very soon, that it has been lured into the most deadly, global strategic trap of the century.

However, for the moment, shove Blair himself back into his corner. Focus on the broader strategic and technical issues posed by the presently attempted "bail-out" package itself.

1. The scheme

Look first, at what the President purports to be doing about the financial crisis itself. Call it "the scheme," or, if you prefer, "the IMF's G-7 scam."

Once again, we witness the typical feature of all similar "crisis management" schemes up till now. All current "crisis management" efforts can be reduced to an offering of financial bail-outs, which greatly increase the aggregate debts of the already monstrously insolvent debtors, but under the terms of agreements which collapse the debtor's future ability to repay. In previous such bail-out schemes, as now, the inevitable result is to drop the ability to pay the debts to much lower levels than prior to the previous crisis "just successfully managed." The present G-7 scam, has the same purpose as every bail-out swindle before it: to attempt to cover up the hopeless financial mess created by every similar bail-out scheme before.

The pattern is identical to that in the celebrated New York case of what was once called "The Great Salad Oil Swindle,"



Members of the London-directed G-7 coalition include French Prime Minister Lionel Jospin (left) and Germany's new Social Democratic Chancellor, Gerhard Schröder (right). Bill Clinton is not the only one who "doesn't know diddly about economics."

a case which I used, regularly, in my campus lectures, between 1966 and 1973, to explain how the new economic policies being launched in 1966, would blow out the financial system at some not-distant, future time.

Decades before today, back in the saner times of President Kennedy's administration, accountants who approved of such arrangements would have been rightly booted out of the profession, or even justly jailed; today, since the "cultural-paradigm shift" of 1964-1972, that has become the standard practice of the IMF and the U.S. government, while the prisons are filled with the victims of prosecutors who are as crooked as, perhaps even more crooked than the worst of the past or present Wall Street accountants.

In the aftermath of the Thatcher-Mitterrand-Bush-Gorbachev agreements of 1989-1991, there has been a recurrence of previous bail-outs of the same type as the G-7's current "trick or treat" diversion. Schemes like this, of the type launched since 1989-1991, notably including the terms dictated to Russia at the beginning of 1992, have already resulted in driving the physical economies of most nations of the world, repeatedly, either near to, or, sometimes, even beyond the breaking-point, the point at which they each have the choice of repudiating the debts, or dying in the futile effort to repay them. The lunacy of this week's G-7 declaration, shoves the world over the edge; this is the bail-out attempt which will not only fail, as inevitably as all those before it; this one could blow up the world.

Then, look at the ominous strategic implications of repeat-

ing such childish games of "crisis management" at this historical, strategic juncture.

The most difficult test for President Clinton, which will, to say the least, probably make or break the closing year of his administration, is the keystone role Russia's monstrous food crisis plays in the current, insane game being played by Britain's Blair government. For the irrationally exuberant Wall Street bankers, Brazil's is the crisis which threatens to topple them into Japan-style mass bankruptcies. It is the Russia crisis, a much smaller factor in the U.S. markets as such, which represents the more immediate, far more explosive, more deadly strategic potential. This Russia issue, together with London's cooked-up targetting of Malaysia, will hit Clinton head-on, strategically, and from both his foreign and domestic enemies, all at once, during the weeks immediately ahead.

The crux of this Russia crisis, is the fact that Greenspan's and George's bankers, and others, are currently committed to forcing Russia, and President Clinton, to the folly of "staying the course" of the so-called "reform" policy. This is the policy, based on "free trade" and "globalization," which has already nearly destroyed Russia, and numerous other nations besides. It is also destroying the United States. No sane U.S. government would ever target Malaysia in the way Washington is doing now, nor, above all, allow such a game to be played against a desperate nation which is also the world's second-ranking thermonuclear power. This is but one immediate consequence the U.S. will soon face,

unless it breaks with London and Blair on these and related matters of policy.

The present conflict, over derivatives contracts, between London and Russia, is only the most immediately ominous of the rapidly expanding crises to be unleashed by the Hallowe'en follies of the G-7 group. For Brazil, as was the case for Indonesia, the conditions associated with the IMF's demands, are comparable to, or worse than the effects imposed by the Nazi looting of war-time occupied territories. In none of these cases, such as the recently announced G-7 agreement, have any of the governments duly considered the fact, that what the IMF did to Indonesia, and what the G-7 now proposes for both Russia and Brazil, among other nations, was called "crimes against humanity" in the post-war Nuremberg Trials of the Nazis.

When such terms are dictated to states which have significant political and physical power to resist, even at great risk and the price of short-term sacrifice, the results are wars, or revolutions, or a combination of both. Proud nations so driven to despair, will, like the Biblical Samson, if they are able, pull down the pillars of the temple upon the tyrants who oppress them, rather than submit to such IMF-style sodomy. Under present world political and economic conditions, at a time when the stabilizing forces provided by perfectly sovereign nation-states are so greatly undermined by effects of "free trade" and "globalization," the present financial crisis, like the mid-Fourteenth Century bankruptcy of the Welf League's Lombard bankers, tends to set off chain-reactions like those of the "New Dark Age" of that century.

Remember: According to the Nuremberg Code, any official of government, or any relevant professional otherwise, who knew, or should have known that the policies he crafts or implements will cause such effects on persons and nations, is guilty of capital offenses against humanity, and possibly also including the charge of war-crimes, if force is used to impose such policies or practices on unwilling nations. The application of such force, under present conditions, would be sufficient to set off something, on a global scale, otherwise echoing all of the most horrifying features of the "New Dark Age," the Spanish Nazi-like war against the Netherlands, and the 1618-1648 Thirty Years War.

On this point, Clinton will either break with London on this and related issues, or he himself is likely to be sunk, and that very quickly. This is one problem which Bill Clinton could not "dialogue" his way out of. On this issue, he has no option, but to break out of "The Third Way."

Look at the strategic alternative to the deadly follies of the new G-7 "crisis management" posture. Look at the implications of a strategically urgent "Food for Peace" policy.

2. Food for Peace now, or else

Whatever is decided in the case of Russia, now, during the current weeks, will immediately set the pattern for the

world as a whole. The question is, therefore, can the President be awakened in time to turn the ship around?

Technically, the solution for Russia's financial emergency, and its far more acute food emergency in particular, is elementary. Washington must take the lead in setting up a global agreement on a long-term credit-and-trade package. To succeed, this must include conceding Russia's right to the kinds of sovereignty which the U.S.A. practiced under President Franklin Roosevelt and all his patriotic predecessors. That means conditions more or less exactly like those prevailing under the pre-1958 form of the original Bretton Woods Agreements. This will require extensive, long-term use of capital and exchange controls, target-oriented trade agreements among the principal trading partners, and extensive other regulatory measures in the same spirit and genre. The presumptions of "free trade" and "globalization" must be immediately and totally abolished, otherwise no solution is possible.

Under those strict preconditions, the successful package must feature a line of credit of not less than approximately ten years maturity, which will not only organize the *immediate and continuing* delivery of *sufficient* food supplies to Russia now, but, do that as an integral part of rebuilding that nation's agricultural and industrial potential to the profitable level at which its ability to repay its honorable debt is assured, but not gamblers' side-bets, such as financial derivatives. I shall return to treat the additional considerations later, here, below.

Notably, the present conditions in Europe are worse than those which I anticipated when I first delivered an earlier form of this same "Food for Peace" program, as a leading feature of a nationally televised U.S. Presidential campaign address, which I had then just recently delivered in Berlin, Germany, on October 12, 1988, just over ten years ago. The notable added difficulty, today as compared to 1988, is that conditions throughout all of Europe, and also the U.S.A. itself, are far, far worse than they were in 1988. Then, the proposal was made with the purpose of preventing the kinds of conditions which presently exist throughout the Americas, and throughout both the eastern and western parts of Europe. Nonetheless, although the world has changed, very much for the worse, since that address, the much neglected principles of sound economic practice have not. The same principles still apply ten years later, even under presently prevailing world conditions far worse than almost any of the existing governments would have even imagined possible ten years ago.

The point just stated must be underscored. In principle, the problem of integrating the territories of the former Soviet Union and other parts of eastern Europe, is no different in form today, than I envisaged and specified in my October 1988 "Food for Peace" statement. The only important difference, is that the conditions created by the 1989-1992 policy-dictates of Thatcher, Mitterrand, Bush, and Gorbachev, are much worse today, in both eastern and western parts of Eu-



Street vendors in Moscow. The most difficult test for President Clinton, is the role that Russia's food crisis plays in the insane game being played by Britain. Whatever is decided there, will set the pattern for the world as a whole. "The question is, therefore, can the President be awakened in time to turn the ship around?"

rope, as in the U.S.A., than I or anyone else anticipated back in October 1988. The principles of economic recovery now, are the same, even though the means required will be more strenuous. With adequate leadership from key governments, ultimate success, if painfully achieved during the initial year of operations, is virtually assured.

The "Food for Peace" package, in the form I propose it here, will provide the needed keystone for the entire architecture of a New Bretton Woods System. Now, as then, my proposal will establish a system of cooperation among a bloc of participating nation-states, which combined, will emerge immediately, inevitably, as the dominant influence on the affairs of our planet as a whole. It will be a system like that which President Franklin Roosevelt envisaged for post-war reconstruction. As I have already stressed, above, it must be premised upon a pre-ACDA (U.S. Arms Control and Disarmament Agency), virtually Gaullist conception of the perfect sanctity of national sovereignty, and upon those modes of capital controls, exchange-controls, and financial and other regulation, including the combination of a fixed-rate monetary system, and protectionist modes of trade-agreements, which proved so successful during the crucial, 1946-1958 period of post-war economic reconstruction.

As I have also noted, above, the included feature of any workable package, would be the termination of that so-called "reform"—featuring monetarist "free trade" and "globalization" conditionalities—which has systematically looted and

destroyed Russia's, and many other nations' economies, during the recent nine years. Above all, if President Clinton is to prevent himself from running his ship of state onto the rocks just ahead, he must acknowledge, openly, that it was those "free trade" and "conditionalities" policies which have created the mess Russia and its creditors face now. If he fails to say this, virtually no one, in any part of the world, will, or should believe him.

In the worst case, should the U.S. fail to turn to this alternative now, a terrible strategic condition will now rapidly develop around this planet, a situation more ominous than has existed on this planet at any earlier point during this century.

The world would be divided between chiefly two forces, the one, a self-doomed Ship of Fools called the London-steered, present set of G-7 nations against those efforts at cooperation in survival, now variously erupting or simmering among some nations, probably including China, Russia, Malaysia, and soon many others. The latter nations will almost certainly decline to join the lunatics in that tasteless Halloween spectacle otherwise known as the G-7's just-proclaimed economic mass-suicide-pact. Given existing conditions, now, and the physical-economic condition of nearly all parts of the world today, such a political state of affairs as this, means something far worse than war, even nuclear war.

That just-proclaimed G-7 proclamation implicitly invokes an assault upon every part of the planet by the proverbial "Four Horsemen of the Apocalypse." Said otherwise, as

I have already stressed, above, it is a result echoing, on a global scale, what is known as the mid-Fourteenth Century “New Dark Age,” and what historian Friedrich Schiller’s strategic studies describe as the brutish conditions of the Netherlands resistance against Hapsburg oppression, and the 1618-1648 Thirty Years War in Central Europe. Only the type of change I propose, if adopted very soon, could prevent such a holocaust of humanity as a whole.

The President must now recognize, that we have now reached the point in the ongoing world financial crisis, at which either that FDR-style program based on long-term credit agreements, is put into operation immediately, without any of Blair’s “global pre-agreements,” his “new supranational authorities” nonsense; or else the U.S.A. and western Europe will be destroyed economically, destroyed by the chain-reaction effects of failing to adopt precisely such a policy pivotted on immediate solutions for Russia’s immediate food crisis. It would be difficult to avoid repeating the warning, that the policies responsible for the recent decade of collapse in the world economy—chiefly the policies of “free trade” and “globalization,” must be scrapped, and the conditions of cooperation among effectively sovereign nation-states re-established as the indispensable foundation for any possible general economic recovery on this ruined planet.

For a standard of comparison to the present situation: Think of how foolishly stubborn the President was, for example, in refusing to admit publicly, that he had shown himself a fellow “who didn’t know diddly about economics,” when he made the virtually fatal political decision, to cave in to certain political advisors, such as perennial Presidential misadviser “Dick” Morris, who were, and remain even far less competent in economics than he is, in dropping his plans to veto the 1996 “welfare reform” legislation being pushed by Newton “Yahoo” Gingrich. He must not repeat that kind of mistake, again, in the present, more deadly situation; unfortunately, that is precisely the error he has committed in his male-bonding act with Tony Blair & Company, on the issues of the current round of the global financial crisis.

We can hope, that now, as in many happier, earlier outcomes in the history of crises, victory will be “snatched from the jaws of (virtually certain) defeat,” as Lazare Carnot saved France during his period in command, 1792-1794. We must hope that somebody has the wits, guts, and stubbornness, to convince a responsible official to do what that official had been most stubbornly determined not to do. The success of such an effort can not be assured, unless a sufficient portion of our citizenry rallies to the fight now, rather than waiting until anyone could see that victory is assured. In this case, I am the most notable international public figure among those who are, or might prove qualified, on the record, to define the measures needed for ensuring a successful approach to the economic issues of the present crisis. In this matter, I have my unique capabilities and matching moral responsibilities,

just as President Clinton has his unique duties, authorities, and responsibilities as head of state.

That is what Presidents are for. Not to be manipulated by the cheap gossip of crooked pollsters, or by the Jacobin mobsters of today’s compulsively calumniating, usually lying, dirty mass media. Rather, as civil-rights leaders from the 1960s recall, Presidents and their key officials, like members of Congress, must be constantly pressured, as the elected officials of true republics should be, not by public-opinion fluff and media-hype, but by the force of reasoning embodied in statements of fact and concern for principle presented by individual citizens.

In this combination of circumstances, either I do the pushing on the needed economic strategy, with a lot of backing from concerned, responsible citizens, or both our incumbent President, his Vice-President, and this nation, are not going to continue to exist in a recognizable political form much longer. Either the President reverses course on this matter very soon, including his rejecting openly the philosophy expressed by his foolish mistake in choosing to support the 1996 “welfare reform;” or, if he lacks the wisdom to do so, the U.S. economy is going to take a deep, long dive, from which it might never recover, and this administration with it.

Hey, buddy, I am not up here just yapping for your entertainment; I am addressing you personally, as a fellow who ought to be acting as a citizen of this republic. You must act as a real U.S. citizen, not as if you were merely some dumb, useless spectator, like those poor British subjects, with no true citizenship, traditionally gathered by the Speakers’ Corner in London’s Hyde Park. You have an unshirkable, personal responsibility, as a citizen, to determine how this drama plays out; your life may depend upon it. You wish to be a spectator? Pick up that shovel!

Let each among our nation’s well-wishers beware, that they not become one of those cowardly, foolish kind of kibbitzers who limit their responsibilities to making some “positive” suggestions, and then stand back, hands behind their back, like unemployed sidewalk superintendents, waiting to see whether their nation survives, or not. Let them not be yet another of those “free-loaders,” who will not join the fight until the last opportunity to join the victory parade: “Believe me, if it works out, I will be the first to support it!” These, as Tom Paine said, “Are the times that try men’s souls.” For the United States, this is “Valley Forge” time once more; the fate of the republic is on the line. In such times, you are not permitted to be the kind of cheap kibbitzer, who has plenty of wisecracking complaints about the President’s performance in the present situation, but backs off from challenging President Clinton’s misguided opinions openly on important matters of policy, in which the President may be, temporarily, stubbornly wrong-headed.

We are not going to induce the President to do anything right about the present situation, unless you, for one, participate in an effort which succeeds in pointing out, precisely and

forcefully, where the President's current trends in economic policy-shaping are dead wrong. The President would be utterly incapable of understanding the kind of policy he should adopt on the Russia food crisis, unless he first understood where he is currently wrong in the choice of axiomatic presumptions which have prevented him from choosing a sane policy on Russia's economic disaster so far. Making little suggestions, without stating what must be corrected, is like the marriage counselor's suggesting the adoption of a mistress as a traditional solution for a marriage which has turned sour. At last, at least, the President must learn more than "diddly" about economics. You'd better succeed in helping to persuade him to choose that course, otherwise you will be too busy seeing your own miserable situation to notice the President's.

Let us now turn, next, to the nature of the cretinism shown by each and all of those governments which signed onto the recent G-7 bail-out package. After that, we shall turn to two other crucial, related topics: 1) The specifics of the pilot agreement, with Russia, emphasizing the needed, axiomatic features, required to launch the New Bretton Woods System; and 2) How a man as capable in his field as Treasury Secretary Bob Rubin, could have rationalized the recently proclaimed G-7 doctrine. The answer to the second question may surprise you, but it represents a lesson which you, as a citizen must have learned, by the next time you are due to cast a vote.

3. Costs versus overhead

Don't let such examples as Prince Philip and Tony Blair mislead you; there are actually some very intelligent, and even some sane people to be found among the other subjects of the United Kingdom, although there are no citizens permitted there. In a letter to the editor of London's notorious Hollinger Corporation rag, the *Daily Telegraph*, published on Oct. 27th, one of these more intelligent Britons, Professor Stephen Bush—apparently no kin to that bubbleheaded, former U.S. President George Bush, who was Prime Minister Margaret Thatcher's familiar in the follies of 1989-1992—made an elementary, and most relevant point, on the difference between costs of production and the expenditures, the latter necessary or not, for non-productive overhead. It is a point which President Clinton must heed, and learn, at long last.

Professor Bush was responding, with appropriate, well-informed indignation, to an hysterical rant which had been published in the *Telegraph's* Oct. 22nd "City Comment" feature. Bush replied, "'City Comment' was wrong to suggest that 'the four million people making things' contribute about the same to the 'national economic cake' as a quarter million people in the City [of London financial center]. . . . It is an accounting fiction that the City 'produces' 20 percent of our national output. Much of its so-called 'output' consists of elaborate financial manipulation directed at attracting a disproportionate share of real output to itself. . . . Financial ser-

vices and much of the City do not represent output—but are overhead costs on the output of the real economy. The fact that we have a higher proportion of our labour force engaged in services than any other economy is a weakness, not a strength. Viewing Britain as an economic enterprise, we should be doing our utmost to reduce, not expand this overhead."

That was nice. Professor Bush's reference to the distinction between productive cost and overhead expense, is an appeal to nothing other than that good sense generally practiced by successful production managements and their qualified cost accountants, up to approximately the mid-1960s. Unfortunately, since the travesty known as the first Harold Wilson government, the glory has departed the body economic in many nations, not only in the British Isles. Today's typical monetarist, or his dupe, in the British Isles, on Alan Greenspan's Wall Street, or elsewhere, does not know—probably does not care—"diddly" about the difference between production costs and overhead expenses.

According to his public utterances on the economy, neither, so far, does President Bill Clinton. In the Lotus Land of "post-industrial" utopia, otherwise known as "information society," the overhead is increased, while, in the unacknowledged, but real world, such policies result in the savaging of productive costs, while the banks, sooner, rather than later, go bankrupt as a result.

By increasing the proportional allotment to eminently dispensable, grossly redundant, or outrightly parasitical services categories, such as financial services, the overhead of the national enterprise is skyrocketed, while the investment in increase of the per-capita physical-productive powers of labor, and related production costs, is relatively collapsed. In former times, such a policy was called folly, management incompetence, and usually ended in bankruptcy proceedings. Today, it is called, perversely, "growth" in employment and of financial turnover; but, as the case of LTCM should remind us, it still leads to the same old result as before: bankruptcy.

Therefore, Professor Bush's criticism of the *Daily Telegraph*, could be summed up in a few simpler words. The *Old Testament* called it "onanism;" today's monetarists, and other illiterates misname it "economics." Recognize that the hallmark of poor Margaret Thatcher's screeching-nanny style in dottiness, was the fact that her education as Prime Minister had never reached the stage at which she was able to distinguish the difference, between manipulating mere symbols ("onanism"), and acting on the real-life objects to which the symbols were attached as mere names. In other words, economics mass-pornographer Thatcher was never observed to have recognized the difference between the mere symbols deployed to produce an all too cleverly crafted financial statement, and the physical reality which that statement misrepresented to the dupes.

On this account, Tony Blair has distinguished himself as having succeeded in his attempt to carry the political handbag

of such a symbol-minded, and dangerous fool as Thatcher. Blair's pathetic sophistry, which commonly distinguishes that pitiable pair, is a form of, quite literally, schizophrenic word-play,¹ which is called, variously, "The Third Way," "The Third Wave," "The Middle," or, more appropriately named, "Middle Earth." They are, as Professor Bush, most circumspectly, implies the writer of the relevant *Daily Telegraph* piece to be, "batty," "addle-pated," "loony," "a quack," simply "freakish," or, like the insufferable Thatcher, simply "nuts."

In the case of Mad Nanny Thatcher, her political style was to attach ill-placed moral importance, in her awfully loud and most painfully unmusical, ranting way, to her reading of financial symbols, and to attribute turpitude to anyone so rude as to focus attention on the effects her policies had on real-life people in real-life economy. Her Britain was a monetarist's version of Lewis Carroll, in which "The Red Queen" reigned, whose Parliament is an eternal tea-party, in which Thatcher played the "Mad Hatter," in which her successors, John Major and Tony Blair, have taken their turns at the part of the "Dormouse." Whether Brutish is translated either into a Hobbit's Danish, or the currently popular American Slanguage, such is the "Middle Earth" fantasy in which the part of the fictional Golem is played by the "Third Way's" Dick Morris.²

So much for the nuts; what about sane economists? What, at a minimum, must President Clinton learn about the practical, real-life definitions of economics terms such as "productive costs" and "overhead expense"? Professor Bush's retort to the *Daily Telegraph* provides a useful point of departure, for clearing up the more elementary among the points to be made here.

"Productive costs" signify the price put upon physical products which are needed to sustain the average physical-productive powers of the national labor-force as a whole, at its present, or improved operating level. This includes the costs of everything which must be provided to meet that productivity requirement, including maintenance and improvement of basic economic infrastructure. It includes the costs of materials, semi-finished products, capital goods, and so forth, for agriculture, industry, and the physical distribution of goods. It includes those costs of engineering and related technical services to production and product design. It in-

cludes the costs of services directly to physical production and physical distribution of product. It includes all of those costs of household consumption, which are required to reproduce an educated labor-force at a level of technological aptitude higher than the present level of operations.

"Expenses" signifies everything else, including the worst forms of sheer wastefulness.

With a qualification to be added here, the general definition of "productive costs," is everything bearing directly upon the entire society's physical relationship, through physical production, to nature, to the universe at large. The distinctions between kinds of productive costs, and among varieties of overhead and other expenses, are located within the area of distinction between maintaining a society's levels of both technology and productivity, at no worse than present levels, and, in the alternative, effecting coordinate advances in both technology and the physical productivity of the society's labor-force considered as a unified whole.

In competent economics, as in the scientific method of Plato and his Academy, and in all notions of culture, the concept of *change*, especially genuinely revolutionary qualities of scientific, technological, and political change, is always everything of primary importance. By "revolutionary," we should understand new discoveries of principle which have been supplied a crucial form of validation, as principles, either by rigorous methods of experimental physics, or by equivalent forms of rigor in the domains of Classical art-forms and statecraft.

In modern economy, and implicitly in inferior economic cultures, too, the emphasis is upon the increase of the per-capita physical productivity of the society's labor-force considered as an indivisible whole. Thus, on this account, we must minimize expenses; yet, there are certain kinds and rations of social expense, without which the per-capita physical productivity of the labor-force as a whole would decline, or could not be significantly improved. Thus, all applicable forms of economic science are focussed upon the functional nature of the kind of "optimization" problem thus implied.

Similarly, to maintain the potential per-capita productivity of the labor force as a whole, it is necessary to increase the real content of wages and other direct and indirect costs of production, even simply to maintain sufficient rates of increase of productivity to offset attrition. To improve productivity more significantly, the real content of per-capita wages and other per-capita direct and indirect costs, must be increased at significant rates. In such matters, if the society is well-managed, the gains in physical output per capita will increase more rapidly than the growth of the direct and indirect costs required to effect this gain in both gross and net physical output per capita. This optimization problem is multiply interconnected, functionally, to the general optimization problem identified in the preceding paragraph.

That is the core of the challenge represented by the work of applied economic science.

1. As such nominalism was described by "information theory" modeller Kenneth Colby.

2. To fill out the relevant roster of geek acts featured in the same carnival of depravities, that Morris is, notably, the cousin of the late and notorious Roy M. Cohn, and was raised in Cohn's household. Cohn was the former, Lucianne Goldberg-linked "mouthpiece" for the families of some of President Clinton's nastiest well-connected, extreme right-wing Zionist, and other Starr-crossed adversaries from today's and yesterday's New York. The same Morris is a common link of "Third Way" types among Germany, the U.S.A., and Israel. Morris's attempt to set up the President in the matter of the grand jury testimony demanded by Starr, punctuates the connections with provocative question-marks; there are too many connections to be overlooked.

In its long sweep, the history of civilization, and the pre-history of cultures, too, is defined, for introductory and general classroom purposes, by a two-by-two matrix. The first column might be titled “principles.” This would be composed of two qualities of crucial principles: physical principles, and principles of social relations governing the organization of the society’s physical relationship to the universe. The second column, would be headed “realization,” signifying the relative development of the application of the crucial principles known to that society.

The applicable, working definition of such qualities of principles is elementary. Here, we encounter the essential interrelationship between physical economy and general education within the society. In a competent educational program (admittedly of the quality which the U.S. no longer has today), the primary task of education is to guide the pupils through reliving original discoveries of principle, most emphatically physical principles and principles of composition integral to Classical art-forms. Take the simpler challenge first, that of physical principles.

It is that quality of education, from the elementary level, to the level often ironically identified as preparation for the professional mind’s “terminal degree,” which enables the pupil to identify principles not with contents of textbooks and similar sources, but, rather with the student’s own re-enactment, within the sovereign precincts of his, or her own mind, of the most generally relevant and other validated original discoveries of principle. By reliving the act of validated original discovery, contributed by — often — a named original discoverer from even centuries or more earlier, the student has relived the high points of the intellectual life of mankind to date.

At any point in human scientific progress, all of the known, and rigorously implied discoveries of physical principle available, as knowledge, to a specific society, form a knowable but unknown total number of physical-space-time “dimensions,” which can be designated by the symbolic number “n.” Unlike a crude, aprioristic form of Euclidean, or Cartesian geometry, each and all of these principles combine as interactive, as elements of a multiply-connected, or hypergeometric manifold, as Kepler first defined the Solar system, and Leibniz, Gauss, and Riemann after him. We mention this seemingly sophisticated point here, because it has a most direct, most specific, and indispensable practical bearing on the design of the needed “Food for Peace” package.

The point is, that, contrary to quacks such as the late John von Neumann, or the recently notorious case of Merton and Scholes, there is no purely mathematical, e.g., aprioristic form of physical science, or physical economy in particular. All “dimensions” in physical science are principles of an expandable, n-fold multiply-connected manifold. This works to such effects as the fact that there is a characteristic relationship, which defines the significance of any one measurable princi-

ple of action, in light of the experimentally measurable interaction of that principle with the other principles. This multiply-connected interaction defines all physical science, as intrinsically non-linear, which is to say, never linear in the infinitesimally smallest interval of action. This principle of non-linearity, so defined, is the most essential principle of all modern science, and is absolutely crucial for all understanding of how economic processes either actually work, or fail to perform adequately.

4. The unavoidable issue of method

We come now to the most crucial, and the most sophisticated point at issue. Without addressing this issue, no competent appreciation of the subject of economy in general, or of the problems posed by the current crisis, were possible. Thus, it would be damnably immoral recklessness, of any relevant professional, or official of government, to evade the subject to which we now turn, merely on the pretext of “I prefer not to go there.” The point at issue is: what principle determines whether a modern economy works, or, like the present world economy, does not? The issue is, “Doctor-economist, and you, too, Mr. President of this economy: what failure in your practice, is responsible for the fact, that all the patients in your establishment are dying?”

The issues so situated are key to the competent design of any escape from the doom implicit in the presently ongoing, downward spiral of systemic, global financial collapse. The design of a competent general form of a Food for Peace program, depends upon these same considerations. A certain amount of challenge to the reader’s mental powers, is required to understand these connections, but, more to the point, such acquired comprehension is indispensable for competent policy-shaping, under the conditions of the presently spiralling succession of functional phase-shifts in the global economy as a whole. We now proceed accordingly.

That question just posed, is one which belongs chiefly to a specific area of economic practice, the domain of long-range economic forecasting, the specialty in which I enjoy virtually unmatched success. In contrast to my successes, the general source for the crucially demonstrated, common incompetence of virtually all leading contemporary economists in the area of medium- to long-range economic forecasting, is the same axiomatic blunder of method common to the intrinsic incompetence of the work of François Quesnay, Adam Smith, David Ricardo, J.M. Keynes, Karl Marx, and John von Neumann’s ultra-simplistic notion of the application of formal solutions of sets of simultaneous linear inequalities.

The latter case, von Neumann’s, is the key to locating the source of the intrinsic incompetence of the thinking behind the catastrophic blunder of Merton and Scholes, and of nearly every leading banker, and central banker, of the world today, Alan Greenspan most notably included. The same incompetence shown by von Neumann’s entire work in economics, is the axiomatic fraud of von Neumann’s fellow radical positiv-



The President's economic advisers are apparently unable to distinguish between an economy conducted by human beings, and one by monkeys. Shown here, an engraving by Peter Breugel the Elder, "The Peddler Pillaged by Apes."

ist, Norbert Wiener, in concocting the negentropy hoax central to his information theory.

This general class of indicated blunders of most of the most popular names in today's academic economics curriculum, is key to the floundering incompetence characteristic of all but a few among those contemporary economists addressing the problem posed by the present crisis. To sum it all up, it is fairly said, that these economists have been unable to distinguish between an economy conducted by human beings, and one by monkeys. Among these are the economists who, in effect, have been attempting to make a monkey out of President Clinton, at least so in matters bearing upon the present financial crisis and the economic situation generally.

It is the cornerstone of the entirety of my relatively unique success in economic forecasting, that no species of higher apes—nor Adam Smith, Ricardo, Marx, or von Neumann—is capable of simulating, conceptually, the most characteristic trait of a successful phase of an economy's existence. My own pedagogical focus upon the most characteristic feature of Marx's incompetence, on this point, is applicable to all other cases relevant to the problems implicitly posed by President Clinton's recent, potentially catastrophic policy-blunder on the subject of the present global financial crisis.

Karl Marx's four-volume *Capital* does claim the existence of a principle of successful, anti-entropic growth in modern economy. He locates this matter under the topic of "extended reproduction." The supposed elaboration of his exposition to that effect, occupies the closing portions of his

Volume II and the opening portions of Volume III. However, Marx buries the issue of the origins of this anti-entropic performance, under a floundering heap of crude, epiphenomenological mystifications on the subject of labor, thus mimicking Smith's Invisible Hand. On this same point, all other economists rooted in the Eighteenth and Nineteenth Centuries' British East India Company's Haileybury School, are worse bunglers than Marx on this specific point. The crudest and worst of the currently influential schools of epiphenomenological mumbo-jumbo, on this account, are the dogmas of "free trade" put forward by the Mont Pelerin Society, and such appendages and fellow-travellers of that Society as the Heritage Foundation, American Enterprise Institute, and House resident economics quack-doctor Newt Gingrich.

In Marx's *Capital*, the root of the failure of his so-called "materialist method," is expressed by his pervasive evasion of the issues of "the technological composition of capitals." The same pervasive fallacy of Marx's method, is carried to extremes by the relatively cruder misconception of the specific difference between the nature of the human species and the higher apes, as offered by the perverse Friedrich Engels. Essentially, the more generally relevant issue of fact posed by Marx's exemplary blunder, is this. Under the range of ecological conditions which have existed on this planet during approximately two millions years to date, the highest potential population-density for all possible species of higher apes, combined, would not exceed several millions individuals. In short, there is no possibility, that the human species is func-

tionally definable, in terms of animal ecology, as a species of higher ape. Mankind is the only known species which has been capable of willfully increasing the potential relative population-density of its own species as a whole.

Elementary physical-economy studies show that the willful increases of our species' potential relative population-density, occur only in a characteristically anti-entropic mode. The most obvious correlative of such anti-entropic phase-shifts in characteristics of human behavior, is the effect of scientific and technological progress. Thus, the beginning of the elaboration of a science of physical economy, is the examination of the functional relationship between the human mind and nature, in these specific terms of reference.

With a friendly nod to England's Professor Bush, we can say, as a matter of first approximation, that we can measure such anti-entropic features of successful phases of economic processes, in terms of the correlation between an increase of the rate of profit of such economies as a whole, and a necessary increase of the total per-capita costs of the production which generates such a growth in net physical-economic output.

Furthermore, study of modern technology shows the direct connection between validated discoveries of physical principles, and the increase of the net productive powers of the whole labor-force, through the application of technologies derived from those physical principles. This connection is in no sense the "hand-waving" or other sort of mystical, statistical inference supplied by such as Bernard Mandeville, Adam Smith, Marx, et al. The functional connection is fully transparent, each step of the way, from the paradox which leads to an hypothetical discovery of physical principle, through the crucial-experimental validation of that physical principle, and the ensuing derivation of families of machine-tool-design principles from study of the perfected crucial, proof-of-principle experiment, including its instrumentation. It is the introduction of products and improved productive processes, each derived directly from application of families of these new machine-tool and cognate designs, which is the relevant action generating an anti-entropic form of increase of the physical-economic net increase of the per-capita productive powers of labor. So far, all transparent.

So far, so good; but, this step is only a preliminary one. What this preliminary success leaves unresolved, is two things. First: The agency of validatable individual discoveries of physical principle, and the willful development of that agency, remains to be adequately defined here. Second: The qualitative changes in the social organization of the physical-economic process, the qualitative change in such organization indispensable for the generation and implementation of discoveries of new physical principles, must also be defined. These additional challenges bring us from the domain of physical principles as such, to the expression of that same quality of individual creativity seen in the discovery of new physical principles, as principles located in the clearest form within the domain of Classical art-forms, such as Classical forms of

poetry, drama, music, and plastic arts. It is only when we recognize the two leading expressions of individual human creativity: validated discovery of new physical principles, and validated discoveries of new principles in Classical art-forms, that we have located the driving force behind the human species' unique capability for willful, anti-entropic increase of its potential relative population-density.

This, in turn, requires a demystification of the fact that the principles of creativity associated with Classical art-forms, are efficient agencies affecting the domain of physical principles. The fact, that man's per-capita power in the universe requires not only validatable new physical principles, but also validatable principles expressed by Classical art-forms, obliges us to locate the essential feature of economic processes in those qualities of the individual mind which are expressed equally by validatable discoveries of both physical and artistic principles.

Examining the common connection between these two areas of creativity, as the common expression of a single quality specific to the matured mind of an individual member of the human species, will lead us, in turn, back to that most fundamental principle of physical economy upon which competent long-range forecasting depends. That same principle is key for specifying the requirements of a general economic-recovery program and policy, under the present extraordinary global condition.

The best example of the way in which Classical-artistic principles efficiently interact with physical principles, is the case of the emergence of well-tempered Classical motivic thorough-composition (as of Mozart, Haydn, Beethoven, Brahms, et al.), rooted in the preceding discoveries of J.S. Bach, from proximate beginnings in Leonardo da Vinci's systematization of certain essential principles of Florentine *bel canto* modes of voice-training and polyphonic singing. The most essential features of that connection are summarized, as briefly as possible here, to show the relevant aspects of the interconnection between physical and other species of cultural principles, within the successful practice of modern economy.

The earliest knowledge we have of attempts to approximate what we term today a well-tempered scale, dates from the references to Pythagoras' role in connection with the notion of the "comma," and discussions of such a tempered scale from the time of Plato and his Academy. The earliest well-defined knowledge of the roots of a natural (i.e., well-tempered) scale, pertains to the principles of vocalization of Vedic-Sanskrit poetry, a subject which must be correlated with Leonardo da Vinci's treatment of this subject in respect to the Florentine Italian of Dante Alighieri, Petrarch, et al.³

3. "Natural scale," means the scale as determined by the natural characteristics of both the human singing voice and, also, the characteristics of musical hearing. The scales which might be attributed to inorganic objects, as the hoaxsters Helmholtz and Ellis did, such as metal pipes, whistles, and what not, pertain not to music, but to clatter. As demonstrated by this reporter's associates, the natural, well-tempered scale of J.S. Bach, is readily and con-

Through the development of polyphonic composition, leading from Leonardo et al., into the work of J.S. Bach, the six-voice natural division of the chest of *bel canto* singing voices, became the physical foundation upon which Bach developed a cross-voice polyphony based on a principle of multiply-connected inversions, leading into such exemplary works as his *A Musical Offering* and *The Art of the Fugue*. It was the intensive study of the implication of Bach's *A Musical Offering*, by W.A. Mozart, a discovery probably prompted by an earlier development by Joseph Haydn,⁴ which launched that revolution in musical composition known as Classical motivic thorough-composition, as typified by the revolutionary Fourth Symphony of Johannes Brahms.

Thus, while the development of Classical polyphony, is specifically a matter of experimentally demonstrated principles of composition and performance within the domain of Classical art, its characteristics are rooted in, multiply-connected with, the naturally, biologically determined physiology of both the human singing-speaking voice, and with the auditory and cognitive mental processes of hearing. Thus, while we are obliged, for obvious practical reasons, to distinguish between physical and artistic/cultural principles, we can not overlook the highly efficient way in which both domains are interconnected, including crucial economic interconnections.

Two additional points must be noted here, respecting cultural principles. First, as the case of Classical motivic thorough-composition illustrates the case, the principles of such musical composition are principles in the same sense, and with the same precision, that we use the same term for crucial-experimentally validated physical principles.⁵ Thus, the inter-

clusively reconstructed, as a well-tempered scale at C=256, by studying Bach's choral polyphony, with an eye to the range of typical well-trained chorus voices, and with regard to the function of the register-shifts within the compositional process represented. Ellis's contrary conclusions, like the counterfeit doctrine of Claudius Ptolemy earlier, are demonstrated by such physical evidence, to have been a plain, willful fraud, concocted with malicious intent.

4. Former Amadeus Quartet Primarius Norbert Brainin has identified the notion of *Motivführung* with the new method of composing a movement of a string quartet, as seen in Haydn's Opus 33 ("Russian") string quartets. Mozart references Haydn's precedence on this account in his own "Haydn quartets," but also introduces a new principle of motivic thorough-composition, derived from the studies of, most notably, Bach's *A Musical Offering*. When the latter Bach work is reexamined in the light of Bach's *The Art of the Fugue*, the genius leading from Bach and Mozart, into Beethoven's late string quartets, the method of Bachian motivic thorough-composition, becomes more transparent. The direct connection between Beethoven's revolutionary Seventh Symphony, and Brahms' further development of the new principle in Beethoven's Seventh, in Brahms' own Fourth Symphony, then becomes the most exciting, and powerful idea known in music to date. On this account, the recorded direction of Schubert's Ninth Symphony and Brahms' Fourth, by Wilhelm Furtwängler, are among the greatest legacies in known performance-history available today. See "The Case of Classical Motivic Thorough-Composition," *Executive Intelligence Review*, Sept. 4, 1998.

5. See Lyndon H. LaRouche, Jr., "The Substance of Morality," *Executive Intelligence Review*, June 28, 1998. See also, LaRouche et al., "The Case of

connected combination of "n" physical principles and "m" cultural principles, defines a multiply-connected manifold "n+m."⁶ Second, what is indicated as an "n+m" manifold, is associated with a characteristic, infinitesimal rate of "non-constant curvature," which defines the trajectory of the social process (i.e., economy) as a whole.

This latter feature of the economic process, is the most crucial determinant of that economy's relative performance. It is, correspondingly, changes in that characteristic, which define the changes in the relative performance of the economy as a whole.

Although our knowledge of this sort of "n+m" manifold is not sufficiently developed in detail to permit certain kinds of estimates to be made, the impact of changes in discovered physical principle, and of related derivations of new technologies, is rather well known. On the latter account, our knowledge is sufficient to guide us in respect to estimating the relative benefit of certain types of proposed changes in the manifold, and also in respect to the implications of the application of those changes.

We must never overlook the fact, that the realization of potential advantages to be obtained from validated discoveries of physical principle, depends upon the impact of application, or lack of application of cultural principles. Use a commonplace problem in musical performance, to illustrate the connection.

At a certain level, some musical performers become accomplished in performing notes, but the combined effect of their performing all of the notes of a particular composition, leaves enormous room for improvement, before we could even consider blaming the composer for the effect of that performance. Exemplary are personally "stylized," Romantic and other misinterpretations of Classical compositions, such as a Beethoven work in which the performer demonstrates nothing so perfectly as his lack of knowledge of the conception underlying the composer's intended unity of effect.⁷

Classical Motivic Thorough-Composition," op. cit. See also, *A Manual on the Rudiments of Tuning and Registration*, Book I, John Sigerson and Kathy Wolfe, eds. (Washington, D.C.: Schiller Institute, 1992).

6. Lyndon H. LaRouche, Jr., "Russia Is Eurasia's Keystone Economy," *Executive Intelligence Review*, March 27, 1998; pp. 47-51.

7. We are taking a short-cut here, merely to identify, as briefly as possible, a point of crucial relevance to the subject of the implications of the developed human individual's cognitive action in determining the physical characteristics of economic processes. In the development of those conceptions upon which modern European civilization's revolution in economy depended, we are touching upon a notion of harmonic coherence, as it occurs in musical composition, in relation to the notion of harmony which is central to notions of trajectories of development of physical processes in general. The outstanding points of reference are the treatment of this by Plato, Kepler, Leibniz, and Gauss. In respect to motivic thorough-composition, this notion of harmonic coherence not only occurs in musical composition; this notion of Classical principles, as derived from the adducible characteristics of Classical Greek, is the "Classical idea," which shaped the use of Classical Greek models, from St. Augustine on, especially from Dante Alighieri and Petrarch on, in defining the principles of modern Classical artistic composition. The notion that any

The primary sources show, in numerous cases, that a composer such as Wolfgang Mozart or Beethoven, began a composition with a momentary flash of insight, which was subsequently elaborated as a fully developed composition. This evidence is consistent with the internal characteristic which unifies a richly elaborated work as representing a single, underlying musical conception. In motivic thorough-composition, most emphatically, the meaning of the composition is lodged within a sequence of contrapuntally ordered changes in state, each state effected in the quality of an original discovery.

The purblind, but technically proficient performer, emphasizes the interpretation of each sensuous element in a succession of states, rather than focussing the performance, as, for example, Wilhelm Furtwängler did, on the process of transition, placing the composition, in effect, as existing “between the notes.” Attack, coloration, slight rubato, and so on, bring Schubert’s Ninth Symphony to life, a seamless, constantly pulsating developmental process, from beginning to close, whereas a skilled, but less insightful conductor, brings a mere monotony to the passages where relentless tension of ongoing development surges in the composer’s and the greatest conductor’s direction. It is in that aspect of the great Classical composition, that the principle expressed as the idea of the composition lies.⁸

Classical composition, whether in music, poetry, drama, or plastic art-forms, must be purified to such a degree that any entire composition represents but one permeating idea of development throughout, is the conscience of all successful modern Classical artists. In known history, this conception was first elaborated by Plato, and is the explicitly Platonic conception underlying the entirety of the mathematical physics developed by Kepler, through his *The New Astronomy*. In physics, it is the notion of the non-linear characteristic of orbital systems central to the work of Kepler and of Gauss’s and Riemann’s entire development of his notion of multiply-connected manifolds. On Gauss’s method, see Jonathan Tennenbaum and Bruce Director, “How Gauss Determined the Orbit of Ceres,” *Fidelio*, Summer 1998. This notion of motivic thorough-composition expresses, in musical form, the principle of action characteristic of the notion of a simultaneity of eternity: in each moment of such a composition, the past and future are efficiently coexistent. Herein lies, precisely, the moral, and scientific contribution of Classical motivic thorough-composition, the secret of the unexcelled importance of this development out of the germ provided by J.S. Bach. This is truly religious music, as nothing can compete with it on this account.

8. Among the best pedagogical examples of this problem in performance, is the challenge of conducting the second movement of Franz Schubert’s Ninth Symphony. One must grasp the principle emphasized by Pablo Casals, that there is no simple strophic repetition in the performance of a great composer’s composition, but, in Casals’ words, “always variation.” An excellent example of this principle, comparable to the Schubert movement referenced, is Friedrich Schiller’s poem *Die Glocke*. Compare the sometimes brilliant musical apprehension of this Schiller poem by Romberg. View this connection in light of Schubert’s explicit adoption of Schiller’s argument, against Goethe and Reichardt, on the musical perfection of a Classical poem. See also Jenner on Brahms’ instruction on musical perfection of poetry, as cited in *A Manual on the Rudiments of Tuning and Registration*, op. cit. Excellent examples of the role of brief intervals within a composition, in defining the characteristic of the composition as a whole, include the challenge of shaping the opening interval of Beethoven’s *Eroica* with the proper differentiation of the conduc-

tor’s choice of attack, and similar problems of conducting posed by the opening attack required by the Scherzo and Finale of Schubert’s Ninth. Furtwängler’s approach to these challenges of the *Eroica* and Schubert’s Ninth, is of exemplary excellence on this point. If, in such instances, the approach chosen for the attack, fails to shape the opening interval appropriately, the entirety of the subsequent performance of that movement will not achieve the coherence intended by the composer.

9. We shall examine, in my closing rebuttal of Secretary Bob Rubin’s blunder of assumption, in defending the G-7 package, how precisely such problems of failing to correlate technical details with the relevant cultural principle, can have devastating results.

10. Contrary to the purely mythical pretense, concocted by Venice’s Paris-based Abbot Antonio Conti, the leading Leibniz-hater of the late Seventeenth and Eighteenth Centuries, Isaac Newton never developed a calculus, before, simultaneously with, or after Leibniz had issued his report of the discovery, in Paris, in 1676. Simply, Newton’s work never contained an actual calculus. The modern form of the so-called “Leibniz-Newton” controversy, is the result of Augustin Cauchy’s “limit theorem” hoax, in which Cauchy purported to show that a bowdlerized version of Leibniz’s calculus would work very well, by eliminating the most crucial, Keplerian feature of Leibniz’s calculus, that the derivative corresponds to a non-constant (non-linear) curvature in the infinitesimally small. Leibniz’s principle, is the cornerstone of the development of the principles of hypergeometry (multiply-connected manifolds) by Gauss and Riemann.

This same principle of hypergeometry, as further developed by Riemann, after Gauss, is crucial for an applied sci-

ence of physical economy. After we have taken into account all the nice considerations implicitly referenced by Professor Bush's letter, there remains one fundamental question of science, without which economics is unable to develop the kinds of predictive capabilities needed for long-range forecasting, or for methods of long-range policy-planning on which projects such as a ten-year span of revolving credit must be based, which must be employed to meet the challenges associated with the presently urgently needed Food for Peace program. Without addressing that fundamental question of science, attempted forecasting remains, as Mrs. Joan Robinson justly ridiculed the squirrely Professor Milton Friedman, an ordinary accountant's typical projections: essentially mere *post hoc ergo propter hoc* projections of no intrinsic scientific, or even elementary school quality of rational merit.¹¹ The essential issue here, is the required, accelerating rate of anti-entropic growth in scale and per-capita rates of growth of the productive powers of labor, which must be secured, to ensure the future ability to pay, upon which the needed form and scale of a system of credit depends.

On this account, the infinitesimal interval of non-linear action upon which the trajectory of the entire economic process depends, is the generation, or replication of valid physical and artistic principles, which occurs only within the sovereign confines of the cognitive (creative) processes of the individual mind. Such knowledge, by its nature, can not be transmitted as mere "information;" only scientific and economic illiterates, or quacks, could suggest that this is merely a matter of transmitting "information." Every qualified school teacher knows better than to imagine that the issue is "information."

Hence, the crucial importance of eradicating recently popularized educational policy, and replacing those mind-deadening practices, with a return to, and enhancement of the principles of Classical humanist education associated with the pre-1684 Massachusetts Bay Colony,¹² and the Humboldt-influenced reforms of U.S. secondary education by Alexander Dallas Bache.¹³ Furthermore, the entire economic policy of the U.S. in particular, must be premised on precisely such use of the methods of Classical humanist education (as distinct from the morally debased "secular humanist" policies).

In Classical humanist education, the primary and secondary pupil, and university student, learns nothing except by re-enacting, in as historically exact a replication as possible, the experience of the exact paradox, which led a discoverer of the past to generate what he established, by crucial-experimental methods, as a valid physical principle, or principle of composition of Classical art-forms.

In former times, European Classical humanist education,

11. Joan Robinson, *Economic Heresies: Some Old-Fashioned Questions in Economic Theory* (New York: Basic Books, 1971).

12. H. Graham Lowry, *How The Nation Was Won: America's Untold Story* (Washington, D.C.: Executive Intelligence Review, 1988).

13. Anton Chaitkin, "Humboldt in America," *EIR*, June 26, 1998, p. 25.

was defined by an emphasis upon both Classical Greece, strictly defined, but including the continuation of the influence of Plato's Academy up to approximately the time of Eratosthenes and Archimedes. The Homeric epics, the poem of Solon of Athens, the tragedies of Aeschylus and Sophocles, and the work of Socrates, Plato, and their collaborators, were presented to the pupils as the origins of European civilization, emerging out of roots in chiefly Greek culture's debt to Egypt and Egypt-associated Cyrenaica. For the pupil so educated, the history of ideas, especially ideas of physical and Classical-artistic principles, and related ideas and topics of statecraft, was treated as a continuation of what began in the emergence of Classical Greece. That was the functional meaning of "Classical" in education and in art, until the vulgarization of the term, by illiterates, during recent times.

The literate classroom did not teach "information." Mere "information" was for the so-called "blab schools," of such places of residence of strictly marginal labor-force, as among impoverished, downtrodden, rural Appalachian regions, whose victims were kept down, barely above the dirt-floor level of chattel slavery. The literate classroom taught ideas, in programs which emphasized the student's re-enactment, as faithfully as possible, of the original, valid discovery of physical principles and comparable principles of composition of Classical art-forms. Classical drama, Classical poetry, Classical music and voice-training, and history taught from the standpoint of re-enactment of discoveries of both physical principles and principles of Classical composition, were the content of a serious education of a person qualified to function as a citizen of a republic. Education shaped to the envisaged future employment of the student, belongs where the livestock are kept, not in the places where actual human beings are developed in their individual cognitive powers.

A literate student, does not communicate "information;" "information" is pseudo-education supplied to those strata "tracked" to become the mass of marginalized Yahoos. "Information," like today's popular mass entertainment, has been deployed as the modern successor to those "bread and circuses" policies of ancient imperial Rome, by means of which the brutalized proletarians of Rome and, later, Byzantium, were managed, and also culled.

The literate student induces another to re-enact the experience of generating the discovery of a valid principle. Such principles can not be known through the mere transmission of "information;" knowledge is limited to one's first-hand experience in generating discoveries, or rediscoveries of valid principles. A person educated to "process information received," is, by definition, cheap labor, qualified to little better than slave labor, not a qualified, productive member of a modern labor-force.

Thus, a successful economy, is one organized around education and fundamental scientific research, as these are defined by the Classical humanist modes of education we have just outlined here. In science and technology, the pivotal fea-

tures of the secondary and university curriculum, are the respective pedagogical and research laboratories, where past discoveries are re-enacted, or original new discoveries are in progress. This educational activity of the population as a whole, is integrated with the economy as a whole, through science-driver programs whose impetus is supplied by government, as the successful Kennedy space-program illustrates the case. Only such an education-centered economic policy, can generate the rates of increase of the productive powers of labor, needed to meet the challenge presented by the cumulative decay and other devastation caused by approximately thirty years of willful, moral and economic degeneration of our institutions, our enterprises, and most of our population. Only on this basis, can we, in the relatively more developed areas of the world, supply the technological and related impetus required, to meet the challenge represented by the underdevelopment of Asia, and looting of Central and South America, and the genocide against Africa, which the tradition of the former colonial powers has bestowed upon the majority of humanity today.

5. A ten-year program of credit

All economic policy-shaping today, must begin with the recognition, that money, in the form it exists today, is becoming, rapidly, virtually worthless, especially the money on the books of the most powerful financial institutions of North America, Japan, and western Europe.

The total claims on the account of worthless paper, as typified by those gamblers' side-bets called "derivatives," is many times the combined nominal Gross Domestic Product of all nations of the world—perhaps as much as \$150 trillions or more. Buddy, that is a debt no one could bail out; it must be written off as paper with no legal standing. Let party and counter-party make what trade-offs of claims as they will, and let governments referee the resulting brawl; but, not a penny of taxpayers' assets, of any nation, should be poured down that rathole. It must be written off. Perhaps \$150 trillions of that trash should be written off, in "one swell foop."

The awful crunch, which almost no one wishes to believe will happen, is coming down soon, and fast. The shock, and resulting hysteria, of being confronted with the awful reality they had wishfully assured themselves would "never be allowed to occur," is the greatest likely internal and other source of threats to national security. On this account, as well as for moral reasons, the paramount, and first concern of our Federal government, in launching the needed rescue operation, shall be to protect the proverbial "little guy," and to maintain essential employers, including essential banks, in operation.

Freeze honorable debt which can not be paid now, for future resolution, and as part of the mechanism for recycling credit. Bail out the "little guy," to the extent that we maximize the relative number of our citizens who are able to stand on

their own feet in respect to the daily routine of their economic and financial affairs.

The thing most to be feared, is the kind of greed-driven, "every man for himself" anarchy, which can engender a Hobbesian sort of more or less homicidal chaos. The spirit of the "New Deal," reawakened from a long, nightmarish slumber, will promote that sense of general solidarity within the population, which is indispensable for rapid and successful economic reconstruction.

In that moment of crisis, you must say to your fellow-citizen: "You are not going to starve. You are not going to be thrown in the street. You are not going to lack necessary medical care, or any other necessary thing a decent life requires."

"Who says?" comes the reply.

"This is not a matter of simply me to you. We, your fellow-citizens, who own this government under the Preamble of our Federal Constitution, are not going to allow that to happen to you, and you must join us in assuring that it is not allowed to happen to anyone else.

"In the meantime, we have the ability to get back into the business of producing what our nation needs."

When the time comes, you must say that, and you must mean it. On that moral principle of solidarity, in such times of crisis, under our Constitution's Preamble, the security of this nation depends absolutely. We must resolve, not to place the country ever again in the hands of moral degenerates such as the Mont Pelerin Society, the Gingriches, or the other so-called "social Darwinists." Resolve that, and mean it, or risk Hell on Earth.

We apply the same principle of justice and solidarity toward other parts of the world. We gloat over no one's suffering, and turn our back on no part of suffering humanity. That is the principle, which, if observed, can keep this planet safe from what is otherwise inevitable during the short term immediately ahead. Without such principles of solidarity in action, this planet will virtually blow up very soon. That cautionary observation should be recognized as the premise of a program of "Food for Peace."

That said, should clear the air. Thence, to the matter of the principled considerations of a "Food for Peace" program.

Principle 1: On the condition that a "geometric" rate of growth of both per-capita physical-economic output, and at least a constant positive ratio of gross to net output, can be foreseen, masses of long-term credit of indefinitely large scale, can be confidently issued, at low discount rates, to that customer (e.g., nation). This will be successful, even under the conditions that the ratio of net output is negative at the outset.

In the case of Russia today, there are four leading factors which indicate confidence in the success of such cooperation, under the type of economic reconstruction projected by the Primakov government:

Natural Monopolies: The first of these is what Russia's official language identifies as "the natural monopolies," those associated with the processing of primary mineral resources and, also, large-scale infrastructure systems in mass transport, and in power generation and distribution.

Machine-Tool Capabilities: Russia's residual capabilities in the former Soviet military-scientific industrial complex, represent one of the planet's largest existing potentials for production of advanced machine-tool-design capabilities. Under conditions of present trends of developments in China, and other relevant actually, or potentially rapidly developing nations, a massive and growing market exists for such products, a market which the combined machine-tool capabilities of the U.S.A., western Europe, and Japan could not begin to satisfy. This sector of Russia's economy is the core of that economy's ability to generate high rates of internal growth of the productive powers of labor, at rates even way above that of the former Soviet Union.

Other Industrial Capabilities: Under protectionist measures of the type formerly traditional to the U.S.A., Russia's general industrial potential can be revived, expanded, and improved, in both quality of product and rates of productivity, to provide most of the net internal requirements of Russia's population, with aid of a revived military-scientific industrial complex, now functioning as a large and growing machine-tool-design sector. A protected industrial sector, represents a large market for the machine-tool and related export industries of the U.S.A., Germany, Japan, and other nations which have been traditional leaders in export of machine-tools and related engineering services.

Basic Economic Infrastructure: As was the case in all periods of successful economic growth of the U.S.A. and Germany, for example, large-scale state-protected and regulated investments in developing basic economic infrastructure, are an absolute precondition for sustained growth of the productive powers of labor, per capita, in the nation as a whole. As in agriculture, these investments resemble preparation of the land for production and marketing of crops. The obstacle to be overcome, is the fact, that the direct pay-back for such improvements is delayed during the medium-term and initial long-term period. Nonetheless, without such improvements, the agro-industrial sector will fail to develop adequately. Meanwhile, the mobilization of labor for such projects, and the infrastructure itself, are the most important stimulants for the expansion of the market for the manufacturing and other traditional sectors

of private ownership. On condition, that adequately long-term credit is supplied at sufficiently low rates, large-scale investments in development and maintenance of basic economic infrastructure have always proven themselves to be the largest factor in the successful expansion of the economy as a whole.

Agriculture: Noting the exceptional case of Japan, and of similarly situated nations with little economically usable land-area, domestic self-sufficiency in essential food supplies is an absolute prerequisite for economic and other national security. The failures of agriculture, on this account, proved to be the Achilles' heel of the former Soviet Union. Now, the ability of Russia to bring its needed food-supplies and their prices under stable internal-market conditions and adequate volume, is crucial for Russia's ability to work its way out of the wrecked economic condition imposed upon Russia's economy, entirely, as a result of the foreign-dictated, hare-brained "reform" process of the recent eight years.

A Revolutionary Added Option: What appears to be the least habitable, very large region of Russia's territory, the frozen north, is one of the most important markets in the world. With vast natural resources, which could not be tapped efficiently without systematic and extensive development, it represents the natural economic frontier of Russia's future, and, by its impact, one of the greatest boons to all of Asia. This area's development, together with the prospective future development of the Sahara, the Gobi Desert, and so on, must be conceived as the other side of the space-program. Like the space-program, the benefits of such an Arctic development effort, will contribute far more to the world's economies in the increase of the productive powers of labor through science and technology, than in the immediate effects of the development itself. This project, combined with the space-program, should be viewed as opening the windows to a revolutionary way of thinking, and acting, about the entirety of the Solar system in which we live.

Principle 2: The failure of Russia's economy has been entirely the net result of the so-called "liberal reform" policies introduced, by direction of the G-7 powers, during the recent, approximately nine, years. To implement those destructive measures, the agents of the G-7 powers have placed, and maintained in power, a coterie of youthful bunglers and intellectual incompetents, sometimes better described as "juvenile," or, even "infantile," who have acted, in numerous instances, as mere lackeys of the U.S.-based, Bush-linked, International Republican Institute (IRI). The lunatic misman-

agement of Russia's economy by such foreign-directed virtual "carpet-baggers," has been the most prominent political factor in shaping the disaster which has befallen Russia today.

In all of this pattern, what is most notable, is the fact that the ruin of Russia's economy—including the ruin of its ability to pay foreign debts, or wages of domestic labor-force members and pensioners, has been a consistent expression of the inevitable result of a policy of "free trade" and "globalization," the self-same policy which has created the present world financial crisis, and which is collapsing and destroying the economies of the U.S.A., western Europe, and elsewhere.

Russia has now made the first steps toward a major, long-needed correction in the relations of its own policy-making to the lunatic demands by the IMF and other agents of the G-7. The foreign resistance to Russia's recent actions, by these interests, is of two types.

More simply, the first class of objection expresses the current mass insanity, otherwise called, more precisely, mass hysteria, expressed by influential circles in the U.S.A. and elsewhere, which are so far emotionally incapable of accepting the conclusive evidence, that their current, ideology-driven policies of "free trade" and "globalization" have been a colossal failure, both for the U.S.A. and most of the world besides.

The second class of objection is typified by the depraved recent outburst of former U.S. Secretary of Defense (Sir) Caspar Weinberger, and others.¹⁴ Weinberger's outburst was not only the mark of a mean-spirited, brutish, and wholly immoral man; like many of Weinberger's former fellow associates of Vice-President and President George Bush, it expressed the dropping of the mask, the coming to the surface of a long-standing, Hitler-like passion of mass-murderous hatred, which is typical of the current deployments of Bush's circles around the world today. This enmity was already the premise for the agreements among Thatcher, Mitterrand, and Bush, during the 1989-1992 period of Bush's term as President. These shameless monsters will oppose fanatically, any Russian government whose policies might prevent what Weinberger et al. so passionately desire, the obliteration of Russia, and virtually Russia's people, too.

The consequence of a continued toleration of either of those two distinguishable kinds of lunatic reactions to Russia's change of policy-direction, would be to unleash a chain-reaction upon this planet, whose outcome must reduce the

14. At a seminar on Oct. 29, 1998 at the Heritage Foundation in Washington, D.C., titled "U.S. Policy Failure in Russia," Caspar Weinberger, former CIA director James Woolsey, and Heritage Foundation Russia "experts" Ariel Cohen and Kim Holmes, declared that Russia's current crisis is its own fault, and that the Clinton administration should give no support of any sort—including food aid—to the Primakov government. Weinberger's statements are in contrast with his writings in *Forbes* magazine shortly after he left the Reagan administration, when he had the perspective that Russia's infrastructure and industry should be developed.

entire planet to the early eruption of a "New Dark Age," an eruption of "The Four Horsemen of the Apocalypse," which would doom the entirety, or nearly the entirety, of this planet, most notably western Europe and the United States.

Principle 3: The United States, in a spirit of cooperation with China, Russia, and (hopefully) many other nations, including Japan and Germany, must establish a general program of cooperation for global development, a conception of the meaning of global development echoing the intention of U.S. President Franklin Roosevelt for the post-World War II world. The New Bretton Woods system whose emergence must accompany the implementation of such an emergency agreement on credit and trade, will emerge as a by-product of agreement to the intent of partnership based upon commitment to such emergency credit and trade agreements.

The kind of agreement to be established must have an intended, initial duration of not less than ten years. The intent of the choice "ten years," is to convey the intent to reach a condition among the partners, under which a normal process of repayment of combined old and new forms of honorable debts may be confidently resumed. The point of immediate action, at which to begin the process leading toward such a happy escape from the present world crisis, would be the initiation of a Food for Peace program, initially focussed upon Russia, and designed according to the principles I have identified here.

6. Bob Rubin's misjudgment

The agreement to be reached must not be approached with the idea of spelling all the terms of a "contract," before implementation begins. Rather, the first step is action, and then new action after that. Agreement to what becomes the needed New Bretton Woods order, will be built up as a by-product of preceding joint actions. Just as a war of independence has been frequently a necessary precondition for the establishment of a sovereign nation-state and its constitution, so most good things in human relations flow from a common participation in principled action; like a good sword forged in fire, the new institutions flow from such actions. (It may be said, that one of the leading problems of nations today, is that they have too many seasoned lawyers and lawyer-like politicians, and far too few actual revolutionaries.)

This is not a pragmatic rule. It flows from an elementary consideration of principle.

The cause of the self-induced catastrophes of nations, is rooted in the implied principles associated with habituated institutions and institutionalized practices. In such a circumstance, the idea of negotiating a codified international agreement, prior to implementing the measures which should be adopted, is a contradiction in terms, a fundamental error in principle.

Here lies the root of the error in U.S. Treasury Secretary Robert Rubin's public endorsement of the recent G-7 state-

U.S. Treasury Secretary Robert Rubin, and people like him, should study the theory of the flank, as carried out by Gen. William Tecumseh Sherman (inset), Lazare Carnot, and others. Shown here is an engraving of Sherman's troops during the American Civil War, by Alexander H. Ritchie.



ment. President Clinton could not wish to have a more loyal, intelligent, and capable administrator than Bob Rubin. However, Bob is not a revolutionary, but a master of the boardroom and similar proceedings; he has not yet, at least, acquired the taste for making successful revolutions. What is required now, as a matter of principle, is a revolution.

Bob Rubin, and people like him, should begin a crash program of strategic studies of the principle of the flank, beginning with the definitions of this principle by General William Tecumseh Sherman, the campaigns and doctrines of Lazare Carnot, the policies of Scharnhorst, and elaborated in the practice of the senior Helmut von Moltke, and by German Chief of Staff Alfred Graf von Schlieffen. The point? Buddy, we are at war in a certain form of expression, and we must think like the greatest commanders in war in approaching the choices of strategy and tactics for this occasion.

War, in its most general expression, that is, with or without actual war-fighting, is the imposition of a principle by force of action. One does not establish the principle before the action, but as a consequence of it. The characteristic of such warfare, is the principle of action demonstrated at Arbela, by Alexander the Great, and by Sherman's *tour-de-force* in flanking, in his march through Alabama and Georgia, the action of a "hammer," which pulverized the enemy on Grant's anvil.

In republican forms of warfare, as typified by the international practice in leadership of Benjamin Franklin, the principle is to choose those opportunities of terrain and situation presented, by means of which to outwit the enemy, exploiting, as Sherman stressed, some relevant defect of the enemy's blockheaded mind, as Frederick the Great did to a vastly superior Austrian force at Leuthen, and as the Confederate commanders were defeated by Sherman because they were his intellectual inferiors. That battle of the minds, is warfare at its best, least bloody, and most noble, as General MacArthur demonstrated this most excellently in his Pacific command, where he was obliged to defeat not only Japan's commanders, but also the Pacific policy of Winston Churchill, and a certain high-ranking faction of those in the Navy who mistook unnecessary battles, and casualties caused and incurred as bloody military glory.

Who is the enemy? Well, Sir Caspar Weinberger, for one. As European civilization emerged from the downfall of feudal traditions, from about 1714's accession of George I to the newly created throne of the United Kingdom, until the present day, the principal strategic conflict on this planet has been between two versions of capitalism, the one typified by the American System of political-economy, and the other, the chief opponent of the American System, the British monarchy. In this long struggle for survival of what was wrought in

Benjamin Franklin's Philadelphia, the U.S. patriot has been beset not only by foreign adversaries, but also by those influential portions of our own population, who have consented to be agents of influence of the British monarchy, as exemplified by the case of Sir Caspar Weinberger.

In this continuing global struggle between the two most powerful economic models of today's world—the American versus the British model—the gravest threat to the U.S.A. itself, has been the British reliance upon corrupting the U.S.A. through the influence of “free trade” and related policies. For systemic philosophical reasons inhering implicitly in the doctrine of “free trade,” the United States could not continue to survive but for recurrence of those periods, including the Civil War, in which the corrosive influence of “free trade” was defeated and the American tradition of Franklin, Hamilton, the Careys, and List re-established. The most recent return to American principles, was under the leadership of Franklin Roosevelt as President.

The entirety of the present world-wide financial and economic crisis, and most of the political conflicts among nations today, are a reflection of the efforts, by London and fellow-travellers such as Sir Henry Kissinger and Sir Caspar “Cap the Knife” Weinberger, to impose London-concocted “free trade” and “globalization” policies upon the U.S.A., China, Malaysia, Russia, and the states of Central and South America. Thus, our U.S. strategy must never be degraded to the brutish sport of the professional football field or the Roman imperial arena. We fight for principle, and we select opportunities for action, especially preferring flanking actions, in which the relative strength of an emerging community of principle is developed. We must put aside the infantile, macho's delusion, that it is the governments of nations which are our allies, and recognize, instead, that it is principles which must be the basis for our policy, our strategy.

When possible, attack by surprise. When possible, attack the flank, preferably with emphasis upon the psychological flank. Let these flanking actions be pre-emptive actions, not mass-masturbatory exercises in diplomacy, as by Sir Henry Kissinger at al. The Old Regime has failed. In its moment of weakness, we must make a revolution, in this case the re-enactment of the American Revolution, as by such exemplars as Franklin, Washington, John Quincy Adams, Abraham Lincoln, and Franklin Roosevelt. The United States is still a great power, with powerful friends. Don't lead our forces into the swamp of G-7 lunacies; take pre-emptive action, often ad hoc, with appropriate partners. Establish the principle on which the New Bretton Woods will be based, before marching onto the diplomatic battlefield, in search of agreements with regimes which are already doomed. Robert Rubin must learn—quickly—to think as a revolutionary, to think as a soldier drafted from civilian life in the mummy room of the boardroom museums, to fight as a soldier.

Naturally, the mummies, being mummies, keep jabbering about an expected early recovery.

U.S. announces food aid to Russia

by Marcia Merry Baker

On Nov. 4, President Bill Clinton announced that the United States was committed to providing food aid to Russia, and that arrangements were being made, pending final agreements, for a preliminary package of food shipments, including grains, and special relief commodities.

On the same day, Russian First Deputy Prime Minister Yuri Maslyukov said that food stocks in Russia have fallen to levels sufficient for only two or three more weeks.

The initial U.S. aid package is valued at around \$500 million, and is to consist of 100,000 tons of donated provisions to be distributed by private organizations to the most needy in Russia (especially the elderly and orphans); and some 3 million metric tons of grain and grain products (1.5 million tons of wheat donated by the U.S. government, and 1.5 million tons of grain bought by the Russians with a U.S. loan).

A relief package of this size is a modest start, but part of its benefit will be timeliness. President Clinton stated on Nov. 4, “This program will help sustain Russians through a serious food shortage this winter. We will be prepared to consider additional assistance if necessary.”

The go-ahead for the aid package awaits a U.S.–Russian agreement on certain terms, which reportedly concern U.S. demands that Russia make sure that the food will reach the people in need (and not be diverted in any way for wrongful gain); and secondly, that Russia *not* apply customs duties nor other taxes on incoming agriculture commodities from the United States.

This latter proviso may seem simple, when it concerns the incoming 3 million tons of U.S. grain, and the 100,000 tons of humanitarian products, but it is not at all straightforward when it comes to potential shipments of U.S. meat and certain other commodities.

Over the entire 1990s so-called “reform” period, begun under the George Bush/Margaret Thatcher demands for shock therapy and “free markets,” foreign commodities cartels (IBP, ConAgra, Tysons, etc.) dumped food onto Russia, especially poultry. Russian domestic meat output was devastated. Russians call U.S. chicken quarter imports, “Bush legs,” for this reason. Now, Russia is asking for aid to rebuild its livestock sector, and agriculture productivity generally. Therefore, “Bush legs” are unwelcome.

Figures 1-3 show how, over the 1990s, national inventories of livestock fell drastically in Russia and Ukraine. The estimated quantity of poultry (chickens and all fowl) in Russia, dropped by 46% during 1991-97; the number of hogs